

Fulgent Sun International (Holding) Co., Ltd. And Subsidiaries  
Consolidated Financial Statements And  
Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023  
(Stock Code: 9802)

Address: Uglan House, Grand Cayman, KY 1-1104, Cayman Islands

Telephone No.: (886)-5-5514619

## Independent Auditors' Review Report

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

### **Introduction**

We have reviewed the accompanying consolidated balance sheet of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

**PricewaterhouseCoopers**  
Taipei, Taiwan  
Republic of China

May 9, 2024

### **Notes to Readers**

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

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

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

	Assets	Note	March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6 (1)	\$ 3,268,709	17	\$ 2,609,321	14	\$ 2,245,177	10
1110	Current financial assets at fair value through profit or loss	6 (2)	-	-	-	-	8	-
1170	Accounts receivable, net	6 (3)	1,610,525	8	2,706,739	15	3,398,509	16
1200	Other receivables		505,352	3	501,640	3	444,037	2
130X	Inventories	6 (4)	2,596,495	14	2,139,472	11	4,266,817	20
1410	Prepayments		48,709	-	65,688	-	80,152	-
1470	Other current assets	6 (7) and 8	236,312	1	272,862	1	332,622	2
11XX	<b>Total current assets</b>		<u>8,266,102</u>	<u>43</u>	<u>8,295,722</u>	<u>44</u>	<u>10,767,322</u>	<u>50</u>
<b>Non-current assets</b>								
1510	Non-current financial assets at fair value through profit or loss	6 (2)	-	-	-	-	6,969	-
1600	Property, plant and equipment	6 (5) and 8	8,681,354	46	8,285,905	45	8,591,157	40
1755	Right-of-use assets	6 (6)	1,784,818	10	1,792,630	10	1,796,211	8
1780	Intangible assets		16,724	-	12,593	-	15,061	-
1840	Deferred tax assets	6 (22)	250,264	1	236,493	1	261,227	1
1900	Other non-current assets	6 (7) and 8	67,327	-	58,494	-	90,513	1
15XX	<b>Total non-current assets</b>		<u>10,800,487</u>	<u>57</u>	<u>10,386,115</u>	<u>56</u>	<u>10,761,138</u>	<u>50</u>
1XXX	<b>Total assets</b>		<u>\$ 19,066,589</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 21,528,460</u>	<u>100</u>

(Continued)

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

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

## Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Note	March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6 (8) and 8	\$ 1,350,000	7	\$ 1,685,000	9	\$ 3,076,150	14
2130	Current contract liabilities	6 (16)	15,698	-	36,938	-	80,800	1
2170	Accounts payable		1,524,073	8	1,301,804	7	2,021,962	10
2200	Other payables	6 (9)	1,768,780	10	1,244,333	7	2,380,755	11
2230	Current tax liabilities		515,282	3	516,676	3	590,729	3
2280	Current lease liabilities		45,423	-	41,098	-	24,558	-
2320	Current portion of other long-term liabilities	6 (10)	-	-	-	-	26,379	-
2399	Other current liabilities, others		47,248	-	58,135	-	53,598	-
21XX	<b>Total current liabilities</b>		<u>5,266,504</u>	<u>28</u>	<u>4,883,984</u>	<u>26</u>	<u>8,254,931</u>	<u>39</u>
<b>Non-Current liabilities</b>								
2560	Non-current tax liabilities		181,662	1	212,199	1	-	-
2570	Deferred tax liabilities	6 (22)	167,218	1	151,954	1	181,594	1
2580	Non-current lease liabilities		846,256	4	861,220	5	937,278	4
2600	Other non-current liabilities	6 (11)	205,097	1	200,887	1	208,255	1
25XX	<b>Total non-current liabilities</b>		<u>1,400,233</u>	<u>7</u>	<u>1,426,260</u>	<u>8</u>	<u>1,327,127</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>6,666,737</u>	<u>35</u>	<u>6,310,244</u>	<u>34</u>	<u>9,582,058</u>	<u>45</u>
<b>Equity attributable to owners of the parent company</b>								
Share capital								
3110	Ordinary share	6 (13)	1,909,899	10	1,909,899	10	1,907,303	9
Capital surplus								
3200	Capital surplus	6 (14)	5,701,867	30	5,701,867	31	5,677,980	26
Retained earnings								
3310	Legal reserve	6 (15)	1,209,683	6	1,209,683	6	907,119	4
3320	Special reserve		474,813	2	474,813	3	554,857	2
3350	Unappropriated retained earnings		3,537,529	19	3,826,489	20	3,407,155	16
Other equity								
3400	Other equity interest		( 376,356)	( 2)	( 693,575)	( 4)	( 450,429)	( 2)
3500	Treasury shares	6 (13)	( 57,583)	-	( 57,583)	-	( 57,583)	-
3XXX	<b>Total Equity</b>		<u>12,399,852</u>	<u>65</u>	<u>12,371,593</u>	<u>66</u>	<u>11,946,402</u>	<u>55</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 19,066,589</u>	<u>100</u>	<u>\$ 18,681,837</u>	<u>100</u>	<u>\$ 21,528,460</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
 Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 For the Three Months ended March 31, 2024 and 2023  
 (Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Share)

