

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

Address: PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman
Islands

Telephone No.: (886)5-551-4619

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheet of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (collectively, the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and its consolidated financial performance for the three months and the nine months ended September 30, 2024 and 2023, and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

PricewaterhouseCoopers

Taipei, Taiwan

Republic of China

November 7, 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' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two version, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

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

Assets	Note	September 30, 2024		December 31, 2023		September 30, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 2,968,753	15	\$ 2,609,321	14	\$ 2,630,924	13
1170	Accounts receivable, net	6 (3)	2,804,079	14	2,706,739	15	2,515,096	13
1200	Other receivables		567,154	3	501,640	3	479,395	3
130X	Inventories	6 (4)	2,401,112	12	2,139,472	11	2,979,668	15
1410	Prepayments		58,036	-	65,688	-	49,668	-
1470	Other current assets	6 (7) and 8	178,907	1	272,862	1	280,731	1
11XX	Total current assets		<u>8,978,041</u>	<u>45</u>	<u>8,295,722</u>	<u>44</u>	<u>8,935,482</u>	<u>45</u>
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6 (2)	-	-	-	-	3,535	-
1600	Property, plant and equipment	6 (5) and 8	9,002,107	45	8,285,905	45	8,652,601	44
1755	Right-of-use assets	6 (6)	1,748,986	9	1,792,630	10	1,909,081	10
1780	Intangible assets		38,236	-	12,593	-	13,807	-
1840	Deferred tax assets	6 (21)	268,470	1	236,493	1	254,598	1
1900	Other non-current assets	6 (7) and 8	76,452	-	58,494	-	57,585	-
15XX	Total non-current assets		<u>11,134,251</u>	<u>55</u>	<u>10,386,115</u>	<u>56</u>	<u>10,891,207</u>	<u>55</u>
1XXX	Total assets		<u>\$ 20,112,292</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 19,826,689</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
September 30, 2024, December 31, 2023, and September 30, 2023
(Expressed in Thousands of New Taiwan Dollars)

