

**FENG TAY ENTERPRISES COMPANY LIMITED
AND ITS SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of Feng Tay Enterprises Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of Feng Tay Enterprises Company Limited and its subsidiaries (“the Group”), as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and 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 (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the 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

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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.

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$17,296,099 thousand and \$16,141,815 thousand, constituting 31.76% and 31.17% of consolidated total assets as of March 31, 2025 and 2024, respectively; total liabilities amounting to \$4,961,093 thousand and \$4,841,012 thousand, constituting 20.38% and 19.63% of consolidated total liabilities as of March 31, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to \$299,371 thousand and \$508,950 thousand, constituting 19.29% and 21.31% of consolidated total comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note (6)(d), the other equity accounted investments of the Group in its investee companies of \$1,323,826 thousand and \$1,107,381 thousand as of March 31, 2025 and 2024, respectively, and its equity in net loss on these investee companies of \$8,871 thousand and \$16,968 thousand for the three months ended March 31, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes 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, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 Kuo, Rou-Lan and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2025

Notes to Readers

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

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

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024						March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Notes (6)(a) and (n))	\$ 3,806,754	7	5,140,543	9	3,371,591	7	2100	Short-term borrowings (Note (6)(j))	\$ 4,369,975	8	2,983,008	5	3,728,055	7		
1170	Accounts receivable and notes receivable (Notes (6)(b) and (q))	9,157,072	17	8,118,995	15	8,186,949	16	2130	Current contract liabilities (Note (6)(q))	1,099	-	1,141	-	906	-		
1200	Other receivables (Note (7))	936,062	2	915,173	2	901,176	2	2170	Notes and accounts payable	4,204,080	8	4,131,129	8	4,276,192	9		
1220	Current tax assets	531,745	1	514,210	1	190,792	-	2200	Other payables	4,216,306	7	5,630,757	10	4,015,044	8		
130X	Inventories (Note (6)(c))	9,301,967	17	9,237,855	17	8,917,149	17	2230	Current tax liabilities	1,449,776	3	944,396	2	2,209,482	4		
1476	Other current financial assets (Note (8))	970	-	956	-	978	-	2280	Current lease liabilities (Note (6)(l))	37,932	-	39,408	-	29,902	-		
1479	Other current assets, others	1,012,169	2	957,965	2	1,056,977	2	2320	Long-term liabilities, current portion (Note (6)(k))	69,517	-	-	-	-	-		
	Total current assets	24,746,739	46	24,885,697	46	22,625,612	44	2399	Other current liabilities, others	58,432	-	43,842	-	69,386	-		
Non-current assets:									Total current liabilities	14,407,117	26	13,773,681	25	14,328,967	28		
1550	Investments accounted for using equity method (Note (6)(d))	1,323,826	3	1,316,221	2	1,107,381	2	Non-Current liabilities:									
1600	Property, plant and equipment (Note (6)(f))	23,457,904	43	23,215,335	43	23,009,716	44	2540	Long-term borrowings (Note (6)(k))	1,746,274	3	3,397,663	6	1,837,962	4		
1755	Right-of-use assets (Note (6)(g))	1,770,210	3	1,768,461	3	1,731,416	3	2570	Deferred tax liabilities (Note (6)(n))	3,372,347	6	3,641,904	7	3,326,631	6		
1760	Investment property, net (Note (6)(h))	57,440	-	56,728	-	55,515	-	2580	Non-current lease liabilities (Note (6)(l))	548,704	1	577,463	1	507,889	1		
1780	Intangible assets (Note (6)(i))	465,799	1	459,452	1	451,776	1	2640	Non-current net defined benefit liability (Note (6)(m))	4,033,683	8	3,935,182	7	4,411,968	9		
1840	Deferred tax assets (Note (6)(n))	1,833,895	3	1,814,594	3	1,872,254	4	2670	Other non-current liabilities, others	235,729	-	238,007	-	253,404	-		
1980	Other non-current financial assets (Note (8))	104,581	-	103,172	-	106,547	-		Total non-current liabilities	9,936,737	18	11,790,219	21	10,337,854	20		
1990	Other non-current assets, others	701,509	1	773,122	2	828,974	2		Total liabilities	24,343,854	44	25,563,900	46	24,666,821	48		
	Total non-current assets	29,715,164	54	29,507,085	54	29,163,579	56	Equity attributable to owners of parent (Note (6)(o)):									
								3110	Total capital stock	9,874,828	18	9,874,828	18	9,874,828	19		
								3200	Capital surplus	49,085	-	49,085	-	53,341	-		
									Retained earnings:								
								3310	Legal reserve	6,979,145	13	6,979,145	13	6,476,443	12		
								3320	Special reserve	1,127,303	2	1,127,303	2	1,053,529	2		
								3350	Unappropriated retained earnings	9,598,448	18	8,449,684	16	8,099,647	16		
									Other equity interest:								
								3410	Exchange differences on translation of foreign financial statements	690,350	1	360,006	1	(152,896)	-		
									Total equity attributable to owners of parent:	28,319,159	52	26,840,051	50	25,404,892	49		
								36XX	Non-controlling interests	1,798,890	4	1,988,831	4	1,717,478	3		
									Total equity	30,118,049	56	28,828,882	54	27,122,370	52		
Total assets		\$ 54,461,903	100	54,392,782	100	51,789,191	100	Total liabilities and equity		\$ 54,461,903	100	54,392,782	100	51,789,191	100		

