Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
For the Six Months Ended June 30, 2022 and 2021
(Stock Code: 9802)

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Independent Auditors’ Report

To the Board of Fulgent Sun International (Holding) Co., Ltd.:

Opinion

We have audited the consolidated balance sheets of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (the “Group”) as of June 30, 2022 and 2021, and the consolidated statements of comprehensive income for three months and six months ended June 30, 2022 and 2021, the consolidated changes in equity, and cash flows for the six months then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of the six months ended June 30, 2022, and 2021, and its consolidated financial performance and consolidated cash flows for the three months and six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34“Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of the Republic of China.

Basis of Opinion

We have conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section below. We are independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the first half of the year ended 2022. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on those matters.

Key audit matters for the Group’s consolidated financial statements for the first half of the year ended 2022, are stated as follows:

Sales Revenue Recognition

Description

Please refer to the consolidated financial statements (Note 4) for the accounting policy on sales revenue. The revenue of the Group the six months ended June 30, 2022, was NT$10,726,966 thousand.

The Group is engaged in the production and sale of sports and leisure outdoor shoes. The sales income is mainly generated from exporting business. In terms of the trading conditions of sales revenue, control over the goods is transferred when the exporting goods are delivered to the forwarders designated by the customers.

The Group had 56% sale growth achieved in the first half of the year ended 2022. The sales revenue recognition date for exporting business will impact the financial statements significantly and involves manual control; therefore, we believe that the correctness of income recognition is one of this year's key audit matters.

Corresponding Audit Procedures

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

1. We understood and evaluated the operating procedures and internal controls for the sale of goods, so as to evaluate the effectiveness of management’s control over the recognition of sales revenue.
2. We examined the income recognition of exporting business and checked the supporting documents and invoices within to ensure the correctness of the sales.
3. We examined the significant export sales return and check the sales return documents (credit memos) within to confirm the accuracy of income recognition of exporting business.

Allowance for Inventory Valuation Losses

Description

Please refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4), the uncertainty of accounting estimates and assumptions on inventory evaluation (Note 5(2)), and the description of the allowance for inventory valuation losses (Note 6(4)). As of June 30, 2022, the inventory balance of the Group was NT$5,229,409 thousand, and the allowance for inventory valuation losses was NT$110,588 thousand.

The Group measures inventories that are aged over a certain period of time and individually identified with impairment at the lower of cost or net realizable value. The net realizable value used in the evaluation of such inventories often involves subjective judgment. Considering that the Group’s allowance for inventory valuation losses has a significant impact on the financial statements, we classify the allowance for inventory valuation losses as one of this year's key audit matters.

Corresponding Audit Procedures

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

1. We understood and evaluated the reasonableness of the Group's subsequent inventory evaluation and provision of obsolescence losses.
2. We reviewed the Group's inventory plans and participated in the annual inventory checks to assess the effectiveness of management's differentiation and control over obsolete inventory.
3. We obtained the inventory aging report and checked it against the relevant supporting documents of the inventory change date, and verified whether the aging range of the inventory was correctly classified.
4. We obtained the net realizable value report of various inventories to verify whether the calculation logic was used consistently; we also tested the reference data of the estimated net realizable value of the inventory, including checking the supporting documents such as sales prices and purchase prices, and recalculated and evaluated the rationality of the allowance for inventory valuation losses.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and applicable IFRS, IAS, IFRIC, and SIC endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management deems necessary to enable the preparation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate or to suspend the business of the Group if there are no other practical options.

Those in charge of governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance means a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

When conducting the audit work per the auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism. We also:

1. Identified and assessed the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures in response to the risks, and obtained evidence sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understood the internal control related to the audit in order to design the appropriate audit procedures in the circumstances, but not to express an opinion on the effectiveness of the Group’s internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by management.
4. Concluded, based on the audit evidence obtained, whether management’s use of the going concern basis of accounting was appropriate and whether there were significant uncertainties in the events or circumstances that could cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions were based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the consolidated statements, including related notes, and whether the consolidated statements represented the underlying transactions and events in a matter that achieved fair presentation.
6. Obtained sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and implementing the audit of the Group, and for expressing an opinion on the audit of the Group.

We communicated with those in charge of governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identified during our audit).

We provided those in charge of governance a statement that we have complied with relevant ethical requirements for independence under the Norms of Professional Ethics for Certified Public Accountants in the Republic of China. We also communicated with them regarding all relationships and other matters (including relevant protection measures) that could reasonably be thought to bear on our independence.

From the matters communicated with those in charge of governance, we determined those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2022, and were therefore the key audit matters. We described these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hua-Ling Liang and Mei-Lan Liu.

PricewaterhouseCoopers
Taipei, Taiwan
Republic of China

August 19, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2022, December 31, 2021, and June 30, 2021
(Expressed in thousands of New Taiwan dollars)

			June 30, 2022		December 31, 2021		June 30, 2021	
	Assets	Note	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 1,644,224	7	$ 1,114,952	7	$ 1,381,709	8
1110	Current financial assets at fair value through profit or loss	6 (2)	101	-	-	-	-	-
1170	Accounts receivable, net	6 (3)	4,681,617	21	3,335,859	19	2,592,888	16
1200	Other receivables		318,561	2	212,600	1	145,395	1
130X	Inventories	6 (4)	5,229,409	23	3,897,515	22	3,658,468	23
1410	Prepayments		244,246	1	181,074	1	181,779	1
1470	Other current assets	6 (7) and 8	55,894	-	153,917	1	138,715	1
11XX	**Total current assets**		12,174,052	54	8,895,917	51	8,098,954	50
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6 (2)	5,791	-	7,607	-	6,208	-
1600	Property, plant and equipment	6 (5) and 8	8,267,870	37	7,320,208	41	6,734,211	41
1755	Right-of-use assets	6 (6)	1,654,757	8	1,168,839	7	910,205	6
1780	Intangible assets		12,897	-	11,468	-	12,714	-
1840	Deferred tax assets	6 (23)	63,658	-	58,378	-	89,495	1
1900	Other non-current assets	6 (7) and 8	156,897	1	138,249	1	379,750	2
15XX	**Total non-current assets**		10,161,870	46	8,704,749	49	8,132,583	50
1XXX	**Total assets**		$ 22,335,922	100	$ 17,600,666	100	$ 16,231,537	100

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2022, December 31, 2021, and June 30, 2021
(Expressed in thousands of New Taiwan dollars)

			June 30, 2022		December 31, 2021		June 30, 2021	
	Liabilities and Equity	Note	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6 (8) and 8	$ 3,988,820	18	$ 3,122,600	18	$ 2,529,460	16
2110	Short-term notes and bills payable		149,837	1	-	-	-	-
2130	Current contract liabilities	6 (17)	84,167	-	76,092	-	10,331	-
2150	Notes payable		-	-	-	-	4,785	-
2170	Accounts payable		3,566,564	16	2,512,476	14	2,247,119	14
2200	Other payables	6 (9)	2,099,588	9	1,374,273	8	1,442,538	9
2230	Current tax liabilities		360,655	2	158,029	1	204,523	1
2280	Current lease liabilities		8,586	-	14,704	-	12,590	-
2320	Current portion of other long-term liabilities	6 (10)(11)	265,953	1	489,956	3	-	-
2399	Other current liabilities, others		24,410	-	21,358	-	15,023	-
21XX	**Total current liabilities**		10,548,580	47	7,769,488	44	6,466,369	40
	Non-Current liabilities:							
2500	Non-current financial liabilities at fair value through profit or loss	6 (2)	-	-	700	-	50	-
2530	Bonds payable	6 (10)	-	-	-	-	486,853	3
2540	Long-term borrowings	6 (11)	-	-	100,000	1	100,000	1
2570	Deferred tax liabilities	6 (23)	2,558	-	1,595	-	748	-
2580	Non-current lease liabilities		908,705	4	477,801	3	476,080	3
2600	Other non-current liabilities	6 (12)	210,826	1	208,606	1	208,240	1
25XX	**Total non-current liabilities**		1,122,089	5	788,702	5	1,271,971	8
2XXX	**Total liabilities**		11,670,669	52	8,558,190	49	7,738,340	48
	Equity attributable to owners of the parent company							
	Share capital	6 (14)						
3110	Ordinary share		1,893,631	8	1,861,950	10	1,861,950	11
	Capital surplus	6 (15)						
3200	Capital surplus		5,551,368	25	5,256,344	30	5,256,344	32
	Retained earnings	6 (16)						
3310	Legal reserve		757,349	3	684,352	4	638,832	4
3320	Special reserve		927,442	4	975,266	5	837,187	5
3350	Unappropriated retained earnings		2,147,904	10	1,231,980	7	913,822	6
	Other equity							
3400	Other equity interest		(554,858)	(2)	(927,442)	(5)	(975,266)	(6)
3500	**Treasury shares**	6 (14)	(57,583)	-	(57,583)	-	(57,583)	-
31XX	**Total equity attributable to owners of the parent company**		10,665,253	48	9,024,867	51	8,475,286	52
36XX	**Non-controlling interests**		-	-	17,609	-	17,911	-
3XXX	**Total Equity**		10,665,253	48	9,042,476	51	8,493,197	52
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9						
3X2X	**Liabilities and total equity**		$ 22,335,922	100	$ 17,600,666	100	$ 16,231,537	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Six Months ended June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars, except for Earnings Per Common Share)