Item	Note	For the Three Months Ended March 31, 2024		For the Three Months Ended March 31, 2023	
		Amount	%	Amount	%
4000 Operating revenue	6(16)	\$ 2,659,213	100	\$ 5,053,564	100
5000 Operating costs	6(4)	( 2,178,369)	( 82)	( 3,985,060)	( 79)
5950 Gross profit from operations		<u>480,844</u>	<u>18</u>	<u>1,068,504</u>	<u>21</u>
Operating expenses	6(21)				
6100 Selling expenses		( 49,723)	( 2)	( 85,623)	( 2)
6200 Administrative expenses		( 239,653)	( 9)	( 220,449)	( 4)
6300 Research and development expenses		( 47,541)	( 1)	( 51,508)	( 1)
6450 Expected credit Impairment gain (loss)	12(2)	<u>5,081</u>	<u>-</u>	( 36,179)	( 1)
6000 Total operating expenses		( 331,836)	( 12)	( 393,759)	( 8)
6900 Net operating income		<u>149,008</u>	<u>6</u>	<u>674,745</u>	<u>13</u>
Non-operating income and expenses					
7100 Interest income	6(17)	24,451	1	5,956	-
7010 Other income	6(18)	46,240	2	19,294	-
7020 Other gains and losses	6(19)	150,224	5	( 48,919)	( 1)
7050 Finance costs	6(20)	( 8,841)	-	( 30,294)	-
7000 Total non-operating income and expenses		<u>212,074</u>	<u>8</u>	( 53,963)	( 1)
7900 Profit before tax		361,082	14	620,782	12
7950 Income tax expenses	6(22)	( 79,052)	( 3)	( 146,318)	( 3)
8200 Profit		<u>\$ 282,030</u>	<u>11</u>	<u>\$ 474,464</u>	<u>9</u>
<b>Other comprehensive income, net</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
8361 Exchange differences on translation		<u>\$ 317,219</u>	<u>12</u>	( \$ 47,129)	( 1)
8300 Other comprehensive income, net		<u>\$ 317,219</u>	<u>12</u>	( \$ 47,129)	( 1)
8500 Total comprehensive income		<u>\$ 599,249</u>	<u>23</u>	<u>\$ 427,335</u>	<u>8</u>
Basic earnings per share	6(23)				
9750 Total basic earnings per share		<u>\$ 1.48</u>	<u>1.48</u>	<u>\$ 2.50</u>	<u>2.50</u>
Diluted earnings per share					
9850 Total diluted earnings per share		<u>\$ 1.48</u>	<u>1.48</u>	<u>\$ 2.49</u>	<u>2.49</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 Three Months ended March 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent								
	Note	Retained earnings					Exchange Differences on Translation of Foreign Financial Statements	Treasury shares	Total Equity
Ordinary share		Capital surplus	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
Profit for the period		-	-	-	-	474,464	-	-	474,464
Other comprehensive income		-	-	-	-	-	(47,129)	-	(47,129)
Total comprehensive income (loss)		-	-	-	-	474,464	(47,129)	-	427,335
Distribution of earnings for the second half year 6(15) of 2022									
Cash dividends of ordinary shares		-	-	-	-	(1,140,422)	-	-	(1,140,422)
Conversion of convertible bonds	6(10)(13)(14)(24)	68	628	-	-	-	-	-	696
Balance at March 31, 2023		\$ 1,907,303	\$ 5,677,980	\$ 907,119	\$ 554,857	\$ 3,407,155	(\$ 450,429)	(\$ 57,583)	\$ 11,946,402
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
Profit for the period		-	-	-	-	282,030	-	-	282,030
Other comprehensive income		-	-	-	-	-	317,219	-	317,219
Total comprehensive income		-	-	-	-	282,030	317,219	-	599,249
Distribution of earnings for the second half year 6(15) of 2023									
Cash dividends of ordinary shares		-	-	-	-	(570,990)	-	-	(570,990)
Balance at March 31, 2024		\$ 1,909,899	\$ 5,701,867	\$ 1,209,683	\$ 474,813	\$ 3,537,529	(\$ 376,356)	(\$ 57,583)	\$ 12,399,852

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Three Months ended March 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 361,082	\$ 620,782
Adjustments			
Adjustments to reconcile profit and loss			
Depreciation expense	6(5)(6)(21)	256,064	264,462
Amortization expense	6(21)	4,817	5,058
Expected credit (gain) loss	12(2) (	5,081 )	36,179
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(19)	-	( 1,012 )
Interest expenses	6(20)	8,841	30,294
Interest income	6(17) (	24,451 )	( 5,956 )
Loss on disposal of property, plant and equipment	6(19)	5,195	1,498
Profit from lease modification	6(6) (	949 )	-
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		1,166,422	701,957
Other receivables		7,617	( 12,710 )
Inventories	(	370,552 )	697,788
Prepayments		18,978	2,359
Other current assets	(	6,753 )	( 7,908 )
Changes in operating liabilities			
Contract liability		3,728	61,410
Accounts payable		172,569	( 901,981 )
Other payables	(	71,601 )	( 414,231 )
Other current liabilities	(	12,962 )	10,162
Other non-current liabilities	(	776 )	( 788 )
Cash flows generated from operating		1,512,188	1,087,363
Interest received		24,066	6,420
Interest paid	(	5,673 )	( 27,743 )
Income tax paid	(	134,943 )	( 146,679 )
Net cash flows generated from operating activities		<u>1,395,638</u>	<u>919,361</u>

(Continued)



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Three Months ended March 31, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 132,756)	(\$ 212,805)
Proceeds from disposal of financial assets at amortized cost		180,315	94,461
Acquisition of property, plant and equipment	6(24)	( 392,437 )	( 364,869 )
Proceeds from disposal of property, plant and equipment		6,431	225
(Increase) decrease in refundable deposits		( 10,315 )	8
Acquisition of intangible assets		( 4,748 )	-
(Increase) decrease in other non-current assets		( 304 )	35
Net cash flows used in investing activities		( 353,814 )	( 482,945 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(25)	1,959,590	7,948,533
Decrease in short-term borrowings	6(25)	( 2,358,609 )	( 8,318,550 )
Payments of lease liabilities	6(6) (25)	( 5,534 )	( 6,590 )
Net cash flows used in financing activities		( 404,553 )	( 376,607 )
Effects of exchange rate changes		22,117	( 10,011 )
Net increase in cash and cash equivalents		659,388	49,798
Cash and cash equivalents at beginning of period		2,609,321	2,195,379
Cash and cash equivalents at end of period		\$ 3,268,709	\$ 2,245,177

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
For the Three Months ended March 31, 2024 and 2023,  
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors and published on May 9, 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

None.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 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
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Capital Concord Enterprises Limited (Capital Concord Enterprises Limited H.K.)	Holding company; Sports Leisure Outdoor Footwear Sales	100	100	100	
The Company	Wisesquare Enterprise Limited (Wisesquare)	Start-up stage not yet in operation	100	100	-	Note 1
Capital Concord Enterprises Limited H.K.	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya)	Import/export trading	100	100	100	
Capital Concord Enterprises Limited H.K.	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	

Name of Investor	Name of Subsidiary	Main business activities	Percentage of ownership			Notes
			March 31, 2024	December 31, 2023	March 31, 2023	
Capital Concord Enterprises Limited H.K.	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunbow Enterprises Co., Ltd. (Sunbow)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunstone Enterprises Co., Ltd. (Sunstone)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunzeal Enterprises Co., Ltd. (Sunzeal)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	Note 2
Capital Concord Enterprises Limited H.K.	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	Eversun Footwear Co., Ltd. (Eversun)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	Sunglory Footwear Co., Ltd. (Sunglory)	Sports Leisure Outdoor Footwear Production	100	100	-	Note 3
Capital Concord Enterprises Limited H.K.	PT. SUN BRIGHT LESTARI	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Laya Chemical Engineering Co., Ltd.(Laya Chemical)	Shoes material Production and Sales	100	100	100	
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.(Sunlit)	Land lease	100	100	100	Note 4

Note 1: The Group had established Wisersquare 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: A total of 51% of the equity is registered in the name of a related party who is a Cambodian in compliance with the local law and regulations. The Group has already taken relevant preservation measures.

