

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Financial Statements and Independent Auditor's Report  
For the Six Months Ended June 30, 2024 and 2023  
(Stock Code: 9802)

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## Independent Auditors' Report

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

### **Opinion**

We have audited the consolidated balance sheets of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for three months and six months ended June 30, 2024 and 2023, the consolidated changes in equity, and cash flows for the six months then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024, and 2023, and its consolidated financial performance and consolidated cash flows for the three months and six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission of the Republic of China.

### **Basis of Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the first half of the year ended 2024. 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 2024, are stated as follows:

#### **Sales Revenue Recognition**

##### Description

Please refer to the consolidated financial statements for the accounting policy on sales revenue (Note 4 (4)), and the description of the sales revenue (Note 6 (16)). The Group is engaged in the production and sale of sports and leisure outdoor shoes. The exporting business is 96% of the consolidated sales revenue of the Group for the six months ended June 30, 2024. In terms of the trading conditions of sales revenue, control over the goods is transferred when the exported goods are delivered to the forwarders designated by the customers. The sales revenue recognition date for exporting business will impact the financial statements significantly; therefore, we believe that the correctness of income recognition is one of the key audit matters.

### Corresponding Audit Procedures

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

1. We understood and evaluated the operating procedures and internal controls for the sale of goods.
2. We examined the income recognition of the export business and checked the supporting documents and invoices to ensure the correctness of the sales.
3. We examined the significant export sales returns and checked the sales return documents (credit memos).

### **Allowance for Inventory Valuation Losses**

#### Description

Please refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4(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)).

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 the key audit matters.

#### Corresponding Audit Procedures

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

1. We understood and evaluated the reasonableness of the Group's subsequent inventory evaluation and provision of obsolescence losses.
2. We reviewed the Group's annual 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 the Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management deems necessary to enable the preparation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the first half of the year ended 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

**PricewaterhouseCoopers**

Taipei, Taiwan

Republic of China

August 19, 2024

**Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
June 30, 2024, December 31, 2023, and June 30, 2023  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Note	June 30, 2024		December 31, 2023		June 30, 2023		
		Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6 (1)	\$ 2,489,928	13	\$ 2,609,321	14	\$ 1,886,476	9
1170	Accounts receivable, net	6 (3)	3,360,811	17	2,706,739	15	3,629,011	18
1200	Other receivables		523,855	3	501,640	3	463,119	2
130X	Inventories	6 (4)	2,220,924	11	2,139,472	11	3,151,689	16
1410	Prepayments		50,960	-	65,688	-	92,476	1
1470	Other current assets	6 (7) and 8	244,337	1	272,862	1	273,907	1
11XX	<b>Total current assets</b>		<u>8,890,815</u>	<u>45</u>	<u>8,295,722</u>	<u>44</u>	<u>9,496,678</u>	<u>47</u>
<b>Non-current assets</b>								
1510	Non-current financial assets at fair value through profit or loss	6 (2)	-	-	-	-	17,374	-
1600	Property, plant and equipment	6 (5) and 8	8,713,021	44	8,285,905	45	8,555,995	42
1755	Right-of-use assets	6 (6)	1,740,883	9	1,792,630	10	1,919,052	10
1780	Intangible assets		39,986	-	12,593	-	14,321	-
1840	Deferred tax assets	6 (22)	248,498	1	236,493	1	251,502	1
1900	Other non-current assets	6 (7) and 8	76,805	1	58,494	-	49,655	-
15XX	<b>Total non-current assets</b>		<u>10,819,193</u>	<u>55</u>	<u>10,386,115</u>	<u>56</u>	<u>10,807,899</u>	<u>53</u>
1XXX	<b>Total assets</b>		<u>\$ 19,710,008</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 20,304,577</u>	<u>100</u>

(Continued)

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

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

## Consolidated Balance Sheets

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Note	June 30, 2024		December 31, 2023		June 30, 2023		
		Amount	%	Amount	%	Amount	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6 (8) and 8	\$ 1,924,700	10	\$ 1,685,000	9	\$ 2,023,940	10
2110	Short-term notes and bills payable		-	-	-	-	99,978	1
2130	Current contract liabilities	6 (16)	115,070	1	36,938	-	80,103	-
2170	Accounts payable		1,688,670	9	1,301,804	7	1,403,687	7
2200	Other payables	6 (9)	1,405,605	7	1,244,333	7	2,070,921	10
2230	Current tax liabilities		307,895	1	516,676	3	371,302	2
2280	Current lease liabilities		51,942	-	41,098	-	31,811	-
2320	Current portion of other long-term liabilities	6 (10)	-	-	-	-	18,475	-
2399	Other current liabilities, others		46,365	-	58,135	-	51,383	-
21XX	<b>Total current liabilities</b>		<u>5,540,247</u>	<u>28</u>	<u>4,883,984</u>	<u>26</u>	<u>6,151,600</u>	<u>30</u>
<b>Non-Current liabilities</b>								
2560	Non-current tax liabilities		144,174	1	212,199	1	294,597	1
2570	Deferred tax liabilities	6 (22)	164,632	1	151,954	1	163,457	1
2580	Non-current lease liabilities		827,207	4	861,220	5	942,936	5
2600	Other non-current liabilities	6 (11)	<u>205,959</u>	<u>1</u>	<u>200,887</u>	<u>1</u>	<u>200,902</u>	<u>1</u>
25XX	<b>Total non-current liabilities</b>		<u>1,341,972</u>	<u>7</u>	<u>1,426,260</u>	<u>8</u>	<u>1,601,892</u>	<u>8</u>
2XXX	<b>Total liabilities</b>		<u>6,882,219</u>	<u>35</u>	<u>6,310,244</u>	<u>34</u>	<u>7,753,492</u>	<u>38</u>
<b>Equity attributable to owners of the parent company</b>								
Share capital								
3110	Ordinary share	6 (13)	1,909,899	10	1,909,899	10	1,908,087	9
Capital surplus								
3200	Capital surplus	6 (14)	5,703,978	29	5,701,867	31	5,685,184	28
Retained earnings								
3310	Legal reserve	6 (15)	1,249,826	6	1,209,683	6	1,096,907	5
3320	Special reserve		693,575	3	474,813	3	403,301	2
3350	Unappropriated retained earnings		3,686,357	19	3,826,489	20	3,990,002	20
Other equity								
3400	Other equity interest		( 380,450)	( 2)	( 693,575)	( 4)	( 474,813)	( 2)
3500	Treasury shares	6 (13)	( 57,583)	-	( 57,583)	-	( 57,583)	-
31XX	<b>Total equity attributable to owners of the parent company</b>		<u>12,805,602</u>	<u>65</u>	<u>12,371,593</u>	<u>66</u>	<u>12,551,085</u>	<u>62</u>
36XX	<b>Non-controlling interests</b>	6 (24)	<u>22,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3XXX	<b>Total Equity</b>		<u>12,827,789</u>	<u>65</u>	<u>12,371,593</u>	<u>66</u>	<u>12,551,085</u>	<u>62</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments								
Significant Events after the End of the Reporting Period								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 19,710,008</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 20,304,577</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
 Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 For the Six Months ended June 30, 2024 and 2023  
 (Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Note	For the Three Months Ended June 30, 2024		For the Three Months Ended June 30, 2023		For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6 (16)	\$ 3,965,185	100	\$ 4,616,288	100	\$ 6,624,398	100	\$ 9,669,852	100
5000	Operating costs	6 (4)	( 3,236,467)	( 82)	( 3,749,214)	( 81)	( 5,414,836)	( 82)	( 7,734,274)	( 80)
5950	Gross profit from operations		<u>728,718</u>	<u>18</u>	<u>867,074</u>	<u>19</u>	<u>1,209,562</u>	<u>18</u>	<u>1,935,578</u>	<u>20</u>
	Operating expenses	6 (21)								
6100	Selling expenses		( 54,344)	( 1)	( 60,459)	( 2)	( 104,067)	( 2)	( 146,082)	( 2)
6200	Administrative expenses		( 260,622)	( 7)	( 240,465)	( 5)	( 500,275)	( 7)	( 460,914)	( 5)
6300	Research and development expenses		( 45,599)	( 1)	( 46,722)	( 1)	( 93,140)	( 1)	( 98,230)	( 1)
6450	Expected credit Impairment gain (loss)	12 (2)	<u>2,172</u>	<u>-</u>	<u>3,541</u>	<u>-</u>	<u>7,253</u>	<u>-</u>	<u>( 32,638)</u>	<u>-</u>
6000	Total operating expenses		<u>( 358,393)</u>	<u>( 9)</u>	<u>( 344,105)</u>	<u>( 8)</u>	<u>( 690,229)</u>	<u>( 10)</u>	<u>( 737,864)</u>	<u>( 8)</u>
6900	Net operating income		<u>370,325</u>	<u>9</u>	<u>522,969</u>	<u>11</u>	<u>519,333</u>	<u>8</u>	<u>1,197,714</u>	<u>12</u>
	Non-operating income and expenses									
7100	Interest income	6 (17)	26,271	1	12,062	-	50,722	1	18,018	-
7010	Other income	6 (18)	35,582	1	26,670	1	81,822	1	45,964	1
7020	Other gains and losses	6 (19)	87,968	2	254,882	6	238,192	3	205,963	3
7050	Finance costs	6 (20)	( 9,177)	-	( 26,887)	( 1)	( 18,018)	-	( 57,181)	( 1)
7000	Total non-operating income and expenses		<u>140,644</u>	<u>4</u>	<u>266,727</u>	<u>6</u>	<u>352,718</u>	<u>5</u>	<u>212,764</u>	<u>3</u>
7900	<b>Profit before tax</b>		<u>510,969</u>	<u>13</u>	<u>789,696</u>	<u>17</u>	<u>872,051</u>	<u>13</u>	<u>1,410,478</u>	<u>15</u>
7950	Income tax expenses	6 (22)	( 104,356)	( 3)	( 168,617)	( 3)	( 183,408)	( 3)	( 314,935)	( 4)
8200	<b>Profit</b>		<u>\$ 406,613</u>	<u>10</u>	<u>\$ 621,079</u>	<u>14</u>	<u>\$ 688,643</u>	<u>10</u>	<u>\$ 1,095,543</u>	<u>11</u>
	<b>Other comprehensive income, net</b>									
	<b>Items that may be subsequently reclassified to profit or loss</b>									
8361	Exchange differences on translation		<u>(\$ 4,128)</u>	<u>-</u>	<u>(\$ 24,384)</u>	<u>-</u>	<u>\$ 313,091</u>	<u>5</u>	<u>(\$ 71,513)</u>	<u>( 1)</u>
8300	<b>Other comprehensive income, net</b>		<u>(\$ 4,128)</u>	<u>-</u>	<u>(\$ 24,384)</u>	<u>-</u>	<u>\$ 313,091</u>	<u>5</u>	<u>(\$ 71,513)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income</b>		<u>\$ 402,485</u>	<u>10</u>	<u>\$ 596,695</u>	<u>14</u>	<u>\$ 1,001,734</u>	<u>15</u>	<u>\$ 1,024,030</u>	<u>10</u>
	Profit attributable to:									
8610	Owners of the parent company		<u>\$ 407,733</u>	<u>10</u>	<u>\$ 621,079</u>	<u>14</u>	<u>\$ 689,763</u>	<u>10</u>	<u>\$ 1,095,543</u>	<u>11</u>
8620	Non-controlling interests		<u>(\$ 1,120)</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>(\$ 1,120)</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>\$ 403,639</u>	<u>10</u>	<u>\$ 596,695</u>	<u>14</u>	<u>\$ 1,002,888</u>	<u>15</u>	<u>\$ 1,024,030</u>	<u>10</u>
8720	Non-controlling interests		<u>(\$ 1,154)</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>(\$ 1,154)</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
	Basic earnings per share	6 (23)								
9750	Total basic earnings per share		<u>\$ 2.14</u>	<u>3.27</u>	<u>\$ 3.62</u>	<u>5.76</u>				
	Diluted earnings per share									
9850	Total diluted earnings per share		<u>\$ 2.14</u>	<u>3.26</u>	<u>\$ 3.62</u>	<u>5.75</u>				