	Liabilities and Equity	Note	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	6 (8) and 8	\$ 2,009,800	10	\$ 1,685,000	9	\$ 890,000	5
2130	Current contract liabilities	6 (15)	95,488	1	36,938	-	58,760	-
2170	Accounts payable		1,826,789	9	1,301,804	7	1,479,757	8
2200	Other payables	6 (9)	1,549,784	8	1,244,333	7	2,105,496	11
2230	Current tax liabilities		201,574	1	516,676	3	420,466	2
2280	Current lease liabilities		59,545	-	41,098	-	38,157	-
2399	Other current liabilities, others		54,507	-	58,135	-	69,304	-
21XX	Total current liabilities		<u>5,797,487</u>	<u>29</u>	<u>4,883,984</u>	<u>26</u>	<u>5,061,940</u>	<u>26</u>
	Non-Current liabilities							
2560	Non-current tax liabilities		101,565	-	212,199	1	265,467	1
2570	Deferred tax liabilities	6 (21)	145,518	1	151,954	1	179,711	1
2580	Non-current lease liabilities		828,140	4	861,220	5	941,000	5
2600	Other non-current liabilities	6 (10)	207,132	1	200,887	1	206,173	1
25XX	Total non-current liabilities		<u>1,282,355</u>	<u>6</u>	<u>1,426,260</u>	<u>8</u>	<u>1,592,351</u>	<u>8</u>
2XXX	Total liabilities		<u>7,079,842</u>	<u>35</u>	<u>6,310,244</u>	<u>34</u>	<u>6,654,291</u>	<u>34</u>
	Equity attributable to owners of the parent company							
	Share capital	6 (12)						
3110	Ordinary share		1,909,899	10	1,909,899	10	1,909,899	9
	Capital surplus	6 (13)						
3200	Capital surplus		5,703,978	28	5,701,867	31	5,701,867	29
	Retained earnings	6 (14)						
3310	Legal reserve		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		3,788,646	19	3,826,489	20	4,328,471	22
	Other equity							
3400	Other equity		(277,441)	(1)	(693,575)	(4)	(210,464)	(1)
3500	Treasury shares	6 (12)	(57,583)	-	(57,583)	-	(57,583)	-
31XX	Total equity attributable to owners of the parent company		<u>13,010,900</u>	<u>65</u>	<u>12,371,593</u>	<u>66</u>	<u>13,172,398</u>	<u>66</u>
36XX	Non-controlling interests	6 (23)	<u>21,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3XXX	Total equity		<u>13,032,450</u>	<u>65</u>	<u>12,371,593</u>	<u>66</u>	<u>13,172,398</u>	<u>66</u>
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
	Significant Events after the Balance Sheet Date	11						
3X2X	Total liabilities and equity		<u>\$ 20,112,292</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 19,826,689</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 Nine Months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Note	For the Three Months Ended September 30, 2024		For the Three Months Ended September 30, 2023		For the Nine Months Ended September 30, 2024		For the Nine Months Ended September 30, 2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6 (15)	\$ 3,598,903	100	\$ 3,542,788	100	\$ 10,223,301	100	\$ 13,212,640	100
5000	Operating costs	6 (4)	(2,915,373)	(81)	(2,936,831)	(83)	(8,330,209)	(82)	(10,671,105)	(81)
5950	Gross profit from operations		<u>683,530</u>	<u>19</u>	<u>605,957</u>	<u>17</u>	<u>1,893,092</u>	<u>18</u>	<u>2,541,535</u>	<u>19</u>
	Operating expenses	6 (20)								
6100	Selling expenses		(56,411)	(1)	(71,495)	(2)	(160,478)	(1)	(217,577)	(2)
6200	Administrative expenses		(236,756)	(7)	(238,595)	(7)	(692,131)	(7)	(699,509)	(5)
6300	Research and development expenses		(83,324)	(2)	(40,801)	(1)	(221,364)	(2)	(139,031)	(1)
6450	Expected credit Impairment gain	12 (2)	<u>174</u>	<u>-</u>	<u>38,074</u>	<u>1</u>	<u>7,427</u>	<u>-</u>	<u>5,436</u>	<u>-</u>
6000	Total operating expenses		(376,317)	(10)	(312,817)	(9)	(1,066,546)	(10)	(1,050,681)	(8)
6900	Net operating income		<u>307,213</u>	<u>9</u>	<u>293,140</u>	<u>8</u>	<u>826,546</u>	<u>8</u>	<u>1,490,854</u>	<u>11</u>
	Non-operating income and expenses									
7100	Interest income	6 (16)	18,335	-	14,229	1	69,057	1	32,247	-
7010	Other income	6 (17)	23,807	1	31,081	1	105,629	1	77,045	1
7020	Other gains and losses	6 (18)	(212,286)	(6)	117,358	3	25,906	-	323,321	2
7050	Finance costs	6 (19)	(11,720)	-	(11,189)	-	(29,738)	-	(68,370)	-
7000	Total non-operating income and expenses		(181,864)	(5)	151,479	5	170,854	2	364,243	3
7900	Profit before income tax		<u>125,349</u>	<u>4</u>	<u>444,619</u>	<u>13</u>	<u>997,400</u>	<u>10</u>	<u>1,855,097</u>	<u>14</u>
7950	Income tax expenses	6 (21)	(23,674)	(1)	(106,150)	(3)	(207,082)	(2)	(421,085)	(3)
8200	Profit for the period		<u>\$ 101,675</u>	<u>3</u>	<u>\$ 338,469</u>	<u>10</u>	<u>\$ 790,318</u>	<u>8</u>	<u>\$ 1,434,012</u>	<u>11</u>
	Other comprehensive income, net									
	Items that may be subsequently reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statement		\$ 102,986	3	\$ 264,349	7	\$ 416,077	4	\$ 192,836	1
8300	Other comprehensive income, net		<u>\$ 102,986</u>	<u>3</u>	<u>\$ 264,349</u>	<u>7</u>	<u>\$ 416,077</u>	<u>4</u>	<u>\$ 192,836</u>	<u>1</u>
8500	Total comprehensive income for the period		<u>\$ 204,661</u>	<u>6</u>	<u>\$ 602,818</u>	<u>17</u>	<u>\$ 1,206,395</u>	<u>12</u>	<u>\$ 1,626,848</u>	<u>12</u>
	Profit attributable to:									
8610	Owners of the parent company		<u>\$ 102,289</u>	<u>3</u>	<u>\$ 338,469</u>	<u>10</u>	<u>\$ 792,052</u>	<u>8</u>	<u>\$ 1,434,012</u>	<u>11</u>
8620	Non-controlling interests		(\$ 614)	-	\$ -	-	(\$ 1,734)	-	\$ -	-
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>\$ 205,298</u>	<u>6</u>	<u>\$ 602,818</u>	<u>17</u>	<u>\$ 1,208,186</u>	<u>12</u>	<u>\$ 1,626,848</u>	<u>12</u>
8720	Non-controlling interests		(\$ 637)	-	\$ -	-	(\$ 1,791)	-	\$ -	-
	Basic earnings per share	6 (22)								
9750	Total basic earnings per share		<u>\$ 0.54</u>		<u>\$ 1.78</u>		<u>\$ 4.16</u>		<u>\$ 7.54</u>	
	Diluted earnings per share									
9850	Total diluted earnings per share		<u>\$ 0.54</u>		<u>\$ 1.78</u>		<u>\$ 4.16</u>		<u>\$ 7.53</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 Nine Months ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company									Non-controlling interests	Total equity
	Note	Ordinary share	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total		
Legal reserve				Special reserve	Unappropriated retained earnings						
Balance at January 1, 2023		\$ 1,907,235	\$ 5,677,352	\$ 907,119	\$ 554,857	\$ 4,073,113	(\$ 403,300)	(\$ 57,583)	\$ 12,658,793	\$ -	\$ 12,658,793
Profit for the period		-	-	-	-	1,434,012	-	-	1,434,012	-	1,434,012
Other comprehensive income for the period		-	-	-	-	-	192,836	-	192,836	-	192,836
Total comprehensive income for the period		-	-	-	-	1,434,012	192,836	-	1,626,848	-	1,626,848
Distribution of earnings for the second half year of 2022	6(14)										
Legal reserve appropriated		-	-	189,788	-	(189,788)	-	-	-	-	-
Reversal of special reserve		-	-	-	(151,556)	151,556	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(1,140,422)	-	-	(1,140,422)	-	(1,140,422)
Conversion of convertible bonds	6(12)(13)(24)	2,664	24,515	-	-	-	-	-	27,179	-	27,179
Balance at September 30, 2023		\$ 1,909,899	\$ 5,701,867	\$ 1,096,907	\$ 403,301	\$ 4,328,471	(\$ 210,464)	(\$ 57,583)	\$ 13,172,398	\$ -	\$ 13,172,398
Balance at January 1, 2024		\$ 1,909,899	\$ 5,701,867	\$ 1,209,683	\$ 474,813	\$ 3,826,489	(\$ 693,575)	(\$ 57,583)	\$ 12,371,593	\$ -	\$ 12,371,593
Profit (loss) for the period		-	-	-	-	792,052	-	-	792,052	(1,734)	790,318
Other comprehensive income (loss) for the period		-	-	-	-	-	416,134	-	416,134	(57)	416,077
Total comprehensive income (loss) for the period		-	-	-	-	792,052	416,134	-	1,208,186	(1,791)	1,206,395
Distribution of earnings for the second half year of 2023	6(14)										
Legal reserve appropriated		-	-	40,143	-	(40,143)	-	-	-	-	-
Special reserve appropriated		-	-	-	218,762	(218,762)	-	-	-	-	-
Cash dividends of ordinary shares		-	-	-	-	(570,990)	-	-	(570,990)	-	(570,990)
Changes in ownership interests in subsidiaries	6(13)(23)	-	2,111	-	-	-	-	-	2,111	(2,111)	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	25,452	25,452
Balance at September 30, 2024		\$ 1,909,899	\$ 5,703,978	\$ 1,249,826	\$ 693,575	\$ 3,788,646	(\$ 277,441)	(\$ 57,583)	\$ 13,010,900	\$ 21,550	\$ 13,032,450