			From April 1 to June 30, 2022		From April 1 to June 30, 2021		From January 1 to June 30, 2022		From January 1 to June 30, 2021	
	Item	Note	Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue**	6(17)	$ 6,199,851	100	$ 3,479,368	100	$ 10,726,966	100	$ 6,896,217	100
5000	**Operating costs**	6(4)	(4,802,714)	(77)	(2,978,517)	(85)	(8,349,222)	(78)	(5,691,762)	(83)
5950	**Gross profit from operations**		1,397,137	23	500,851	15	2,377,744	22	1,204,455	17
	Operating expenses	6(22)								
6100	Selling expenses		(118,275)	(2)	(79,753)	(2)	(197,780)	(2)	(149,695)	(2)
6200	Administrative expenses		(249,498)	(4)	(203,062)	(6)	(466,595)	(4)	(408,561)	(6)
6300	Research & development expenses		(50,035)	(1)	(51,452)	(2)	(98,398)	(1)	(97,659)	(1)
6000	**Total operating expenses**		(417,808)	(7)	(334,267)	(10)	(762,773)	(7)	(655,915)	(9)
6900	**Operating income**		979,329	16	166,584	5	1,614,971	15	548,540	8
	Non-operating income and expenses									
7100	Interest income	6(18)	2,267	-	2,328	-	4,429	-	4,692	-
7010	Other income	6(19)	18,374	-	36,161	1	34,003	-	54,003	1
7020	Other gains and losses	6(20)	248,495	4	(70,851)	(2)	296,161	3	(79,059)	(1)
7050	Finance costs	6(21)	(16,250)	-	(7,295)	-	(26,151)	-	(13,141)	-
7000	**Total non-operating income and expenses**		252,886	4	(39,657)	(1)	308,442	3	(33,505)	-
7900	**Profit from continuing operations before tax**		1,232,215	20	126,927	4	1,923,413	18	515,035	8
7950	Tax (expense) income	6(23)	(277,895)	(5)	2,590	-	(425,746)	(4)	(60,142)	(1)
8200	**Profit**		$ 954,320	15	$ 129,517	4	$ 1,497,667	14	$ 454,893	7
	Other comprehensive income, net **Items that may be subsequently reclassified to profit or loss**									
8361	Exchange differences on translation		$ 33,405	1	($ 145,625)	(4)	$ 372,675	3	($ 139,040)	(2)
8300	**Other comprehensive income, net**		$ 33,405	1	($ 145,625)	(4)	$ 372,675	3	($ 139,040)	(2)
8500	**Total comprehensive income**		$ 987,725	16	($ 16,108)	-	$ 1,870,342	17	$ 315,853	5
	Profit attributed to:									
8610	Owners of the parent company		$ 954,320	15	$ 129,710	4	$ 1,497,702	14	$ 455,201	7
8620	Non-controlling interests		$ -	-	($ 193)	-	($ 35)	-	($ 308)	-
	Comprehensive income attributable to:									
8710	Owners of the parent company		$ 987,725	16	($ 14,956)	-	$ 1,870,286	17	$ 317,122	5
8720	Non-controlling interests		$ -	-	($ 1,152)	-	$ 56	-	($ 1,269)	-
	Basic Earnings per share	6(24)								
9750	**Total basic earnings per share**		$ 5.12		$ 0.70		$ 8.06		$ 2.45	
	Diluted earnings per share									
9850	**Total diluted earnings per share**		$ 5.02		$ 0.69		$ 7.88		$ 2.41	

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

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

Consolidated Statements of Changes in Equity

For the Six Months ended June 30, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

		Equity Attributable to Owners of Parent									
				Retained earnings							
	Notes	Ordinary share	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Treasury shares	Total	Non-controlling interests	Total Equity
Balance at January 1, 2021		$1,861,950	$5,256,344	$601,681	$852,629	$795,740	($ 837,187)	($57,583)	$8,473,574	$ 41,743	$ 8,515,317
Profit for the period		-	-	-	-	455,201	-	-	455,201	(308)	454,893
Other comprehensive income		-	-	-	-	-	(138,079)	-	(138,079)	(961)	(139,040)
Total comprehensive income		-	-	-	-	455,201	(138,079)	-	317,122	(1,269)	315,853
Distribution of earnings for the six-month period ended December 31, 2020	6(16)										
Legal reserve appropriated		-	-	37,151	-	(37,151)	-	-	-	-	-
Reversal of special reserve		-	-	-	(15,442)	15,442	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(315,410)	-	-	(315,410)	-	(315,410)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(22,563)	(22,563)
Balance at June 30, 2021		$1,861,950	$5,256,344	$638,832	$837,187	$ 913,822	($ 975,266)	($57,583)	$8,475,286	$ 17,911	$ 8,493,197
Balance at January 1, 2022		$1,861,950	$5,256,344	$684,352	$975,266	$1,231,980	($ 927,442)	($57,583)	$9,024,867	$ 17,609	$ 9,042,476
Profit for the period		-	-	-	-	1,497,702	-	-	1,497,702	(35)	1,497,667
Other comprehensive income		-	-	-	-	-	372,584	-	372,584	91	372,675
Total comprehensive income		-	-	-	-	1,497,702	372,584	-	1,870,286	56	1,870,342
Distribution of earnings for the six-month period ended December 31, 2021	6(16)										
Legal reserve appropriated		-	-	72,997	-	(72,997)	-	-	-	-	-
Reversal of special reserve		-	-	-	(47,824)	47,824	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(556,605)	-	-	(556,605)	-	(556,605)
Conversion of convertible bonds	6(14)(15)(25)	31,681	295,024	-	-	-	-	-	326,705	-	326,705
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(17,665)	(17,665)
Balance at June 30, 2022		$1,893,631	$5,551,368	$757,349	$927,442	$2,147,904	($ 554,858)	($57,583)	$10,665,253	$ -	$ 10,665,253

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months ended June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

	Note	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Cash flows from operating activities			
Profit before tax		$ 1,923,413	$ 515,035
Adjustments			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(22)	443,134	370,382
Amortization expense	6(22)	8,016	9,170
Expected credit loss	12(2)	6,240	11,647
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(20)	777	2,881
Interest expenses	6(21)	26,151	13,141
Interest income	6(18)	(4,429)	(4,692)
(Gain) loss on disposal of property, plant, and equipment	6(20)	(764)	3,903
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		(1,154,790)	(436,306)
Other receivables		(94,324)	37,342
Inventories		(1,073,687)	(1,007,003)
Prepayments		(54,563)	(55,866)
Other current assets		393	(12,068)
Changes in operating liabilities			
Contract liability		66,741	9,820
Notes payable		-	4,838
Accounts payable		918,383	612,990
Other payables		36,453	(13,538)
Other current liabilities		2,092	(985)
Other non-current liabilities		(1,574)	(1,545)
Cash flows generated from operating		1,047,662	59,146
Interest received		5,304	4,455
Interest paid		(18,103)	(7,225)
Income tax paid		(230,561)	(39,917)
Net cash flows from operating activities		804,302	16,459

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Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months ended June 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

	Note	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Cash flows from investing activities			
Proceeds from disposal of financial assets at amortised cost		$ 90,474	$ 37,359
Acquisition of property, plant, and equipment	6(25)	(699,668)	(1,119,508)
Proceeds from disposal of property, plant and equipment		2,049	1,428
Increase in refundable deposits		(17,803)	(320)
Acquisition of intangible assets		(2,349)	(868)
Decrease (increase) in other non-current assets		7,478	(50,755)
Net cash flows used in investing activities		(619,819)	(1,132,664)
Cash flows from financing activities			
Increase in short-term loans	6(26)	615,439	1,248,762
Increase in short-term notes and bills payable	6(26)	144,973	-
Proceeds from long-term debt		-	101,090
Payments of lease liabilities	6(6) (26)	(12,654)	(34,193)
Cash dividends paid	6(16) (26)	(228,208)	(389,623)
Changes in non-controlling interests		(17,665)	(22,563)
Net cash flows from financing activities		501,885	903,473
Effects of exchange rate changes		(157,096)	26,613
Net increase (decrease) in cash and cash equivalents		529,272	(186,119)
Cash and cash equivalents at beginning of period		1,114,952	1,567,828
Cash and cash equivalents at end of period		$ 1,644,224	$ 1,381,709

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

(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 Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

The consolidated financial statements were reported to the Board of Directors on August 19, 2022.

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") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective Date Set by the IASB
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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 IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective Date Set by the IASB
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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.

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'
The amendments require an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group expects to recognize a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities as of January 1, 2022. The potential impacts of these amendments are an increase in deferred tax assets by $99,500 and $184,337 and deferred tax liabilities by $67,477 and $157,198, respectively, and an increase in retained earnings by $32,023 and $27,139 as of January 1, 2022 and June 30, 2022, respectively, and a decrease and an increase in income tax expense by ($2,251) and $4,884 and earnings per share by $0.01 and ($0.03) (in dollars), respectively, for the three months ended June 30, 2022, and the six months ended June 30, 2022.

(3) IFRSs issued by IASB but not yet endorsed by the FSC.

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

New Standards, Interpretations and Amendments	Effective Date Set by the IASB
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 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
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023

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

4. Summary of Significant Accounting Policies

The significant accounting policies are the same as Note 4 of the 2021 consolidated financial statements except for the statement of compliance, basis of preparation, basis of consolidation and newly added parts are explained below. These policies apply consistently during all reporting periods, unless otherwise specified.

(1) Statement of Compliance

A. These consolidated financial statements have been prepared in accordance with the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China, and guideline of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC.

B. The consolidated financial statements should be read with 2021 consolidated financial statements.

(2) Basis of preparation

A. Except for the following important items, this consolidated financial report is prepared based on historical cost:

Fair value measurement through profit or loss, and financial assets and liabilities measured at fair value.