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



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Six Months ended June 30, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Parent Company									
		Retained earnings									
Note	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	
		\$1,907,235	\$ 5,677,352	\$ 907,119	\$ 554,857	\$ 4,073,113	(\$ 403,300)	(\$ 57,583)	\$12,658,793	\$ -	\$12,658,793
		-	-	-	-	1,095,543	-	-	1,095,543	-	1,095,543
		-	-	-	-	-	( 71,513)	-	( 71,513)	-	( 71,513)
		-	-	-	-	1,095,543	( 71,513)	-	1,024,030	-	1,024,030
	6(15)										
		-	-	189,788	-	( 189,788)	-	-	-	-	-
		-	-	-	( 151,556)	151,556	-	-	-	-	-
		-	-	-	-	( 1,140,422)	-	-	( 1,140,422)	-	( 1,140,422)
	6(10)(13)(14)(25)	852	7,832	-	-	-	-	-	8,684	-	8,684
		<u>\$ 1,908,087</u>	<u>\$ 5,685,184</u>	<u>\$ 1,096,907</u>	<u>\$ 403,301</u>	<u>\$ 3,990,002</u>	<u>(\$ 474,813)</u>	<u>(\$ 57,583)</u>	<u>\$ 12,551,085</u>	<u>\$ -</u>	<u>\$ 12,551,085</u>
		\$1,909,899	\$ 5,701,867	\$ 1,209,683	\$ 474,813	\$ 3,826,489	(\$ 693,575)	(\$ 57,583)	\$12,371,593	\$ -	\$12,371,593
		-	-	-	-	689,763	-	-	689,763	( 1,120)	688,643
		-	-	-	-	-	313,125	-	313,125	( 34)	313,091
		-	-	-	-	689,763	313,125	-	1,002,888	( 1,154)	1,001,734
	6(15)										
		-	-	40,143	-	( 40,143)	-	-	-	-	-
		-	-	-	218,762	( 218,762)	-	-	-	-	-
		-	-	-	-	( 570,990)	-	-	( 570,990)	-	( 570,990)
	6(14)(24)										
		-	2,111	-	-	-	-	-	2,111	( 2,111)	-
		-	-	-	-	-	-	-	-	25,452	25,452
		<u>\$ 1,909,899</u>	<u>\$ 5,703,978</u>	<u>\$ 1,249,826</u>	<u>\$ 693,575</u>	<u>\$ 3,686,357</u>	<u>(\$ 380,450)</u>	<u>(\$ 57,583)</u>	<u>\$ 12,805,602</u>	<u>\$ 22,187</u>	<u>\$ 12,827,789</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Six Months ended June 30, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 872,051	\$ 1,410,478
Adjustments			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(21)	507,837	523,319
Amortization expense	6(21)	9,615	10,337
Expected credit (gain) loss	12(2) (	7,253 )	32,638
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	-	( 11,409 )
Interest expenses	6(20)	18,018	57,181
Interest income	6(17) (	50,722 )	( 18,018 )
Loss on disposal of property, plant and equipment	6(19)	4,643	278
Profit from lease modification	6(6) (	971 )	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable	(	515,541 )	540,044
Other receivables	(	16,189 )	( 26,603 )
Inventories		25,253	1,840,006
Prepayments		17,552	( 9,309 )
Other current assets	(	6,753 )	9,567
Changes in operating liabilities			
Contract liability		103,187	71,206
Accounts payable		319,621	( 1,521,990 )
Other payables	(	12,832 )	( 469,268 )
Other current liabilities	(	14,618 )	7,398
Other non-current liabilities	(	1,569 )	( 1,564 )
Cash flows generated from operations		1,251,329	2,444,291
Interest received		51,746	18,776
Interest paid	(	13,569 )	( 55,637 )
Income tax paid	(	484,614 )	( 258,980 )
Net cash flows generated from operating activities		804,892	2,148,450