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

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

	<u>Note</u>	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 997,400	\$ 1,855,097
Adjustments items			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(20)	749,907	784,285
Amortization expense	6(20)	14,855	15,900
Expected credit impairment gain	12(2)	(7,427)	(5,436)
Gain on financial assets or liabilities at fair value	6(2)(18)		
through profit or loss, net		-	(8,141)
Interest expense	6(19)	29,738	68,370
Interest income	6(16)	(69,057)	(32,247)
Loss (gain) on disposal of property, plant and equipment	6(18)	3,778	(937)
Profit from lease modification	6(6)	(971)	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		(37,436)	1,770,162
Other receivables		(54,249)	(35,894)
Inventories		(207,696)	2,125,531
Prepayments		9,834	34,726
Other current assets		(7,678)	9,219
Net changes in operating liabilities			
Contract liability		88,919	53,540
Accounts payable		484,309	(1,505,739)
Other payables		43,073	(430,976)
Other current liabilities		(5,523)	23,265
Other non-current liabilities		(2,369)	(2,321)
Cash flows generated from operations		2,029,407	4,718,404
Interest received		69,856	31,793
Interest paid		(22,031)	(65,363)
Income tax paid		(689,533)	(357,784)
Net cash flows generated from operating activities		<u>1,387,699</u>	<u>4,327,050</u>

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

	Note	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 156,236)	(\$ 254,620)
Proceeds from disposal of financial assets at amortized cost		251,154	179,651
Proceeds from disposal of financial assets at fair value through profit or loss		-	10,103
Acquisition of property, plant and equipment	6(24)	(1,155,742)	(640,084)
Proceeds from disposal of property, plant and equipment		17,000	10,154
(Increase) decrease in refundable deposits		(5,488)	215
Acquisition of intangible assets		(5,092)	(215)
Net cash inflows from business combination		952	-
Acquisition of use-of-right assets	6(6)	-	(98,357)
Decrease in other non-current assets		253	117
Net cash flows used in investing activities		(1,053,199)	(793,036)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(25)	10,449,405	17,362,963
Decrease in short-term borrowings	6(25)	(10,173,039)	(20,013,186)
Payments of lease liabilities	6(6) (25)	(9,010)	(35,194)
Cash dividends paid	6(14)(25)	(380,660)	(227,705)
Net cash flows used in financing activities		(113,304)	(2,913,122)
Effects of exchange rate changes		138,236	(185,347)
Net increase in cash and cash equivalents		359,432	435,545
Cash and cash equivalents at beginning of period		2,609,321	2,195,379
Cash and cash equivalents at end of period		\$ 2,968,753	\$ 2,630,924

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Nine Months ended September 30, 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 November 7, 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[®]”) 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
			September 30, 2024	December 31, 2023	September 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
Sunbow	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 (23).

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) Income Tax

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

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

There are no significant changes in this period, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and revolving funds	\$ 3,593	\$ 4,269	\$ 3,274
Checking deposits & demand deposits	1,095,908	957,115	913,183
Time deposits	1,869,252	1,647,937	1,714,467
Total	<u>\$ 2,968,753</u>	<u>\$ 2,609,321</u>	<u>\$ 2,630,924</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 September 30, 2024 and December 31, 2023.

Item	September 30, 2023
Non-current items:	
Financial assets mandatorily measured at fair value through profit or loss	
- Listed company stock	<u>\$ 3,535</u>

- A. The convertible corporate bonds the Group held the right to redeem and sell for the three months ended September 30, 2023, with recognized loss was \$0. For the nine months ended September 30, 2023, with recognized loss was \$27.
- B. The shares of listed OTC companies the Group held for the three months ended September 30, 2023, with recognized loss was \$3,268. For the nine months ended September 30, 2023, with recognized gain was \$8,168.
- C. The Group has not pledged any financial assets at fair value through profit or loss.

(3) Accounts receivable, net

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	\$ 2,811,673	\$ 2,721,222	\$ 2,526,385
Less: Allowance for impairment	(7,594)	(14,483)	(11,289)
	<u>\$ 2,804,079</u>	<u>\$ 2,706,739</u>	<u>\$ 2,515,096</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 2,785,303	\$ 2,587,858	\$ 2,400,189
Overdue 0 to 90 days	18,923	115,785	112,640
Overdue 91 to 180 days	55	5,338	899
Overdue 181 to 365 days	26	5,056	4,910
Over 365 days past due	7,366	7,185	7,747
Total	<u>\$ 2,811,673</u>	<u>\$ 2,721,222</u>	<u>\$ 2,526,385</u>

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

- B. The balances of accounts receivable of September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 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

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

	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>

September 30, 2023			
	Cost	Allowance for inventory market decline and obsolescence	Book value
Raw materials	\$ 860,659	(\$ 44,657)	\$ 816,002
Work in process	690,037	(13,393)	676,644
Finished goods	1,337,195	(40,896)	1,296,299
Inventory in transit	190,723	-	190,723
Total	\$ 3,078,614	(\$ 98,946)	\$ 2,979,668

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

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Cost of inventories sold	\$ 2,929,712	\$ 2,913,208
Inventory valuation (gains) losses from price recovery	(22,983)	26,216
Inventory scrap losses	7,859	530
Others	785	(3,123)
	\$ 2,915,373	\$ 2,936,831

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Cost of inventories sold	\$ 8,357,221	\$ 10,647,213
Inventory valuation (gains) losses from price recovery	(30,112)	7,169
Inventory scrap losses	10,930	3,941
Others	(7,830)	12,782
	\$ 8,330,209	\$ 10,671,105

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 nine months ended September 30, 2024.

(Blank Below)

(5) Property, Plant and Equipment

For the Nine Months Ended September 30, 2024

Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 338,956	\$ -	\$ -	\$ -	\$ 10,432	\$ 349,388
Buildings	5,524,545	5,067	-	35,121	163,462	5,728,195
Machinery equipment	5,547,612	65,945	(54,715)	9,481	156,557	5,724,880
Transportation equipment	90,741	5,215	(3,870)	1,573	2,353	96,012
Office equipment	65,505	5,333	(62)	294	2,025	73,095
Others	2,406,688	124,597	(56,229)	6,972	72,516	2,554,544
Construction in progress and to-be-inspected equipment	301,587	988,304	-	(54,045)	19,092	1,254,938
	<u>\$ 14,275,634</u>	<u>\$ 1,194,461</u>	<u>(\$ 114,876)</u>	<u>(\$ 604)</u>	<u>\$ 426,437</u>	<u>\$ 15,781,052</u>
Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	(\$ 1,795,658)	(\$ 196,114)	\$ -	\$ -	(\$ 63,071)	(\$ 2,054,843)
Machinery equipment	(2,275,736)	(231,291)	37,369	-	(72,748)	(2,542,406)
Transportation equipment	(60,864)	(5,321)	3,830	-	(1,698)	(64,053)
Office equipment	(48,483)	(5,876)	62	-	(1,585)	(55,882)
Others	(1,808,988)	(250,441)	52,837	-	(55,169)	(2,061,761)
	<u>(\$ 5,989,729)</u>	<u>(\$ 689,043)</u>	<u>\$ 94,098</u>	<u>\$ -</u>	<u>(\$ 194,271)</u>	<u>(\$ 6,778,945)</u>
	<u>\$ 8,285,905</u>					<u>\$ 9,002,107</u>