B. The preparation of financial reports conforming to the International Financial Reporting Standards, International Accounting Standards (IAS), IFRICs Interpretations and SICs Interpretations (hereinafter referred to “IFRSs”) recognized by the Financial Supervisory Commission (FSC), requires the use of some important accounting estimates. In the application of the Group's accounting policies, it is also necessary for the management to use their judgments, and involvement of items which requires profound judgment or complexity, or major assumptions and estimates with regards to consolidated financial statements. Please to Note 5 for details.

(3) <u>Basis of Consolidation</u>

A. Basis for preparation of consolidated financial statements:

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

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

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

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

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

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

B. List of subsidiaries included in the consolidated financial statements:

			Percentage of ownership			
Name of Investor	Name of Subsidiary	Nature of business	June 30, 2022	December 31, 2021	June 30, 2021	Note
The Company	Capital Concord Enterprises Limited (Capital Concord Enterprises Limited H.K.)	Holding company; Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya)	Import/export trading	100	100	100	
Capital Concord Enterprises Limited H.K.	Laya Max Trading Co., Ltd. (Taiwan Laya)	Distribution Agent and Import and Export Trade	-	-	100	Note1
Capital Concord Enterprises Limited H.K.	Hong Kong Laya Outdoor Products (Hong Kong Laya)	Holding company	-	100	100	Note2
Capital Concord Enterprises Limited H.K.	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunbow Enterprises Co., Ltd. (Sunbow)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunstone Enterprises Co., Ltd. (Sunstone)	Sports Leisure Outdoor Footwear Production and Sales	100	91.27	91.27	Note3
Capital Concord Enterprises Limited H.K.	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	Eversun Footwear Co., Ltd. (Eversun)	Sports Leisure Outdoor Footwear Production	100	100	-	Note4
Capital Concord Enterprises Limited H.K.	PT. SUN BRIGHT LESTARI	Start-up stage not yet in operation	100	100	-	Note5
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100	100	100	Note6

Note 1: The liquidation process was completed in December 2021.

Note 2: The liquidation process was completed in April 2022.

Note 3: The Group purchased 8.73% equity of Sunstone from unrelated parties in January 2022.

Note 4: The Group obtained the control of Eversun in August 2021, and has included it in the consolidated financial statements since the date of obtaining the control.

Note 5: The Group had established PT. SUN BRIGHT LESTARI in Indonesia in 2021, and has included it in the consolidated financial statements since then.

Note 6: A total of 51% of the equity is registered in the name of a related party who is a Cambodian in response to the local law and regulations. The Group has already taken relevant preservation measures.

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

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

E. Significant restrictions: None.

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

(4) Accounting Policies Of Key Audit Matters

A. Inventories

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

B. Recognition of revenue

(a) Product sales

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

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

(b) Financial components

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

(5) Income Tax

A. 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Except for the following explanations about major accounting judgments, estimates and assumptions of the key audit matters please refer to Note 5 of 2021.

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30,2021
Cash on hand and revolving funds	$ 4,092	$ 10,062	$ 9,033
Checking deposits & demand deposits	1,456,370	784,622	1,007,607
Time deposits	183,762	320,268	365,069
Total	$ 1,644,224	$ 1,114,952	$ 1,381,709

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 almost unlikely

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

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

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

Item	June 30,2022	December 31,2021	June 30, 2021
Current items:			
Financial assets designated at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	$ 101	$ -	$ -
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
- Listed company stock	$ 5,791	$ 7,607	$ 6,208

Item	June 30, 2022	December 31,2021	June 30, 2021
Non-current items:			
Financial liabilities designated at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	$ -	($ 700)	($ 50)

A. The convertible corporate bonds the Group held the right to redeem and sell for the three months ended June 30, 2022 and 2021, with recognized losses and gains were ($111) and $400, respectively. For the six months ended June 30, 2022 and 2021, with recognized gains were $1,039 and $200, respectively.

B. The shares of listed OTC companies the Group held for the three months ended June 30, 2022 and 2021, with recognized losses were ($1,531) and ($2,017), respectively. For the six months ended June 30, 2022 and 2021, with recognized losses were ($1,816) and ($3,081), respectively.

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

(3) Accounts receivable, net

	June 30, 2022	December 31, 2021	June 30, 2021
Accounts receivable	$ 4,717,213	$ 3,363,009	$ 2,609,146
Less: Allowance for impairment	(35,596)	(27,150)	(16,258)
Total	$ 4,681,617	$ 3,335,859	$ 2,592,888

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

	June 30, 2022	December 31, 2021	June 30,2021
Current	$ 4,233,875	$ 3,079,004	$ 2,489,958
Overdue 0 to 90 days	423,030	261,485	96,156
Overdue 91 to 180 days	34,850	5,577	2,484
Overdue 181 to 365 days	7,539	896	19,375
Over 365 days past due	17,919	16,047	1,173
	$ 4,717,213	$ 3,363,009	$ 2,609,146

The above information is based on the number of overdue days for the aging analysis.

B. The balance of accounts receivable as of June 30, 2022, December 31, 2021 and June 30, 2021 were generated by the customer contract. The balance of accounts receivable from the customer contract as of January 1, 2021 was $2,270,550.

C. The amount of the maximum credit risk of the Group's accounts receivables as of June 30, 2022, December 31, 2021 and June 30, 2021 regardless of the collateral or other credit enhancements held, was the book value of each type of accounts receivables.

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

(4) Inventories

	June 30, 2022		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 333	$ -	$ 333
Raw material	1,493,780	(25,586)	1,468,194
Work in process	1,846,590	(51,165)	1,795,425
Finished goods	1,201,104	(33,837)	1,167,267
Inventory in-transit	798,190	-	798,190
Total	$ 5,339,997	($ 110,588)	$ 5,229,409

	December 31, 2021		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 1,521	$ -	$ 1,521
Raw material	904,972	(37,119)	867,853
Work in process	1,181,198	(19,550)	1,161,648
Finished goods	1,129,632	(21,266)	1,108,366
Inventory in-transit	758,127	-	758,127
Total	$ 3,975,450	($ 77,935)	$ 3,897,515

	June 30, 2021		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 437	$ -	$ 437
Raw material	1,187,929	(39,963)	1,147,966
Work in process	952,615	(29,083)	923,532
Finished goods	1,060,746	(47,178)	1,013,568
Inventory in-transit	572,965	-	572,965
Total	$ 3,774,692	($ 116,224)	$ 3,658,468

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

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Cost of inventories sold	$ 4,788,298	$ 2,944,597
Inventory valuation loss	10,809	31,419
Inventory scrap loss	1,356	4,022
Stock loss (gain)	7,003	(3,162)
Recognized as expenses	(1,762)	(442)
Effect of exchange rate changes	(2,990)	2,083
	$ 4,802,714	$ 2,978,517

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Cost of inventories sold	$ 8,316,410	$ 5,666,443
Inventory valuation loss	32,653	22,300
Inventory scrap loss	1,752	4,461
Stock loss (gain)	6,684	(2,717)
Recognized as expenses	(2,192)	(760)
Effect of exchange rate changes	(6,085)	2,035
	$ 8,349,222	$ 5,691,762

(5) Property, Plant and Equipment

Cost	For the Six Months Ended June 30, 2022 Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 282,330	$ -	$ -	$ -	$ 20,808	$ 303,138
Buildings	4,469,900	78,640	-	244,153	216,515	5,009,208
Machinery equipment	3,995,352	388,482	(20,026)	264,538	192,792	4,821,138
Transport equipment	85,753	4,162	(4,964)	713	4,001	89,665
Office equipment	46,373	5,966	(249)	-	2,072	54,162
Others	1,692,739	183,310	(17,536)	4,846	94,789	1,958,148
Construction in progress and to-be-inspected equipment	975,269	309,050	-	(521,470)	40,066	802,915
	$ 11,547,716	$ 969,610	($ 42,775)	($ 7,220)	$ 571,043	$ 13,038,374

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,317,524)	($ 104,485)	$ -	$ -	($ 44,917)	($ 1,466,926)
Machinery equipment	(1,677,192)	(151,467)	19,315	-	(63,045)	(1,872,389)
Transport equipment	(54,734)	(4,122)	4,901	-	(2,311)	(56,266)
Office equipment	(36,828)	(1,904)	228	-	(1,477)	(39,981)
Others	(1,141,230)	(146,642)	17,046	-	(64,116)	(1,334,942)
	($ 4,227,508)	($ 408,620)	$ 41,490	$ -	($ 175,866)	($ 4,770,504)
	$ 7,320,208					$ 8,267,870

For the Six Months Ended June 30, 2021

Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 283,615	$ -	$ -	$ 6,799	($ 6,248)	$ 284,166
Buildings	4,051,113	26,506	(9,803)	56,648	(66,085)	4,058,379
Machinery equipment	3,304,171	369,215	(22,450)	72,834	(55,920)	3,667,850
Transport equipment	76,776	8,566	(2,547)	-	(1,241)	81,554
Office equipment	41,854	2,425	(528)	126	(654)	43,223
Others	1,441,162	147,114	(39,418)	17,283	(26,597)	1,539,544
Construction in progress and to-be-inspected equipment	396,630	653,255	-	(81,130)	(12,779)	955,976
	$ 9,595,321	$ 1,207,081	($ 74,746)	$ 72,560	($ 169,524)	$ 10,630,692

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,152,227)	($ 90,037)	$ 7,446	$ -	$ 16,155	($ 1,218 663)
Machinery equipment	(1,462,164)	(135,909)	19,601	-	21,255	(1,557,217)
Transport equipment	(51,290)	(4,001)	2,547	-	765	(51,979)
Office equipment	(34,655)	(1,687)	527	-	513	(35,302)
Others	(974,217)	(116,011)	39,294	-	17,614	(1,033,320)
	($ 3,674,553)	($ 347,645)	$ 69,415	$ -	$ 56,302	($ 3,896,481)
	$ 5,920,768					$ 6,734,211

A. For the three months and six months ended June 30, 2022 and 2021 the Group no interest capitalized.

B. For property, plant, and equipment provided by the Group as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021, refer to Note 8.

