

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Financial Statements and  
Independent Auditor's Review Report  
For the Three Months Ended March 31, 2026, and 2025  
(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 March 31, 2026, and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three 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 March 31, 2026, and 2025, and its consolidated financial performance and its consolidated cash flows for the three 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

May 7, 2026

### **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 versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
March 31, 2026, December 31, 2025, and March 31, 2025  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Note	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6 (1)	\$ 2,437,570	11	\$ 2,364,689	11	\$ 3,394,238	16
1110	Current financial assets at fair value through profit or loss	6 (2)	100	-	1,000	-	-	-
1170	Accounts receivable, net	6 (3)	2,572,896	12	3,751,109	17	2,639,351	12
1200	Other receivables		426,921	2	349,889	2	390,417	2
130X	Inventories	6 (4)	3,556,528	16	2,451,651	11	3,499,786	16
1410	Prepayments		73,416	-	79,952	1	71,063	-
1470	Other current assets	6 (7) and 8	47,184	-	38,822	-	69,421	-
11XX	<b>Total current assets</b>		<u>9,114,615</u>	<u>41</u>	<u>9,037,112</u>	<u>42</u>	<u>10,064,276</u>	<u>46</u>
<b>Non-current assets</b>								
1600	Property, plant and equipment	6 (5) and 8	10,986,021	50	10,676,264	49	9,897,242	45
1755	Right-of-use assets	6 (6)	1,539,375	7	1,537,968	7	1,710,088	8
1780	Intangible assets		35,170	-	35,927	-	38,328	-
1840	Deferred tax assets	6 (24)	353,696	2	295,255	1	262,947	1
1900	Other non-current assets	6 (7) and 8	126,120	-	152,725	1	99,133	-
15XX	<b>Total non-current assets</b>		<u>13,040,382</u>	<u>59</u>	<u>12,698,139</u>	<u>58</u>	<u>12,007,738</u>	<u>54</u>
1XXX	<b>Total assets</b>		<u>\$ 22,154,997</u>	<u>100</u>	<u>\$ 21,735,251</u>	<u>100</u>	<u>\$ 22,072,014</u>	<u>100</u>

(Continued)

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

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

## Consolidated Balance Sheets

March 31, 2026, December 31, 2025, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Note	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6 (8) and 8	\$ 1,060,000	5	\$ 1,330,000	6	\$ 955,000	4
2130	Current contract liabilities	6 (18)	36,254	-	21,388	-	17,470	-
2170	Accounts payable		2,405,050	11	2,051,288	9	2,349,880	11
2200	Other payables	6 (9)	2,122,614	10	1,591,850	7	2,044,533	9
2230	Current tax liabilities		330,597	1	301,049	1	357,009	2
2280	Current lease liabilities		88,076	-	97,553	1	74,009	-
2320	Current portion of long-term liabilities	6 (10)(11) and 8	1,013,496	5	1,008,004	5	-	-
2399	Other current liabilities, others	6 (18)	128,503	1	137,463	1	69,524	-
21XX	<b>Total current liabilities</b>		<u>7,184,590</u>	<u>33</u>	<u>6,538,595</u>	<u>30</u>	<u>5,867,425</u>	<u>26</u>
<b>Non-Current liabilities</b>								
2500	Non-current financial liabilities at fair value through profit or loss	6 (2)	-	-	-	-	100	-
2530	Bonds payable	6 (10)	-	-	-	-	941,415	4
2540	Long-term borrowings	6 (11) and 8	275,000	1	287,500	1	-	-
2560	Non-current tax liabilities		106,930	-	123,948	1	25,066	-
2570	Deferred tax liabilities	6 (24)	121,584	1	121,623	1	153,668	1
2580	Non-current lease liabilities		681,877	3	675,218	3	787,181	4
2600	Other non-current liabilities	6 (12)	208,143	1	202,628	1	208,557	1
25XX	<b>Total non-current liabilities</b>		<u>1,393,534</u>	<u>6</u>	<u>1,410,917</u>	<u>7</u>	<u>2,115,987</u>	<u>10</u>
2XXX	<b>Total liabilities</b>		<u>8,578,124</u>	<u>39</u>	<u>7,949,512</u>	<u>37</u>	<u>7,983,412</u>	<u>36</u>
<b>Equity attributable to owners of the parent company</b>								
Share capital								
3110	Ordinary share	6 (15)	2,009,917	9	2,009,917	9	2,009,917	9
Capital surplus								
3200	Capital surplus	6 (16)	6,605,628	30	6,605,628	30	6,605,628	30
Retained earnings								
3310	Legal reserve	6 (17)	1,442,687	6	1,442,687	7	1,318,803	6
3320	Special reserve		1,993,407	9	1,993,407	9	380,450	2
3350	Unappropriated retained earnings		2,243,616	10	2,687,925	12	3,865,349	18
Other equity								
3400	Other equity		( 734,264 )	( 3 )	( 970,490 )	( 4 )	( 110,952 )	( 1 )
31XX	<b>Total equity attributable to owners of the parent company</b>		<u>13,560,991</u>	<u>61</u>	<u>13,769,074</u>	<u>63</u>	<u>14,069,195</u>	<u>64</u>
36XX	<b>Non-controlling interests</b>		<u>15,882</u>	<u>-</u>	<u>16,665</u>	<u>-</u>	<u>19,407</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>13,576,873</u>	<u>61</u>	<u>13,785,739</u>	<u>63</u>	<u>14,088,602</u>	<u>64</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 22,154,997</u>	<u>100</u>	<u>\$ 21,735,251</u>	<u>100</u>	<u>\$ 22,072,014</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
 Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 For the Three Months Ended March 31, 2026 and 2025  
 (Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Notes	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
		Amount	%	Amount	%
4000 Operating revenue	6 (18)	\$ 3,674,610	100	\$ 3,667,587	100
5000 Operating costs	6 (4)	( 3,092,217)	( 84)	( 2,968,640)	( 81)
5950 Gross profit from operations		<u>582,393</u>	<u>16</u>	<u>698,947</u>	<u>19</u>
Operating expenses	6 (23)				
6100 Selling expenses		( 48,764)	( 2)	( 50,043)	( 1)
6200 Administrative expenses		( 266,423)	( 7)	( 294,785)	( 8)
6300 Research and development expenses		( 78,729)	( 2)	( 76,593)	( 2)
6450 Expected credit Impairment gain	12 (2)	<u>208</u>	<u>-</u>	<u>165</u>	<u>-</u>
6000 Total operating expenses		<u>( 393,708)</u>	<u>( 11)</u>	<u>( 421,256)</u>	<u>( 11)</u>
6900 Net operating income		<u>188,685</u>	<u>5</u>	<u>277,691</u>	<u>8</u>
Non-operating income and expenses					
7100 Interest income	6 (19)	9,207	-	16,756	-
7010 Other income	6 (20)	31,271	1	26,145	1
7020 Other gains and losses	6 (21)	15,485	-	12,310	-
7050 Finance costs	6 (22)	( 14,484)	-	( 12,343)	-
7000 Total non-operating income and expenses		<u>41,479</u>	<u>1</u>	<u>42,868</u>	<u>1</u>
7900 Profit before income tax		<u>230,164</u>	<u>6</u>	<u>320,559</u>	<u>9</u>
7950 Income tax expenses	6 (24)	( 52,137)	( 1)	( 69,992)	( 2)
8200 Profit for the period		<u>\$ 178,027</u>	<u>5</u>	<u>\$ 250,567</u>	<u>7</u>
<b>Other comprehensive income, net</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
8361 Exchange differences on translation of foreign financial statements		<u>\$ 236,181</u>	<u>6</u>	<u>\$ 158,118</u>	<u>4</u>
8300 Other comprehensive income, net		<u>\$ 236,181</u>	<u>6</u>	<u>\$ 158,118</u>	<u>4</u>
8500 Total comprehensive income for the period		<u>\$ 414,208</u>	<u>11</u>	<u>\$ 408,685</u>	<u>11</u>
Profit (loss) attributable to:					
8610 Owners of the parent company		<u>\$ 178,765</u>	<u>5</u>	<u>\$ 251,876</u>	<u>7</u>
8620 Non-controlling interests		<u>(\$ 738)</u>	<u>-</u>	<u>(\$ 1,309)</u>	<u>-</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		<u>\$ 414,991</u>	<u>11</u>	<u>\$ 409,981</u>	<u>11</u>
8720 Non-controlling interests		<u>(\$ 783)</u>	<u>-</u>	<u>(\$ 1,296)</u>	<u>-</u>
Basic earnings per share	6 (25)				
9750 Total basic earnings per share		<u>\$ 0.89</u>		<u>\$ 1.26</u>	
Diluted earnings per share					
9850 Total diluted earnings per share		<u>\$ 0.87</u>		<u>\$ 1.23</u>	