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

#### (4) Income Tax

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

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

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

## 6. Explanation of Significant Accounts

### (1) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 3,817	\$ 4,269	\$ 5,972
Checking deposits & demand deposits	1,287,486	957,115	1,449,770
Time deposits	1,977,406	1,647,937	789,435
Total	<u>\$ 3,268,709</u>	<u>\$ 2,609,321</u>	<u>\$ 2,245,177</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 March 31, 2024 and December 31, 2023.

<u>Item</u>	<u>March 31, 2023</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
- Convertible corporate bond redemption and sale rights	<u>\$ 8</u>
Non-current items:	
Financial assets mandatorily measured at fair value through profit or loss	
- Listed company stock	<u>\$ 6,969</u>

A. The convertible corporate bonds the Group held the right to redeem and sell for the three months ended March 31, 2023, with recognized losses were \$19.

B. The shares of listed OTC companies the Group held for the three months ended March 31, 2023, with recognized gains were \$1,031.

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

### (3) Accounts receivable, net

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable	\$ 1,620,448	\$ 2,721,222	\$ 3,450,753
Less: Allowance for impairment	( 9,923)	( 14,483)	( 52,244)
	<u>\$ 1,610,525</u>	<u>\$ 2,706,739</u>	<u>\$ 3,398,509</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	\$ 1,521,316	\$ 2,587,858	\$ 3,021,105
Overdue 0 to 90 days	82,722	115,785	408,484
Overdue 91 to 180 days	5,447	5,338	7,579
Overdue 181 to 365 days	3,357	5,056	5,065
Over 365 days past due	7,606	7,185	8,520
Total	<u>\$ 1,620,448</u>	<u>\$ 2,721,222</u>	<u>\$ 3,450,753</u>

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

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

March 31, 2024			
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Raw materials	\$ 658,732	(\$ 55,944)	\$ 602,788
Work in process	573,423	( 5,649)	567,774
Finished goods	1,168,924	( 39,472)	1,129,452
Inventory in transit	296,481	-	296,481
<b>Total</b>	<b>\$ 2,697,560</b>	<b>(\$ 101,065)</b>	<b>\$ 2,596,495</b>

December 31, 2023			
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
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
<b>Total</b>	<b>\$ 2,231,314</b>	<b>(\$ 91,842)</b>	<b>\$ 2,139,472</b>

March 31, 2023			
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Raw materials	\$ 1,102,917	(\$ 36,374)	\$ 1,066,543
Work in process	1,178,284	( 19,920)	1,158,364
Finished goods	1,780,974	( 44,844)	1,736,130
Inventory in transit	305,780	-	305,780
<b>Total</b>	<b>\$ 4,367,955</b>	<b>(\$ 101,138)</b>	<b>\$ 4,266,817</b>

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

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Cost of inventories sold	\$ 2,173,416	\$ 3,965,196
Inventory valuation losses	9,223	9,361
Inventory scrap losses	1	3,044
Others	( 4,271 )	7,459
	<b>\$ 2,178,369</b>	<b>\$ 3,985,060</b>

(5) Property, Plant and Equipment

For the Three Months Ended March 31, 2024

Cost	For the Three Months Ended March 31, 2024					
	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	\$ 338,956	\$ -	\$ -	\$ -	\$ 14,295	\$ 353,251
Buildings	5,524,545	4,455	-	35,031	160,672	5,724,703
Machinery equipment	5,547,612	10,384	( 15,783)	10,173	152,450	5,704,836
Transportation equipment	90,741	148	-	1,440	2,343	94,672
Office equipment	65,505	1,813	-	313	1,937	69,568
Others	2,406,688	48,012	( 7,838)	6,871	79,763	2,533,496
Construction in progress and to-be-inspected equipment	301,587	337,656	-	( 56,172)	8,697	591,768
	<u>\$ 14,275,634</u>	<u>\$ 402,468</u>	<u>(\$ 23,621)</u>	<u>(\$ 2,344)</u>	<u>\$ 420,157</u>	<u>\$ 15,072,294</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)	(\$ 62,637)	\$ -	\$ -	(\$ 49,675)	(\$ 1,907,970)
Machinery equipment	( 2,275,736)	( 79,559)	5,759	-	( 63,086)	( 2,412,622)
Transportation equipment	( 60,864)	( 1,747)	-	-	( 1,718)	( 64,329)
Office equipment	( 48,483)	( 1,928)	-	-	( 1,453)	( 51,864)
Others	( 1,808,988)	( 89,370)	6,236	-	( 62,033)	( 1,954,155)
	<u>(\$ 5,989,729)</u>	<u>(\$ 235,241)</u>	<u>\$ 11,995</u>	<u>\$ -</u>	<u>(\$ 177,965)</u>	<u>(\$ 6,390,940)</u>
	<u>\$ 8,285,905</u>					<u>\$ 8,681,354</u>

For the Three Months Ended March 31, 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	\$ -	\$ -	\$ -	(\$ 2,870)	\$ 336,141
Buildings	5,504,936	22,439	-	33,311	( 29,890)	5,530,796
Machinery equipment	5,404,819	28,170	( 1,937)	129,747	( 26,944)	5,533,855
Transportation equipment	96,145	-	( 882)	-	( 458)	94,805
Office equipment	59,049	2,308	( 12)	-	( 325)	61,020
Others	2,182,228	47,212	( 10,317)	20,455	( 13,673)	2,225,905
Construction in progress and to-be-inspected equipment	415,201	39,292	-	( 188,791)	( 592)	265,110
	<u>\$ 14,001,389</u>	<u>\$ 139,421</u>	<u>(\$ 13,148)</u>	<u>(\$ 5,278)</u>	<u>(\$ 74,752)</u>	<u>\$ 14,047,632</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)	(\$ 51,162)	\$ -	\$ -	\$ 7,895	(\$ 1,643,190)
Machinery equipment	( 2,038,727)	( 85,972)	1,776	-	9,996	( 2,112,927)
Transportation equipment	( 57,473)	( 2,192)	882	-	290	( 58,493)
Office equipment	( 43,371)	( 1,534)	9	-	235	( 44,661)
Others	( 1,513,059)	( 102,655)	8,758	-	9,752	( 1,597,204)
	<u>(\$ 5,252,553)</u>	<u>(\$ 243,515)</u>	<u>\$ 11,425</u>	<u>\$ -</u>	<u>\$ 28,168</u>	<u>(\$ 5,456,475)</u>
	<u>\$ 8,748,836</u>					<u>\$ 8,591,157</u>

A. For the three months ended March 31, 2024 and 2023, the Group had no interest capitalized.

B. For property, plant and equipment provided by the Group as collateral as of March 31, 2024, December 31, 2023 and March 31, 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 carrying amount of the right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,072,201	\$ 1,058,418	\$ 1,002,452
Buildings	712,617	734,212	793,759
	<u>\$ 1,784,818</u>	<u>\$ 1,792,630</u>	<u>\$ 1,796,211</u>

	<u>For the Three Months Ended</u> <u>March 31, 2024</u>	<u>For the Three Months Ended</u> <u>March 31, 2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 8,872	\$ 8,324
Buildings	11,951	12,623
	<u>\$ 20,823</u>	<u>\$ 20,947</u>

C. The Group's right-of-use assets for the three months ended March 31, 2024 and 2023 increased to \$0 and \$14,261, respectively.