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Six Months ended June 30, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 150,728 )	(\$ 184,477 )
Proceeds from disposal of financial assets at amortized cost		184,208	107,932
Acquisition of property, plant and equipment	6(25)	( 705,599 )	( 452,554 )
Proceeds from disposal of property, plant and equipment		15,274	2,263
Increase in refundable deposits		( 12,042 )	( 180 )
Acquisition of intangible assets		( 5,070 )	( 213 )
Net cash inflows from business combination		952	-
Acquisition of use-of-right assets	6(6)	-	( 97,645 )
(Increase) decrease in other non-current assets		( 376 )	418
Net cash flows used in investing activities		( 673,381 )	( 624,456 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(26)	5,427,963	14,628,766
Decrease in short-term borrowings	6(26)	( 5,286,435 )	( 16,101,647 )
Increase in short-term notes and bills payable	6(26)	-	98,111
Payments of lease liabilities	6(6) (26)	( 7,032 )	( 31,733 )
Cash dividends paid	6(15)(26)	( 380,660 )	( 227,705 )
Net cash flows used in financing activities		( 246,164 )	( 1,634,208 )
Effects of exchange rate changes		( 4,740 )	( 198,689 )
Net decrease in cash and cash equivalents		( 119,393 )	( 308,903 )
Cash and cash equivalents at beginning of period		2,609,321	2,195,379
Cash and cash equivalents at end of period		\$ 2,489,928	\$ 1,886,476

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
For the Six Months ended June 30, 2024 and 2023,  
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors and published on August 19, 2024.

3. Application of the New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. Summary of Material Accounting Policies

The principal accounting policies are the same as Note 4 of the 2023 consolidated financial statements except for the statement of compliance, basis of preparation, basis of consolidation and newly added accounting policies are explained below. These policies apply consistently during all reporting periods, unless otherwise specified.

(1) Compliance statement

- A. These consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and the International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by FSC.
- B. The consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

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

(3) Basis of Consolidation

A. Basis for preparation of consolidated financial statements

The principles for preparing the consolidated financial statements are the same as those for the 2023 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Percentage of ownership			Notes
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Capital Concord Enterprises Limited (Capital Concord Enterprises Limited H.K.)	Holding company; Sports Leisure Outdoor Footwear Sales	100.00	100.00	100.00	
The Company	Wisesquare Enterprise Limited (Wisesquare)	Start-up stage not yet in operation	100.00	100.00	-	Note 1
Capital Concord Enterprises Limited H.K.	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya)	Import/export trading	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunbow Enterprises Co., Ltd. (Sunbow)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunstone Enterprises Co., Ltd. (Sunstone)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunzeal Enterprises Co., Ltd. (Sunzeal)	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	Note 2
Capital Concord Enterprises Limited H.K.	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Eversun Footwear Co., Ltd. (Eversun)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Sunglory Footwear Co., Ltd. (Sunglory)	Sports Leisure Outdoor Footwear Production	100.00	100.00	100.00	Note 3
Capital Concord Enterprises Limited H.K.	PT. SUN BRIGHT LESTARI	Sports Leisure Outdoor Footwear Production and Sales	100.00	100.00	100.00	
Capital Concord Enterprises Limited H.K.	Laya Technology Co., Ltd. (Laya Technology)	Shoes material Production and Sales	70.12	100.00	100.00	Note 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100.00	100.00	100.00	Note 5
-	Medao Trading Co., Ltd. (Medao Trading)	Import/export trading	-	-	-	Note 6

Note 1: The Group had established Wisesquare in 2023 in Hong Kong, and has included it in the consolidated financial statements since then.

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

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

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

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

Note 6: The Group has de facto control over Medao Trading, and has included it in the consolidated financial statements since Q2 2024.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

#### (4) Accounting Policies Of Key Audit Matters

##### 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 labour, 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 realisable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

##### B. Revenue recognition

###### (A) Product sales

- a. The Group is engaged in the production and sale of sports and leisure outdoor shoes. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- b. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

###### (B) Financial components

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

#### (5) Income Tax

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

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Except for the following explanations about major accounting judgments, estimates and assumptions of the key audit matters please refer to Note 5 of 2023.

### (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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and revolving funds	\$ 3,704	\$ 4,269	\$ 4,204
Checking deposits & demand deposits	1,304,858	957,115	1,399,726
Time deposits	1,181,366	1,647,937	482,546
Total	<u>\$ 2,489,928</u>	<u>\$ 2,609,321</u>	<u>\$ 1,886,476</u>

- A. The financial institutions of the Group have good credit quality, and the Group has dealings with several financial institutions to distract credit risk; therefore, the default is very unlikely.
- B. The Group classifies time deposits with an original maturity of more than 3 months and not meeting short-term cash commitments as financial assets at amortized cost and presents them under "other current assets".
- C. For restricted bank deposits of the Group, please refer to Note 6 (7).

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

The Group had no financial assets at fair value through profit or loss as of June 30, 2024 and December 31, 2023.

<u>Item</u>	<u>June 30, 2023</u>
Non-current items:	
Financial assets mandatorily measured at fair value through profit or loss	
- Listed company stock	<u>\$ 17,374</u>

- A. The convertible corporate bonds the Group held the right to redeem and sell for the three months ended June 30, 2023, with recognized losses were \$8. For the six months ended June 30, 2023, with recognized losses were \$27.
- B. The shares of listed OTC companies the Group held for the three months ended June 30, 2023, with recognized gains were \$10,405. For the six months ended June 30, 2023, with recognized gains were \$11,436.
- C. The Group has not pledged any financial assets at fair value through profit or loss.



(3) Accounts receivable, net

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 3,368,740	\$ 2,721,222	\$ 3,678,639
Less: Allowance for impairment	( 7,929)	( 14,483)	( 49,628)
	<u>\$ 3,360,811</u>	<u>\$ 2,706,739</u>	<u>\$ 3,629,011</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ 3,331,345	\$ 2,587,858	\$ 3,492,761
Overdue 0 to 90 days	29,638	115,785	128,192
Overdue 91 to 180 days	184	5,338	45,756
Overdue 181 to 365 days	21	5,056	4,491
Over 365 days past due	7,552	7,185	7,439
Total	<u>\$ 3,368,740</u>	<u>\$ 2,721,222</u>	<u>\$ 3,678,639</u>

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

B. The balances of accounts receivable of June 30, 2024, December 31, 2023 and June 30, 2023 were generated by the customer contracts. The balances of accounts receivable from the customer contract as of January 1, 2023 was \$4,229,321.

C. The amount of the maximum credit risk of the Group's accounts receivables as of June 30, 2024, December 31, 2023 and June 30, 2023 regardless of the collateral or other credit enhancements held, was the book value of each type of accounts receivable.

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

(4) Inventories

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

  

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

  

	June 30, 2023		
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 784,595	(\$ 36,555)	\$ 748,040
Work in process	747,642	( 9,144)	738,498
Finished goods	1,546,886	( 27,031)	1,519,855
Inventory in transit	145,296	-	145,296
Total	<u>\$ 3,224,419</u>	<u>(\$ 72,730)</u>	<u>\$ 3,151,689</u>

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

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Cost of inventories sold	\$ 3,254,093	\$ 3,768,809
Inventory valuation gains from price recovery	( 16,352)	( 28,408)
Inventory scrap losses	3,070	367
Others	( 4,344)	8,446
	<u>\$ 3,236,467</u>	<u>\$ 3,749,214</u>

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Cost of inventories sold	\$ 5,427,509	\$ 7,734,005
Inventory valuation gains from price recovery	( 7,129)	( 19,047)
Inventory scrap losses	3,071	3,411
Others	( 8,615)	15,905
	<u>\$ 5,414,836</u>	<u>\$ 7,734,274</u>

The Group recognized a reduction in the cost of goods sold due to a rebound in the net realizable value of inventory due to the degraded part of the inventory that had been listed as loss of price for the three months and the six months ended June 30, 2024 and 2023.