For the Nine Months Ended September 30, 2023

Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 339,011	\$ -	\$ -	\$ -	\$ 17,221	\$ 356,232
Buildings	5,504,936	39,120	-	55,074	128,056	5,727,186
Machinery equipment	5,404,819	104,474	(31,970)	128,236	116,946	5,722,505
Transportation equipment	96,145	56	(3,810)	-	1,983	94,374
Office equipment	59,049	4,609	(556)	-	1,269	64,371
Others	2,182,228	142,898	(39,386)	64,840	68,952	2,419,532
Construction in progress and to-be-inspected equipment	415,201	102,629	-	(248,329)	9,989	279,490
	<u>\$ 14,001,389</u>	<u>\$ 393,786</u>	<u>(\$ 75,722)</u>	<u>(\$ 179)</u>	<u>\$ 344,416</u>	<u>\$ 14,663,690</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)	(\$ 175,158)	\$ -	\$ -	(\$ 18,503)	(\$ 1,793,584)
Machinery equipment	(2,038,727)	(257,912)	30,876	-	(32,010)	(2,297,773)
Transportation equipment	(57,473)	(6,569)	3,810	-	(1,303)	(61,535)
Office equipment	(43,371)	(4,842)	553	-	863)	(48,523)
Others	(1,513,059)	(275,117)	31,266	-	(52,764)	(1,809,674)
	<u>(\$ 5,252,553)</u>	<u>(\$ 719,598)</u>	<u>\$ 66,505</u>	<u>\$ -</u>	<u>(\$ 105,443)</u>	<u>(\$ 6,011,089)</u>
	<u>\$ 8,748,836</u>					<u>\$ 8,652,601</u>

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

B. For property, plant and equipment provided by the Group as collateral as of September 30, 2024, December 31, 2023 and September 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Land	\$ 1,063,136	\$ 1,058,418	\$ 1,120,687
Buildings	685,850	734,212	788,394
	<u>\$ 1,748,986</u>	<u>\$ 1,792,630</u>	<u>\$ 1,909,081</u>

	<u>For the Three Months Ended September 30,2024</u>	<u>For the Three Months Ended September 30,2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,001	\$ 9,658
Buildings	11,106	12,892
	<u>\$ 20,107</u>	<u>\$ 22,550</u>

	<u>For the Nine Months Ended September 30,2024</u>	<u>For the Nine Months Ended September 30,2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 26,745	\$ 26,372
Buildings	34,119	38,315
	<u>\$ 60,864</u>	<u>\$ 64,687</u>

- C. The Group's right-of-use assets for the three months ended September 30, 2024 and 2023 increased to \$0 and \$859, respectively. For the nine months ended September 30, 2024 and 2023 increased to \$0 and \$133,650, respectively.

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

	<u>For the Three Months Ended September 30,2024</u>	<u>For the Three Months Ended September 30,2023</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 2,190	\$ 2,523
Expense on short-term lease contracts	2,756	290

	<u>For the Nine Months Ended September 30,2024</u>	<u>For the Nine Months Ended September 30,2023</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 6,639	\$ 7,231
Expense on short-term lease contracts	5,667	693
Profit from lease modification	(971)	-

- E. The Group's total cash outflow for leases were \$14,677 and \$35,887 for the nine months ended September 30, 2024 and 2023, respectively.

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

<u>Item</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current:			
Financial assets at amortized cost - Restricted bank deposits	\$ 2,898	\$ 1,658	\$ 4,333
Financial assets at amortized cost - Time deposits	155,736	242,161	242,987
Others	20,273	29,043	33,411
Total	<u>\$ 178,907</u>	<u>\$ 272,862</u>	<u>\$ 280,731</u>
<u>Item</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current:			
Prepayments for land and equipment	\$ 26,471	\$ 13,362	\$ 25,341
Refundable deposits	45,817	39,614	29,100
Others	4,164	5,518	3,144
Total	<u>\$ 76,452</u>	<u>\$ 58,494</u>	<u>\$ 57,585</u>

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

(8) Short-term borrowings

<u>Loans Type</u>	<u>September 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	\$ 2,009,800	1.700%~5.340%	Note
<u>Loans Type</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	\$ 1,685,000	1.510%~1.734%	Note
<u>Loans Type</u>	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Credit loans	\$ 890,000	1.540%~1.690%	Note

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

(9) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accrued salaries	\$ 615,666	\$ 556,136	\$ 562,305
Dividends payable	570,990	380,660	1,140,422
Payables on equipment	189,834	138,610	206,708
Others	173,294	168,927	196,061
Total	<u>\$ 1,549,784</u>	<u>\$ 1,244,333</u>	<u>\$ 2,105,496</u>

(10) Other non-current liabilities

<u>Item</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Deferred government grant income(Note)	\$ 112,548	\$ 110,205	\$ 113,458
Other non-current liabilities, others	94,584	90,682	92,715
Total	<u>\$ 207,132</u>	<u>\$ 200,887</u>	<u>\$ 206,173</u>

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

(11) 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 September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$1,789 and \$1,850, respectively. For the nine months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$5,223 and \$5,820, respectively.
- B. In accordance with the regulations of the People's Republic of China, the Group's subsidiaries in China set aside the pension, monthly at 16%~19% of the total local staff's salaries (Sunny and Sunshine: 16%~18%; Sunsmile: 16%~19%; Fujian Laya: 16%). Each employee's monthly pension is managed and arranged by the government, and the Group is solely obliged to set aside the pension. For the three months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$17,887 and \$22,274, respectively. For the nine months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$57,898 and \$78,425, respectively.
- C. The Group's subsidiaries in Vietnam are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$45,647 and \$39,691, respectively. For the nine months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$118,023 and \$145,961, respectively.
- D. The Group's subsidiaries in Cambodia are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$4,324 and \$2,986, respectively. For the nine months ended September 30, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$12,949 and \$15,000, respectively.