(6) Lease arrangements - Lessee

A. The Group's leased assets include land, buildings, and official vehicles. The lease contract usually lasts from 3 to 50 years. The lease contract is negotiated individually and contains various terms and conditions. There are no restrictions except that the leased assets may not be used as loan guarantees.

B. The carrying amount of the right-of-use assets and the depreciation charges recognized were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	$ 874,106	$ 837,416	$ 575,046
Buildings	780,651	331,279	334,956
Transportation Equipment (official vehicles)	-	144	203
	$ 1,654,757	$ 1,168,839	$ 910,205

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
	Depreciation	Depreciation
Land	$ 6,765	$ 5,767
Buildings	11,688	5,546
Transportation Equipment (official vehicles)	-	29
	$ 18,453	$ 11,342

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
	Depreciation	Depreciation
Land	$ 13,311	$ 11,609
Buildings	21,174	11,099
Transportation Equipment (official vehicles)	29	29
	$ 34,514	$ 22,737

C. The Group’s right-of-use assets for the three months ended June 30, 2022 and 2021 increased to $9,050 and $1,210, respectively. For the six months ended June 30, 2022 and 2021 increased to $456,752 and $1,210, respectively.

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

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Items affecting profit and loss:		
Interest expense on lease liability	$ 2,240	$ 1,206
Cost relates to short-term lease contract	825	2,850

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Items affecting profit and loss:		
Interest expense on lease liability	$ 3,934	$ 2,431
Cost relates to short-term lease contract	3,341	4,034

E. The Group's cash flows used in leases for the six months ended June 30, 2022 and 2021 totaled $15,995 and $38,227, respectively.

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

Item	June 30, 2022	December 31, 2021	June 30, 2021
Current:			
Financial assets at amortized cost - Restricted bank deposits	$ 1,812	$ 1,725	$ 378
Financial assets at amortized cost - Time deposits	-	87,092	43,150
Others	54,082	65,100	95,187
Total	$ 55,894	$ 153,917	$ 138,715

Item	June 30, 2022	December 31, 2021	June 30, 2021
Non-current:			
Prepaid land and equipment	$ 114,071	$ 72,811	$ 317,005
Refundable deposits	27,574	8,965	3,143
Others	15,252	56,473	59,602
Total	$ 156,897	$ 138,249	$ 379,750

Note: For other current assets and other non-current assets provided by the Group as collateral as of June 30, 2022, December 31, 2021 and June 30, 2021, refer to Note 8.

(8) Short-term borrowings

Loan Type	June 30, 2022	Interest rate range	Collateral
Credit loans	$ 3,988,820	0.940%~2.470%	Note

Loan Type	December 31, 2021	Interest rate range	Collateral
Credit loans	$ 3,122,600	0.530%~0.741%	Note

Loan Type	June 30, 2021	Interest rate range	Collateral
Credit loans	$ 2,529,460	0.440%~0.736%	Note

Note: For property, plant, and equipment provided by the Group as collateral, refer to Note 8.

(9) Other Payables

	June 30, 2022	December 31, 2021	June 30, 2021
Accrued salaries	$ 677,983	$ 654,264	$ 487,393
Payables on equipment	617,458	313,476	486,157
Dividends	556,605	228,208	315,410
Others	247,542	178,325	153,578
Total	$ 2,099,588	$ 1,374,273	$ 1,442,538

(10) Bonds Payable

	June 30, 2022	December 31, 2021	June 30, 2021
Domestic fifth unsecured convertible corporate bonds	$ 168,300	$ 500,000	$ 500,000
Less: Discount on corporate bonds payable	(2,347)	(10,044)	(13,147)
Subtotal	165,953	489,956	486,853
Less: Current bonds payable (Current portion of long-term liabilities)	(165,953)	(489,956)	-
Total	$ -	$ -	$ 486,853

The fifth unsecured convertible corporate bonds in the Republic of China, issued by the Board of Directors of the Company on April 30, 2020, were as follows:

(A) The conditions for issuing the fifth unsecured convertible corporate bonds of the Company were as follows:

a. With the approval of the competent authority, the Company raised and issued the 5th unsecured convertible corporate bonds in Taiwan, totaling NT$500,000, with a par value of NT$100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from August 17, 2020 to August 17, 2023. 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 at Gre Tai Securities Market Exchange on August 17, 2020.

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 NT$112 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 common stock of the Company will exceed 30% of the conversion price at that time; the Company will notify the creditors within 30 business days thereafter and withdraw the outstanding bonds in cash on the basis of the day of recovery based on the bond value. When the convertible corporate bond is issued 3 months, When the balance of the convertible corporate bond is less than 10% of the total issued in the first 40 days before the expiration of the issuance period, the Company will have to withdraw all its bonds in cash at any time thereafter based on the denomination of the bonds.

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

(B) As of June 30, 2022, the convertible corporate bond of NT$331,700 was converted to 3,168 thousand shares of common stock. After the issuance of the convertible corporate bond, when the common stock issued by the Company has increased or the Company distributes cash dividends on the common stock, the Company should adjust the conversion price of this bond based on the ratio of current price per share on the ex-dividend date according to the prescribed formula. At present, the conversion price for the convertible corporate bond is NT$104.7 per share.

(C) When issuing the convertible corporate bond, the Company will, in accordance with the International Accounting Standards No.32, separate the conversion rights of equity from the constituent elements of the liabilities, and account for the "capital surplus - stock options." The balance on June 30, 2022 was NT$16,225. 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 1.261%.

(11) Long-term borrowings

Loan Type	Loan period and repayment method	Interest rate range	Collateral	June 30,2022
Credit loan	Monthly interest payment from June 7, 2021 to June 7, 2023; principal can be repaid at any time	0.9898%	none	$ 100,000
Less: current portion of long-term liabilities				(100,000)
				$ -

Loan Type	Loan period and repayment method	Interest rate range	Collateral	December 31, 2021
Credit loan	Monthly interest payment from June 7, 2021 to June 7, 2023; principal can be repaid at any time	0.7413%	none	$ 100,000

Loan Type	Loan period and repayment method	Interest rate range	Collateral	June 30,2021
Credit loan	Monthly interest payment from June 7, 2021 to June 7, 2023; principal can be repaid at any time	0.7366%	none	$ 100,000

(12) Other non-current liabilities

Item	June 30, 2022	December 31, 2021	June 30, 2021
Non-Current:			
Deferred government grant income	$ 117,799	$ 117,240	$ 117,705
Other non-current liabilities - Other	93,027	91,366	90,535
Total	$ 210,826	$ 208,606	$ 208,240

(13) Pension

A. Since July 1, 2005, the Group's subsidiary Capital Concord Enterprises Limited H.K., Taiwan Branch 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 and six months ended June 30, 2022 and 2021, the pensions recognized by the Group in accordance with the above regulations were NT$1,894, NT$1,726, NT$3,694 and NT$3,374 respectively.

B. In accordance with the regulations of the People's Republic of China, the Group's second-tier subsidiaries in China set aside the pension monthly at 16%~19% of the total local staff's salaries (Sunny and Sunshine: 16%~18%; Sunsmile: 16%~19%; Fujian Laya: 16%). Each employee's pension is managed and arranged by the government, and the Group is solely obliged to set aside the pension. For the three months and six months ended June 30, 2022 and 2021, the pensions recognized by the Group's second-tier subsidiaries in China in accordance with the above regulations were NT$27,129, NT$21,743, NT$52,967 and NT$42,021 respectively.

C. The Group's subsidiaries, Fulgent Sun, NGOC HUNG and Eversun are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months and six months ended June 30, 2022 and 2021, the pensions recognized by the Group in accordance with the above regulations were NT$46,623, NT$34,954, NT$88,331 and NT$67,411 respectively.

(14) Share Capital

A. On June 30, 2022, the Company's rated capital was $3,000,000, divided into 300 million shares, the paid-in-capital was $1,893,631, the denomination of $10 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

	2022	2021
January 1	185,535	185,535
Conversion of convertible corporate bonds	3,168	-
June 30	188,703	185,535

B. Treasury Stock

(A) Reason for buyback and number of treasury stocks bought back

		June 30, 2022	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

		December 31, 2021	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

		June 30, 2021	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

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

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

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

(15) Capital surplus

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

B. The changes in capital surplus are as follows:

	2022			
	Issue Premium	Stock Options	Others	Total
January 1	$ 5,207,597	$ 48,201	$ 546	$ 5,256,344
Convertible corporate bonds converted to common stocks	327,000	(31,976)	-	295,024
June 30	$ 5,534,597	$ 16,225	$ 546	$ 5,551,368

	2021			
	Issue Premium	Stock Options	Others	Total
January 1 and June 30	$ 5,207,597	$ 48,201	$ 546	$ 5,256,344

(16) Retained Earnings

A. In the shareholders’ meeting held on June 12, 2020, the Company passed a resolution to amend the Articles of Incorporation, 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. In accordance with the amended Articles of Incorporation, 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; and (3) may set aside less than 3% of the remaining earnings as directors’ remuneration and 0.1%~3% of the remaining profits as bonuses to the employees of the Company and subsidiaries.