(Blank Below)

(5) Property, Plant and Equipment

Cost	For the Six Months Ended June 30, 2024					
	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 338,956	\$ -	\$ -	\$ -	\$ 19,263	\$ 358,219
Buildings	5,524,545	4,469	-	35,005	180,959	5,744,978
Machinery equipment	5,547,612	47,006	( 51,175)	7,901	162,610	5,713,954
Transportation equipment	90,741	5,190	( 3,415)	1,568	2,195	96,279
Office equipment	65,505	3,992	-	293	2,260	72,050
Others	2,406,688	84,885	( 23,611)	6,889	97,160	2,572,011
Construction in progress and to-be-inspected equipment	301,587	520,058	-	( 54,497)	( 586)	766,562
	<u>\$ 14,275,634</u>	<u>\$ 665,600</u>	<u>(\$ 78,201)</u>	<u>(\$ 2,841)</u>	<u>\$ 463,861</u>	<u>\$ 15,324,053</u>
Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	(\$ 1,795,658)	(\$ 129,198)	\$ -	\$ -	(\$ 59,485)	(\$ 1,984,341)
Machinery equipment	( 2,275,736)	( 157,405)	34,577	-	( 72,058)	( 2,470,622)
Transportation equipment	( 60,864)	( 3,493)	3,415	-	( 1,791)	( 62,733)
Office equipment	( 48,483)	( 3,980)	-	-	( 1,744)	( 54,207)
Others	( 1,808,988)	( 173,004)	20,292	-	( 77,429)	( 2,039,129)
	<u>(\$ 5,989,729)</u>	<u>(\$ 467,080)</u>	<u>\$ 58,284</u>	<u>\$ -</u>	<u>(\$ 212,507)</u>	<u>(\$ 6,611,032)</u>
	<u>\$ 8,285,905</u>					<u>\$ 8,713,021</u>

Cost	For the Six Months Ended June 30, 2023					
	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 339,011	\$ -	\$ -	\$ -	\$ 4,747	\$ 343,758
Buildings	5,504,936	37,448	-	41,458	( 3,249)	5,580,593
Machinery equipment	5,404,819	71,332	( 20,851)	138,834	( 894)	5,593,240
Transportation equipment	96,145	-	( 893)	-	277	95,529
Office equipment	59,049	3,621	( 49)	-	( 307)	62,314
Others	2,182,228	93,156	( 21,217)	27,683	4,375	2,286,225
Construction in progress and to-be-inspected equipment	415,201	41,955	-	( 220,487)	5,866	242,535
	<u>\$ 14,001,389</u>	<u>\$ 247,512</u>	<u>(\$ 43,010)</u>	<u>(\$ 12,512)</u>	<u>\$ 10,815</u>	<u>\$ 14,204,194</u>
Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	(\$ 1,599,923)	(\$ 112,406)	\$ -	\$ -	\$ 26,278	(\$ 1,686,051)
Machinery equipment	( 2,038,727)	( 172,006)	20,582	-	21,243	( 2,168,908)
Transportation equipment	( 57,473)	( 4,390)	893	-	44	( 60,926)
Office equipment	( 43,371)	( 3,158)	46	-	387	( 46,096)
Others	( 1,513,059)	( 189,222)	18,948	-	( 2,885)	( 1,686,218)
	<u>(\$ 5,252,553)</u>	<u>(\$ 481,182)</u>	<u>\$ 40,469</u>	<u>\$ -</u>	<u>\$ 45,067</u>	<u>(\$ 5,648,199)</u>
	<u>\$ 8,748,836</u>					<u>\$ 8,555,995</u>

A. For the six months ended June 30, 2024 and 2023, the Group had no interest capitalized.

B. For property, plant and equipment provided by the Group as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023, please refer to Note 8.

(6) Lease arrangements - Lessee

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

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,050,491	\$ 1,058,418	\$ 1,121,957
Buildings	690,392	734,212	797,095
	<u>\$ 1,740,883</u>	<u>\$ 1,792,630</u>	<u>\$ 1,919,052</u>

	<u>For the Three Months Ended June 30,2024</u>	<u>For the Three Months Ended June 30,2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 8,872	\$ 8,390
Buildings	11,062	12,800
	<u>\$ 19,934</u>	<u>\$ 21,190</u>

	<u>For the Six Months Ended June 30,2024</u>	<u>For the Six Months Ended June 30,2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 17,744	\$ 16,714
Buildings	23,013	25,423
	<u>\$ 40,757</u>	<u>\$ 42,137</u>

- C. The Group's right-of-use assets for the three months ended June 30, 2024 and 2023 increased to \$0 and \$118,530, respectively. For the six months ended June 30, 2024 and 2023 increased to \$0 and \$132,791, respectively.

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

	<u>For the Three Months Ended June 30,2024</u>	<u>For the Three Months Ended June 30,2023</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 2,177	\$ 2,368
Expense on short-term lease contracts	2,784	64
Profit from lease modification	( 22)	-

	<u>For the Six Months Ended June 30,2024</u>	<u>For the Six Months Ended June 30,2023</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 4,449	\$ 4,708
Expense on short-term lease contracts	2,911	403
Profit from lease modification	( 971)	-

- E. The Group's total cash outflow for leases were \$9,943 and \$32,136 for the six months ended June 30, 2024 and 2023, respectively.

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

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current:			
Financial assets at amortized cost -			
Restricted bank deposits	\$ 1,670	\$ 1,658	\$ 5,464
Financial assets at amortized cost -			
Time deposits	221,618	242,161	235,899
Others	21,049	29,043	32,544
Total	\$ 244,337	\$ 272,862	\$ 273,907
Item	June 30, 2024	December 31, 2023	June 30, 2023
Non-current:			
Prepayments for equipment	\$ 18,741	\$ 13,362	\$ 17,434
Refundable deposits	52,106	39,614	29,230
Others	5,958	5,518	2,991
Total	\$ 76,805	\$ 58,494	\$ 49,655

Note: For other current assets and other non-current assets provided by the Group as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023, please refer to Note 8.

(8) Short-term borrowings

Loans Type	June 30, 2024	Interest rate range	Collateral
Credit loans	\$ 1,924,700	1.650%~5.810%	Note
Loans Type	December 31, 2023	Interest rate range	Collateral
Credit loans	\$ 1,685,000	1.510%~1.734%	Note
Loans Type	June 30, 2023	Interest rate range	Collateral
Credit loans	\$ 2,023,940	1.480%~5.680%	Note

Note: For property, plant and equipment provided by the Group as collateral as of June 30, 2024, December 31, 2023 and June 30, 2023, please refer to Note 8.

(9) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Accrued salaries	\$ 539,930	\$ 556,136	\$ 515,198
Dividends payable	570,990	380,660	1,140,422
Payables on equipment	101,149	138,610	227,724
Others	193,536	168,927	187,577
Total	\$ 1,405,605	\$ 1,244,333	\$ 2,070,921

(10) Bonds payable

The Group had no Bonds payable as of June 30, 2024 and December 31, 2023.