(12) Share capital

- A. On September 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	-	266
September 30	190,330	190,330

B. Treasury Stock

- (A) Reason and quantity of share recovery

		September 30, 2024	
		Number of Shares	
Shareholder	Reason for Buyback	(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

		September 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.

(13) 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
September 30		\$ 5,701,321	\$ 2,111	\$ 546	\$ 5,703,978

		2023			
		Issue Premium	Stock Options	Others	Total
January 1		\$ 5,674,184	\$ 2,622	\$ 546	\$ 5,677,352
Conversion of convertible bonds		27,137	(2,622)	-	24,515
September 30		\$ 5,701,321	-	\$ 546	\$ 5,701,867

(14) 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:

	<u>For the second half year of 2022</u>		<u>For the first half year of 2022</u>	
Board resolution date	February 23, 2023		December 28, 2022	
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.

(15) Operating revenue

	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Revenue from contracts with customers	\$ <u>3,598,903</u>	\$ <u>3,542,788</u>
	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Revenue from Contracts with Customers	\$ <u>10,223,301</u>	\$ <u>13,212,640</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Contract liabilities:				
- Advance sales receipts	\$ <u>95,488</u>	\$ <u>36,938</u>	\$ <u>58,760</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 September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ <u>2,543</u>	\$ <u>5,299</u>
	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts	\$ <u>30,863</u>	\$ <u>74,296</u>

(16) Interest revenue

	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Interest on bank deposits	\$ <u>18,335</u>	\$ <u>14,229</u>
	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Interest on bank deposits	\$ <u>69,057</u>	\$ <u>32,247</u>

(17) Other income

	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Government grants	\$ 1,741	\$ 2,733
Mold	11,011	10,118
Other revenue - others	11,055	18,230
	\$ <u>23,807</u>	\$ <u>31,081</u>

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Government grants	\$ 13,622	\$ 14,571
Mold	56,600	24,686
Other revenue - others	35,407	37,788
	<u>\$ 105,629</u>	<u>\$ 77,045</u>

(18) Other gains and losses

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Gain on disposal of property, plant and equipment	\$ 865	\$ 1,215
Foreign exchange (loss) gain	(209,594)	123,939
Loss on financial assets and liabilities measured at fair value through profit and loss	-	(3,268)
Other losses	(3,557)	(4,528)
	<u>(\$ 212,286)</u>	<u>\$ 117,358</u>
	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
(Loss) gain on disposal of property, plant and equipment	(\$ 3,778)	\$ 937
Foreign exchange gain	40,321	327,229
Gain on financial assets and liabilities measured at fair value through profit and loss	-	8,141
Other losses	(10,637)	(12,986)
	<u>\$ 25,906</u>	<u>\$ 323,321</u>

(19) Finance Costs

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Bank borrowings	\$ 9,530	\$ 8,646
Convertible bonds	-	20
Lease liabilities	2,190	2,523
	<u>\$ 11,720</u>	<u>\$ 11,189</u>
	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Bank borrowings	\$ 23,099	\$ 60,952
Convertible bonds	-	187
Lease liabilities	6,639	7,231
	<u>\$ 29,738</u>	<u>\$ 68,370</u>

(20) Expenses Expressed by Nature

	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Employee benefits		
Salary	\$ 1,113,541	\$ 962,227
Labor and health insurance	34,625	37,666
Pension	69,647	66,801
Others	12,815	15,892
	<u>1,230,628</u>	<u>1,082,586</u>
Depreciation expense	242,070	260,966
Amortization expense	5,240	5,563
	<u>\$ 1,477,938</u>	<u>\$ 1,349,115</u>
	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Employee benefits		
Salary	\$ 3,095,064	\$ 3,395,207
Labor and health insurance	101,633	133,655
Pension	194,093	245,206
Others	43,973	57,246
	<u>3,434,763</u>	<u>3,831,314</u>
Depreciation expense	749,907	784,285
Amortization expense	14,855	15,900
	<u>\$ 4,199,525</u>	<u>\$ 4,631,499</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 nine months ended September 30, 2024 and 2023 were \$5,000, \$5,000, \$15,000 and \$15,000, 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.

(21) Income tax

A. Income tax expenses

Components of income tax expense:

	<u>For the Three Months Ended September 30, 2024</u>	<u>For the Three Months Ended September 30, 2023</u>
Current tax:		
Current tax on profits for the period	\$ 62,760	\$ 92,992
Total current tax	<u>62,760</u>	<u>92,992</u>
Deferred tax:		
Origination and reversal of temporary differences	(39,086)	(13,158)
Total deferred tax	<u>(39,086)</u>	<u>(13,158)</u>
Income tax expenses	<u>\$ 23,674</u>	<u>\$ 106,150</u>
	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Current tax:		
Current tax on profits for the period	\$ 238,958	\$ 388,988
Underestimated income tax in prior periods	<u>6,537</u>	<u>20,270</u>
Total current tax	<u>245,495</u>	<u>409,258</u>
Deferred tax:		
Origination and reversal of temporary differences	(38,413)	11,827
Total deferred tax	<u>(38,413)</u>	<u>11,827</u>
Income tax expenses	<u>\$ 207,082</u>	<u>\$ 421,085</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.

(22) Earnings per share

	<u>For the Three Months Ended September 30, 2024</u>		
	<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	\$ 102,289	190,330	\$ 0.54
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	102,289	190,330	
Effect of dilutive potential ordinary shares			
Employee bonus	-	121	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	<u>\$ 102,289</u>	<u>190,451</u>	<u>\$ 0.54</u>

For the Three Months Ended September 30, 2023			
	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	\$ 338,469	190,283	\$ 1.78
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	338,469	190,283	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	20	47	
Employee bonus	-	127	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 338,489	190,457	\$ 1.78

For the Nine Months Ended September 30, 2024			
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 792,052	190,330	\$ 4.16
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	792,052	190,330	
Effect of dilutive potential ordinary shares			
Employee bonus	-	215	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 792,052	190,545	\$ 4.16

For the Nine Months Ended September 30, 2023			
	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	\$ 1,434,012	190,147	\$ 7.54
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,434,012	190,147	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	187	183	
Employee bonus	-	223	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 1,434,199	190,553	\$ 7.53

(23) 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. And Laya Technology increased its capital by issuing 3,200 thousand new shares on June 2024, with a total amount of \$32,000, all of which were subscribed by Capital Concord Enterprises Limited 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.