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 Incorporation, 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. 1010012865 issued by the FSC on April 6, 2012 is to be reversed when the Company subsequently uses, disposes of or reclassifies the related assets.

E. The appropriations of earnings for 2020 which have been resolved in the shareholders' meeting on August 27, 2021 respectively, were as follows:

	For the second half year of 2020	For the first half year of 2020
Board resolution date	February 26, 2021	December 28, 2020
Legal surplus reserve	$ 37,151	$ 52,606
Special surplus reserve	($ 15,442)	$ 169,454
Cash dividends	$ 315,410	$ 389,623
Dividends per share (NT$)	$ 1.70	$ 2.10

F. The appropriations of earnings for 2021 which have been resolved in the shareholders' meeting on May 27, 2022 respectively, were as follows:

	For the second half year of 2021	For the first half year of 2021
Board resolution date	February 25, 2022	December 28, 2021
Legal surplus reserve	$ 72,997	$ 45,520
Special surplus reserve	($ 47,824)	$ 138,079
Cash dividends	$ 556,605	$ 228,208
Dividends per share (NT$)	$ 3.00	$ 1.23

In accordance with the FSC Letter No.1010012865 dated April 6, 2012, for the net deduction to other shareholders' equity, the special surplus reserve of the same amount that is set aside from profit or loss and undistributed earnings should not be distributed; however, the Company has set aside special surplus reserve upon the first application of the IFRSs, and should therefore set aside a special surplus reserve to make up the difference between the amount already set aside and the net deduction to other shareholders' equity.

Before the record date of the appropriations of interim earnings for the second half year of 2021, if the number of outstanding shares is affected by the conversion of convertible corporate bonds, the issuance of restricted stock for employees, or other factors, resulting in a change in shareholders’ dividends and a need for modification, it should be reported to the Board of Directors, which should authorize the Chairman to act at his/her own discretion.

For more information on the distribution of earnings proposed by the Board of Directors and resolved in the shareholders' meeting, refer to the “Market Observation Post System” of Taiwan Stock Exchange Corporation.

(17) Operating Revenue

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Revenue from Contracts with Customers	$ 6,199,851	$ 3,479,368

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Revenue from Contracts with Customers	$ 10,726,966	$ 6,896,217

A. Breakdown of Customer Contract Income

The income of the Group originates from the transfer of goods at a certain point. Income can be broken down according to the type of business. For relevant information, refer to Note 14(2).

B. Contract liability

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

	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
Contract liability - Advance sales receipts	$ 84,167	$ 76,092	$ 10,331	$ 52,618

Opening contract liabilities - income recognized in the current period:

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Opening contract liabilities - income recognized in the current period - Sales revenue received in advance	$ 13,152	$ 31,668

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Opening contract liabilities - income recognized in the current period - Sales revenue received in advance	$ 64,341	$ 51,423

(18) Interest revenue

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Interest on bank deposits	$ 2,267	$ 2,328

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Interest on bank deposits	$ 4,429	$ 4,692

(19) Other Income

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Government grant	$ 7,255	$ 25,428
Other revenue - others	11,119	10,733
	$ 18,374	$ 36,161

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Government grant	$ 9,134	$ 34,209
Other revenue - others	24,869	19,794
	$ 34,003	$ 54,003

(20) Other gains and losses

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Gains (losses) on disposal of property, plant, and equipment	$ 718	($ 1,533)
Foreign exchange gains (losses)	253,049	(61,744)
Losses on financial assets and liabilities measured at fair value through profit and loss	(1,642)	(1,617)
Other losses	(3,630)	(5,957)
	$ 248,495	($ 70,851)

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Gains (losses) on disposal of property, plant, and equipment	$ 764	($ 3,903)
Foreign exchange gains (losses)	303,003	(60,806)
Losses on financial assets and liabilities measured at fair value through profit and loss	(777)	(2,881)
Other losses	(6,829)	(11,469)
	$ 296,161	($ 79,059)

(21) Finance costs

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Bank borrowings	$ 12,596	$ 4,562
Convertible bonds	1,414	1,527
Lease liabilities	2,240	1,206
	$ 16,250	$ 7,295

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Bank borrowings	$ 19,278	$ 7,677
Convertible bonds	2,939	3,033
Lease liabilities	3,934	2,431
	$ 26,151	$ 13,141

(22) Expenses expressed by Nature

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Employee benefits		
Salary	$ 1,636,148	$ 1,143,976
Labor and health insurance	45,389	37,429
Pension	75,646	58,423
Others	26,195	23,179
	1,783,378	1,263,007
Depreciation	229,576	188,566
Amortization	4,180	5,055
	$ 2,017,134	$ 1,456,628

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Employee benefits		
Salary	$ 2,918,090	$ 2,192,686
Labor and health insurance	86,567	73,046
Pension	144,992	112,806
Others	50,999	42,880
	3,200,648	2,421,418
Depreciation	443,134	370,382
Amortization	8,016	9,170
	$ 3,651,798	$ 2,800,970

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

B. The employee bonus estimates of the Company for the three months and six minths ended June 30, 2022 and 2021 were both $2,500 and $5,000, and the director remuneration estimates were both $2,500 and $5,000. The above amounts were accounted for as operating expenses. The above employees’ bonuses and directors' remuneration are assessed on the basis of the ratio set out in the Articles of Incorporation, taking into account such factors as net income as of the current period after consideration of the legal surplus reserve.

The employees' bonuses and directors' remuneration for the year ended December 31, 2021 approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2021.

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

(23) Tax (expense) income

(A) Tax expense (income)

Components of income tax expense:

	For the Three Months Ended June, 2022	For the Three Months Ended June, 2021
Current income tax:		
Income tax on current income	$ 278,954	$ 18,228
Underestimated (Overestimated) income tax in prior periods	6,090	(4,315)
Total current income tax	285,044	13,913
Deferred income tax:		
Generation and reversal of temporary differences	(7,149)	(16,503)
Total deferred income tax	(7,149)	(16,503)
Tax expense (income)	$ 277,895	($ 2,590)

	For the Six Months Ended June, 2022	For the Six Months Ended June, 2021
Current income tax:		
Income tax on current income	$ 426,239	$ 83,022
Underestimated (Overestimated) income tax in prior periods	3,824	(3,085)
Total current income tax	430,063	79,937
Deferred income tax:		
Generation and reversal of temporary differences	(4,317)	(19,795)
Total deferred income tax	(4,317)	(19,795)
Tax expense	$ 425,746	$ 60,142

(B) The profit-seeking enterprise income tax returns of Capital Concord Enterprises Limited (H.K.),Taiwan Branch for the year ended December 31, 2020 have been approved by the tax authorities

(24) Earnings per share

	For the Three Months Ended June 30, 2022		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to owners of the parent company	$ 954,320	186,301	$ 5.12
Diluted earnings per share			
Net income attributable to owners of the parent company	954,320	186,301	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	1,414	4,009	
Employee bonus	-	74	
Net income attributable to owners of the parent company & effect of potential ordinary shares	$ 955,734	190,384	$ 5.02

	For the Three Months Ended June 30, 2021		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to owners of the parent company	$ 129,710	185,535	$ 0.70
Diluted earnings per share			
Net income attributable to owners of the parent company	129,710	185,535	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	1,527	4,638	
Employee bonus	-	136	
Net income attributable to owners of the parent company & effect of potential ordinary shares	$ 131,237	190,309	$ 0.69

	For the Six Months Ended June 30, 2022		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to owners of the parent company	$ 1,497,702	185,920	$ 8.06
Diluted earnings per share			
Net income attributable to owners of the parent company	1,497,702	185,920	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	2,939	4,390	
Employee bonus	-	87,	
Net income attributable to owners of the parent company & effect of potential ordinary shares	$ 1,500,641	190,397	$ 7.88

	For the Six Months Ended June 30, 2021		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to owners of the parent company	$ 455,201	185,535	$ 2.45
Diluted earnings per share			
Net income attributable to owners of the parent company	455,201	185,535	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	3,033	4,638	
Employee bonus	-	137	
Net income attributable to owners of the parent company & effect of potential ordinary shares	$ 458,234	190,310	$ 2.41

(25) Supplementary Information on cash flows

A. Investing activities with partial cash payments:

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Additions to property, plant and equipment	$ 962,390	$ 1,279,641
Less: Prepayments for land and equipment, beginning of period	(72,811)	(328,604)
Add: Prepayments for land and equipment, end of the period	114,071	317,005
Add: Payables for equipment, beginning of period	313,476	337,623
Less: Payables for equipment, end of period	(617,458)	(486,157)
Cash paid	$ 699,668	$ 1,119,508

B. Financing activities that do not affect cash flow:

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Share capital converted from convertible bonds	$ 31,681	$ -
Declared cash dividends not yet paid	$ 556,605	$ 315,410

(26) Changes in liabilities from financing activities

	Long and short term borrowings	Short-term notes and bills payable	Lease liabilities	Convertible corporate bonds (note)	Dividends payable	Total liabilities from financing activities
January 1, 2022	$ 3,222,600	$ -	$ 492,505	$ 489,956	$ 228,208	$ 4,433,269
Changes in cash flows from financing	615,439	144,973	(12,654)	-	(228,208)	519,550
Other non-cash flows	-	-	405,872	(324,003)	556,605	638,474
Effects of exchange rate changes	250,781	4,864	31,568	-	-	287,213
June 30, 2022	$ 4,088,820	$ 149,837	$ 917,291	$ 165,953	$ 556,605	$ 5,878,506

Note：The portion due within one year is included.