	June 30, 2023
Domestic fifth unsecured convertible corporate bonds	\$ 18,500
Less: Discount on corporate bonds payable	( 25)
Subtotal	18,475
Less: Current bonds payable(Current portion of long-term liabilities)	( 18,475)
Total	\$ -

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 \$500,000, with a par value of \$100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from 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 \$112(in dollars) per share at the time of issue, and the conversion price of the convertible corporate bond is determined according to the prescribed model stipulated in the conversion method, and the conversion price will be in case of the Company's anti-dilution clause. It will be adjusted according to the model set out in the conversion method.
  - (D) Within 40 days before the convertible corporate bond is issued 2 full years, the bondholder may require the Company to redeem the convertible corporate bond in cash at 101.0025% of the face value of the bond.
  - (E) When the convertible corporate bond is issued 3 months from the next day to the first 40 days after the expiration of the issuance period, the 30 consecutive business days of the closing price of the 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 August 16, 2023, the convertible corporate bond of \$500,000 was fully converted to 4,795 thousand shares of common stock, and delisted on August 18, 2023. 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.
- 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 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) Other non-current liabilities

Item	June 30, 2024	December 31, 2023	June 30, 2023
Deferred government grant income(Note)	\$ 112,272	\$ 110,205	\$ 110,910
Other non-current liabilities, others	93,687	90,682	89,992
Total	\$ 205,959	\$ 200,887	\$ 200,902

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

(12) Pension

- A. Since July 1, 2005, the Group's subsidiaries in Taiwan have set up a defined retirement scheme according to the "Labor Pension Act," which is applicable to employees of this nationality. The Group has paid the labor pension to 6% of the monthly salary of the labor pension system applicable to the employee's choice of the "Labor Pension Act," the personal accounts of the Bureau of Labor Insurance, and the payment of employees' pensions are collected on the basis of the pensions of employees' personal pensions and the amount of accumulated income or by a pension. For the three months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$1,718 and \$1,907, respectively. For the six months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$3,434 and \$3,970, respectively.
- B. In accordance with the regulations of the People's Republic of China, the Group's subsidiaries in China set aside the pension, monthly at 16%~19% of the total local staff's salaries (Sunny and Sunshine: 16%~18%; Sunsmile: 16%~19%; Fujian Laya 16%). Each employee's monthly pension is managed and arranged by the government, and the Group is solely obliged to set aside the pension. For the three months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$18,618 and \$26,084, respectively. For the six months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$40,011 and \$56,151, respectively.
- C. The Group's subsidiaries in Vietnam are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$36,746 and \$49,198, respectively. For the six months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$72,376 and \$106,270, respectively.
- D. The Group's subsidiaries in Cambodia are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$4,854 and \$5,899, respectively. For the six months ended June 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$8,625 and \$12,014, respectively.



(13) Share capital

- A. On June 30, 2024, the Company's rated capital was \$3,000,000, divided into 300 million shares, the paid-in-capital was \$1,909,899 with a par value of \$10 (in dollars) per share.

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

	Unit: Thousand Shares	
	2024	2023
January 1	190,330	190,064
Conversion of convertible bonds	-	85
June 30	190,330	190,149

B. Treasury Stock

- (A) Reason and quantity of share recovery

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

  

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

  

		June 30, 2023	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Book value
The Company	Transfer to employees	660	\$ 57,583

- (B) According to the Securities and Exchange Act, the number of shares bought back under shall not exceed 10% of the total number of issued and outstanding shares of the Company. The total amount of the shares bought back shall not exceed the amount of retained earnings plus premium on capital stock plus realized capital surplus.
- (C) According to the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged; before the transfer, the shareholder's rights shall not be enjoyed.
- (D) According to the Securities and Exchange Act, the shares bought back by the Company shall be transferred to employees within 5 years from the date of buyback. The shares not transferred within the said time limit shall be deemed as not issued by the Company, and amendment registration shall be processed for cancellation. Where the buyback is required to maintain the company's credit and shareholders' rights and interests, amendment registration for cancellation shall be retired within six months from the date of buyback.

(14) Capital surplus

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

B. The changes in capital surplus were as follows:

	2024			
	Issue Premium	Changes in ownership interests in subsidiaries	Others	Total
January 1	\$ 5,701,321	\$ -	\$ 546	\$ 5,701,867
Changes in ownership interests in subsidiaries	-	2,111	-	2,111
June 30	<u>\$ 5,701,321</u>	<u>\$ 2,111</u>	<u>\$ 546</u>	<u>\$ 5,703,978</u>
	2023			
	Issue Premium	Stock Options	Others	Total
January 1	\$ 5,674,184	\$ 2,622	\$ 546	\$ 5,677,352
Convertible corporate bonds converted to common stocks	8,671	( 839)	-	7,832
June 30	<u>\$ 5,682,855</u>	<u>\$ 1,783</u>	<u>\$ 546</u>	<u>\$ 5,685,184</u>

(15) Retained Earnings

- A. Under the Company's Articles of Association, stipulating that the Company may, at the end of each semi-fiscal year, distribute earnings in the form of stock dividends upon supermajority resolution in the shareholders' meeting or in the form of cash dividends upon the Board of Directors' resolution. The company shall not set aside exceeding than 3% and lower than 0.1% of the remaining earnings as directors' remuneration and less than 3% of the remaining profits as bonuses to the employees of the Company and subsidiaries. The Company shall make up the loss when company still has accumulated losses. The Company shall (1) first make up the loss over the years, set aside a legal surplus reserve at 10% of the remaining earnings until the accumulated legal surplus reserve equals the Company's paid-in-capital; (2) set aside a special surplus reserve in accordance with the rules of the public offering company or at the request of the competent authority.
- B. When the Company's earnings are distributed, dividends distributed to shareholders should not be less than the balance of the remaining earnings net of 20% of the amounts in the preceding (1) (2), wherein the cash dividend issued should not be less than 20% of the dividends.
- C. In accordance with the Articles of Association, the Company shall not distribute dividends or assign dividends or other assignments in respect of the realized or unrealized benefits of the Company, the premium account for the issuance of shares, or other payments permitted by the Cayman Company Act; provided that the legal surplus reserve is more than 25% of paid-in-capital, only the legal surplus reserve shall be accumulated as the above allocation and shall be limited to the portion of the legal surplus reserve in excess of 25% of the paid-in-capital.
- D. (A) When the Company distributes earnings, it should make special surplus reserve accumulated in respect of the debit balance of other equity on the balance sheet date in accordance with the provisions of the laws. When the debit balance of subsequent other equity is reversed, the amount reversed may be included in the earnings available for distribution.
- (B) Upon the first application of the IFRSs, a special surplus reserve set aside in letter No. 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 2022 which have been resolved in the shareholders' meeting on May 30, 2023 respectively, were as follows:

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

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

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

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

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

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

(16) Operating revenue

	<u>For the Three Months Ended June 30, 2024</u>	<u>For the Three Months Ended June 30, 2023</u>
Revenue from Contracts with Customers	<u>\$ 3,965,185</u>	<u>\$ 4,616,288</u>
	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Revenue from Contracts with Customers	<u>\$ 6,624,398</u>	<u>\$ 9,669,852</u>

A. Breakdown of Customer Contract Income

The income of the Group originates from the transfer of goods at a certain point. For relevant information, please refer to Note 14(3).

B. Contract liabilities

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Contract liabilities				
- Advance sales receipts	<u>\$ 115,070</u>	<u>\$ 36,938</u>	<u>\$ 80,103</u>	<u>\$ 76,777</u>

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

	<u>For the Three Months Ended June 30, 2024</u>	<u>For the Three Months Ended June 30, 2023</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	<u>\$ 2,190</u>	<u>\$ 12,253</u>
	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	<u>\$ 28,320</u>	<u>\$ 68,997</u>

(17) Interest revenue

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Interest on bank deposits	\$ 26,271	\$ 12,062
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Interest on bank deposits	\$ 50,722	\$ 18,018

(18) Other income

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Government grant	\$ 10,702	\$ 5,616
Mold	9,691	11,255
Other revenue - others	15,189	9,799
	\$ 35,582	\$ 26,670
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Government grant	\$ 11,881	\$ 11,838
Mold	45,589	14,568
Other revenue - others	24,352	19,558
	\$ 81,822	\$ 45,964

(19) Other gains and losses

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Gains on disposal of property, plant and equipment	\$ 552	\$ 1,220
Foreign exchange gains	91,766	245,491
Gains on financial assets and liabilities measured at fair value through profit and loss	-	10,397
Other losses	(4,350)	(2,226)
	\$ 87,968	\$ 254,882
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Losses on disposal of property, plant and equipment	(\$ 4,643)	(\$ 278)
Foreign exchange gains	249,915	203,290
Gains on financial assets and liabilities measured at fair value through profit and loss	-	11,409
Other losses	(7,080)	(8,458)
	\$ 238,192	\$ 205,963

(20) Finance Costs

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Bank borrowings	\$ 7,000	\$ 24,435
Convertible bonds	-	84
Lease liabilities	2,177	2,368
	\$ 9,177	\$ 26,887

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Bank borrowings	\$ 13,569	\$ 52,306
Convertible bonds	-	167
Lease liabilities	4,449	4,708
	<u>\$ 18,018</u>	<u>\$ 57,181</u>