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

	<u>For the Three Months Ended</u> <u>March 31, 2024</u>	<u>For the Three Months Ended</u> <u>March 31, 2023</u>
<u>Items affecting profit and loss:</u>		
Interest expense on lease liabilities	\$ 2,272	\$ 2,340
Expense on short-term lease contracts	127	339
Profit from lease modification	( 949)	-

E. The Group's total cash outflow for leases were \$5,661 and \$6,929 for the three months ended March 31, 2024 and 2023, respectively.

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

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current:			
Financial assets at amortized cost - Restricted bank deposits	\$ 1,689	\$ 1,658	\$ 34,857
Financial assets at amortized cost - Time deposits	203,786	242,161	243,610
Others	30,837	29,043	54,155
Total	<u>\$ 236,312</u>	<u>\$ 272,862</u>	<u>\$ 332,622</u>

Item	March 31, 2024	December 31, 2023	March 31, 2023
Non-current:			
Prepayments for equipment	\$ 10,576	\$ 13,362	\$ 58,421
Refundable deposits	50,817	39,614	28,575
Others	5,934	5,518	3,517
Total	\$ 67,327	\$ 58,494	\$ 90,513

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

(8) Short-term borrowings

Loans Type	March 31, 2024	Interest rate range	Collateral
Credit loans	\$ 1,350,000	1.590%~1.770%	Note
Loans Type	December 31, 2023	Interest rate range	Collateral
Credit loans	\$ 1,685,000	1.510%~1.734%	Note
Loans Type	March 31, 2023	Interest rate range	Collateral
Credit loans	\$ 3,076,150	1.400%~5.250%	Note

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

(9) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Accrued salaries	\$ 503,967	\$ 556,136	\$ 535,355
Dividends payable	951,650	380,660	1,368,127
Payables on equipment	143,511	138,610	255,539
Others	169,652	168,927	221,734
Total	\$ 1,768,780	\$ 1,244,333	\$ 2,380,755

(10) Bonds payable

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

	March 31, 2023
Domestic fifth unsecured convertible corporate bonds	\$ 26,500
Less: Discount on corporate bonds payable	( 121)
Subtotal	26,379
Less: Current bonds payable(Current portion of long-term liabilities)	( 26,379)
Total	\$ -

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

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

(A) With the approval of the competent authority, the Company raised and issued the 5th unsecured convertible corporate bonds in Taiwan, totaling \$500,000, with a par value of \$100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from August 17, 2020 to August 17, 2023. When the convertible corporate bond matures, it will be repaid in cash at the face value of the bond. The convertible corporate bond was listed at Gre Tai Securities Market Exchange on August 17, 2020.

(B) The convertible corporate bondholder may at any time request the Company for conversion to its common stock from the next 3 months after the issuance of the bond to the expiration date, except for the period of suspension of the transfer according to the regulations or decrees. The rights and obligations of the convertible corporate bondholder are the same as those of the original common stock.

- (C) The conversion price of the convertible corporate bond is set at \$112 per share at the time of issue, and the conversion price of the convertible corporate bond is determined according to the prescribed model stipulated in the conversion method, and the conversion price will be in case of the Company's anti-dilution clause. It will be adjusted according to the model set out in the conversion method.
- (D) Within 40 days before the convertible corporate bond is issued 2 full years, the bondholder may require the Company to redeem the convertible corporate bond in cash at 101.0025% of the face value of the bond.
- (E) When the convertible corporate bond is issued 3 months from the next day to the first 40 days after the expiration of the issuance period, the 30 consecutive business days of the closing price of the common stock of the Company will exceed 30% of the conversion price at that time; the Company will notify the creditors within 30 business days thereafter and withdraw the outstanding bonds in cash on the basis of the day of recovery based on the bond value. When the convertible corporate bond is issued 3 months, when the balance of the convertible corporate bond is less than 10% of the total issued in the first 40 days before the expiration of the issuance period, the Company will have to withdraw all its bonds in cash at any time thereafter based on the denomination of the bonds.
- (F) As per the conversion method, all of the Company's recovered (including purchased from the Securities Merchants Business Offices), repaid or converted convertible corporate bond will be revoked, no longer be sold or issued, and the attached conversion rights will be revoked accordingly.
- B. As of August 16, 2023, the convertible corporate bond of \$500,000 was fully converted to 4,795 thousand shares of common stock, and delisted on August 18, 2023. After the issuance of the convertible corporate bond, when the common stock issued by the Company has increased or the Company distributes cash dividends on the common stock, the Company should adjust the conversion price of this bond based on the ratio of current price per share on the ex-dividend date according to the prescribed formula.
- C. When issuing the convertible corporate bond, the Company will, in accordance with the International Accounting Standards No.32, separate the conversion rights of equity from the constituent elements of the liabilities, and account for the "capital surplus - stock options." The other is the right to buy back and sell back. According to the International Financial Reporting Standard No. 9, because of the economic characteristics of the goods that are in debt with the principal contract, the relationship between economic characteristics and risk is not closely related, so it is separated and list as the net account of "financial assets or financial liabilities at fair value through profit or loss." The effective interest rate of the principal contract obligation after separation is 1.261%.

(11) Other non-current liabilities

Item	March 31, 2024	December 31, 2023	March 31, 2023
Deferred government grant income(Note)	\$ 112,159	\$ 110,205	\$ 115,321
Other non-current liabilities, others	92,938	90,682	92,934
Total	\$ 205,097	\$ 200,887	\$ 208,255

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

(12) Pension

- A. Since July 1, 2005, the Group's subsidiaries in Taiwan have set up a defined retirement scheme according to the "Labor Pension Act," which is applicable to employees of this nationality. The Group has paid the labor pension to 6% of the monthly salary of the labor pension system applicable to the employee's choice of the "Labor Pension Act," the personal accounts of the Bureau of Labor Insurance, and the payment of employees' pensions are collected on the basis of the pensions of employees' personal pensions and the amount of accumulated income or by a pension. For the three months ended March 31, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$1,716 and \$2,063, 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 March 31, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$21,393 and \$30,067, respectively.
- C. The Group's subsidiaries in Vietnam are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended March 31, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$35,630 and \$57,072, respectively.
- D. The Group's subsidiaries in Cambodia are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months ended March 31, 2024 and 2023, the pensions recognized by the Group in accordance with the above regulations were \$3,771 and \$6,115, respectively.