	Long and short term borrowings	Lease liabilities	Convertible corporate bonds	Dividends payable	Total liabilities from financing activities
January 1, 2021	$ 1,322,960	$ 527,719	$ 483,820	$ 389,623	$ 2,724,122
Changes in cash flows from financing	1,349,852	(34,193)	-	(389,623)	926,036
Other non-cash flows	-	3,640	-	315,410	319,050
Effects of exchange rate changes	(43,352)	(8,496)	-	-	(51,848)
June 30, 2021	$ 2,629,460	$ 488,670	$ 483,820	$ 315,410	$ 3,917,360

7. Related party Transactions

Key management compensation

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Short-term employee benefits	$ 24,677	$ 15,694

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Short-term employee benefits	$ 39,754	$ 42,981

8. Pledged Assets

Assets	Carrying amounts June 30, 2022	December 31, 2021	June 30, 2021	Collateral
Land	$ 106,251	$ 98,958	$ 99,602	Short-term borrowings
Buildings	154,147	145,619	148,632	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	5,610	5,352	2,531	Performance bond and performance guarantee of the power supply agreement
Refundable deposits (recognized in other non-current assets)	27,574	8,965	3,143	Land lease deposits and others
	$ 293,582	$ 258,894	$ 253,908	

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Commitments

Capital expenditure contracted but not yet incurred:

	Total contract price June 30, 2022	December 31, 2021	June 30, 2021
Property, plant and equipment	$ 1,022,607	$ 1,254,836	$ 1,305,042

	Outstanding amount June 30, 2022	December 31, 2021	June 30, 2021
Property, plant and equipment	$ 199,209	$ 337,532	$ 482,686

10. Significant Disaster Losses

None.

11. Significant Events after the End of the Reporting Period

None.

12. Others

(1) Capital management

There are no significant changes in this period, please refer to Note 12 consolidated financial statements in 2021.

(2) Financial instruments

A. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
Financial Assets			
Financial assets at fair value through profit and loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 5,791	$ 7,607	$ 6,208
Financial assets designated at fair value through profit or loss	101	-	-
	$ 5,892	$ 7,607	$ 6,208
Financial assets/loans and receivables measured at amortized cost			
Cash and cash equivalents	$ 1,644,224	$ 1,114,952	$ 1,381,709
Accounts receivable	4,681,617	3,335,859	2,592,888
Other receivables	318,561	212,600	145,395
Financial assets at amortized cost - current	1,812	88,817	43,528
Refundable deposits	27,574	8,965	3,143
Financial assets at amortized cost - non-current	3,798	3,627	2,153
	$ 6,677,586	$ 4,764,820	$ 4,168,816
Financial Liabilities			
Financial liabilities at fair value through profit and loss			
Financial liabilities designated at fair value through profit or loss	$ -	$ 700	$ 50
Financial liabilities measured at amortized cost			
Short-term borrowings	$ 3,988,820	$ 3,122,600	$ 2,529,460
Short-term notes and bills payable	149,837	-	-
Notes payable	-	-	4,785
Accounts payable	3,566,564	2,512,476	2,247,119
Other payables	2,099,588	1,374,273	1,442,538
Long-term borrowings (including current portion)	100,000	100,000	100,000
Corporate bonds payable (current and non-current)	165,953	489,956	486,853
	$ 10,070,762	$ 7,599,305	$ 6,810,755
Lease liabilities (current and non-current)	$ 917,291	$ 492,505	$ 488,670

B. Risk Management Policy

(A) The Group's financial risk management objectives are to manage exchange rate risk, price 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 reviewed 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. Nature and Degree of Significant Financial Risks

(A) Market Risk

<u>Exchange Rate Risk</u>

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 RMB, and partially the VND. The relevant exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

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

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

June 30, 2022						
				Sensitivity Analysis		
(Foreign currency: Functional currency)	Foreign currency (in thousands)	Exchange rate	Carrying amount	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
Financial Assets						
Monetary items						
USD: RMB	$ 21,734	6.4822	$ 645,925	5%	$ 32,296	$ -
RMB: USD	888	0.1492	3,936	5%	197	-
Financial Liabilities						
Monetary items						
USD: RMB	$ 748	6.4822	$ 22,238	5%	$ 1,112	$ -
NTD: USD	1,748,066	0.0336	1,748,066	5%	87,403	-

December 31, 2021						
				Sensitivity Analysis		
(Foreign currency: Functional currency)	Foreign currency (in thousands)	Exchange rate	Carrying amount	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
Financial Assets						
Monetary items						
USD: RMB	$ 15,300	6.3565	$ 423,501	5%	$ 21,175	$ -
RMB: USD	55,792	0.1573	242,951	5%	12,148	-
Financial Liabilities						
Monetary items						
USD: RMB	$ 497	6.3565	$ 13,764	5%	$ 688	$ -
NTD: USD	1,382,491	0.0361	1,382,491	5%	69,125	-

(Foreign currency: Functional currency)	June 30, 2021					
				Sensitivity Analysis		
	Foreign currency (in thousands)	Exchange rate	Carrying amount	Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
Financial Assets						
Monetary items						
USD: RMB	$ 13,223	6.4566	$ 368,398	5%	$ 18,420	$ -
RMB: USD	55,461	0.1549	239,313	5%	11,966	-
Financial Liabilities						
Monetary items						
USD: RMB	$ 1,449	6.4566	$ 40,376	5%	$ 2,019	$ -
NTD: USD	1,068,223	0.0359	1,068,223	5%	53,411	-

d. The Group's monetary items were significantly impacted by the exchange rate changes, and the total exchange gains and losses (including realized and unrealized) for the three months ended June 30, 2022 and 2021 were NT$253,049 and (NT$61,744), respectively. For the six months ended June 30, 2022 and 2021 were NT$303,003 and (NT$60,806), respectively.

Price risk

a. The Group's equity instruments exposed to price risk are financial assets at fair value through profit or loss. To manage the price risk of investment in equity instruments, the Group diversifies its portfolio based on the limits set by the Group.
b. The Group's investments in equity instruments comprise domestic publicly quoted entities, and the prices of these equity instruments are affected by uncertainties in the future value of the investment targets. If the prices of these equity instruments were 5% higher or lower, with all other variables held constant, the Group’s net income f for the six months ended June 30, 2022 and 2021 from gains or losses on equity instruments mandatorily measured at fair value through profit or loss would have increased or decreased NT$290 and NT$310 respectively.

Cash flow and fair value interest rate risk

a. The Group's interest rate risk arises primarily from the short-term loans, short-term notes payable, and long-term loans issued at floating rates, which exposes the Group to the cash flow interest rate risk. For the six months ended June 30, 2022 and 2021, 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 0.1%, with all other variables held constant, net income for the six months ended June 30, 2022 and 2021 would have decreased or increased NT$1,695 and NT$1,052 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 losses based on the reserve matrix
g. After recourse procedures, the Group writes off the recoverable financial assets that cannot be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights the Group had no creditors' rights that had been written off but still could be recourse as of June 30, 2022 and 2021.
h. The Group adjusts the loss rate established on the history of certain periods and current information for prospective considerations to estimate the loss allowance for accounts receivable. The reserve matrixes as of June 30, 2022, December 31, 2021 and June 30, 2021 were as follows:

June 30, 2022	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 4,233,875	$ -
Overdue 0 to 90 days	1.74%	423,030	7,358
Overdue 91 to 180 days	19.12%	34,850	6,665
Overdue 181 to 365 days	48.47%	7,539	3,654
Over 365 days past due	100.00%	17,919	17,919
Total		$ 4,717,213	$ 35,596

December 31, 2021	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 3,079,004	$ -
Overdue 0 to 90 days	3.46%	261,485	9,042
Overdue 91 to 180 days	26.36%	5,577	1,470
Overdue 181 to 365 days	65.96%	896	591
Over 365 days past due	100.00%	16,047	16,047
Total		$ 3,363,009	$ 27,150

June 30, 2021	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 2,489,958	$ -
Overdue 0 to 90 days	2.65%	96,156	2,552
Overdue 91 to 180 days	25.68%	2,484	638
Overdue 181 to 365 days	61.39%	19,375	11,895
Over 365 days past due	100.00%	1,173	1,173
Total		$ 2,609,146	$ 16,258

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

	2022
	Accounts receivable
January 1	$ 27,150
Allowance for Impairment loss	6,240
Effect of exchange rate changes	2,206
June 30	$ 35,596

	2021
	Accounts receivable
January 1	$ 4,820
Allowance for Impairment loss	11,647
Effect of exchange rate changes	(209)
June 30	$ 16,258

(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 June 30, 2022, December 31, 2021 and June 30, 2021 the Group had unused borrowing facilities of $2,799,940, $2,626,520 and $2,004,010, respectively.

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

Non-derivative financial liabilities:

June 30, 2022	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	$ 3,795,521	$ 201,573	$ -	$ -	$ -
Short-term notes and bills payable	150,163	-	-	-	-
Accounts payable	3,566,564	-	-	-	-
Other payables	2,054,521	45,067	-	-	-
Long-term borrowings	-	100,927	-	-	-
Corporate bonds payable	-	168,300	-	-	-
Lease liabilities	8,308	9,092	37,255	156,304	784,548

Non-derivative financial liabilities:

December 31, 2021	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	$ 2,890,122	$ 236,332	$ -	$ -	$ -
Accounts payable	2,512,476	-	-	-	-
Other payables	1,359,934	14,339	-	-	-
Long-term borrowings	-	-	101,062	-	-
Corporate bonds payable	-	500,000	-	-	-
Lease liabilities	9,718	9,651	17,289	70,704	421,261

Non-derivative financial liabilities:

June 30, 2021	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	$ 2,120,869	$ 412,261	$ -	$ -	$ -
Notes payable	4,785	-	-	-	-
Accounts payable	2,247,119	-	-	-	-
Other payables	1,392,667	49,871	-	-	-
Long-term borrowings	-	-	101,427	-	-
Corporate bonds payable	-	-	-	500,000	-
Lease liabilities	7,980	9,367	18,398	64,248	432,099

(3) Fair value information

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

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

Level 2: Direct or indirect observable input value of assets or liabilities, except for quotations in Level 1. The fair value of derivatives invested by the Group is at this level.