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Three Months Ended March 31, 2026 and 2025  
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent Company											
	Share Capital			Retained Earnings				Exchange Differences on Translation of Foreign Financial Statements	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Note	Ordinary Share	Advance Receipts for Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings					
Balance at January 1, 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		-	-	-	-	-	251,876	-	-	251,876	( 1,309)	250,567
Other comprehensive income for the period		-	-	-	-	-	-	158,105	-	158,105	13	158,118
Total comprehensive income (loss) for the period		-	-	-	-	-	251,876	158,105	-	409,981	( 1,296)	408,685
Distribution of earnings for the second half year of 2024	6(17)											
Cash dividends of ordinary shares		-	-	-	-	-	( 623,069)	-	-	( 623,069)	-	( 623,069)
Conversion of convertible bonds	6(10)(15)(16)(26)	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
Balance at March 31, 2025		<u>\$ 2,009,917</u>	<u>\$ -</u>	<u>\$ 6,605,628</u>	<u>\$ 1,318,803</u>	<u>\$ 380,450</u>	<u>\$ 3,865,349</u>	<u>(\$ 110,952)</u>	<u>\$ -</u>	<u>\$ 14,069,195</u>	<u>\$ 19,407</u>	<u>\$ 14,088,602</u>
Balance at January 1, 2026		<u>\$ 2,009,917</u>	<u>\$ -</u>	<u>\$ 6,605,628</u>	<u>\$ 1,442,687</u>	<u>\$ 1,993,407</u>	<u>\$ 2,687,925</u>	<u>(\$ 970,490)</u>	<u>\$ -</u>	<u>\$ 13,769,074</u>	<u>\$ 16,665</u>	<u>\$ 13,785,739</u>
Profit (loss) for the period		-	-	-	-	-	178,765	-	-	178,765	( 738)	178,027
Other comprehensive income (loss) for the period		-	-	-	-	-	-	236,226	-	236,226	( 45)	236,181
Total comprehensive income (loss) for the period		-	-	-	-	-	178,765	236,226	-	414,991	( 783)	414,208
Distribution of earnings for the second half year of 2025	6(17)											
Cash dividends of ordinary shares		-	-	-	-	-	( 623,074)	-	-	( 623,074)	-	( 623,074)
Balance at March 31, 2026		<u>\$ 2,009,917</u>	<u>\$ -</u>	<u>\$ 6,605,628</u>	<u>\$ 1,442,687</u>	<u>\$ 1,993,407</u>	<u>\$ 2,243,616</u>	<u>(\$ 734,264)</u>	<u>\$ -</u>	<u>\$ 13,560,991</u>	<u>\$ 15,882</u>	<u>\$ 13,576,873</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Three Months Ended March 31, 2026 and 2025  
(Expressed in Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 230,164	\$ 320,559
Adjustments items			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(23)	220,690	236,609
Amortization expense	6(23)	6,522	4,767
Expected credit impairment gain	12(2)	( 208 )	( 165 )
Loss (gain) on financial assets and liabilities at fair value through profit or loss, net	6(2)(21)	900	( 1,700 )
Interest expense	6(22)	14,484	12,343
Interest income	6(19)	( 9,207 )	( 16,756 )
Share-based payments	6(14)	-	50,167
Gain on disposal of property, plant and equipment	6(21)	( 1,796 )	( 1,202 )
Profit from lease modification	6(6)	-	( 10 )
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		1,223,807	1,051,889
Other receivables		( 72,860 )	( 28,563 )
Inventories		( 1,043,550 )	( 1,006,372 )
Prepayments		7,999	( 129 )
Other current assets		( 14,104 )	( 8,324 )
Net changes in operating liabilities			
Contract liability		25,369	7,498
Accounts payable		305,413	278,602
Other payables		( 214,774 )	( 131,190 )
Other current liabilities		( 12,296 )	8,124
Other non-current liabilities		( 811 )	( 802 )
Cash flow generated from operations		665,742	775,345
Interest received		9,670	16,485
Interest paid		( 7,127 )	( 5,519 )
Income tax paid		( 103,481 )	( 92,501 )
Net cash flows generated from operating activities		<u>564,804</u>	<u>693,810</u>

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Three Months Ended March 31, 2026 and 2025  
(Expressed in Thousands of New Taiwan Dollars)

	<u>Note</u>	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		\$ -	(\$ 8,800)
Proceeds from disposal of financial assets at amortized cost		2,800	135,063
Acquisition of property, plant and equipment	6(26)	( 219,381 )	( 480,291 )
Proceeds from disposal of property, plant and equipment		1,853	2,005
Increase in refundable deposits		-	( 364 )
Acquisition of intangible assets		( 560 )	( 260 )
Acquisition of use-of-right assets	6(6)	-	( 362 )
Increase in other non-current assets		( 255 )	( 184 )
Net cash flows used in investing activities		( 215,543 )	( 353,193 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(27)	3,404,594	2,646,643
Decrease in short-term borrowings	6(27)	( 3,695,339 )	( 3,215,656 )
Repayments of long-term borrowings	6(27)	( 12,574 )	-
Repayments of lease liabilities	6(6)(27)	( 13,450 )	( 8,066 )
Proceeds from issuing shares	6(15)	-	134,202
Treasury shares sold to employees		-	50,173
Net cash flows used in financing activities		( 316,769 )	( 392,704 )
Effects of exchange rate changes		40,389	67,900
Net increase in cash and cash equivalents		72,881	15,813
Cash and cash equivalents at beginning of period		2,364,689	3,378,425
Cash and cash equivalents at end of period		\$ 2,437,570	\$ 3,394,238

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 Three Months Ended March 31, 2026, and 2025,  
(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 May 7, 2026.