(13) Share capital

- A. On March 31, 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	-	6
March 31	190,330	190,070

B. Treasury Stock

(A) Reason and quantity of share recovery

		March 31, 2024	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	\$ 57,583
		December 31, 2023	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	\$ 57,583
		March 31, 2023	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	\$ 57,583

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

(14) Capital surplus

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

	2024			
	Issue Premium	Stock Options	Others	Total
January 1 and March 31	\$ 5,701,321	\$ -	\$ 546	\$ 5,701,867
	2023			
	Issue Premium	Stock Options	Others	Total
January 1	\$ 5,674,184	\$ 2,622	\$ 546	\$ 5,677,352
Convertible corporate bonds converted to common stocks	695	(67)	-	628
March 31	\$ 5,674,879	\$ 2,555	\$ 546	\$ 5,677,980

(15) Retained Earnings

- A. Under the Company's Articles of Association, stipulating that the Company may, at the end of each semi-fiscal year, distribute earnings in the form of stock dividends upon supermajority resolution in the shareholders' meeting or in the form of cash dividends upon the Board of Directors' resolution. The company shall not set aside exceeding than 3% and lower than 0.1% of the remaining earnings as directors' remuneration and less than 3% of the remaining profits as bonuses to the employees of the Company and subsidiaries. The Company shall make up the loss when company still has accumulated losses. The Company shall (1) first make up the loss over the years, set aside a legal surplus reserve at 10% of the remaining earnings until the accumulated legal surplus reserve equals the Company's paid-in-capital; (2) set aside a special surplus reserve in accordance with the rules of the public offering company or at the request of the competent authority.
- B. When the Company's earnings are distributed, dividends distributed to shareholders should not be less than the balance of the remaining earnings net of 20% of the amounts in the preceding (1) (2), wherein the cash dividend issued should not be less than 20% of the dividends.
- C. In accordance with the Articles of Association, the Company shall not distribute dividends or assign dividends or other assignments in respect of the realized or unrealized benefits of the Company, the premium account for the issuance of shares, or other payments permitted by the Cayman Company Act; provided that the legal surplus reserve is more than 25% of paid-in-capital, only the legal surplus reserve shall be accumulated as the above allocation and shall be limited to the portion of the legal surplus reserve in excess of 25% of the paid-in-capital.

- D. (A) When the Company distributes earnings, it should make special surplus reserve accumulated in respect of the debit balance of other equity on the balance sheet date in accordance with the provisions of the laws. When the debit balance of subsequent other equity is reversed, the amount reversed may be included in the earnings available for distribution.
- (B) Upon the first application of the IFRSs, a special surplus reserve set aside in letter No. 1010012865 issued by the FSC on April 6, 2012 is to be reversed when the Company subsequently uses, disposes of or reclassifies the related assets.
- E. The appropriations of earnings for 2022 which have been resolved in the shareholders' meeting on May 30, 2023 respectively, were as follows:

	<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 by the Board of Directors 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.

Before the record date of the appropriations of interim earnings for the first half year of 2023, the ex-dividend date of the declared cash dividends not yet paid \$380,660 is March 18, 2024. The distribution date is April 18, 2024.

The amount of the legal surplus reserve and special surplus reserve on 2023 will be decided by the shareholders' meeting on May 27, 2024.

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

(16) Operating revenue

	<u>For the Three Months Ended</u> <u>March 31, 2024</u>	<u>For the Three Months Ended</u> <u>March 31, 2023</u>
Revenue from Contracts with Customers	<u>\$ 2,659,213</u>	<u>\$ 5,053,564</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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities				
- Advance sales receipts	<u>\$ 15,698</u>	<u>\$ 36,938</u>	<u>\$ 80,800</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 March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>	
Revenue recognized that was included in the contract liability balance at the beginning of the period - Advance sales receipts		<u>\$ 26,130</u>	<u>\$ 56,744</u>	
 (17) <u>Interest revenue</u>				
		<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>	
Interest on bank deposits		<u>\$ 24,451</u>	<u>\$ 5,956</u>	
 (18) <u>Other income</u>				
		<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>	
Government grant		\$ 1,179	\$ 6,222	
Mold		35,898	3,313	
Other revenue - others		9,163	9,759	
		<u>\$ 46,240</u>	<u>\$ 19,294</u>	
 (19) <u>Other gains and losses</u>				
		<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>	
Losses on disposal of property, plant and equipment		(\$ 5,195 )	(\$ 1,498 )	
Foreign exchange gains (losses)		158,149	( 42,201 )	
Gains on financial assets and liabilities measured at fair value through profit and loss		-	1,012	
Other losses		( 2,730 )	( 6,232 )	
		<u>\$ 150,224</u>	<u>(\$ 48,919)</u>	
 (20) <u>Finance Costs</u>				
		<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>	
Bank borrowings		\$ 6,569	\$ 27,871	
Convertible bonds		-	83	
Lease liabilities		2,272	2,340	
		<u>\$ 8,841</u>	<u>\$ 30,294</u>	

(21) Expenses Expressed by Nature

	<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>
Employee benefits		
Salary	\$ 864,000	\$ 1,297,063
Labor and health insurance	33,349	51,547
Pension	62,510	95,317
Others	13,105	21,805
	<u>972,964</u>	<u>1,465,732</u>
Depreciation	256,064	264,462
Amortization	4,817	5,058
	<u>\$ 1,233,845</u>	<u>\$ 1,735,252</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 ended March 31, 2024 and 2023 were both \$5,000. The above employees' bonuses and directors' remuneration are assessed on the basis of the ratio set out in the Articles of Association, taking into account such factors as net income as of the current period after consideration of the legal surplus reserve.

The employees' bonuses and directors' remuneration for the year ended December 31, 2023 approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2023.