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (Note (6)(q))	\$ 20,722,823	100	20,616,451	100
5000	Operating costs (Note (6)(c))	(16,347,342)	(79)	(16,295,265)	(79)
	Gross profit from operations	4,375,481	21	4,321,186	21
	Operating expenses:				
6100	Selling and administrative expenses	(2,284,943)	(11)	(2,290,584)	(11)
6300	Research and development expenses	(701,437)	(3)	(689,448)	(4)
	Total operating expenses	(2,986,380)	(14)	(2,980,032)	(15)
	Net operating income	1,389,101	7	1,341,154	6
	Non-operating income and expenses:				
7100	Interest income (Note (6)(s))	11,212	-	12,734	-
7010	Other income (Notes (6)(s) and (7))	111,935	-	126,230	1
7020	Other gains and losses, net (Note (6)(s))	213,473	1	425,195	2
7050	Financial costs (Note (6)(s))	(63,183)	-	(63,016)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))	(8,871)	-	(16,968)	-
	Total non-operating income and expenses	264,566	1	484,175	3
	Profit from continuing operations before tax	1,653,667	8	1,825,329	9
7950	Income tax expenses (Note (6)(n))	(457,380)	(2)	(485,709)	(2)
	Net profit	1,196,287	6	1,339,620	7
	Other comprehensive income:				
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	357,421	1	1,052,818	5
8399	Income tax related to components of other comprehensive loss that will may be reclassified to profit or loss (Note (6)(n))	(1,396)	-	(3,764)	-
	Item that may be reclassified subsequently to profit or loss	356,025	1	1,049,054	5
	Other comprehensive income	356,025	1	1,049,054	5
8500	Total comprehensive income	\$ 1,552,312	7	2,388,674	12
	Net profit, attributable to:				
8610	Net profit, attributable to owners of parent	\$ 1,148,764	6	1,270,646	7
8620	Net profit, attributable to non-controlling interests	47,523	-	68,974	-
		\$ 1,196,287	6	1,339,620	7
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 1,479,108	7	2,245,053	11
8720	Comprehensive income, attributable to non-controlling interests	73,204	-	143,621	1
		\$ 1,552,312	7	2,388,674	12
	Earnings per share (Note (6)(p))				
9750	Basic earnings per share (dollars)	\$ 1.16		1.29	