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<sup>®</sup>”) 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 2026 are as follows:

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

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

None.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by IASB</u>
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
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	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 2025 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, 2025.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:  
Financial assets and liabilities at fair value through profit or loss.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of Consolidation

A. Basis for preparation of consolidated financial statements

The principles for preparing the consolidated financial statements are the same as those for the 2025 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Percentage of Ownership			Notes
			March 31, 2026	December 31, 2025	March 31, 2025	
The Company	Capital Concord Enterprises Limited (Capital Concord)	Holding company; Sports Leisure Outdoor Footwear Sales	100.00	100.00	100.00	
The Company	Medao Trading Co., Ltd. (Medao Trading)	Import/export trading	100.00	100.00	-	Note 1
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	
Sunbow	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100.00	100.00	100.00	Note 2

Note 1: 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.

Note 2: 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, 2025.

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash on hand and revolving funds	\$ 5,394	\$ 6,667	\$ 6,374
Checking deposits & demand deposits	1,992,182	1,104,287	1,312,377
Time deposits	439,994	1,253,735	2,075,487
Total	<u>\$ 2,437,570</u>	<u>\$ 2,364,689</u>	<u>\$ 3,394,238</u>

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

B. The Group classifies time deposits with an original maturity of more than 3 months and not meeting short-term cash commitments, as 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

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	<u>\$ 100</u>	<u>\$ 1,000</u>	<u>\$ -</u>

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 100)</u>

A. The redemption and sale rights embedded in the Group’s convertible corporate bonds resulted in recognized losses of \$900 and gains of \$1,700 for the three months ended March 31, 2026, and 2025, respectively.

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

(3) Accounts receivable, net

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable	\$ 2,579,056	\$ 3,757,367	\$ 2,647,198
Less: Allowance for impairment	( 6,160)	( 6,258)	( 7,847)
	<u>\$ 2,572,896</u>	<u>\$ 3,751,109</u>	<u>\$ 2,639,351</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 2,469,688	\$ 3,651,530	\$ 2,599,810
Overdue 0 to 90 days	91,785	99,176	38,400
Overdue 91 to 180 days	10,995	581	1,243
Overdue 181 to 365 days	599	-	17
Over 365 days past due	5,989	6,080	7,728
Total	<u>\$ 2,579,056</u>	<u>\$ 3,757,367</u>	<u>\$ 2,647,198</u>

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

B. The balances of accounts receivable of March 31, 2026, December 31, 2025 and March 31, 2025 were generated by the customer contracts. The balances of accounts receivable from the customer contract as of January 1, 2025 was \$3,673,067.

C. The amount of the maximum credit risk of the Group's accounts receivables as of March 31, 2026, December 31, 2025 and March 31, 2025 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

	March 31, 2026		
	Cost	Allowance for Inventory Market Decline and Obsolescence	Book Value
Raw materials	\$ 951,633	(\$ 32,665)	\$ 918,968
Work in process	932,871	( 22,162)	910,709
Finished goods	1,211,790	( 50,809)	1,160,981
Inventory in transit	565,870	-	565,870
Total	<u>\$ 3,662,164</u>	<u>(\$ 105,636)</u>	<u>\$ 3,556,528</u>

	December 31, 2025		
	Cost	Allowance for Inventory Market Decline and Obsolescence	Book Value
Raw materials	\$ 519,078	(\$ 32,992)	\$ 486,086
Work in process	852,489	( 10,911)	841,578
Finished goods	774,088	( 23,718)	750,370
Inventory in transit	373,617	-	373,617
Total	<u>\$ 2,519,272</u>	<u>(\$ 67,621)</u>	<u>\$ 2,451,651</u>

	March 31, 2025		
	Cost	Allowance for Inventory Market Decline and Obsolescence	Book Value
Raw materials	\$ 814,162	(\$ 40,269)	\$ 773,893
Work in process	824,208	( 5,630)	818,578
Finished goods	1,432,902	( 28,201)	1,404,701
Inventory in transit	502,614	-	502,614
Total	<u>\$ 3,573,886</u>	<u>(\$ 74,100)</u>	<u>\$ 3,499,786</u>

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

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Cost of inventories sold	\$ 3,055,513	\$ 2,958,693
Loss on decline in market value of obsolete and slow-moving inventory	38,015	11,618
Inventory scrap losses	972	-
Others	( 2,283)	( 1,671)
	<u>\$ 3,092,217</u>	<u>\$ 2,968,640</u>

(5) Property, Plant and Equipment

For the Three Months Ended March 31, 2026

Cost	Opening Balance	Increase in the Period	Decrease in the Period	Transfer in the Period	Effect of Exchange Rate Changes	Ending Balance
Land	\$ 840,989	\$ -	\$ -	\$ -	\$ 15,118	\$ 856,107
Buildings	7,526,164	1,775	-	51,157	125,005	7,704,101
Machinery equipment	5,838,192	140,686	( 32,352)	13,174	107,242	6,066,942
Transportation equipment	100,999	-	-	-	1,563	102,562
Office equipment	83,858	2,935	-	( 66)	1,641	88,368
Others	2,633,602	39,840	( 14,095)	7,178	49,612	2,716,137
Construction in progress and to-be-inspected equipment	1,140,543	182,471	-	( 81,462)	13,227	1,254,779
	<u>\$ 18,164,347</u>	<u>\$ 367,707</u>	<u>(\$ 46,447)</u>	<u>(\$ 10,019)</u>	<u>\$ 313,408</u>	<u>\$ 18,788,996</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	(\$ 2,345,849)	(\$ 76,363)	\$ -	\$ -	(\$ 55,271)	(\$ 2,477,483)
Machinery equipment	( 2,745,940)	( 70,884)	32,297	-	( 58,106)	( 2,842,633)
Transportation equipment	( 67,547)	( 1,754)	-	-	( 1,167)	( 70,468)
Office equipment	( 63,727)	( 2,655)	-	-	( 1,333)	( 67,715)
Others	( 2,265,020)	( 50,341)	14,093	-	( 43,408)	( 2,344,676)
	<u>(\$ 7,488,083)</u>	<u>(\$ 201,997)</u>	<u>\$ 46,390</u>	<u>\$ -</u>	<u>(\$ 159,285)</u>	<u>(\$ 7,802,975)</u>
	<u>\$ 10,676,264</u>					<u>\$ 10,986,021</u>