(21) Expenses Expressed by Nature

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Employee benefits		
Salary	\$ 1,117,523	\$ 1,135,917
Labor and health insurance	33,659	44,442
Pension	61,936	83,088
Others	18,053	19,549
	<u>1,231,171</u>	<u>1,282,996</u>
Depreciation	251,773	258,857
Amortization	4,798	5,279
	<u>\$ 1,487,742</u>	<u>\$ 1,547,132</u>

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Employee benefits		
Salary	\$ 1,981,523	\$ 2,432,980
Labor and health insurance	67,008	95,989
Pension	124,446	178,405
Others	31,158	41,354
	<u>2,204,135</u>	<u>2,748,728</u>
Depreciation	507,837	523,319
Amortization	9,615	10,337
	<u>\$ 2,721,587</u>	<u>\$ 3,282,384</u>

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

B. The employees' compensation and directors' remuneration estimate of the Company for the three months and the six months ended June 30, 2024 and 2023 were \$5,000, \$5,000, \$10,000 and \$10,000, respectively. The above employees' bonuses and directors' remuneration are assessed on the basis of the ratio set out in the Articles of Association, 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, 2023 approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2023.

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

(22) Income tax

A. Income tax expenses

Components of income tax expense:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Current tax:		
Current tax on profits for the period	\$ 98,876	\$ 157,088
Underestimated income tax in prior periods	6,300	19,941
Total current tax	<u>105,176</u>	<u>177,029</u>
Deferred tax:		
Origination and reversal of temporary differences	( 820)	( 8,412)
Total deferred tax	( 820)	( 8,412)
Income tax expenses	<u>\$ 104,356</u>	<u>\$ 168,617</u>

  

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Current tax:		
Current tax on profits for the period	\$ 176,198	\$ 295,996
Underestimated income tax in prior periods	6,537	20,270
Total current tax	<u>182,735</u>	<u>316,266</u>
Deferred tax:		
Origination and reversal of temporary differences	673	( 1,331)
Total deferred tax	673	( 1,331)
Income tax expenses	<u>\$ 183,408</u>	<u>\$ 314,935</u>

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

(23) Earnings per share

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

For the Three Months Ended June 30, 2023			
	<u>After-tax amount</u>	<u>Weighted average number of shares in circulation (thousand shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 621,079	190,087	\$ 3.27
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	621,079	190,087	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	84	243	
Employee bonus	-	186	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 621,163	190,516	\$ 3.26

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

For the Six Months Ended June 30, 2023			
	<u>After-tax amount</u>	<u>Weighted average number of shares in circulation (thousand shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,095,543	190,077	\$ 5.76
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,095,543	190,077	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	167	252	
Employee bonus	-	216	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 1,095,710	190,545	\$ 5.75

(24) Transactions with non-controlling interest

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

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Additions to property, plant and equipment	\$ 662,759	\$ 235,000
Less: Prepayments for equipment, beginning of period	( 13,362)	( 70,313)
Add: Prepayments for equipment, end of period	18,741	17,434
Add: Payables on equipment, beginning of period	138,610	498,157
Less: Payables on equipment, end of period	( 101,149)	( 227,724)
Cash paid during the period	<u>\$ 705,599</u>	<u>\$ 452,554</u>

B. Financing activities with no cash flow effects:

	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Share capital converted from convertible corporate bonds	\$ -	\$ 852
Declared cash dividends not yet paid	<u>\$ 570,990</u>	<u>\$ 1,140,422</u>

(Blank Below)



(26) Changes in liabilities from financing activities

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

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>		<u>Lease liabilities</u>		<u>Convertible corporate bonds (Note)</u>		<u>Dividends payable</u>		<u>Total liabilities from financing activities</u>
January 1, 2023	\$ 3,476,180	\$ -	\$	964,040	\$	26,992	\$	227,705	\$	4,694,917
Changes in cash flows from financing	( 1,472,881)	98,111	(	31,733)	-	(	227,705)	(	1,634,208)	
Changes in other non-cash items	-	-	30,270	(	8,517)	1,140,422		1,162,175		
Impact of changes in foreign exchange rate	20,641	1,867	12,170	-	-		34,678			
June 30, 2023	<u>\$ 2,023,940</u>	<u>\$ 99,978</u>	<u>\$ 974,747</u>	<u>\$ 18,475</u>	<u>\$ 1,140,422</u>	<u>\$ 4,257,562</u>				

Note : The portion due within one year is included.

7. Related Party Transactions

Key management compensation

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Short-term employee benefits	\$ 22,167	\$ 21,610
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Short-term employee benefits	\$ 43,930	\$ 43,775

8. Pledged Assets

Assets	Book value			Guarantee use
	June 30, 2024	December 31, 2023	June 30, 2023	
Land	\$ 116,011	\$ 109,773	\$ 111,328	Short-term borrowings
Buildings	157,630	151,225	155,468	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	6,949	6,886	7,887	Performance bond and performance guarantee of the power supply agreement
Refundable deposits (recognized in other non-current assets)	52,106	39,614	29,230	Plants lease deposits and others
	<u>\$ 332,696</u>	<u>\$ 307,498</u>	<u>\$ 303,913</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Commitments

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

	Total contract price		
	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ 1,483,274	\$ 435,074	\$ 368,531
	Outstanding amount		
	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ 841,682	\$ 222,831	\$ 250,277

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(A) The Group's subsidiary, Sunglory, decided by the Board of Directors on July 15, 2024 signed a factory construction contract with unrelated parties to support the Group's future expansion and business requirement. The total contract amount is approximately US\$ 30,282 thousand.

(B) On August 19, 2024, the Board of Directors meeting of Company resolved to issue 10,000 thousand new shares with a par value of \$10 (in dollars) per share by cash capital increase and issue the 6th domestic unsecured convertible corporate bonds, with a face value of \$100 thousand each, with a coupon rate of 0%, the issue period is 3 years. It is planned to conduct public underwriting by competitive auction, and the base bid is not less than 100% of the face value, the total estimated issue amount to be raised is \$2,000,000 thousand.

## 12. Others

### (1) Capital management

There are no significant changes in this period, please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit and loss			
Non-current financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ -	\$ 17,374
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 2,489,928	\$ 2,609,321	\$ 1,886,476
Accounts receivable	3,360,811	2,706,739	3,629,011
Other receivables	523,855	501,640	463,119
Financial assets at amortized cost - current	223,288	243,819	241,363
Refundable deposits	52,106	39,614	29,230
Financial assets at amortized cost - non-current	5,279	5,228	2,423
	<u>\$ 6,655,267</u>	<u>\$ 6,106,361</u>	<u>\$ 6,251,622</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 1,924,700	\$ 1,685,000	\$ 2,023,940
Short-term notes and bills payable	-	-	99,978
Accounts payable	1,688,670	1,301,804	1,403,687
Other payables	1,405,605	1,244,333	2,070,921
Corporate bonds payable	-	-	18,475
	<u>\$ 5,018,975</u>	<u>\$ 4,231,137</u>	<u>\$ 5,617,001</u>
Lease liabilities (current and non-current)	<u>\$ 879,149</u>	<u>\$ 902,318</u>	<u>\$ 974,747</u>

#### 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. Significant financial risks and degrees of financial risks

(A) Market risk

Foreign exchange risk

- a. The Group is a multinational operation and is exposed to exchange rate risk arising from transactions with different functional currencies by the Company and its subsidiaries, which are mainly the USD and RMB, and partially the VND and IDR. The relevant exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.
- b. To avoid the decrease in foreign currency assets and future fluctuations in cash flows caused by exchange rate movements, the Group uses derivative financial instruments to hedge the exchange rate risk. This kind of derivative financial instrument can be used to assist the Group in reducing but not entirely eliminating the impact of foreign currency exchange rate movements.
- c. The Group's business involves the use of various non-functional currencies (the Company and some subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currencies are RMB, USD, VND and IDR); as a consequence, it is subject to exchange rates fluctuation. Assets and liabilities that are denominated in foreign currencies and significantly affected by the exchange rates fluctuation and market risk were as follows:

(Blank Below)

June 30, 2024						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 115,786	7.2688	\$ 3,757,249	1%	\$ 37,572	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,824,336	0.0308	\$ 1,824,336	1%	\$ 18,243	\$ -
December 31, 2023						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 132,029	7.1058	\$ 4,053,940	1%	\$ 40,539	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,772,736	0.0326	\$ 1,772,736	1%	\$ 17,727	\$ -
June 30, 2023						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 125,405	7.2603	\$ 3,905,124	1%	\$ 39,051	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,562,652	0.0321	\$ 1,562,652	1%	\$ 15,627	\$ -

- 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 and the six months ended June 30, 2024 and 2023, with recognized gains were \$91,766, \$245,491, \$249,915 and \$203,290, 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 for the six months ended June 30, 2023 from gains or losses on equity instruments mandatorily measured at fair value through profit or loss would have increased or decreased \$869.