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			
	Ordinary shares		Legal reserve	Special reserve					
Balance on January 1, 2024	\$ 9,874,828	53,750	6,476,443	1,053,529	6,829,001	(1,127,303)	23,160,248	1,894,583	25,054,831
Net profit	-	-	-	-	1,270,646	-	1,270,646	68,974	1,339,620
Other comprehensive income	-	-	-	-	-	974,407	974,407	74,647	1,049,054
Total comprehensive income	-	-	-	-	1,270,646	974,407	2,245,053	143,621	2,388,674
Changes in ownership interests in subsidiaries	-	(409)	-	-	-	-	(409)	3,555	3,146
Changes in non-controlling interests	-	-	-	-	-	-	-	(324,281)	(324,281)
Balance on March 31, 2024	<u>\$ 9,874,828</u>	<u>53,341</u>	<u>6,476,443</u>	<u>1,053,529</u>	<u>8,099,647</u>	<u>(152,896)</u>	<u>25,404,892</u>	<u>1,717,478</u>	<u>27,122,370</u>
Balance on January 1, 2025	\$ 9,874,828	49,085	6,979,145	1,127,303	8,449,684	360,006	26,840,051	1,988,831	28,828,882
Net profit	-	-	-	-	1,148,764	-	1,148,764	47,523	1,196,287
Other comprehensive income	-	-	-	-	-	330,344	330,344	25,681	356,025
Total comprehensive income	-	-	-	-	1,148,764	330,344	1,479,108	73,204	1,552,312
Changes in non-controlling interests	-	-	-	-	-	-	-	(263,145)	(263,145)
Balance on March 31, 2025	<u>\$ 9,874,828</u>	<u>49,085</u>	<u>6,979,145</u>	<u>1,127,303</u>	<u>9,598,448</u>	<u>690,350</u>	<u>28,319,159</u>	<u>1,798,890</u>	<u>30,118,049</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,653,667	1,825,329
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	783,073	747,683
Amortization expense	20,654	17,021
Interest expense	63,183	63,016
Interest income	(11,212)	(12,734)
Share of profit of associates and joint ventures accounted for using equity method	8,871	16,968
(Profit) loss on disposal of property, plant and equipment	(391)	136
Gain on disposal of investment properties	-	(24,475)
Others	(103)	138
Total adjustments to reconcile profit	<u>864,075</u>	<u>807,753</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable	(1,031,129)	(23,522)
Decrease (increase) in other receivables	(18,680)	(99,822)
Decrease (increase) in inventories	54,485	14,857
Decrease (increase) in other current assets, others	(39,356)	(74,650)
Decrease (increase) in other current financial assets	(50)	465
Total changes in operating assets	<u>(1,034,730)</u>	<u>(182,672)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	(56)	(133)
Increase (decrease) in notes and accounts payable	44,686	(79,507)
Increase (decrease) in other payable	(1,719,790)	(1,722,899)
Increase (decrease) in other current liabilities, others	14,056	23,974
Increase (decrease) in net defined benefit liability	54,193	41,747
Increase (decrease) in other non-current liabilities, others	(5,239)	23,466
Total changes in operating liabilities	<u>(1,612,150)</u>	<u>(1,713,352)</u>
Total changes in operating assets and liabilities	<u>(2,646,880)</u>	<u>(1,896,024)</u>
Total adjustments	<u>(1,782,805)</u>	<u>(1,088,271)</u>
Cash (outflow) inflow generated from operations	(129,138)	737,058
Interest received	12,493	13,550
Interest paid	(63,332)	(70,170)
Income taxes paid	(237,336)	(137,114)
Net cash flows (used in) from operating activities	<u>(417,313)</u>	<u>543,324</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(708,356)	(931,790)
Proceeds from disposal of property, plant and equipment	16,936	48,909
Acquisition of intangible assets	(25,720)	(42,435)
Proceeds from disposal of investment properties	-	42,095
(Increase) decrease in other non-current financial assets	(15)	133
Decrease (increase) in other non-current assets, others	4,987	(1,899)
Net cash flows used in investing activities	<u>(712,168)</u>	<u>(884,987)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,371,576	1,442,606
Proceeds from long-term borrowings	21,026	29,679
Repayments of long-term borrowings	(1,628,128)	(1,785,151)
Payment of lease liabilities	(36,470)	(32,298)
Change in non-controlling interests	-	3,151
Net cash flows used in financing activities	<u>(271,996)</u>	<u>(342,013)</u>
Effect of exchange rate changes on cash and cash equivalents	67,688	196,425
Net decrease in cash and cash equivalents	<u>(1,333,789)</u>	<u>(487,251)</u>
Cash and cash equivalents at beginning of period	<u>5,140,543</u>	<u>3,858,842</u>
Cash and cash equivalents at end of period	<u><u>\$ 3,806,754</u></u>	<u><u>3,371,591</u></u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Feng Tay Enterprises Company Limited (hereinafter referred to as “the Company”), founded in 1971, is a manufacturer specialized in athletic shoes. Other business activities include developing and producing casual shoes, inline skates, ice skates, ski boots, cycling shoes, golf balls, soccer balls, backpack and handbags, ice hockey helmets and sticks, footwear accessories, as well as shoe molds and tools. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on February 18, 1992. The Company has a headquarter located at the Yunlin Science and Industrial Park, wherein it conducts order management, product development, technology research, finished goods and shoe material trade, and constant cultivation of multinational management talents, while its factories of mass production are spread throughout China, Vietnam, Indonesia, and India. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). Please refer to note 14 for related information of the Group entities’ main business activities.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on May 9, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company 、 GLO	PT Feng Tay Indonesia Enterprises	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	100.00 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000. (Note 1)