For the Three Months Ended March 31, 2025

Cost	Opening Balance	Increase in the Period	Decrease in the Period	Transfer in the Period	Effect of Exchange Rate Changes	Ending Balance
Land	\$ 389,700	\$ -	\$ -	\$ -	\$ 4,993	\$ 394,693
Buildings	5,798,654	1,916	-	174,881	75,511	6,050,962
Machinery equipment	5,793,402	5,542	( 13,936)	31,952	71,335	5,888,295
Transportation equipment	96,747	1,689	-	3,404	1,058	102,898
Office equipment	75,326	1,720	( 446)	73	1,016	77,689
Others	2,642,713	31,089	( 10,691)	3,926	34,086	2,701,123
Construction in progress and to-be-inspected equipment	1,781,223	443,457	-	( 205,852)	( 3,483)	2,015,345
	<u>\$ 16,577,765</u>	<u>\$ 485,413</u>	<u>(\$ 25,073)</u>	<u>\$ 8,384</u>	<u>\$ 184,516</u>	<u>\$ 17,231,005</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)	(\$ 66,673)	\$ -	\$ -	(\$ 32,688)	(\$ 2,232,383)
Machinery equipment	( 2,616,191)	( 73,579)	13,511	-	( 36,693)	( 2,712,952)
Transportation equipment	( 66,562)	( 1,721)	-	-	( 796)	( 69,079)
Office equipment	( 58,399)	( 1,969)	446	-	( 821)	( 60,743)
Others	( 2,167,259)	( 72,696)	10,313	-	( 28,964)	( 2,258,606)
	<u>(\$ 7,041,433)</u>	<u>(\$ 216,638)</u>	<u>\$ 24,270</u>	<u>\$ -</u>	<u>(\$ 99,962)</u>	<u>(\$ 7,333,763)</u>
	<u>\$ 9,536,332</u>					<u>\$ 9,897,242</u>

A. For the three months ended March 31, 2026, and 2025, the Group had no interest capitalized.

B. For property, plant and equipment provided by the Group as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025, 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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
	<u>Book Value</u>	<u>Book Value</u>	<u>Book Value</u>
Land	\$ 952,700	\$ 947,771	\$ 1,041,466
Buildings	586,675	590,197	668,622
	<u>\$ 1,539,375</u>	<u>\$ 1,537,968</u>	<u>\$ 1,710,088</u>

	<u>For the Three Months Ended</u> <u>March 31, 2026</u>	<u>For the Three Months Ended</u> <u>March 31, 2025</u>
	<u>Depreciation Charge</u>	<u>Depreciation Charge</u>
Land	\$ 8,438	\$ 8,968
Buildings	10,255	11,003
	<u>\$ 18,693</u>	<u>\$ 19,971</u>

- C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were \$1,328 and \$2,107, respectively.
- D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the Three Months Ended</u> <u>March 31, 2026</u>	<u>For the Three Months Ended</u> <u>March 31, 2025</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 1,865	\$ 2,112
Expense on short-term lease contracts	146	2,693
Profit from lease modification	- (	10)

- E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for leases was \$13,596 and \$10,759, respectively.

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

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current:			
Financial assets at amortized cost - Restricted bank deposits	\$ 4,038	\$ 5,192	\$ 2,418
Financial assets at amortized cost - Time deposits	4,500	7,300	41,102
Others	38,646	26,330	25,901
Total	<u>\$ 47,184</u>	<u>\$ 38,822</u>	<u>\$ 69,421</u>

<u>Item</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current:			
Prepayments for equipment	\$ 70,210	\$ 98,896	\$ 46,615
Refundable deposits	51,572	51,008	48,834
Others	4,338	2,821	3,684
Total	<u>\$ 126,120</u>	<u>\$ 152,725</u>	<u>\$ 99,133</u>

For other current assets and other non-current assets provided by the Group as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025, please refer to Note 8.

(8) <u>Short-term borrowings</u>			
Loans type	March 31, 2026	Interest Rate Range	Collateral
Credit loans	\$ 1,060,000	1.760%~1.800%	Note
Loans type	December 31, 2025	Interest Rate Range	Collateral
Credit loans	\$ 1,330,000	1.760%~1.800%	Note
Loans type	March 31, 2025	Interest Rate Range	Collateral
Credit loans	\$ 955,000	1.720%~1.800%	Note

Note: For property, plant and equipment provided by the Group as collateral as of March 31, 2026, December 31, 2025 and March 31, 2025, please refer to Note 8.

(9) <u>Other payables</u>			
	March 31, 2026	December 31, 2025	March 31, 2025
Accrued salaries	\$ 498,939	\$ 698,489	\$ 598,980
Dividends payable	1,025,057	401,983	1,003,729
Payables on equipment	411,209	301,588	243,168
Others	187,409	189,790	198,656
	<u>\$ 2,122,614</u>	<u>\$ 1,591,850</u>	<u>\$ 2,044,533</u>

(10) <u>Bonds payable</u>			
	March 31, 2026	December 31, 2025	March 31, 2025
Domestic sixth unsecured convertible corporate bonds	\$ 999,800	\$ 999,800	\$ 999,800
Less: Discount on corporate bonds payable	( 36,304)	( 41,796)	( 58,385)
Subtotal	963,496	958,004	941,415
Less: Current Bonds payable (recognized in current portion of long-term liabilities)	( 963,496)	( 958,004)	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941,415</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 March 31, 2026, 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 February 25, 2026, the conversion price was adjusted to \$104.1 (in dollars) per share with the approval of the Chairman.

D. As of March 31, 2026, the bonds totaling \$200 had been converted into 1,801 shares of common stock.

(11) Long-term borrowings

<u>Loans Type</u>	<u>Borrowing Period and Repayment Term</u>	<u>Interest Rate Range</u>	<u>Collateral</u>	<u>March 31, 2026</u>
Secured loans	From August 20, 2025 to August 20, 2032; interest is repayable monthly.	1.950%	Note	\$ 325,000
Less: Current portion				( 50,000)
				<u>\$ 275,000</u>

<u>Loans Type</u>	<u>Borrowing Period and Repayment Term</u>	<u>Interest Rate Range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Secured loans	From August 20, 2025 to August 20, 2032; interest is repayable monthly.	1.950%	Note	\$ 337,500
Less: Current portion				( 50,000)
				<u>\$ 287,500</u>

The Group had no such situation as of March 31, 2025.

Note: For property, plant and equipment provided by the Group as collateral as of March 31, 2026 and December 31, 2025, please refer to Note 8.

(12) Other non-current liabilities

Item	March 31, 2026	December 31, 2025	March 31, 2025
Deferred government grant income (Note)	\$ 110,843	\$ 108,279	\$ 112,580
Other non-current liabilities, others	97,300	94,349	95,977
Total	\$ 208,143	\$ 202,628	\$ 208,557

Note: This represents a cash grant provided by the local government to the Group's subsidiaries, Hubei Sunsmile Footwear Co., Ltd. and Sunny Footwear Co., Ltd., in relation to 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 March 31, 2026, and 2025, the pensions recognized by the Group in accordance with the above regulations were \$1,975 and \$1,823, 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% of the total local staff's salaries. 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 March 31, 2026, and 2025, the pensions recognized by the Group in accordance with the above regulations were \$23,171 and \$21,801, 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 March 31, 2026, and 2025, the pensions recognized by the Group in accordance with the above regulations were \$62,445 and \$54,469, 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 March 31, 2026, and 2025, the pensions recognized by the Group in accordance with the above regulations were \$4,193 and \$5,067, 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 March 31, 2026, the pensions recognized by the Group in accordance with the above regulations were \$699.