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

(22) Income tax

A. Income tax expenses

Components of income tax expense:

	<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>
Current tax:		
Current tax on profits for the period	\$ 77,322	\$ 138,908
Underestimated income tax in prior periods	237	329
Total current tax	<u>77,559</u>	<u>139,237</u>
Deferred tax:		
Origination and reversal of temporary differences	1,493	7,081
Total deferred tax	<u>1,493</u>	<u>7,081</u>
Income tax expenses	<u>\$ 79,052</u>	<u>\$ 146,318</u>

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



(23) Earnings per share

	<u>For the Three Months Ended March 31, 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	\$ 282,030	190,330	\$ 1.48
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	282,030	190,330	
Effect of dilutive potential ordinary shares			
Employee bonus	-	210	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 282,030	190,540	\$ 1.48
<u>For the Three Months Ended March 31, 2023</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	\$ 474,464	190,068	\$ 2.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	474,464	190,068	
Effect of dilutive potential ordinary shares			
Convertible corporate bonds	83	262	
Employee bonus	-	196	
Profit attributable to ordinary shareholders of the parent plus effect of dilutive potential ordinary shares	\$ 474,547	190,526	\$ 2.49

(24) Supplemental cash flow information

## A. Investing activities with partial cash payments:

	<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>
Additions to property, plant and equipment	\$ 400,124	\$ 134,143
Less: Prepayments for equipment, beginning of period	( 13,362)	( 70,313)
Add: Prepayments for equipment, end of period	10,576	58,421
Add: Payables on equipment, beginning of period	138,610	498,157
Less: Payables on equipment, end of period	( 143,511)	( 255,539)
Cash paid during the period	\$ 392,437	\$ 364,869

B. Financing activities with no cash flow effects:

	<u>For the Three Months Ended March 31, 2024</u>	<u>For the Three Months Ended March 31, 2023</u>
Share capital converted from convertible corporate bonds	<u>\$ -</u>	<u>\$ 68</u>
Declared cash dividends not yet paid	<u>\$ 951,650</u>	<u>\$ 1,368,127</u>

(Blank Below)

(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	( 399,019)	( 5,534)	-	( 404,553)
Changes in other non-cash items	-	( 21,729)	570,990	549,261
Impact of changes in foreign exchange rate	64,019	16,624	-	80,643
March 31, 2024	<u>\$ 1,350,000</u>	<u>\$ 891,679</u>	<u>\$ 951,650</u>	<u>\$ 3,193,329</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	( 370,017)	( 6,590)	-	-	( 376,607)
Changes in other non-cash items	-	7,532	( 613)	1,140,422	1,147,341
Impact of changes in foreign exchange rate	( 30,013)	( 3,146)	-	-	( 33,159)
March 31, 2023	<u>\$ 3,076,150</u>	<u>\$ 961,836</u>	<u>\$ 26,379</u>	<u>\$ 1,368,127</u>	<u>\$ 5,432,492</u>

Note : The portion due within one year is included.

7. Related Party Transactions

Key management compensation

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Short-term employee benefits	\$ 21,763	\$ 22,165

8. Pledged Assets

Assets	Book amount			Guarantee use
	March 31, 2024	December 31, 2023	March 31, 2023	
Land	\$ 114,403	\$ 109,773	\$ 108,861	Short-term borrowings
Buildings	156,524	151,225	153,051	Short-term borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	7,018	6,886	37,239	Performance bond and performance guarantee of the power supply agreement
Refundable deposits (recognized in other non-current assets)	50,817	39,614	28,575	Plants lease deposits and others
	<u>\$ 328,762</u>	<u>\$ 307,498</u>	<u>\$ 327,726</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

Commitments

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

	Total contract price		
	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	\$ 1,519,638	\$ 435,074	\$ 330,385

  

	Outstanding amount		
	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment	\$ 1,000,889	\$ 222,831	\$ 121,220

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit and loss			
Current financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ -	\$ 8
Non-current financial assets mandatorily measured at fair value through profit or loss	-	-	6,969
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,977</u>
Financial assets at amortized cost/ loans and receivables			
Cash and cash equivalents	\$ 3,268,709	\$ 2,609,321	\$ 2,245,177
Accounts receivable	1,610,525	2,706,739	3,398,509
Other receivables	505,352	501,640	444,037
Financial assets at amortized cost - current	205,475	243,819	278,467
Refundable deposits	50,817	39,614	28,575
Financial assets at amortized cost - non-current	5,329	5,228	2,382
	<u>\$ 5,646,207</u>	<u>\$ 6,106,361</u>	<u>\$ 6,397,147</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 1,350,000	\$ 1,685,000	\$ 3,076,150
Accounts payable	1,524,073	1,301,804	2,021,962
Other payables	1,768,780	1,244,333	2,380,755
Corporate bonds payable	-	-	26,379
	<u>\$ 4,642,853</u>	<u>\$ 4,231,137</u>	<u>\$ 7,505,246</u>
Lease liabilities (current and non-current)	<u>\$ 891,679</u>	<u>\$ 902,318</u>	<u>\$ 961,836</u>

B. Risk management policy

- (A) The Group's financial risk management objectives are to manage exchange rate risk, price risk, interest rate risk, credit risk and liquidity risk related to its operating activities. In order to minimize the relevant financial risks, the Group strives to identify, assess, and avoid market uncertainties, so as to minimize the potential adverse effects on the financial performance of the Company.
- (B) The Group's important financial activities are reviewed by the Board of Directors and the Audit Committee according to relevant regulations and the internal control system. During the implementation of the financial plan, the Group must comply with the relevant financial operations procedures in relation to the overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(A) Market risk

Foreign exchange risk

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

(Blank Below)

March 31, 2024						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Carrying amount	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	\$ 114,779	7.2258	\$ 3,672,917	1%	\$ 36,729	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,437,707	0.0313	\$ 1,437,707	1%	\$ 14,377	\$ -
December 31, 2023						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Carrying amount	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	\$ -
March 31, 2023						
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Carrying amount	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	\$ 134,957	6.8747	\$ 4,109,438	1%	\$ 41,094	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
NTD: USD	\$ 1,744,740	0.0328	\$ 1,744,740	1%	\$ 17,447	\$ -

- d. The Group's monetary items were significantly impacted by the exchange rate changes, and the total exchange gains and losses (including realized and unrealized) for the three months ended March 31, 2024 and 2023, with recognized gains and (losses) were \$158,149 and (\$42,201), 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 three months ended March 31, 2023 from gains or losses on equity instruments mandatorily measured at fair value through profit or loss would have increased or decreased \$348.

#### 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 three months ended March 31, 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 three months ended March 31, 2024 and 2023 would have decreased or increased \$270 and \$615, respectively, due to the changes in interest expenses caused by the loans issued at floating rates.