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Additions to property, plant and equipment	\$ 1,193,857	\$ 393,607
Less: Prepayments for equipment, beginning of period	(13,362)	(70,313)
Add: Prepayments for land and equipment, end of period	26,471	25,341
Add: Payables on equipment, beginning of period	138,610	498,157
Less: Payables on equipment, end of period	(189,834)	(206,708)
Cash paid during the period	<u>\$ 1,155,742</u>	<u>\$ 640,084</u>

B. Financing activities with no cash flow effects:

	<u>For the Nine Months Ended September 30, 2024</u>	<u>For the Nine Months Ended September 30, 2023</u>
Share capital converted from convertible corporate bonds	<u>\$ -</u>	<u>\$ 2,664</u>
Declared cash dividends not yet paid	<u>\$ 570,990</u>	<u>\$ 1,140,422</u>

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(25) 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	276,366	(	9,010)	(	380,660)	(	113,304)
Changes in other non-cash items	-	(	20,940)		570,990		550,050
Impact of changes in foreign exchange rate	48,434		15,317		-		63,751
September 30, 2024	<u>\$ 2,009,800</u>	<u>\$</u>	<u>887,685</u>	<u>\$</u>	<u>570,990</u>	<u>\$</u>	<u>3,468,475</u>

	<u>Short-term borrowings</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	(2,650,223)	(	35,194)	-	-	(	227,705)	(	2,913,122)
Changes in other non-cash items	-		32,193	(	26,992)		1,140,422		1,145,623
Impact of changes in foreign exchange rate	64,043		18,118		-		-		82,161
September 30, 2023	<u>\$ 890,000</u>	<u>\$</u>	<u>979,157</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>1,140,422</u>	<u>\$</u>	<u>3,009,579</u>

Note : The portion due within one year is included.

7. Related Party Transactions

Key management compensation

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Short-term employee benefits	\$ 23,681	\$ 22,617
	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Short-term employee benefits	\$ 67,611	\$ 66,392

8. Pledged Assets

Assets	Book value			Guarantee use
	September 30, 2024	December 31, 2023	September 30, 2023	
Land	\$ 113,151	\$ 109,773	\$ 115,368	Short-term borrowings
Buildings	152,676	151,225	160,021	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	7,016	6,886	6,770	Performance bond and performance guarantee of the power supply agreement
Refundable deposits (recognized in other non-current assets)	45,817	39,614	29,100	Plants lease deposits and others
	<u>\$ 318,660</u>	<u>\$ 307,498</u>	<u>\$ 311,259</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Commitments

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

	Total contract price		
	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 2,749,905	\$ 435,074	\$ 387,147
	Outstanding amount		
	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 1,708,874	\$ 222,831	\$ 252,826

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On August 19, 2024, the Board of Directors meeting of Company resolved to issue common shares for cash capital increase and the 6th domestic unsecured convertible corporate bonds, and it was approved by Financial Supervisory Commission on September 26, 2024. The cash capital increase is to be issued 10,000 thousand shares, the issuance price is NT\$76 (in dollars) per share, the amount raised is NT\$760,000 thousand, and the record date of share subscription is November 17, 2024. The amount of the 6th domestic unsecured convertible corporate bonds is to be raised NT\$ 1,000,000 thousand, with a face value of \$100 thousand each, with a coupon rate of 0%, the issue period is 3 years. It conducted public underwriting by competitive auction, and the base bid is 100% of the face value. The period of circulation is from November 15, 2024 to November 15, 2027. The conversion price will be \$112.9 (in dollars) per share at issuance. All convertible corporate bonds are repaid in cash at the bond's nominal amount when due. The convertible corporate bonds will be traded in Taipei Exchange from November 15, 2024.

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

	September 30, 2024	December 31, 2023	September 30, 2023
<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	\$ -	\$ -	\$ 3,535
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 2,968,753	\$ 2,609,321	\$ 2,630,924
Accounts receivable	2,804,079	2,706,739	2,515,096
Other receivables	567,154	501,640	479,395
Financial assets at amortized cost - current	158,634	243,819	247,320
Refundable deposits	45,817	39,614	29,100
Financial assets at amortized cost - non-current	4,118	5,228	2,437
	<u>\$ 6,548,555</u>	<u>\$ 6,106,361</u>	<u>\$ 5,904,272</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 2,009,800	\$ 1,685,000	\$ 890,000
Accounts payable	1,826,789	1,301,804	1,479,757
Other payables	1,549,784	1,244,333	2,105,496
	<u>\$ 5,386,373</u>	<u>\$ 4,231,137</u>	<u>\$ 4,475,253</u>
Lease liabilities (current and non-current)	<u>\$ 887,685</u>	<u>\$ 902,318</u>	<u>\$ 979,157</u>

B. Risk management policy

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

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September 30, 2024						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value	Sensitivity Analysis		
				Range of change	Impact on Profit and Loss	Impact on Other Comprehensive Income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD: RMB	\$ 120,718	7.0223	\$ 3,820,713	1%	\$ 38,207	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,721,156	0.0316	\$ 1,721,156	1%	\$ 17,212	\$ -
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	\$ -
September 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	\$ 127,644	7.3043	\$ 4,119,062	1%	\$ 41,191	\$ -
USD: NTD	37,312	32.2700	1,204,057	1%	12,041	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 999,493	0.0310	\$ 999,493	1%	\$ 9,995	\$ -

- d. The Group's monetary items were significantly impacted by the exchange rate changes, and the total exchange gain and loss (including realized and unrealized) for the three months and the nine months ended September 30, 2024 and 2023, with recognized (loss) and gain was (\$209,594), \$123,939, \$40,321 and \$327,229, 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 nine months ended September 30, 2023 from gain or loss on equity instruments mandatorily measured at fair value through profit or loss would have increased or decreased \$177.

Cash flow and fair value interest rate risk

- a. The Group's interest rate risk arises primarily from the short-term borrowings issued at floating rates, which exposes the Group to the cash flow interest rate risk. For the nine months ended September 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 nine months ended September 30, 2024 and 2023 would have decreased or increased \$1,206 and \$534, respectively, due to the changes in interest expenses caused by the loans issued at floating rates.