(14) Share-based payment

- A. For the three months ended March 31, 2025, the Group's share-based payment arrangement was as follows:

Type of Agreement	Grant Date	Quantity Granted	Contract Period	Unit : Thousand Shares
				Vesting Conditions
Treasury shares sold to employees	2025.02.25	660 units	-	Vested immediately

The Group had no such situation for the three months ended March 31, 2026.

- 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:

Type of Agreement	Grant Date	Stock Price	Exercise Price	Expected Price Volatility (Note)	Expected Option Life	Expected Dividends	Risk-free	Fair
							Interest Rate	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	For the Three Months Ended
	March 31, 2026	March 31, 2025
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 March 31, 2026, 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	
	2026	2025
January 1	200,992	190,330
Conversion of convertible bonds	-	2
Issue of shares	-	10,000
Treasury shares sold to employees	-	660
March 31	200,992	200,992

(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:

		2026						
		Share Premium	Share Options	Treasury Share Transaction	Changes in Ownership Interests in Subsidiaries	Others	Total	
January 1 (same as March 31)		\$ 6,414,621	\$ 145,593	\$ 42,757	\$ 2,111	\$ 546	\$6,605,628	
		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
Cash capital increase		713,101	-	( 55,740)	-	-	-	657,361
Conversion of convertible bonds		199	( 29)	-	-	-	-	170
Share-based payments		-	-	50,167	-	-	-	50,167
Treasury shares sold to employees		-	-	( 50,167)	42,757	-	-	( 7,410)
March 31		\$ 6,414,621	\$ 145,593	\$ -	\$ 42,757	\$ 2,111	\$ 546	\$6,605,628

(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 2024, which have been resolved in the shareholders' meeting on May 28, 2025, respectively, were as follows:

	<u>For the Second Half Year of 2024</u>	<u>For the First Half Year of 2024</u>
Board resolution date	February 25, 2025	December 26, 2024
Appropriation to legal reserve	\$ 68,670	\$ 68,977
Reversal of special reserve	(\$ 111,393)	(\$ 313,125)
Cash dividends	\$ 623,069	\$ 380,660
Dividends per share (NT\$)	\$ 3.10	\$ 2.00

With respect to the appropriations of 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.

With respect to the appropriations of 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.

F. The appropriation of earnings for 2025 which have been resolved by the Company's Board of Directors, were as follows:

	<u>For the Second Half Year of 2025</u>	<u>For the First Half Year of 2025</u>
Board resolution date	February 24, 2026	November 6, 2025
Appropriation to legal reserve	\$ 66,113	\$ 55,214
(Reversal of) appropriation to special reserve	(\$ 1,022,917)	\$ 1,724,350
Cash dividends	\$ 623,074	\$ 401,983
Dividends per share (NT\$)	\$ 3.10	\$ 2.00

With respect to the appropriations of earnings for the first half year of 2025, declared but unpaid cash dividends amounted to \$401,983. The ex-dividend record date was March 22, 2026, and the dividends were fully paid on April 16, 2026.

Before the record date of the appropriation of interim earnings for the second 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.

Legal reserve and Special reserve for 2025 are subject to the resolution of the shareholders' meeting which will be held on May 26, 2026.

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

(18) Operating revenue

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Revenue from contracts with customers	\$ 3,674,610	\$ 3,667,587

A. Disaggregation of revenue from contracts with customers

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Domestic sales (Note)	\$ 244,762	\$ 205,798
Asia	487,520	470,585
America	1,224,347	1,393,202
Europe	1,677,701	1,550,354
Africa	6,203	12,066
Australia	34,077	35,582
	<u>\$ 3,674,610</u>	<u>\$ 3,667,587</u>

Note: Domestic sales refer to sales in China.

B. Contract liabilities

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	<u>January 1, 2025</u>
Contract liabilities:				
- Advance sales receipts	\$ 36,254	\$ 21,388	\$ 17,470	\$ 29,059

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

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ 10,754	\$ 19,361

C. Refund liabilities

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Refund liabilities (recognized in Other current liabilities, others)	\$ 52,542	\$ 59,900	\$ -

(19) Interest income

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Interest on bank deposits	\$ 9,207	\$ 16,756

(20) Other income

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Government grants	\$ 986	\$ 2,610
Mold	14,559	14,966
Other income - others	15,726	8,569
	<u>\$ 31,271</u>	<u>\$ 26,145</u>

(21) Other gains and losses

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Gain on disposal of property, plant and equipment	\$ 1,796	\$ 1,202
Foreign exchange gain	15,734	21,012
(Loss) gain on financial assets and liabilities measured at fair value through profit and loss	( 900)	1,700
Other losses	( 1,145)	( 11,604)
	<u>\$ 15,485</u>	<u>\$ 12,310</u>

(22) Finance Costs

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Bank borrowings	\$ 7,127	\$ 4,858
Convertible bonds	5,492	5,366
Lease liabilities	1,865	2,112
Others	-	7
	<u>\$ 14,484</u>	<u>\$ 12,343</u>

(23) Expenses Expressed by Nature

	<u>For the Three Months Ended March 31, 2026</u>	<u>For the Three Months Ended March 31, 2025</u>
Employee benefits		
Salary	\$ 1,335,181	\$ 1,374,391
Labor and health insurance	43,540	38,315
Pension	92,483	83,160
Others	14,552	14,405
	<u>1,485,756</u>	<u>1,510,271</u>
Depreciation expense	220,690	236,609
Amortization expense	6,522	4,767
	<u>\$ 1,712,968</u>	<u>\$ 1,751,647</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 ended March 31, 2026 and 2025 were both \$5,000. The estimated directors' remuneration for the same periods amounted both to \$3,750. 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, 2025, approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2025.

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 March 31, 2026	For the Three Months Ended March 31, 2025
Current tax:		
Current tax on profits for the period	\$ 110,255	\$ 91,306
Underestimated income tax in prior periods	362	3,593
Total current tax	<u>110,617</u>	<u>94,899</u>
Deferred tax:		
Origination and reversal of temporary differences	( 58,480)	( 24,907)
Total deferred tax	<u>( 58,480)</u>	<u>( 24,907)</u>
Income tax expenses	<u>\$ 52,137</u>	<u>\$ 69,992</u>

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, 2024 have been approved by the tax authorities.