Level 3: Unobservable inputs value of 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 carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes payable, notes payable, accounts payable, and other payables are a reasonable approximation of their fair values (except those stated in the following table). The interest rate of long-term borrowings (including those overdue within one year or one operating cycle) is close to the market interest rate; therefore, the carrying amount should be a reasonable basis for estimating fair value:

	June 30, 2022	
		Fair Value
	Carrying amount	Level 3
Corporate bonds payable	$ 165,953	$ 165,963

	December 31, 2021	
		Fair Value
	Carrying amount	Level 3
Corporate bonds payable	$ 489,956	$ 490,627

	June 30, 2021	
		Fair Value
	Carrying amount	Level 3
Corporate bonds payable	$ 486,853	$ 489,812

(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 carrying amount.

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

June 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 5,791	$ -	$ -	$ 5,791
- Redemption right of convertible corporate bonds	-	-	101	101
Total	$ 5,791	$ -	$ 101	$ 5,892

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 7,607	$ -	$ -	$ 7,607
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bond	$ -	$ -	($ 700)	($ 700)

June 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 6,208	$ -	$ -	$ 6,208
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bond	$ -	$ -	($ 50)	($ 50)

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

(A) For the Level 1 instruments which the Group uses market quoted prices as their fair values and which are listed stocks by characteristics, their closing prices are used as market quoted prices.

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

E. There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2022 and 2021.

F. The following table shows the changes in Level 3 for the six months ended June 30, 2022 and 2021:

	2022	2021
	Non-derivative equity instruments	Non-derivative equity instruments
January 1	($ 700)	($ 250)
Gains or losses recognized in profit or loss (Note)	1,039	200
Current conversion	($ 238)	-
June 30	$ 101	($ 50)

Note: Recognized in other gains and losses.

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

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

	Fair value as of June 30, 2022	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship between input value and fair value
Hybrid instruments:					
Redemption right of corporate bonds	$ 101	Binomial tree evaluation model	Volatility	30.52%	The higher the volatility, the higher the fair value

	Fair value as of December 31, 2021	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship between input value and fair value
Hybrid instruments:					
Redemption right of corporate bonds	($ 700)	Binomial tree evaluation model	Volatility	39.17%	The higher the volatility, the higher the fair value

	Fair value as of June 30, 2021	Evaluation techniques	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Hybrid instruments:					
Redemption right of corporate bonds	($ 50)	Binomial tree evaluation model	Volatility	44.86%	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:

			June 30, 2022	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 101	($ 67)

			December 31, 2021	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 100	($ 300)

			June 30, 2021	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 100	($ 300)

13. Supplementary Disclosures

(1) Information on significant transactions

A. Loans to Others: Refer to Appendix 1.

B. Provision of Endorsements and Guarantees to Others: Refer to Appendix 2.

C. Holding of Marketable Securities (Not Including Subsidiaries, Associates, and Joint Ventures): Refer to Appendix 3.

D. Accumulated Acquisition or Disposal of the Same Securities Reaching NT$300 Million or 20% of Paid-in Capital or More: None.

E. Acquisition of Real Estate Reaching NT$300 Million or 20% of Paid-in Capital or More: None.

F. Disposal of Real Estate Reaching NT$300 Million or 20% of Paid-in Capital or More: None.

G. Purchases or Sales of Goods from or to Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More: Refer to Appendix 4.

H. Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More: Refer to Appendix 5.

I. Derivatives transactions: Refer to Note 6(2).

J. Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof: Refer to Appendix 6.

(2) Information on reinvested business

Information on Invested Companies (Not Including Investee Companies in Mainland China): Refer to Appendix 7.

(3) Information on investment in China

A Basic Information: Refer to Appendix 8.

B Significant Transactions with Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Area: Refer to Note 13(1).

(4) Information on major shareholder

Information on Major Shareholders: Refer to Appendix 9.

14. Segment Information

(1) General information

The principal business of the Company and its subsidiaries is the production and sales of sports and leisure outdoor shoes. The Group's Board of Directors is the operating decision maker, which allocates resources and assesses performance of the Group as a whole. The Group's management has identified the operating segments based on the reports reviewed by the Board of Directors that are used to make decisions.

The Group’s organization, the basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Segment information

The financial information of reportable segments provided to chief operating decision maker is as follows:

	For the Three Months Ended June 30, 2022			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 6,199,851	$ -	$ -	$ 6,199,851
Inter-segment revenue	4,116,803	498,998	482	4,616,283
Total revenue	$ 10,316,654	$ 498,998	$ 482	$ 10,816,134
Segment profit (loss)	$ 1,164,634	$ 74,929	($ 4,684)	$ 1,234,879
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Three Months Ended June 30, 2021			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 3,479,368	$ -	$ -	$ 3,479,368
Inter-segment revenue	2,493,828	401,550	458	2,895,836
Total revenue	$ 5,973,196	$ 401,550	$ 458	$ 6,375,204
Segment profit (loss)	$ 117,005	$ 16,212	($ 8,275)	$ 124,942
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Six Months Ended June 30, 2022			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 10,726,966	$ -	$ -	$ 10,726,966
Inter-segment revenue	7,151,809	881,333	941	8,034,083
Total revenue	$ 17,878,775	$ 881,333	$ 941	$ 18,761,049
Segment profit (loss)	$ 1,821,922	$ 98,432	($ 867)	$ 1,919,487
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Six Months Ended June 30, 2021			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 6,836,538	$ 59,679	$ -	$ 6,896,217
Inter-segment revenue	5,154,343	737,451	922	5,892,716
Total revenue	$ 11,990,881	$ 797,130	$ 922	$ 12,788,933
Segment profit (loss)	$ 474,962	$ 39,671	($ 11,716)	$ 502,917
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

Note: Since the Group has not provided the measured amount of assets and liabilities to the chief operating decision maker, the segment information of total assets and liabilities is not disclosed.

(3) Reconciliation of segment revenue and profit or loss

A. The total adjusted income for the current period is reconciled with the total income of the continuing business sector as follows:

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Revenue after adjustment from reportable operating segments	$ 10,815,652	$ 6,374,746
Revenue after adjustment from other operating segments	482	458
Total revenue from operating segments	10,816,134	6,375,204
Elimination of inter-segment revenue	(4,616,283)	(2,895,836)
Total consolidated operating revenue	$ 6,199,851	$ 3,479,368

	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Revenue after adjustment from reportable operating segments	$ 18,760,108	$ 12,788,011
Revenue after adjustment from other operating segments	941	922
Total income before tax from operating segments	18,761,049	12,788,933
Elimination of inter-segment revenue	(8,034,083)	(5,892,716)
Total consolidated operating revenue	$ 10,726,966	$ 6,896,217

B. A reconciliation of reportable segments income or loss to income (loss) before tax from continuing operations for the six months ended June 30, 2022 and 2021 is provided as follows :

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021
Income before tax after adjustment from reportable operating segments	$ 979,493	$ 162,190
Non-operating income and expenses	255,386	(37,248)
Total income before tax from operating segments	1,234,879	124,942
Elimination of inter-segment income	(2,664)	1,985
Income before tax from continuing operations	$ 1,232,215	$ 126,927

	For the six Months Ended June 30, 2022	For the six Months Ended June 30, 2021
Reportable operating segments income	$ 1,606,252	$ 531,658
Non-operating income and expenses	313,235	(28,741)
Total income before tax from operating segments	1,919,487	502,917
Elimination of inter-segment income	3,926	12,118
Income before tax from continuing operations	$ 1,923,413	$ 515,035

(Blank Below)

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

Loans to others

For the Six Months Ended June 30, 2022

Appendix 1

Unit: NT$ Thousand

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 (Note 2)	Financing company's total financing Amount Limits (Note 3)	Note
													Item	Value			
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	$ 451,667	$ -	$ -	1.80%	Short-term financing	$ -	Operating capital	$ -	None	$ -	$ 811,858	$ 1,014,823	Notes 4 & 5
2	NGOC Hung Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Other receivables	Y	449,956	423,454	423,454	3.20%	Short-term financing	-	Build a factory	-	None	-	583,976	729,970	Notes 4 & 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.
Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.
Note 3: Loaning funds to others, provided that such financing amount shall not exceed 50 percent of the lender's net worth.
Note 4: In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200 and USD:NTD=28.7553, respectively.
Note 5: Offset in consolidated statements.

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

Provision of Endorsements and Guarantees to Others

For the Six Months Ended June 30, 2022

Appendix 2

Unit: NT$ Thousand
(Unless Otherwise Specified)

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed		Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
		Company Name	Relation (Note 2)											
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	$ 6,819,746	$ 148,600	$ 148,600	$ -	$ -	1.39%	$ 9,092,995	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 Enterprise Limited.

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

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

Note 6: In Q2 2022, the exchange rates for assets and profit or loss were USD:NTD=29.7200 and USD:NTD = 28.7553, respectively.