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Growth-Link Overseas Company Limited(GLO)	Investment holding.	100.00 %	100.00 %	100.00 %	Growth-Link Overseas Company Limited was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).
The Company 、 GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	92.13 %	VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923). (Note 1)
The Company 、 GLO	Dona Orient Holdings Limited (DOH)	Investment holding.	100.00 %	100.00 %	100.00 %	Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817).
The Company 、 GLO	PT Rich Valley Indonesia	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	100.00 %	PT Rich Valley Indonesia was established in Indonesia in 2019, and has paid in capital of USD36,431,286. (Note 1)
The Company	Great Eastern Industries Limited	International trade services.	100.00 %	100.00 %	100.00 %	Great Eastern Industries Limited, was established in Hong Kong in 2019, and has paid in capital of USD1,000,000 (including share premium of USD999,000). (Note 1)
The Company	Great South Private Limited	Investing holding.	100.00 %	100.00 %	100.00 %	Great South Private Limited was established in Singapore in 2021, and has paid in capital of SGD1,700,000. (Note 1)
The Company	India Tindivanam Footwear Private Limited	Manufactures athletic shoes, semi-finished footwear and footwear accessories.	95.85 %	95.85 %	93.91 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of USD58,523,991. (Note 1)
GLO	Fujian Da Feng Holdings Company Limited(DF)	Investment holding.	70.00 %	70.00 %	70.00 %	Fujian Da Feng Holdings Company Limited was established in Fujian Province, China in 1993, and has paid in capital of USD27,000,000. (Note 1)

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
DF	Fujian Lifeng Footwear Industrial Development Company Limited(LF)	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Lifeng Footwear Industrial Development Company Limited was established in Fujian Province, China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Xiefeng Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	80.00 %	Fujian San Feng Footwear Company Limited was established in Fujian Province, China in 1992, and has paid in capital of USD15,000,000.
GLO, DF, LF and XM	Fujian Great Hope Footwear Company Limited(GH)	Manufactures athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	100.00 %	100.00 %	100.00 %	Fujian Great Hope Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000. (Note 1)
GLO	Fujian Putian Xie Feng Mold Company Limited(XM)	Manufactures and repairs molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	50.34 %	Fujian Putian Xie Feng Mold Company Limited was established in Fujian Province, China in 1991, and has paid in capital of USD3,000,000. (Note 1)
LF, GH and XM	Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	100.00 %	100.00 %	100.00 %	Suzhou Yufeng Plastic Technology Co., Ltd., was established in Jiangsu Province, China in 2009, and has paid in capital of USD2,562,738. (Note 1)
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesaler and retailer of general merchandise, and related services.	50.00 %	50.00 %	50.00 %	Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province, China in 1992, and has paid in capital of USD4,500,000. (Note 1)
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding.	92.00 %	92.00 %	92.00 %	Dona Pacific Holdings Limited was established in British Virgin Islands in 2000, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901). (Note 1)

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
GLO	VX Mold Company Limited(VXM)	Investment holding.	93.00 %	93.00 %	93.00 %	VX Mold Company Limited was established in British Virgin Islands in 1999, and has paid in capital of USD400,000. (Note 1)
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoes.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Limited was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
VXH	Dona Victor Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Victor Footwear Co., Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.
DOH	Vietnam Dona Orient Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.
DOH	Vung Tau Orient Co., Ltd.	Manufactures golf balls, soccer balls, backpack and bags.	100.00 %	100.00 %	100.00 %	Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD41,000,000. (Note 1)
DOH	Vietnam Nam Ha Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Nam Ha Footwear Company Limited was established in Vietnam in 2019, and has paid in capital of USD62,000,000. (Note 1)
DPH	Dona Pacific (Vietnam) Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD20,000,000.
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufactures and repairs molds, cutting dies, and processing of metal parts.	100.00 %	100.00 %	100.00 %	Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000. (Note 1)

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
GLO and LUH	Cheyar SEZ Developers Private Limited	Development in India's Industrial Park.	100.00 %	100.00 %	100.00 %	Cheyar SEZ Developers Private Limited was established in Indian in 2006, and has paid in capital of USD119,893,561. (Note 1)
LUH	East Wind Footwear Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	East Wind Footwear Company Limited was established in British Virgin Islands in 2010, and has paid in capital of USD16,370,822 (including share premium of USD16,361,071). (Note 2)
LUH	Fairway Enterprises Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	Fairway Enterprises Company Limited was established in British Virgin Islands in 2014, and has paid in capital of USD45,793,307 (including share premium of USD45,763,806). (Note 2)

Note 1: This company is a non-significant subsidiary, its financial statements have not been reviewed.