(25) Earnings per share

	For the Three Months Ended March 31, 2026		
	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	\$ 178,765	200,992	\$ 0.89
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	178,765	200,992	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	5,492	9,604	
Employee compensation	-	343	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	<u>\$ 184,257</u>	<u>210,939</u>	<u>\$ 0.87</u>
	For the Three Months Ended March 31, 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	\$ 251,876	199,587	\$ 1.26
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	251,876	199,587	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	5,366	9,123	
Employee compensation	-	217	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	<u>\$ 257,242</u>	<u>208,927</u>	<u>\$ 1.23</u>

(26) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the Three Months Ended March 31, 2026</u>		<u>For the Three Months Ended March 31, 2025</u>
Additions to property, plant and equipment	\$ 357,688	\$	493,797
Less: Prepayments for equipment, beginning of period	( 98,896)	(	35,644)
Add: Prepayments fo equipment, end of period	70,210		46,615
Add: Payables on equipment, beginning of period	301,588		218,691
Less: Payables on equipment, end of period	( 411,209)	(	243,168)
Cash paid during the period	<u>\$ 219,381</u>	<u>\$</u>	<u>480,291</u>

B. Financing activities with no cash flow effects:

	<u>For the Three Months Ended March 31, 2026</u>		<u>For the Three Months Ended March 31, 2025</u>
Share capital converted from convertible corporate bonds	<u>\$ -</u>	<u>\$</u>	<u>188</u>
Declared cash dividends not yet paid	<u>\$ 1,025,057</u>	<u>\$</u>	<u>1,003,729</u>

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(27) Changes in liabilities from financing activities

	<u>Short-term and Long-term Borrowings (Note)</u>	<u>Lease Liabilities</u>	<u>Convertible Corporate Bonds (Note)</u>	<u>Dividends Payable</u>	<u>Total Liabilities from Financing Activities</u>
January 1, 2026	\$ 1,667,500	\$ 772,771	\$ 958,004	\$ 401,983	\$ 3,800,258
Changes in cash flows from financing	( 303,319)	( 13,450)	-	-	( 316,769)
Changes in other non- cash items	-	1,865	5,492	623,074	630,431
Impact of changes in foreign exchange rate	20,819	8,767	-	-	29,586
March 31, 2026	<u>\$ 1,385,000</u>	<u>\$ 769,953</u>	<u>\$ 963,496</u>	<u>\$ 1,025,057</u>	<u>\$ 4,143,506</u>

	<u>Short-term Borrowings</u>	<u>Lease Liabilities</u>	<u>Convertible Corporate Bonds</u>	<u>Dividends Payable</u>	<u>Total Liabilities from Financing Activities</u>
January 1, 2025	\$ 1,510,000	\$ 858,823	\$ 936,237	\$ 380,660	\$ 3,685,720
Changes in cash flows from financing	( 569,013)	( 8,066)	-	-	( 577,079)
Changes in other non- cash items	-	3,847	5,178	623,069	632,094
Impact of changes in foreign exchange rate	14,013	6,586	-	-	20,599
March 31, 2025	<u>\$ 955,000</u>	<u>\$ 861,190</u>	<u>\$ 941,415</u>	<u>\$ 1,003,729</u>	<u>\$ 3,761,334</u>

Note: The portion due within one year is included.

7. Related Party Transactions

(1) Key management compensation

	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
Short-term employee benefits	\$	18,604	\$	19,918
Share-based payments		-		50,167
Total	\$	18,604	\$	70,085

8. Pledged Assets

Assets	Book Value			Purpose of Pledge
	March 31, 2026	December 31, 2025	March 31, 2025	
Land	\$ 590,181	\$ 579,759	\$ 118,711	Short-term and long-term borrowings
Buildings	209,618	207,284	157,937	Short-term and long-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	7,744	7,651	5,578	Performance guarantee of the power supply agreement, performance bond and others
Refundable deposits (recognized in other current assets and other non-current assets)	51,853	51,262	48,834	Plants lease deposits and others
	<u>\$ 859,396</u>	<u>\$ 845,956</u>	<u>\$ 331,060</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		
	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	\$ 1,932,447	\$ 2,271,558	\$ 3,495,536

	Outstanding Amount		
	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	\$ 232,115	\$ 384,977	\$ 1,591,350

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

There are no significant changes in this period, please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2025.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at fair value through profit and loss			
Current financial assets mandatorily measured at fair value through profit or loss	\$ 100	\$ 1,000	\$ -
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 2,437,570	\$ 2,364,689	\$ 3,394,238
Accounts receivable	2,572,896	3,751,109	2,639,351
Other receivables	426,921	349,889	390,417
Financial assets at amortized cost - current	8,538	12,492	43,520
Refundable deposits (current and non-current)	51,853	51,262	48,834
Financial assets at amortized cost - non-current	3,706	2,459	3,160
	<u>\$ 5,501,484</u>	<u>\$ 6,531,900</u>	<u>\$ 6,519,520</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	\$ -	\$ -	\$ 100
Financial liabilities at amortized cost			
Short-term borrowings	\$ 1,060,000	\$ 1,330,000	\$ 955,000
Accounts payable	2,405,050	2,051,288	2,349,880
Other payables	2,122,614	1,591,850	2,044,533
Bonds payable (current and non-current)	963,496	958,004	941,415
Long-term borrowings (including current portion)	325,000	337,500	-
	<u>\$ 6,876,160</u>	<u>\$ 6,268,642</u>	<u>\$ 6,290,828</u>
Lease liabilities (current and non-current)	<u>\$ 769,953</u>	<u>\$ 772,771</u>	<u>\$ 861,190</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 adopts natural hedging measures for foreign currency positions arising from operating activities. The Finance Department monitors foreign exchange market movements to carefully select the timing of foreign currency settlements and adjusts the composition of foreign currency accounts in order to manage exchange rate risk.
- 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:

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March 31, 2026						
(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	\$ 78,094	6.9007	\$ 2,498,619	1%	\$ 24,986	\$ -
USD: VND	66,278	0.000038	2,120,571	1%	21,206	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,493,261	0.0313	\$ 1,493,261	1%	\$ 14,933	\$ -
December 31, 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	\$ 115,736	6.9909	\$ 3,637,574	1%	\$ 36,376	\$ -
USD: VND	72,742	0.000038	2,286,268	1%	22,863	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,772,646	0.0318	\$ 1,772,646	1%	\$ 17,726	\$ -
March 31, 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	\$ 123,828	7.2605	\$ 4,111,698	1%	\$ 41,117	\$ -
USD: VND	44,357	0.000039	1,472,861	1%	14,729	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,036,632	0.0301	\$ 1,036,632	1%	\$ 10,366	\$ -

- 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 ended March 31, 2026, and 2025, with recognized gain were \$15,734 and \$21,012, respectively.

Cash flow and fair value interest rate risk

- a. The Group's interest rate risk arises primarily from the short-term borrowings and long-term borrowings issued at floating rates, which expose the Group to the cash flow interest rate risk. For the three months ended March 31, 2026, and 2025, 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 three months ended March 31, 2026, and 2025, would have decreased or increased \$277 and \$191, 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 March 31, 2026, December 31, 2025, and March 31, 2025.