#### (B) Credit risk

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



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

March 31, 2024	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	\$ 1,521,316	\$ -
Overdue 0 to 90 days	0.94%	82,722	778
Overdue 91 to 180 days	10.91%	5,447	594
Overdue 181 to 365 days	28.15%	3,357	945
Over 365 days past due	100.00%	7,606	7,606
Total		<u>\$ 1,620,448</u>	<u>\$ 9,923</u>

December 31, 2023	Expected Loss Rate	Total Carrying Amount	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>

March 31, 2023	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	\$ 3,021,105	\$ -
Overdue 0 to 90 days	1.17%	373,990	4,368
Overdue 91 to 180 days	15.58%	7,579	1,181
Overdue 181 to 365 days	49.96%	2,766	1,382
Over 365 days past due	100.00%	8,520	8,520
Individual assessment	100.00%	36,793	36,793
Total		<u>\$ 3,450,753</u>	<u>\$ 52,244</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) allowance of impairment loss	( 5,081)	36,179
Effect of foreign exchange	521	( 78)
March 31	<u>\$ 9,923</u>	<u>\$ 52,244</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 March 31, 2024, December 31, 2023 and March 31, 2023, the Group had unused borrowing facilities of \$9,839,000, \$8,899,293 and \$6,685,525, 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>
	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>years</u>	<u>5 years</u>
March 31, 2024					
Short-term borrowings	\$ 1,051,699	\$302,658	\$ -	\$ -	\$ -
Accounts payable	1,524,073	-	-	-	-
Other payables	1,744,181	19,599	5,000	-	-
Lease liabilities	30,305	21,012	47,071	169,703	703,192

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>
	<u>Months</u>	<u>Months</u>	<u>years</u>	<u>years</u>	<u>5 years</u>
December 31, 2023					
Short-term borrowings	\$ 1,307,842	\$ 384,909	\$ -	\$ -	\$ -
Accounts payable	1,301,804	-	-	-	-
Other payables	1,207,620	36,713	-	-	-
Lease liabilities	28,900	21,440	47,135	175,542	695,739

<u>Non-derivative financial liabilities:</u>					
March 31, 2023	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowings	\$ 2,679,326	\$403,517	\$ -	\$ -	\$ -
Accounts payable	2,021,962	-	-	-	-
Other payables	2,343,999	36,756	-	-	-
Corporate bonds payable	26,500	-	-	-	-
Lease liabilities	12,343	20,848	47,192	181,651	770,875

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

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

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

	<u>March 31, 2023</u>	
	<u>Carrying amount</u>	<u>Fair Value</u>
		<u>Level 3</u>
Corporate bonds payable	<u>\$ 26,379</u>	<u>\$ 26,430</u>

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

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

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

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

March 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit and loss				
- Listed company stock	\$ 6,969	\$ -	\$ -	\$ 6,969
- Redemption right of convertible corporate bonds	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
Total	<u>\$ 6,969</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 6,977</u>

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

- (A) For the Level 1 instruments which the Group uses market quoted prices as their fair values and which are listed stocks by characteristics, their closing prices are used as market quoted prices.
- (B) The cash flow expected to be received by the corporate bonds payable according to the underlying assets are measured by the discounted present value of the market interest rate at the balance sheet date.

- E. There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2024 and 2023.

- F. The following table shows the changes for the three months ended March 31, 2024 and 2023:

The Group had no such situation for the three months ended March 31, 2024.

	<u>2023</u>
	<u>Non-derivative equity instruments</u>
January 1	\$ 27
Gains or losses recognized in profit or loss (Note)	<u>( 19)</u>
March 31	<u>\$ 8</u>

Note: Recognized in other gains and (losses).

- G. Evaluation process regarding fair value Level 3 is conducted by the Group's treasury, by which the independence of fair value of financial instruments is verified through use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.
- H. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

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

	<u>Fair value as of March 31, 2023</u>	<u>Evaluation techniques</u>	<u>Significant unobservable inputs</u>	<u>Interval (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Hybrid Instruments:					
Redemption right of corporate bonds	\$ 8	Binomial tree evaluation model	Volatility	42.58%	The higher the volatility, the higher the fair value.

- I. The evaluation models and parameters chosen by the Group after careful evaluation may lead to different results when different evaluation models or parameters are used. For financial assets and liabilities classified as Level 3, if the evaluation parameters change, the impact on current profits and losses were as follows:

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

				March 31, 2023	
				Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change	
Financial Liabilities					
Hybrid instruments	Volatility	±5%	\$ 8	(\$ 3)	

### 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.

(Blank Below)

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

Loans to Others

For the Three Months Ended March 31, 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	\$ 467,572	\$ 467,572	\$ 467,572	1.50%	Short-term financing	\$ -	Operating capital	\$ -	- None	-	\$ -	\$ 799,707	\$ 999,634	Notes 4 & 5
2	NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Other receivables	Y	363,833	362,526	362,526	3.20%	Short-term financing	-	Build factory for sister company	-	- None	-	-	632,929	791,161	Notes 4 & 5
3	Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	816,000	816,000	816,000	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	883,840	1,104,801	Notes 4 & 5
4	Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	112,000	112,000	112,000	3.50%	Short-term financing	-	Operating capital	-	- None	-	-	135,255	169,069	Notes 4 & 5

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

(1) The Company is '0'.

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

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

Note 3: Loaning funds to others, provided that such financing amount shall not exceed 50 percent of the lender's net worth.

Note 4: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, 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 Three Months Ended March 31, 2024

Unit: NTS Thousand  
(Unless Otherwise Specified)

Appendix 2

No. (Note 1)	Endorser/ Guarantor	Party Being Endorsed/Guaranteed Company Name	Relation (Note 2)	Limit on Endorsements/ Guarantees Provided for a Single Party (Note 3)	Maximum Outstanding Endorsement/ Guarantee Amount for the Period	Outstanding Endorsement/ Guarantee Amount	Amount Actually Drawn	Amount of Endorsements /Guarantees Secured with Collateral	Ratio of Accumulated Endorsement/ Guarantee Amount to Net Asset Value of the Endorser/ Guarantor Company (%)	Ceiling on Total Amount of Endorsements/ Guarantees Provided (Note 4)	Provision of Endorsements/ Guarantees by Parent Company to Subsidiary	Provision of Endorsements/ Guarantees by Subsidiary to Parent Company	Provision of Endorsements/ Guarantees to the Party in Mainland China	Note
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	4	\$ 7,910,276	\$ 160,000	\$ 160,000	\$ -	\$ -	1.29%	\$ 10,547,035	Y	N	N	Note 5 & 6

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

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

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

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

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

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

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

Note 6: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, 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 Three Months Ended March 31, 2024

Appendix 3

Real estate acquired by	Real estate	Date of the event	Transaction currency	Transaction amount (in thousands)	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 NT\$ thousand
								Owner	Relationship with the issuer	Date of transfer	Amount			(Unless Otherwise Specified)
PT. SUN BRIGHT LESTARI	Factory engineering	2024/02/19	USD	\$ 16,120	In accordance with the contract terms	PT. PILAR TEGUH UTAMA	None	-	-	-	\$ -	Price comparison and negotiation	Operational needs	-