Note 2: This company is a non-significant subsidiary, and only the financial statements of the Indian branch have been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash	\$ 1,097	1,125	1,009
Demand deposits and check deposit	1,414,184	2,221,183	1,578,924
Time deposits	<u>2,391,473</u>	<u>2,918,235</u>	<u>1,791,658</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 3,806,754</u></u>	<u><u>5,140,543</u></u>	<u><u>3,371,591</u></u>

Please refer to Note (6)(t) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable—measured at amortized cost	\$ 9,157,072	8,118,995	8,194,908
Notes receivable—measured at amortized cost	-	-	13
Less: Allowance for credit loss	<u>-</u>	<u>-</u>	<u>(7,972)</u>
	<u><u>\$ 9,157,072</u></u>	<u><u>8,118,995</u></u>	<u><u>8,186,949</u></u>

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The allowance for credit loss was determined as follows:

March 31, 2025			
	Gross carrying amount	Weighted-average loss rate	Allowance for credit loss provision
Current	\$ 7,996,539	0.00%	-
1 to 10 days past due	1,112,291	0.00%	-
11 to 60 days past due	43,044	0.00%	-
61 days to 1 year past due	5,198	0.00%	-
	<u>\$ 9,157,072</u>		<u>-</u>
December 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Allowance for credit loss provision
Current	\$ 7,424,013	0.00%	-
1 to 10 days past due	669,342	0.00%	-
11 to 60 days past due	7,691	0.00%	-
61 days to 1 year past due	17,949	0.00%	-
	<u>\$ 8,118,995</u>		<u>-</u>
March 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Allowance for credit loss provision
Current	\$ 7,530,828	0.00%	-
1 to 10 days past due	638,353	0.00%	-
11 to 60 days past due	17,016	0.00%	-
61 days to 1 year past due	752	0.00%	-
More than 1 year past due	7,972	100.00%	7,972
	<u>\$ 8,194,921</u>		<u>7,972</u>

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31	
	2025	2024
Balance on January 1	\$ -	7,972
Balance on March 31	<u>\$ -</u>	<u>7,972</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 3,830,375	3,638,768	3,485,905
Work in process	1,434,469	1,322,945	1,198,995
Finished goods	2,449,298	3,044,874	3,009,776
Merchandise inventory	81,616	89,807	63,646
Inventory in transit	1,506,196	1,140,984	1,156,952
Others	13	477	1,875
	<u>\$ 9,301,967</u>	<u>9,237,855</u>	<u>8,917,149</u>

The details of operating cost were as follows:

	For the three months ended March 31	
	2025	2024
Cost of goods sold	\$ 16,001,565	16,105,653
Unallocated production overheads	322,722	144,513
Net gains on inventories	(744)	(449)
Inventory scrap loss	18,542	26,481
Revenue from sale of scraps	(13,398)	(13,696)
Losses on obsolescence and inventory valuation	18,655	32,763
Total	<u>\$ 16,347,342</u>	<u>16,295,265</u>

Write-downs of inventories were due to the sluggish, obsolete, or unusable inventory, wherein the amount of the net realizable value of the inventory which were lower than the cost was recognized as operating costs.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the inventory of the Group was not pledged as collateral for its loan.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Investments accounted for using equity method

(i) Joint ventures

Shoe Majesty Co., Ltd. is a joint venture under the Group's joint arrangements. The Group classified the joint agreement as a joint venture using the equity method.

The Group's financial information for investments accounted for using the equity method that were individually insignificant was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Individually insignificant joint venture	\$ <u><u>1,323,826</u></u>	<u><u>1,316,221</u></u>	<u><u>1,107,381</u></u>
	For the three months ended March 31		
	2025	2024	
Attributable to the Group:			
Profit from continuing operation	\$ (8,871)	(16,968)	
Other comprehensive income	<u>15,362</u>	<u>41,436</u>	
Comprehensive income	<u><u>\$ 6,491</u></u>	<u><u>24,468</u></u>	

(ii) Collateral

As of March 31, 2025, December 31, 2024 and March 31, 2024, the investment accounted for using equity method of the Group was not pledged as collateral for its loan.