(B) Credit risk

- a. The Group's credit risk is primarily attributable to the Group's financial loss from customers' or financial instruments' counterparties' failure to fulfill contractual obligations. The main reason is that the counterparties are unable to settle the accounts receivable per payment terms.
- b. The Group has established a management and credit risk analysis for each new customer, before making the payment and delivery of the Company's individual business within the stipulated payment and delivery of delivery policies according to the internal defined credit policy. The internal risk control is evaluated by considering its financial situation, past experience and other factors to assess the credit quality of customers. The limits of individual risks are formulated by the Board of Directors based on internal or external ratings, and the utilization of credit line is regularly monitored. The main credit risks come from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit risks from customers, including uncollected accounts receivable. For banks and financial institutions, only institutions with good credit ratings will be accepted as trading partners.
- c. The Group adopts the IFRS 9 to provide the following assumptions whether the credit risk of financial instruments has increased significantly since their initial recognition:
When the contract payments are overdue for more than 30 days according to the agreed payment terms, the credit risk is increased significantly since the financial assets are initially recognized.

- d. When the investment target for the independent credit rating has been lower for two grades, the Group will determine that the credit risk of the investment target is increased significantly.
- e. Based on the internally specified accounting policies of the Group, it is deemed as a breach of contract when the contractual payments are overdue for more than 365 days in accordance with stipulated payment terms.
- f. The Group has classified customers' accounts receivable on the characteristics of customers' ratings and adopts a simplified approach to estimate expected credit loss based on the reserve matrix.
- g. After recourse procedures, the Group writes off the recoverable financial assets that cannot be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights. The Group had no creditors' rights that had been written off but still could be recourse as of September 30, 2024, December 31, 2023 and September 30, 2023.
- h. The Group first assesses and recognizes impairment loss on individual receivables for which there is objective evidence of non-recoverability. For the remaining receivables, the Group adjusts the loss rate established on the history of certain periods and current information for prospective considerations to estimate the loss allowance for accounts receivable. The reserve matrixes as of September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

September 30, 2024	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,785,303	\$ -
Overdue 0 to 90 days	1.10%	18,923	208
Overdue 91 to 180 days	16.36%	55	9
Overdue 181 to 365 days	42.31%	26	11
Over 365 days past due	100.00%	7,366	7,366
Total		<u>\$ 2,811,673</u>	<u>\$ 7,594</u>

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>

September 30, 2023	Expected Loss Rate	Total Book Value	Allowance for Loss
Current	0.00%	\$ 2,400,189	\$ -
Overdue 0 to 90 days	1.12%	112,640	1,264
Overdue 91 to 180 days	18.46%	899	166
Overdue 181 to 365 days	43.01%	4,910	2,112
Over 365 days past due	100.00%	7,747	7,747
Total		<u>\$ 2,526,385</u>	<u>\$ 11,289</u>

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

	<u>2024</u>	<u>2023</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 14,483	\$ 16,143
Reversal of impairment loss	(7,427)	(5,436)
Effect of foreign exchange	538	582
September 30	<u>\$ 7,594</u>	<u>\$ 11,289</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 September 30, 2024, December 31, 2023 and September 30, 2023, the Group had unused borrowing facilities of \$9,228,225, \$8,899,293 and \$9,402,405, 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:

	<u>Less than 6</u>	<u>7 to 12</u>	<u>1 to 2</u>	<u>2 to 5</u>	<u>More than</u>
September 30, 2024	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>years</u>	<u>5 years</u>
Short-term borrowings	\$ 2,014,925	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,826,789	-	-	-	-
Other payables	1,534,718	15,066	-	-	-
Lease liabilities	47,138	21,617	53,292	167,810	661,807

Non-derivative financial liabilities:

	<u>Less than 6</u>	<u>7 to 12</u>	<u>1 to 2</u>	<u>2 to 5</u>	<u>More than</u>
December 31, 2023	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>years</u>	<u>5 years</u>
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:

September 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 \$	660,693	\$233,021	\$ -	\$ -	\$ -
Accounts payable	1,479,757	-	-	-	-
Other payables	2,075,935	29,561	-	-	-
Lease liabilities	24,478	23,068	49,493	185,240	768,364

(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.

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

B. 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 September 30, 2024 and December 31, 2023.

September 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	\$ 3,535	\$ -	\$ -	\$ 3,535

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

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.

D. There was no transfer between Level 1 and Level 2 for the nine months ended September 30, 2024 and 2023.

E. The following table shows the changes for the nine months ended September 30, 2024 and 2023:

The Group had no such situation for the nine months ended September 30, 2024.

	2023
	Non-derivative equity instruments
January 1	\$ 27
Gain or loss recognized in profit or loss (Note)	(27)
September 30	\$ -

Note: Recognized in other gains and (losses).

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 Nine Months Ended September 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	\$ 742,522	\$ 722,639	\$ 722,639	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	-	\$ -	\$ 1,192,603	\$ 1,590,138	Notes 4 & 5
2	NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Other receivables	Y	363,833	87,339	87,339	3.20%	Short-term financing	-	Build factory for sister company	-	- None	-	-	815,395	1,087,194	Notes 4 & 5
3	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	837,293	807,075	807,075	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	1,299,478	1,732,638	Notes 4 & 5
4	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	114,923	110,775	110,775	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	213,026	284,034	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 Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, 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 Nine Months Ended September 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	Maximum	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of	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
				Endorsements/ Guarantees Provided for a Single Party (Note 3)	Outstanding Endorsement/ Guarantee Amount for the Period				Asset Value of Net Endorser/ Guarantor Company (%)					
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	\$ 7,710,191	\$ 162,725	\$ 158,250	\$ -	\$ -	1.22%	\$ 10,280,254	Y	N	N	Note 5 & 6

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

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

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

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

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

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

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

Note 6: In Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, 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 Nine Months Ended September 30, 2024