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

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

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

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

For the Three Months Ended March 31, 2024

Appendix 4

Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Purchases/ Sales	Transaction Details			Unusual Trade Conditions and Its Reasons		Notes and Accounts Receivable (Payable)			Unit NT\$ thousand (Unless Otherwise Specified)
				Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note	
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiary	Purchases	\$ 305,432	14.02%	180 days after purchase	Note 1	Note 1	(\$ 678,647)	-44.53%	Note 2 & 3	
Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	Subsidiary	Purchases	122,478	5.62%	180 days after purchase	Note 1	Note 1	( 414,114)	-27.17%	Note 2 & 3	
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiary	Purchases	117,649	5.40%	90 days after purchase	Note 1	Note 1	( 149,983)	-9.84%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Purchases	582,323	26.73%	120 days after purchase	Note 1	Note 1	( 691,846)	-45.39%	Note 2 & 3	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiary	Purchases	496,674	22.80%	120 days after invoices issued	Note 1	Note 1	( 400,908)	-26.31%	Note 2 & 3	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Subsidiary	Purchases	103,282	4.74%	120 days after invoices issued	Note 1	Note 1	( 316,497)	-20.77%	Note 2 & 3	
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	Sales	( 358,398)	-13.48%	135 days after shipment	Note 1	Note 1	152,964	9.50%	Note 2 & 3	

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

Note 2: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, respectively.

Note 3: Offset in consolidated financial statements.

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

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

March 31, 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	\$ 678,647	1.27	\$ 76,966	Collection after reporting period	\$ 97,638	\$ -	Note 2 & 3
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	816,000	-	-	-	-	-	Note 2, 3 & 4
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	270,553	0.95	16,823	Collection after reporting period	26,240	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	149,983	1.73	23,550	Collection after reporting period	32,000	-	Note 2 & 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	112,000	-	-	-	-	-	Note 2, 3 & 4
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	414,114	1.85	241,983	Collection after reporting period	259,200	-	Note 2 & 3
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	467,572	-	-	-	-	-	Note 2, 3 & 4
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	691,846	6.49	-	-	313,999	-	Note 2 & 3
Fulgent Sun Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	400,908	3.68	-	-	220,800	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	316,497	2.35	137,012	Collection after reporting period	48,000	-	Note 2 & 3
NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	Sister company	363,833	-	-	-	-	-	Note 2, 3 & 4
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Subsidiary	386,752	-	-	-	-	-	Note 2, 3 & 5
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiary	152,964	5.88	-	-	-	-	Note 2 & 3

Note 1: The subsequent collections represent collections from the balance sheet date to May 9, 2024.

Note 2: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, respectively.

Note 3: Offset in consolidated financial statements.

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

Note 5: This amount is a other receivable 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

March 31, 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	
1	Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	1	Other receivables	\$ 386,752	Note 4	2.03%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd	1	Accounts payable	678,647	Note 4	3.56%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Accounts payable	414,114	Note 4	2.17%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	270,553	Note 4	1.42%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	691,846	Note 4	3.63%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Accounts payable	400,908	Note 4	2.10%
1	Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	1	Accounts payable	316,497	Note 4	1.66%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Other payables	816,000	Note 4	4.28%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	467,572	Note 4	2.45%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchases	305,432	Note 4	11.49%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	1	Purchases	582,323	Note 4	21.90%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchases	496,674	Note 4	18.68%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	1	Sales	358,398	Note 4	13.48%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	1	Accounts receivable	152,964	Note 4	0.80%
1	Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	1	Prepayments for purchases	152,731	Note 4	0.80%
2	NGOC HUNG Footwear Co., Ltd.	Eversun Footwear Co., Ltd.	3	Other receivables	363,833	Note 4	1.91%

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

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

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

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

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

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

Note 5: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, respectively.

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

Note 7: Offset in consolidated financial statements.

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

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

For the Three Months Ended March 31, 2024

Appendix 7

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)		Shares Held as of period ended		Book value (Note 3)	Investee company current profit or loss (Note 3)	Investment gains and losses recognized in the current period (Note 3&4)	Unit NT\$ thousand (Unless Otherwise Specified)	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					
Fulgent Sun International (Holding) Co., Ltd.	Wisesquare Enterprise Limited	Hong Kong	Start-up stage not yet in operation	413	413	100,000	100	295	-	-	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	3,350,033	( 11,223)	( 11,223)	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	220,667	( 553)	( 553)	Subsidiary	
Capital Concord Enterprises Limited	Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	149,226	144,490	-	100	146,060	( 2,013)	( 2,013)	Subsidiary	
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	2,104,459	2,079,418	-	100	2,908,195	57,999	57,999	Subsidiary	
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,393,284	1,388,854	-	100	1,582,322	4,308	4,308	Subsidiary	
Capital Concord Enterprises Limited	Eversun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	806,048	799,883	-	100	754,671	( 6,666)	( 6,666)	Subsidiary	
Capital Concord Enterprises Limited	Sunglory Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	319,524	193,124	-	100	315,728	( 701)	( 701)	Subsidiary	
Capital Concord Enterprises Limited	PT. SUN BRIGHT LESTARI	Indonesia	Sports Leisure Outdoor Footwear Production and Sales	479,037	418,239	-	100	463,198	( 1,698)	( 1,698)	Subsidiary	
Capital Concord Enterprises Limited	Laya Chemical Engineering Co., Ltd.	Taiwan	Shoes material production and Sales	25,500	25,500	-	100	17,580	( 730)	( 730)	Subsidiary	
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	210,447	210,447	-	100	229,041	( 2,221)	( 2,221)	Subsidiary	

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

Note 2: The historical exchange rate was adopted.

Note 3: In Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, respectively.

Note 4: 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

Information on Investments in Mainland China

For the Three Months Ended March 31, 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	\$ -	\$ -	\$ -	\$ -	\$ 11,415	100	\$ 15,762	\$ 2,212,032	\$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	( 5,912)	100	( 5,860)	1,999,349	-	-
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	1,537	100	1,537	490,762	-	-
Fujian Laya Outdoor Products Co., Ltd.	Import/export trading	40,656	2	-	-	-	-	16,982	100	15,196	331,165	-	-

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 Q1 2024, the exchange rates for assets and profit or loss were USD:NTD=32.0000 and USD:NTD=31.4447, respectively.

Note 5: The Company was established on the Cayman Islands, which is not subject to the limits on the principle limit in the “Principles for Conducting Investment or Technical Cooperation” of the Ministry of Economic Affairs. The Group has re-funded the investment in the amount of NT\$2,605,976 thousand through re-investment in Hong Kong.

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

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

Major Shareholders Information

March 31, 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	24,120,151	12.62
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank	21,712,465	11.36

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.