(iii) The unreviewed financial statements of investments accounted for using equity method

Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(e) Material non-controlling interest of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		March 31, 2025	December 31, 2024	March 31, 2024
Da Feng Holdings Co., Ltd.	China	30.00 %	30.00 %	30.00 %

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information are the fair value adjustment made during the acquisition and the relevant difference in accounting principles between the Group and its subsidiaries as at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Da Feng Holdings Co., Ltd.'s collective financial information:

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 325,778	332,513	521,903
Non-current assets	2,455,066	2,385,224	2,277,991
Current liabilities	(298,478)	(48,713)	(531,757)
Net assets	<u><u>\$ 2,482,366</u></u>	<u><u>2,669,024</u></u>	<u><u>2,268,137</u></u>
Non-controlling interests	<u><u>\$ 744,710</u></u>	<u><u>800,707</u></u>	<u><u>680,441</u></u>
	For the three months ended March 31		
	2025	2024	
Net income	\$ 48,175	87,815	
Other comprehensive income	35,501	99,793	
Comprehensive income	<u><u>\$ 83,676</u></u>	<u><u>187,608</u></u>	
Profit, attributable to non-controlling interests	<u><u>\$ 14,453</u></u>	<u><u>26,345</u></u>	
Comprehensive income, attributable to non-controlling interests	<u><u>\$ 25,103</u></u>	<u><u>56,282</u></u>	
Net cash flows used in operating activities	\$ (12,641)	(6,130)	
Net cash flows used in investing activities	(64)	(34)	
Net cash flows used in financing activities	-	-	
Net decrease in cash and cash equivalents	<u><u>\$ (12,705)</u></u>	<u><u>(6,164)</u></u>	
Cash dividends to non-controlling interests	<u><u>\$ -</u></u>	<u><u>-</u></u>	

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2025 and 2024 were as follows:

		Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:											
Balance on January 1, 2025	\$	1,655,182	17,751,741	26,915,429	593,077	115,367	614,205	824,475	110,137	2,793,987	51,373,600
Additions	-	-	1,419	217,909	5,325	113	185	5,334	200	742,266	972,751
Disposals	-	-	(50,019)	(210,769)	(5,257)	(893)	(727)	(6,133)	(618)	-	(274,416)
Reclassifications	-	-	113,000	518,763	31,878	2,466	4,199	19,315	-	(689,621)	-
Effect of changes in foreign exchange rates		5,705	198,673	349,868	5,930	-	7,532	10,168	366	28,817	607,059
Balance on March 31, 2025	\$	<u>1,660,887</u>	<u>18,014,814</u>	<u>27,791,200</u>	<u>630,953</u>	<u>117,053</u>	<u>625,394</u>	<u>853,159</u>	<u>110,085</u>	<u>2,875,449</u>	<u>52,678,994</u>
Balance on January 1, 2024	\$	1,626,928	16,367,909	23,143,581	524,743	121,169	712,250	674,087	104,760	2,512,956	45,788,383
Additions	-	-	8,748	459,986	9,994	1,076	6,443	5,899	1,016	1,004,561	1,497,723
Disposals	-	-	(53)	(168,609)	(13,466)	(848)	(3,243)	(3,817)	(80)	-	(190,116)
Reclassifications	-	-	309,877	956,233	11,210	-	(165,180)	71,289	-	(1,183,429)	-
Effect of changes in foreign exchange rates		17,591	576,256	977,970	16,104	-	26,296	26,806	1,126	95,324	1,737,473
Balance on March 31, 2024	\$	<u>1,644,519</u>	<u>17,262,737</u>	<u>25,369,161</u>	<u>548,585</u>	<u>121,397</u>	<u>576,566</u>	<u>774,264</u>	<u>106,822</u>	<u>2,429,412</u>	<u>48,833,463</u>
Depreciation and impairment loss:											
Balance on January 1, 2025	\$	-	8,891,490	17,691,969	449,094	102,400	336,396	598,993	87,923	-	28,158,265
Depreciation	-	-	169,899	520,235	16,102	1,895	33,738	18,437	1,588	-	761,894
Reversal of impairment loss	-	-	-	(103)	-	-	-	-	-	-	(103)
Disposals	-	-	(48,598)	(196,691)	(4,968)	(840)	(408)	(5,841)	(525)	-	(257,871)
Reclassifications	-	-	30,818	80,680	27	-	(111,525)	-	-	-	-
Effect of changes in foreign exchange rates		-	103,694	440,201	4,377	-	3,346	7,016	271	-	558,905
Balance on March 31, 2025	\$	<u>-</u>	<u>9,147,303</u>	<u>18,536,291</u>	<u>464,632</u>	<u>103,455</u>	<u>261,547</u>	<u>618,605</u>	<u>89,257</u>	<u>-</u>	<u>29,221,090</u>
Balance on January 1, 2024	\$	-	7,778,231	14,623,148	407,774	102,788	331,875	511,110	81,210	-	23,836,136
Depreciation	-	-	163,979	500,171	12,082	2,481	29,045	17,297	1,661	-	726,716
Impairment loss	-	-	-	138	-	-	-	-	-	-	138
Disposals	-	-	(44)	(121,745)	(12,816)	(844)	(1,760)	(3,789)	(73)	-	(141,071)
Reclassifications	-	-	14,351	48,030	138	-	(62,519)	-	-	-	-
Effect of changes in foreign exchange rates		-	279,914	1,077,840	12,002	-	12,475	18,787	810	-	1,401,828
Balance on March 31, 2024	\$	<u>-</u>	<u>8,236,431</u>	<u>16,127,582</u>	<u>419,180</u>	<u>104,425</u>	<u>309,116</u>	<u>543,405</u>	<u>83,608</u>	<u>-</u>	<u>25,823,747</u>
Carrying amounts:											
Balance on January 1, 2025	\$	<u>1,655,182</u>	<u>8,860,251</u>	<u>9,223,460</u>	<u>143,983</u>	<u>12,967</u>	<u>277,809</u>	<u>225,482</u>	<u>22,214</u>	<u>2,793,987</u>	<u>23,215,335</u>
Balance on March 31, 2025	\$	<u>1,660,887</u>	<u>8,867,511</u>	<u>9,254,909</u>	<u>166,321</u>	<u>13,598</u>	<u>363,847</u>	<u>234,554</u>	<u>20,828</u>	<u>2,875,449</u>	<u>23,457,904</u>
Balance on January 1, 2024	\$	<u>1,626,928</u>	<u>8,589,678</u>	<u>8,520,433</u>	<u>116,969</u>	<u>18,381</u>	<u>380,375</u>	<u>162,977</u>	<u>23,550</u>	<u>2,512,956</u>	<u>21,952,247</u>
Balance on March 31, 2024	\$	<u>1,644,519</u>	<u>9,026,306</u>	<u>9,241,579</u>	<u>129,405</u>	<u>16,972</u>	<u>267,450</u>	<u>230,859</u>	<u>23,214</u>	<u>2,429,412</u>	<u>23,009,716</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the time being, a portion of the Company's land assets cannot be held in the name of the Company under the law; therefore, they have been respectively registered in the name of trustees—Chien-Hung Wang, Chairman of the Company, and Chien-Rong Wang, Vice Chairman of the Company, with whom the Company has entered into an agreement prescribing the rights and obligations of both parties. The land has been pledged to the Company. An amount of \$7,121 thousand was recognized as cost of land.

The Group has been constructing a new development center, plant, and expanding production line since the year 2021. As of March 31, 2025, the projects were still ongoing, with the costs recorded as construction in progress and equipment to be inspected. For significant unrecognized contractual commitments related to the acquisition of property, plant, and equipment, please refer to Note (9)(b).

As of March 31, 2025, December 31, 2024 and March 31, 2024 the property, plant and equipment of the Group were not pledged as collateral for its loan.