- 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 March 31, 2026, December 31, 2025, and March 31, 2025, were as follows:

March 31, 2026	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,469,688	\$ -
Overdue 0 to 90 days	0.05%	91,785	45
Overdue 91 to 180 days	0.89%	10,995	98
Overdue 181 to 365 days	4.67%	599	28
Over 365 days past due	100.00%	5,989	5,989
Total		\$ 2,579,056	\$ 6,160

December 31, 2025	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 3,651,530	\$ -
Overdue 0 to 90 days	0.17%	99,176	165
Overdue 91 to 180 days	2.24%	581	13
Overdue 181 to 365 days	-	-	-
Over 365 days past due	100.00%	6,080	6,080
Total		\$ 3,757,367	\$ 6,258

March 31, 2025	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,599,810	\$ -
Overdue 0 to 90 days	0.22%	38,400	84
Overdue 91 to 180 days	2.65%	1,243	33
Overdue 181 to 365 days	11.76%	17	2
Over 365 days past due	100.00%	7,728	7,728
Total		\$ 2,647,198	\$ 7,847

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

	2026	2025
	Accounts Receivable	Accounts Receivable
January 1	\$ 6,258	\$ 7,913
Reversal of impairment loss	( 208)	( 165)
Effect of foreign exchange	110	99
March 31	\$ 6,160	\$ 7,847

(C) Liquidity risk

- a. The cash flow forecast is performed by each operating entity of the Group and compiled by the Group's treasury. The Group's treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- b. The Group's treasury invests surplus cash in interest-bearing demand deposits and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasts.
- c. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had unused borrowing facilities of \$11,876,995, \$10,155,177, and \$8,055,533, 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:

March 31, 2026	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 1,061,068	\$ -	\$ -	\$ -
Accounts payable	2,405,050	-	-	-
Other payables	2,118,864	3,750	-	-
Bonds payable	999,800	-	-	-
Long-term borrowings (including current portion)	55,891	54,916	158,897	76,151
Lease liabilities	101,062	53,608	170,958	548,800

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 1,331,890	\$ -	\$ -	\$ -
Accounts payable	2,051,288	-	-	-
Other payables	1,591,850	-	-	-
Bonds payable	999,800	-	-	-
Long-term borrowings (including current portion)	56,134	55,159	159,628	89,057
Lease liabilities	104,168	52,915	168,231	557,074

Non-derivative financial liabilities:

March 31, 2025	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 957,030	\$ -	\$ -	\$ -
Accounts payable	2,349,880	-	-	-
Other payables	2,044,533	-	-	-
Bonds payable	-	-	999,800	-
Lease liabilities	81,511	56,054	179,258	650,645

(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 inputs for assets or liabilities, except for quotations in Level 1.

Level 3: Unobservable inputs for assets or liabilities. Convertible corporate bonds invested by the Group are 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):

	<u>March 31, 2026</u>	
		<u>Fair Value</u>
	<u>Book Value</u>	<u>Level 3</u>
Bonds payable	<u>\$ 963,496</u>	<u>\$ 971,659</u>

  

	<u>December 31, 2025</u>	
		<u>Fair Value</u>
	<u>Book Value</u>	<u>Level 3</u>
Bonds payable	<u>\$ 958,004</u>	<u>\$ 964,509</u>

  

	<u>March 31, 2025</u>	
		<u>Fair Value</u>
	<u>Book Value</u>	<u>Level 3</u>
Bonds payable	<u>\$ 941,415</u>	<u>\$ 946,410</u>

(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 according to the nature, characteristics and risks of the assets and liabilities, as well as the fair value hierarchy levels. The related information is as follows:

<u>March 31, 2026</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit and loss				
- Redemption right of convertible corporate bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bonds	\$ -	\$ -	\$ 1,000	\$ 1,000

March 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bonds	\$ -	\$ -	(\$ 100)	(\$ 100)

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 transfers between Level 1 and Level 2 during the three months ended March 31, 2026, and 2025.

F. The following table shows the changes in Level 3 for the three months ended March 31, 2026, and 2025:

	<u>2026</u>	<u>2025</u>
	Embedded Derivative Instruments	Embedded Derivative Instruments
January 1	\$ 1,000	(\$ 1,800)
Gain recognized in profit and loss (Note)	( 900)	1,700
March 31	<u>\$ 100</u>	<u>(\$ 100)</u>

Note: Recognized in other gains and losses.

G. Evaluation process regarding fair value Level 3 is conducted by the external valuation specialist 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 March 31, 2026	Evaluation Techniques	Significant Unobservable Inputs	Interval (Weighted Average)	Relationship of Inputs to Fair Value
Hybrid instruments:					
Redemption right of corporate bonds	\$ 100	Binomial tree evaluation model	Volatility	43.24%	The higher the volatility, the higher the fair value.

	Fair Value as of December 31, 2025	Evaluation Techniques	Significant Unobservable Inputs	Interval (Weighted Average)	Relationship of Inputs to Fair Value
Redemption right of corporate bonds	\$ 1,000	Binomial tree evaluation model	Volatility	47.11%	The higher the volatility, the higher the fair value.
	Fair Value as of March 31, 2025	Evaluation Techniques	Significant Unobservable Inputs	Interval (Weighted Average)	Relationship of Inputs to Fair Value
Redemption right of corporate bonds	(\$ 100)	Binomial tree evaluation model	Volatility	36.68%	The higher the volatility, the higher the fair value.

- 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:

		March 31, 2026			
		Recognized in Profit or Loss			
Input Value	Change	Favorable Change	Unfavorable Change		
Financial Liabilities					
Redemption right of corporate bonds	Volatility	±5%	\$ 200	\$ -	
		December 31, 2025			
		Recognized in Profit or Loss			
Input Value	Change	Favorable Change	Unfavorable Change		
Financial Liabilities					
Redemption right of corporate bonds	Volatility	±5%	\$ 400	(\$ 200)	
		March 31, 2025			
		Recognized in Profit or Loss			
Input Value	Change	Favorable Change	Unfavorable Change		
Financial Liabilities					
Redemption right of corporate bonds	Volatility	±5%	\$ 600	(\$ 400)	

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- Loans to others: Please refer to Appendix 1.
- Provision of endorsements and guarantees to others: Please refer to Appendix 2.
- Holding of significant marketable securities at the end of the period (Not including subsidiaries, associates, and joint ventures): None.
- 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.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Appendix 4.
- 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) Segment 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 Three Months Ended March 31, 2026

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		Financing Limits for Each Borrowing Company	Company's Total Financing Amount	Financing Limits	Note
													Item	Value				
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	\$ 629,300	\$ -	\$ -	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	\$ -	\$ 551,045	\$ 734,727	Notes 2,6& 7	
2	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	815,873	815,873	815,873	3.50%	Short-term financing	-	Operating capital	-	- None	-	1,118,338	1,491,117	Notes 3,6& 7	
3	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	111,983	111,983	111,983	3.50%	Short-term financing	-	Operating capital	-	- None	-	172,968	216,210	Notes 4,6& 7	
4	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Other receivables	Y	479,925	479,925	415,734	0.00%	Short-term financing	-	Build factory	-	- None	-	9,086,920	12,115,894	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 Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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 Three Months Ended March 31, 2026

Unit: NT\$ Thousand  
(Unless Otherwise Specified)

Appendix 2

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed Company Name	Relation (Note 2)	Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	\$ 9,086,920	\$ 319,950	\$ 319,950	\$ -	\$ -	2.36%	\$ 12,115,894	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 Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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 Three Months Ended March 31, 2026