Appendix 3

Real estate acquired by	Real estate	Date of the Event (Note 2)	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	\$ 24,430	In accordance with the contract terms	PT. PILAR TEGUH UTAMA	None	-	-	-	\$ -	Price comparison and negotiation	Operational needs	-
Sunglory Footwear Co., Ltd.	Factory engineering	2023/06/15	USD	42,580	In accordance with the contract terms	Dong Do Development Construction Investment Joint Stock Company	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 (in dollars), 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 counterparty 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 Nine Months Ended September 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)		
				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	\$ 829,458	9.96%	180 days after purchase	Note 1	Note 1	(\$ 659,010)	-36.07%	Note 2 & 3	
Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	Subsidiary	Purchases	137,094	1.65%	180 days after purchase	Note 1	Note 1	(135,394)	-7.41%	Note 2 & 3	
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	Subsidiary	Purchases	329,336	3.95%	180 days after purchase	Note 1	Note 1	(376,081)	-20.59%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	405,524	4.87%	90 days after purchase	Note 1	Note 1	(301,377)	-16.50%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	2,609,916	31.33%	120 days after purchase	Note 1	Note 1	(1,044,324)	-57.17%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	1,648,815	19.79%	120 days after invoices issued	Note 1	Note 1	(463,596)	-25.38%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	560,260	6.73%	120 days after invoices issued	Note 1	Note 1	(423,308)	-23.17%	Note 2 & 3	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Subsidiary	Purchases	369,593	4.44%	120 days after invoices issued	Note 1	Note 1	-	-	Note 2 & 3	
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	125,218	1.50%	120 days after purchase	Note 1	Note 1	-	-	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	(1,030,148)	-10.08%	135 days after shipment	Note 1	Note 1	129,891	4.63%	Note 2 & 3	
Capital Concord Enterprises Limited (H.K.), Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	(120,297)	-1.18%	135 days after shipment	Note 1	Note 1	15,797	0.56%	Note 2 & 3	
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Sister company	Sales	(182,800)	-1.79%	90 days after shipment	Note 1	Note 1	52,469	1.87%	Note 2 & 3	

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

Note 2: In Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, respectively.

Note 3: Offset in consolidated financial statements.

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

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

September 30, 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	\$ 659,010	1.13	\$ 147,429	Collection after reporting period	\$ 151,984	\$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	807,075	-	-	-	-	-	Note 2, 3 & 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	376,081	1.21	107,462	Collection after reporting period	47,475	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	301,377	1.52	80,674	Collection after reporting period	31,650	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	110,775	-	-	-	-	-	Note 2, 3 & 4
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	135,394	1.39	123,278	Collection after reporting period	47,475	-	Note 2 & 3
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	722,639	-	-	-	-	-	Note 2, 3 & 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	1,044,324	6.34	47	Collection after reporting period	307,795	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	463,596	3.77	-	-	242,123	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	423,308	3.17	100,442	Collection after reporting period	71,213	-	Note 2 & 3
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Subsidiary	572,865	-	-	-	-	-	Note 2, 3 & 5
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	129,891	5.82	-	-	-	-	Note 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to November 7, 2024.

Note 2: In Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, respectively.

Note 3: Offset in consolidated financial statements.

Note 4: This amount is loaning of funds in its nature; therefore, the turnover rate will not be calculated.

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

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

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

September 30, 2024

Appendix 6

Unit NTS thousand
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status			Percentage of consolidated total operating revenues or total assets (Note 3)
				General Ledger Account	Amount (Note 5)	Trade terms	
0	Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	1	Other receivables	\$ 572,865	Note 4	2.85%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	659,010	Note 4	3.28%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	376,081	Note 4	1.87%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	301,377	Note 4	1.50%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	1,044,324	Note 4	5.19%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	463,596	Note 4	2.31%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	423,308	Note 4	2.10%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	807,075	Note 4	4.01%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	722,639	Note 4	3.59%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	829,458	Note 4	8.11%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchases	329,336	Note 4	3.22%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchases	405,524	Note 4	3.97%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchases	2,609,916	Note 4	25.53%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	1,648,815	Note 4	16.13%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Purchases	560,260	Note 4	5.48%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Purchases	369,593	Note 4	3.62%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sales	1,030,148	Note 4	10.08%
2	Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	3	Sales	182,800	Note 4	1.79%

Note 1: The numbers filled in for parent-subsidiary transactions are described as follows:

- (1) The parent company is numbered "0".
- (2) The subsidiaries are numbered in order starting from "1".

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Inter-subsidiary.

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

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

Note 5: In Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, respectively.

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

Note 7: Offset in consolidated financial statements.

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

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

For the Nine Months Ended September 30, 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 gain and loss recognized in the current period (Note 3&4)		Note
				End of Period	End of Last Year	Number of Shares (Note 1)	Ratio					
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	\$ 12,850,318	\$ 1,087,102	\$ 1,087,102	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	213	(80)	(80)	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	3,448,034	124,894	124,894	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	217,473	(1,354)	(1,354)	Subsidiary	
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	170,590	144,490	-	100.00	161,870	(5,982)	(5,982)	Subsidiary	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,147,987	2,079,418	-	100.00	2,940,716	51,384	51,384	Subsidiary	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,401,065	1,388,854	-	100.00	1,358,992	41,401	41,401	Subsidiary	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,097,799	799,883	-	100.00	1,095,503	39,591	39,591	Subsidiary	
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	498,346	193,124	-	100.00	497,682	(1,804)	(1,804)	Subsidiary	
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	816,607	418,239	-	100.00	819,469	(5,763)	(5,763)	Subsidiary	
Capital Concord Enterprises Limited	Laya Technology Co., Ltd.	Taiwan	Shoes material production and Sales	57,500	25,500	5,750,000	70.12	46,766	(5,589)	(3,966)	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	227,968	(814)	(814)	Subsidiary	

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

Note 2: The historical exchange rate was adopted.

Note 3: In Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, respectively.

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

Note 5: The Group's subsidiary, Laya Technology Co., Ltd., issued new shares, as a result, the Group changed its share interest. Please refer to Note 6 (23).

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

Information on Investments in Mainland China

For the Nine Months Ended September 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	\$ -	\$ -	\$ -	\$ -	(\$ 70,309)	100.00	(\$ 76,839)	\$ 2,157,378	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	(52,461)	100.00	(52,489)	1,987,672	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	(3,046)	100.00	(3,046)	494,791	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	28,064	100.00	24,051	345,982	-	-

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 Q3 2024, the exchange rates for assets and profit or loss were USD:NTD=31.6500 and USD:NTD=32.0472, 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 reviewed by the parent company's CPAs.

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

Major Shareholders Information

September 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.