#### Cash flow and fair value interest rate risk

- a. The Group's interest rate risk arises primarily from the short-term borrowings and short-term notes and bills payable issued at floating rates, which exposes the Group to the cash flow interest rate risk. For the six months ended June 30, 2024 and 2023, the Group's loans issued at floating rates were mainly denominated in NTD and USD.
- b. The Group's loans are measured at amortized cost and re-priced based on the contractual interest rates, which expose the Group to the risk of changes in future market interest rates.
- c. If the loan interest rate increased or decreased 0.1%, with all other variables held constant, net income for the six months ended June 30, 2024 and 2023 would have decreased or increased \$770 and \$850, 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, 2024, December 31, 2023 and June 30, 2023.
- h. The Group first assesses and recognizes impairment losses on individual receivables for which there is objective evidence of non-recoverability. For the remaining receivables, the Group adjusts the loss rate established on the history of certain periods and current information for prospective considerations to estimate the loss allowance for accounts receivable. The reserve matrixes as of June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

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

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

June 30, 2023	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 3,492,761	\$ -
Overdue 0 to 90 days	1.69%	128,192	2,164
Overdue 91 to 180 days	13.56%	10,642	1,443
Overdue 181 to 365 days	52.20%	2,140	1,117
Over 365 days past due	100.00%	7,439	7,439
Individual assessment	100.00%	37,465	37,465
Total		<u>\$ 3,678,639</u>	<u>\$ 49,628</u>

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

	2024	2023
	Accounts receivable	Accounts receivable
January 1	\$ 14,483	\$ 16,143
(Reversal) allowance of impairment loss	( 7,253)	32,638
Effect of foreign exchange	699	847
June 30	<u>\$ 7,929</u>	<u>\$ 49,628</u>

(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, 2024, December 31, 2023 and June 30, 2023, the Group had unused borrowing facilities of \$9,365,875, \$8,899,293 and \$8,009,170, 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:

	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
June 30, 2024					
Short-term borrowings	\$ 1,926,899	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,688,670	-	-	-	-
Other payables	1,371,559	34,046	-	-	-
Lease liabilities	30,052	20,240	45,015	164,575	694,416

Non-derivative financial liabilities:

	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2023					
Short-term borrowings	\$ 1,307,842	\$ 384,909	\$ -	\$ -	\$ -
Accounts payable	1,301,804	-	-	-	-
Other payables	1,207,620	36,713	-	-	-
Lease liabilities	28,900	21,440	47,135	175,542	695,739



Non-derivative financial liabilities:

June 30, 2023	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 2,030,338	\$101,280	\$ -	\$ -	\$ -
Short-term notes and bills payable	100,000	-	-	-	-
Accounts payable	1,403,687	-	-	-	-
Other payables	2,014,906	56,015	-	-	-
Corporate bonds payable	18,500	-	-	-	-
Lease liabilities	18,019	22,893	48,162	181,446	779,695

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

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

The Group had no corporate bonds payable as of June 30, 2024 and December 31, 2023.

	June 30, 2023	
	Book value	Fair Value
		Level 3
Corporate bonds payable	\$ 18,475	\$ 18,500

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

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

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

The Group had no such situation as of June 30, 2024 and December 31, 2023.

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit and loss				
- Listed company stock	\$ 17,374	\$ -	\$ -	\$ 17,374

- 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, 2024 and 2023.
- F. The following table shows the changes for the six months ended June 30, 2024 and 2023:

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

	2023
	<u>Non-derivative equity instruments</u>
January 1	\$ 27
Gains or losses recognized in profit or loss (Note)	( 27)
June 30	<u>\$ -</u>

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:

The Group had no such situation as of June 30, 2024 and December 31, 2023.

	Fair value as of June 30, 2023	Evaluation techniques	Significant unobservable inputs	Interval (weighted average)	Relationship of inputs to fair value
Hybrid Instruments:					
Redemption right of corporate bonds	\$ -	Binomial tree evaluation model	Volatility	41.95%	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:

The Group had no such situation as of June 30, 2024 and December 31, 2023.

			June 30, 2023	
	Input value	Change	<u>Recognized in Profit or Loss</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
Financial Liabilities				
Hybrid instruments	Volatility	±5%	\$ 2	\$ -

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Please refer to Appendix 1.
- B. Provision of endorsements and guarantees to others: Please refer to Appendix 2.
- C. Holding of marketable securities at the end of the period (Not including subsidiaries, associates, and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to Appendix 3.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Appendix 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to Appendix 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Parent-subsidiary and Subsidiary-subsidiary business relations and significant transactions and amounts thereof: Please refer to Appendix 6.

#### (2) Information on investees

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

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

- A Basic information: Please refer to Appendix 8.
- B Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland Area: Please refer to Note 13(1).

#### (4) Major shareholders information:

Major shareholders information: Please refer to Appendix 9.

### 14. Segment Information

#### (1) General information

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

#### (2) Department information

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

#### (3) Reconciliation of segment revenue and profit or loss

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

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

Loans to Others

For the Six Months Ended June 30, 2024

Appendix 1

Unit: NTS Thousand  
(Unless Otherwise Specified)

No. (Note 1)	Creditor	Borrower	General ledger account	Related Party	Maximum Balance for the period	Ending Balance	Amount Actually		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	\$ 735,126	\$ 732,286	\$ 732,286	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	-	\$ -	\$ 1,202,618	\$ 1,603,491	Notes 4 & 5
2	NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Other receivables	Y	363,833	92,304	92,304	3.20%	Short-term financing	-	Build factory for sister company	-	- None	-	-	795,410	1,060,546	Notes 4 & 5
3	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	829,898	827,475	827,475	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	1,330,979	1,774,639	Notes 4 & 5
4	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	113,908	113,575	113,575	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	212,831	283,774	Notes 4 & 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsidiaries are numbered in order starting from "1".

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 60 percent of the lender's net worth.

Note 3: Loaning funds to others, provided that such financing amount shall not exceed 80 percent of the lender's net worth.

Note 4: In Q2 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

Note 5: Offset in consolidated financial statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Provision of Endorsements and Guarantees to Others  
For the Six Months Ended June 30, 2024

Unit: NTS Thousand  
(Unless Otherwise Specified)

Appendix 2

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed Company Name	Relation (Note 2)	Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	\$ 8,026,850	\$ 162,725	\$ -	\$ -	-	0.00%	\$ 10,702,466	Y	N	N	Note 5 & 6

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company and subsidiaries are as follows:

- (1) For the issuer, fill in "0".
- (2) Investee companies are numbered in order starting from "1".