Appendix 3

Purchaser/Seller	Name of the Counterparty	Relationship with the Counterparty	Purchases /Sales	Transaction Details			Unusual Trade Conditions and Its Reasons		Notes and Accounts Receivable (Payable)			
				Amount	Percentage of Total Purchases (Sales)	Credit Term	Unit Price	Credit Term	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	Note	
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiary	Purchases	\$ 132,942	4.30%	180 days after purchase	Note 1	Note 1	(\$ 410,518)	-17.07%	Note 2 & 3	
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	106,578	3.45%	180 days after purchase	Note 1	Note 1	( 272,897)	-11.35%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	195,821	6.33%	90 days after purchase	Note 1	Note 1	( 270,610)	-11.25%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	434,390	14.05%	120 days after purchase	Note 1	Note 1	( 1,178,105)	-48.98%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	752,749	24.34%	120 days after invoices issued	Note 1	Note 1	( 1,442,838)	-59.99%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	129,752	4.20%	120 days after invoices issued	Note 1	Note 1	( 494,435)	-20.56%	Note 2 & 3	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	186,434	6.03%	120 days after invoices issued	Note 1	Note 1	( 182,192)	-7.58%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	( 348,784)	-9.49%	135 days after shipment	Note 1	Note 1	166,152	6.46%	Note 2 & 3	
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Subsidiary	Sales	( 126,002)	-3.43%	135 days after shipment	Note 1	Note 1	101,489	3.94%	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 Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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  
March 31, 2026

Appendix 4

Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable		Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for Bad Debt	Note
			Balance from Related Party	Turnover Rate	Amount	Actions Taken			
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	\$ 410,518	1.10	\$ 76,316	Collection after reporting period	\$ 107,286	\$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	815,873	-	-	-	-	-	Note 2, 3& 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	272,897	1.46	8,299	Collection after reporting period	-	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	270,610	2.73	68,017	Collection after reporting period	70,389	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	111,983	-	-	-	-	-	Note 2, 3& 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,178,105	1.35	501,526	Collection after reporting period	318,951	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,442,838	1.95	206,027	Collection after reporting period	959,850	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	494,435	0.99	274,209	Collection after reporting period	108,783	-	Note 2 & 3
Eversun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	182,192	5.77	-	-	68,789	-	Note 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	166,152	3.26	-	-	72,783	-	Note 2 & 3
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Subsidiary	101,489	1.55	-	-	19,402	-	Note 2 & 3
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Subsidiary	425,262	-	-	-	412,608	-	Note 2, 3& 5
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd..	Subsidiary	415,734	-	-	-	-	-	Note 2, 3& 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Parent company	122,375	2.72	19,346	Collection after reporting period	19,856	-	Note 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to May 7, 2026.

Note 2: In Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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.

Unit NT\$ thousand  
(Unless Otherwise Specified)

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Significant inter-company transactions  
For the Three Months Ended March 31, 2026

Appendix 5

Unit NT\$ thousand  
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status			Percentage of Consolidated Total Operating Revenues or Total Assets (Note 3)
				General Ledger Account	Amount (Note 5)	Trade Terms	
0	Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	1	Other receivables	\$ 425,262	Note 4	1.92%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts receivable	166,152	Note 4	0.75%
1	Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	1	Other receivables	415,734	Note 4	1.88%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	410,518	Note 4	1.85%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	272,897	Note 4	1.23%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	270,610	Note 4	1.22%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,178,105	Note 4	5.32%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	1,442,838	Note 4	6.51%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	494,435	Note 4	2.23%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Accounts payable	182,192	Note 4	0.82%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	815,873	Note 4	3.68%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	195,821	Note 4	5.33%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	434,390	Note 4	11.82%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	752,749	Note 4	20.49%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	186,434	Note 4	5.07%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	348,784	Note 4	9.49%

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 Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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 Three Months Ended March 31, 2026

Appendix 6

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)		Shares Held at Period End			Investee Company's Current Profit or Loss (Note 3)	Unit NT\$ thousand (Unless Otherwise Specified)	
				End of Period	End of Last Year	Number of Shares (Note 1)		Book Value (Note 3)		Investment Gain (Loss) Recognized in the Current Period (Note 3&4)	Note
						Ratio					
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Holding company and Sports Leisure Outdoor Footwear Sales	\$ 8,432,973	\$ 8,432,973	2,173,000,000	100.00	\$ 15,144,867	\$ 178,302	\$ 178,302	Subsidiary
Fulgent Sun International (Holding) Co., Ltd.	Medao Trading Co., Ltd.	Taiwan	Import/export trading	1,000	1,000	100,000	100.00	1,926	694	694	Subsidiary
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	3,749,068	11,878	11,878	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	219,479	( 63 )	( 63 )	Subsidiary
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	181,266	181,266	-	100.00	159,220	( 1,999 )	( 1,999 )	Subsidiary
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,302,512	2,282,329	-	100.00	3,386,183	( 2,077 )	( 2,077 )	Subsidiary
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,436,219	1,433,314	-	100.00	1,295,898	( 20,825 )	( 20,825 )	Subsidiary
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,154,305	1,154,305	-	100.00	1,207,577	8,433	8,433	Subsidiary
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production and Sales	1,319,212	1,319,212	-	100.00	1,239,554	( 25,838 )	( 25,838 )	Subsidiary
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	2,259,918	2,073,708	-	100.00	2,031,046	( 53,931 )	( 53,931 )	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	37,433	( 2,470 )	( 1,732 )	Subsidiary
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	232,402	232,402	-	100.00	256,437	712	712	Subsidiary

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

Note 2: The historical exchange rate was adopted.

Note 3: In Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, respectively.

Note 4: Investment gain (loss) recognized in current period is based on the financial statements reviewed by the parent company's CPAs.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Information on Investments in Mainland China  
For the Three Months Ended March 31, 2026

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 the Period (Note 5)	Amount of investment Remitted or Recovered in Current Period (Note 5)		Remittances from Taiwan to Mainland China, as of End of the Period (Note 5)	Investee Company's Current Profit or Loss (Note 4)	Ownership Held by the Company	Investment Gain (Loss) Recognized in Current Period (Notes 4 and 6)	Book Value of Investments in Mainland China, as of End of the Period (Note 4)	Unit NT\$ thousand (Unless Otherwise Specified)	
					Remitted to Mainland China	Remitted to Taiwan						Accumulated Investment Income Remitted to Taiwan as of the End of the Period	Note
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	\$ 723,826	2	\$ -	\$ -	\$ -	\$ -	(\$ 91,985)	100.00	(\$ 85,375)	\$ 1,858,698	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	912,517	2	-	-	-	-	( 18,744)	100.00	( 18,316)	924,144	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	( 5,725)	100.00	( 5,725)	420,357	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	5,270	100.00	4,259	204,469	-	-

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 Q1 2026, the exchange rates for assets and profit or loss were USD:NTD=31.9950 and USD:NTD=31.6505, 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 \$1,653,310 thousand through re-investment in Hong Kong.

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