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

Holding of Marketable Securities (Not Including Subsidiaries, Associates, and Joint Ventures)

June 30, 2022

Appendix 3

Unit NTD thousand
(Unless Otherwise Specified)

Securities Held by	Marketable Securities (Note 1)	Relationship with the Securities Issuer	General Ledger Account	End of Period				Note
				Number of Shares	Book Value	Ratio of Shareholding	Fair Value	
Fulgent Sun International (Holding) Co., Ltd.	Stock - Tainan Enterprises (CAYMAN) Co., Ltd.	None	Financial Assets at Fair Value through Profit or Loss - Non-current	196,315	$ 5,791	0.61	$ 5,791	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates, and other related derivative marketable securities within the scope of IFRS 9: Financial Instruments.

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

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

For the Six Months Ended June 30, 2022

Appendix 4

Unit NTD thousand
(Unless Otherwise Specified)

			Transaction Details				Unusual Trade Conditions and Its Reasons (Note)		Notes and Accounts Receivable (Payable)		
Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Purchase/Sale	Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiaries	Purchase	$ 1,465,604	18%	180 days after purchase	Note 1	Note 1	($ 1,752,171)	-49%	Notes 2 & 3
Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	Subsidiaries	Purchase	473,959	6%	180 days after purchase	Note 1	Note 1	(349,159)	-10%	Notes 2 & 3
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiaries	Purchase	328,293	4%	180 days after purchase	Note 1	Note 1	(319,411)	-9%	Notes 2 & 3
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiaries	Purchase	630,428	8%	90 days after purchase	Note 1	Note 1	(580,272)	-16%	Notes 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiaries	Purchase	1,789,935	21%	120 days after purchase	Note 1	Note 1	(700,184)	-20%	Notes 2 & 3
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiaries	Purchase	1,520,619	18%	120 days after invoices issued	Note 1	Note 1	(329,709)	-9%	Notes 2 & 3
Capital Concord Enterprises Limited	NGOC Hung Footwear Co., Ltd.	Subsidiaries	Purchase	534,609	6%	120 days after invoices issued	Note 1	Note 1	(164,912)	-5%	Notes 2 & 3
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiaries	Purchase	113,497	1%	120 days after invoices issued	Note 1	Note 1	-	-	Notes 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Sales	(816,121)	-8%	135 days after shipment	Note 1	Note 1	-	-	Notes 2 & 3
Fujian Laya Outdoor Products Co., Ltd	Lin Wen Chih Sunbow Enterprises Co., Ltd	Sister company	Sales	(250,525)	-2%	90 days after shipment	Note 1	Note 1	119,961	3%	Notes 2 & 3
Capital Concord Enterprises Limited H.K., Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Sales	(205,658)	-2%	135 days after shipment	Note 1	Note 1	121,340	3%	Notes 2 & 3

Note 1: Sales transactions between the Group and related parties are valuated based on reasonable profits; thus, selling prices to related parties and those to non-related parties are incomparable. In terms of payment terms, there was no significant difference between related parties and non-related parties.
Note 2: In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200 and USD: NTD=28.7553, respectively.
Note 3: Offset in consolidated statements

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

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

June 30, 2022

Appendix 5

Unit NTD thousand
(Unless Otherwise Specified)

Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable Balance from Related Party	Turnover Rate	Overdue Receivable Amount	Overdue Receivable Actions Taken	Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for bad debt	Note
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	$ 1,752,171	1.77	$ 237,989	Collection after reporting period	$ 487,932	$ -	Notes 2 & 3
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	319,411	2.06	-	-	60,600	-	Notes 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	580,272	2.28	187,455	Collection after reporting period	210,307	-	Notes 2 & 3
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	349,159	3.46	-	-	105,000	-	Notes 2 & 3
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	700,184	16.98	-	-	204,863	-	Notes 2 & 3
NGOC Hung Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Sister company	423,454	-	-	-	-	-	Note 2, 3 & 4
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	329,709	15.23	-	-	329,709	-	Notes 2 & 3
NGOC Hung Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	164,912	13.40	-	-	90,177	-	Notes 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Sister company	119,961	3.98	-	-	60,129	-	Notes 2 & 3
Capital Concord Enterprises Limited H.K., Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	121,340	3.70	-	-	57,196	-	Notes 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to August 19, 2022.
Note 2: In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200 and USD: NTD=28.7553, respectively.
Note 3: Offset in consolidated statements.
Note 4: This amount is a loaning of funds in its nature; therefore, the turnover rate will not be calculated.

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

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

For the Six Months Ended June 30, 2022

Appendix 6

Unit NTD thousand
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status: General Ledger Account	Transaction Status: Amount (Note 5)	Transaction Status: Trade terms	Transaction Status: Percentage of consolidated total operating revenues or total assets (Note 3)
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	$ 1,752,171	Note 4	7.84%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Accounts payable	349,159	Note 4	1.56%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	319,411	Note 4	1.43%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	580,272	Note 4	2.60%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	700,184	Note 4	3.13%
1	Capital Concord Enterprises Limited	NGOC Hung Footwear Co., Ltd.	1	Accounts payable	164,912	Note 4	0.74%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	329,709	Note 4	1.48%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	816,121	Note 4	7.61%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchase	1,465,604	Note 4	13.66%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Purchase	473,959	Note 4	4.42%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchase	328,293	Note 4	3.06%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchase	630,428	Note 4	5.88%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchase	1,789,935	Note 4	16.69%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchase	1,520,619	Note 4	14.18%
1	Capital Concord Enterprises Limited	NGOC Hung Footwear Co., Ltd.	1	Purchase	534,609	Note 4	4.98%
2	Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	3	Sales	250,525	Note 4	2.34%
3	Capital Concord Enterprises Limited H.K., Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	205,658	Note 4	1.92%
4	NGOC Hung Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	3	Other receivable	423,454	Note 4	1.90%

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

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

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

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

Note 5 In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200 and USD: NTD=28.7553, respectively.

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

Note 7: Offset in consolidated statements.

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

Information on Investee Companies (Not Including Investee Companies in Mainland China)

For the Six Months Ended June 30, 2022

Appendix 7

Unit NTD thousand
(Unless Otherwise Specified)

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)				Shares Held as of year ended					Investee company current profit or loss (Note 3)			Investment gains and losses recognized in the current period (Note 3)	Note
					End of Period		End of Last Year	Number of Shares (Note 1)	Ratio		Book value (Note 3)						
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Holding company and Sports Leisure Outdoor Footwear Production and Sales	$	6,585,827	$	6,585,827	1,733,000,000	100	$	11,366,244	$	1,498,207	$		1,498,207	Subsidiaries
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		2,946,913		96,675			96,675	Subsidiaries
Capital Concord Enterprises Limited	Lin Wen Chih Sunstone Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales		445,848		427,675	-	100		214,866	(	1,642)	(		1,607)	Subsidiaries (Note 4)
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production		1,856,403		1,761,845	-	100		2,322,557		103,351			103,351	Subsidiaries
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production		1,358,280		1,342,187	-	100		1,459,939		48,358			48,358	Subsidiaries
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production		522,867		302,388	-	100		504,862	(	16,274)	(		16,274)	Subsidiaries
Capital Concord Enterprises Limited	Laya Outdoor Products Limited.	Hong Kong	Holding company		-		7,017	-	100		-		241			241	Subsidiaries (Note 5)
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Start-up stage not yet in operation.		371,056		23,726	-	100		353,886	(	1)	(		1)	Subsidiaries
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease		196,499		184,611	-	100		198,828		511			511	Subsidiaries

Note 1: The companies with "-" in the blank had no shares issued.
Note 2: The historical exchange rate was adopted.
Note 3: In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200 and USD:NTD=28.7553, respectively.
Note 4: The Group purchased 8.73% equity of Lin Wen Chih Sunstone Garment Enterprises Co., Ltd. from unrelated parties in January 2022.
Note 5: The liquidation process was completed in April 2022.

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

Subsidiaries Information on Investments in Mainland China

For the Six Months Ended June 30, 2022

Appendix 8

Unit NTD thousand
(Unless Otherwise Specified)

Investee Company in China	Main Businesses	Paid-in Capital (Note 3)	Investment Method (Note 2)	Accumulated Amount Remitted from Taiwan to Mainland China, as of beginning of period (Note 5)	Amount of investment remitted or recovered in current period (Note 5)		Amount Remitted from Taiwan to Mainland China, as of End of Period (Note 5)	Net income (loss) of the investee in current period	Ownership held by the Company	Investment income (loss) recognize in the current period (Notes 4 and 6)	Book value of investments in Mainland China, as of end of period (Note 4)	Accumulated amount of investment income remitted back to Taiwan, as of end of period	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	$ 723,826	2	$ -	$ -	$ -	$ -	$ 161,688	100	$ 169,055	$ 2,293,738	$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	164,789	100	163,845	2,027,596	-	
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	31,912	100	31,912	404,928	-	
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	66,411	100	64,896	202,273	-	

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 NT$120,000 thousand) in Hang Cheng Company and Yue Chen Company.

Note 2: Investment methods are classified into the following three categories (fill in the category number):

(1) Investment in Mainland China companies by remittance through a third region;

(2) Investment in Mainland China companies through a company established in a third region; or

(3) Investment in Mainland China companies through an existing investee company in a third region.

Note 3: The historical exchange rate was adopted.

Note 4: In Q2 2022, the exchange rates for assets and profit or loss were USD: NTD=29.7200and USD:NTD=28.7553, 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 NT$2,605,976 thousand through re-investment in Hong Kong.

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

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

Information on Major Shareholders

June 30, 2022

Appendix 9

Name of Major Shareholder	Shares	
	Number of shares	Percentage of Ownership(%)
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank	24,060,151	12.71
Custodial Account (MEINDL INT’L CO., LTD.) Used by CTBC Bank	21,682,465	11.45
Fubon Life Insurance Co., Ltd	14,065,000	7.43

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

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

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