Note 2: The relationship between the endorser/guarantor and the party endorsed/guaranteed is classified into the following seven categories (mark the category number only):

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

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

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

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

Note 6: In Q2 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Acquisition of Real Estate Reaching \$300 Million or 20% of Paid-in Capital or More  
For the Six Months Ended June 30, 2024

Appendix 3

Real estate acquired by	Real estate	Date of the event	Transaction currency	Transaction amount	Status of payment	Counterparty	Relationship	Information on prior transaction if the counterparty is a related party				Basis or reference used in setting the price	Purpose of acquisition and utilization	Unit US\$ thousand
								Owner	Relationship with the issuer	Date of transfer	Amount			(Unless Otherwise Specified)
PT. SUN BRIGHT LESTARI	Factory engineering	2024/02/19	USD	\$ 16,120	In accordance with the contract terms	PT. PILAR TEGUH UTAMA	None	-	-	-	\$ -	Price comparison and negotiation	Operational needs	-

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

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

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

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

For the Six Months Ended June 30, 2024

Appendix 4

Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Purchases/ Sales	Transaction Details			Unusual Trade Conditions and Its Reasons		Notes and Accounts Receivable (Payable)			Unit NT\$ thousand (Unless Otherwise Specified)
				Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note	
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiary	Purchases	\$ 570,113	10.53%	180 days after purchase	Note 1	Note 1	(\$ 593,972)	-35.17%	Note 2 & 3	
Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	Subsidiary	Purchases	128,379	2.37%	180 days after purchase	Note 1	Note 1	( 130,566)	-7.73%	Note 2 & 3	
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	176,410	3.26%	180 days after purchase	Note 1	Note 1	( 344,058)	-20.37%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	219,250	4.05%	90 days after purchase	Note 1	Note 1	( 200,507)	-11.87%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	1,757,623	32.46%	120 days after purchase	Note 1	Note 1	( 1,139,836)	-67.50%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	1,046,036	19.32%	120 days after invoices issued	Note 1	Note 1	( 394,355)	-23.35%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	311,163	5.75%	120 days after invoices issued	Note 1	Note 1	( 367,659)	-21.77%	Note 2 & 3	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	240,488	4.44%	120 days after invoices issued	Note 1	Note 1	-	-	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	( 706,588)	-10.67%	135 days after shipment	Note 1	Note 1	106,902	3.18%	Note 2 & 3	
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Sister company	Sales	( 128,666)	-1.94%	90 days after shipment	Note 1	Note 1	62,317	1.85%	Note 2 & 3	

Note 1: Sales transactions between the Group and related parties are valued based on reasonable profits; thus, selling prices to related parties and those to non-related parties are incomparable. In terms of payment terms, there was no significant difference between related parties and non-related parties.

Note 2: In Q2 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

Note 3: Offset in consolidated financial statements.

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

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

June 30, 2024

Appendix 5

Unit NT\$ thousand  
(Unless Otherwise Specified)

Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable		Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for Bad Debt	Note
			Balance from Related Party	Turnover Rate	Amount	Actions Taken			
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	\$ 593,972	1.23	\$ -	-	\$27,878	\$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	827,475	-	-	-	-	-	Note 2, 3 & 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	344,058	1.04	141,612	Collection after reporting period	65,225	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	200,507	1.46	77,345	Collection after reporting period	16,225	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	113,575	-	-	-	-	-	Note 2, 3 & 4
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	130,566	2.03	-	-	-	-	Note 2 & 3
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	732,286	-	-	-	-	-	Note 2, 3 & 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,139,836	6.06	48	Collection after reporting period	422,719	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	394,355	3.87	-	-	314,765	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	367,659	3.09	123,404	Collection after reporting period	45,430	-	Note 2 & 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	106,902	4.90	-	-	-	-	Note 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to August 19, 2024.

Note 2: In Q2 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

Note 3: Offset in consolidated financial 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

June 30, 2024

Appendix 6

Unit NTS thousand  
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status			
				General Ledger Account	Amount (Note 5)	Trade terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	\$ 593,972	Note 4	3.01%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	344,058	Note 4	1.75%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	200,507	Note 4	1.02%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,139,836	Note 4	5.78%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	394,355	Note 4	2.00%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	367,659	Note 4	1.87%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	827,475	Note 4	4.20%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	732,286	Note 4	3.72%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	570,113	Note 4	8.61%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchases	176,410	Note 4	2.66%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	219,250	Note 4	3.31%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	1	Purchases	1,757,623	Note 4	26.53%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	1,046,036	Note 4	15.79%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Purchases	311,163	Note 4	4.70%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	240,488	Note 4	3.63%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	1	Sales	706,588	Note 4	10.67%

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 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

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

Note 7: Offset in consolidated financial statements.

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

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

For the Six Months Ended June 30, 2024

Appendix 7

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)		Shares Held as of period ended		Book value (Note 3)	Investee company current profit or loss (Note 3)	Investment gains and losses recognized in the current period (Note 3&4)		Note
				End of Period	End of Last Year	Number of Shares (Note 1)	Ratio			Unit NT\$ thousand (Unless Otherwise Specified)		
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Holding company and Sports Leisure Outdoor Footwear Sales	\$ 6,585,827	\$ 6,585,827	1,733,000,000	100.00	\$ 13,378,083	\$ 697,995	\$ 697,995	Subsidiary	
Fulgent Sun International (Holding) Co., Ltd.	Wisesquare Enterprise Limited	Hong Kong	Start-up stage not yet in operation	413	413	100,000	100.00	278	( 21)	( 21)	Subsidiary	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	1,518,038	1,518,038	-	100.00	3,474,180	64,359	64,359	Subsidiary	
Capital Concord Enterprises Limited	Lin Wen Chih Sunstone Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	445,848	445,848	-	100.00	223,381	( 944)	( 944)	Subsidiary	
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	152,297	144,490	-	100.00	149,177	( 4,017)	( 4,017)	Subsidiary	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,123,103	2,079,418	-	100.00	2,904,619	67,768	67,768	Subsidiary	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,400,491	1,388,854	-	100.00	1,325,683	21,289	21,289	Subsidiary	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,086,159	799,883	-	100.00	1,050,506	16,416	16,416	Subsidiary	
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	319,524	193,124	-	100.00	311,726	( 1,242)	( 1,242)	Subsidiary	
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	563,407	418,239	-	100.00	533,709	50	50	Subsidiary	
Capital Concord Enterprises Limited	Laya Technology Co., Ltd.	Taiwan	Shoes material production and Sales	57,500	25,500	5,750,000	70.12	49,842	( 3,730)	( 2,662)	Subsidiary (Note 5)	
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	210,447	210,447	-	100.00	233,022	( 1,507)	( 1,507)	Subsidiary	

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

Note 2: The historical exchange rate was adopted.

Note 3: In Q2 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, respectively.

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

Note 5: The Group's subsidiary, Laya Technology Co., Ltd., issued new shares, as a result, the Group changed its share interest. Please refer to Note 6 (24).

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

Information on Investments in Mainland China

For the Six Months Ended June 30, 2024

Appendix 8

Investee Company in China	Main Businesses	Paid-in Capital (Note 3)	Investment Method (Note 2)	Accumulated Amount Remitted from Taiwan to Mainland China, as of beginning of period (Note 5)	Amount of investment Remitted or Recovered in Current Period (Note 5)		Amount Remitted from Taiwan to Mainland China, as of End of Period (Note 5)	Net Income (Loss) of the Investee in Current Period (Note 4)	Ownership Held by the Company	Investment Income (Loss) Recognized in Current Period (Notes 4 and 6)	Book Value of Investments in Mainland China, as of End of Period (Note 4)	Unit NT\$ thousand (Unless Otherwise Specified)	
					Remitted to Mainland China	Remitted back to Taiwan						Accumulated Amount of Investment Income Remitted Back to Taiwan, as of End of Period	Note
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	\$ 723,826	2	\$ -	\$ -	\$ -	\$ -	\$ 2,511	100.00	(\$ 2,482)	\$ 2,211,200	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	( 16,892)	100.00	( 16,920)	2,004,364	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	1,941	100.00	1,941	495,110	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	30,886	100.00	30,256	348,850	-	-

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 2024, the exchange rates for assets and profit or loss were USD:NTD=32.4500 and USD:NTD=31.9065, 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\$2,565,826 thousand through re-investment in Hong Kong.

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

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

Major Shareholders Information

June 30, 2024

Appendix 9

Name of Major Shareholder	Shares	
	Number of shares	Percentage of Ownership(%)
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank	24,183,151	12.66
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank	21,732,465	11.37

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.