(g) Right-of-use assets

The Group leases assets, including office, plants and warehouses. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 1,968,728	99,106	-	2,609	2,070,443
Effect of changes in foreign exchange rates	25,662	1,504	-	33	27,199
Balance on March 31, 2025	<u><u>\$ 1,994,390</u></u>	<u><u>100,610</u></u>	<u><u>-</u></u>	<u><u>2,642</u></u>	<u><u>2,097,642</u></u>
Balance on January 1, 2024	\$ 1,842,485	92,511	15,240	2,443	1,952,679
Effect of changes in foreign exchange rates	76,086	3,591	643	103	80,423
Balance on March 31, 2024	<u><u>\$ 1,918,571</u></u>	<u><u>96,102</u></u>	<u><u>15,883</u></u>	<u><u>2,546</u></u>	<u><u>2,033,102</u></u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2025	\$ 278,564	21,625	-	1,793	301,982
Depreciation	12,771	8,306	-	102	21,179
Effect of changes in foreign exchange rates	3,786	461	-	24	4,271
Balance on March 31, 2025	<u><u>\$ 295,121</u></u>	<u><u>30,392</u></u>	<u><u>-</u></u>	<u><u>1,919</u></u>	<u><u>327,432</u></u>
Balance on January 1, 2024	\$ 215,441	44,302	8,422	1,297	269,462
Depreciation	12,281	7,912	620	98	20,911
Effect of changes in foreign exchange rates	9,073	1,821	363	56	11,313
Balance on March 31, 2024	<u><u>\$ 236,795</u></u>	<u><u>54,035</u></u>	<u><u>9,405</u></u>	<u><u>1,451</u></u>	<u><u>301,686</u></u>
Carrying amount:					
Balance on January 1, 2025	<u><u>\$ 1,690,164</u></u>	<u><u>77,481</u></u>	<u><u>-</u></u>	<u><u>816</u></u>	<u><u>1,768,461</u></u>
Balance on March 31, 2025	<u><u>\$ 1,699,269</u></u>	<u><u>70,218</u></u>	<u><u>-</u></u>	<u><u>723</u></u>	<u><u>1,770,210</u></u>
Balance on January 1, 2024	<u><u>\$ 1,627,044</u></u>	<u><u>48,209</u></u>	<u><u>6,818</u></u>	<u><u>1,146</u></u>	<u><u>1,683,217</u></u>
Balance on March 31, 2024	<u><u>\$ 1,681,776</u></u>	<u><u>42,067</u></u>	<u><u>6,478</u></u>	<u><u>1,095</u></u>	<u><u>1,731,416</u></u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	<u>Owned property</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance on January 1, 2025	\$ 6,858	404,980	411,838
Effect of changes in foreign exchange rates	-	5,779	5,779
Balance on March 31, 2025	<u>\$ 6,858</u>	<u>410,759</u>	<u>417,617</u>
Balance on January 1, 2024	\$ 16,017	406,284	422,301
Disposals	(9,434)	(22,017)	(31,451)
Effect of changes in foreign exchange rates	275	16,204	16,479
Balance on March 31, 2024	<u>\$ 6,858</u>	<u>400,471</u>	<u>407,329</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2025	\$ -	355,110	355,110
Effect of changes in foreign exchange rates	-	5,067	5,067
Balance on March 31, 2025	<u>\$ -</u>	<u>360,177</u>	<u>360,177</u>
Balance on January 1, 2024	\$ -	352,152	352,152
Depreciation	-	56	56
Disposal	-	(13,831)	(13,831)
Effect of changes in foreign exchange rates	-	13,437	13,437
Balance on March 31, 2024	<u>\$ -</u>	<u>351,814</u>	<u>351,814</u>
Carrying amount:			
Balance on January 1, 2025	<u>\$ 6,858</u>	<u>49,870</u>	<u>56,728</u>
Balance on March 31, 2025	<u>\$ 6,858</u>	<u>50,582</u>	<u>57,440</u>
Balance on January 1, 2024	<u>\$ 16,017</u>	<u>54,132</u>	<u>70,149</u>
Balance on March 31, 2024	<u>\$ 6,858</u>	<u>48,657</u>	<u>55,515</u>

There was no significant difference between the fair value of the investment property of the Group and information disclosed in Note (6)(h) of the consolidated financial report for the year ended December 31, 2024.

The Group signed a sales agreement in March 2024 to sell Eagle Crest, an American real estate. The sale price was \$42,095 thousand, and the sale has been completed in the month when the sales agreement was signed, and \$24,475 thousand was recognized as gain on disposal of assets.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Investment property of the Group was not pledged as collateral for its loans.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the three months ended March 31, 2025 and 2024 were as follows:

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Costs			
Balance on January 1, 2025	\$ 439,101	449,680	888,781
Additions	-	25,686	25,686
Disposal / Obsolescence	-	(15,621)	(15,621)
Effect of changes in foreign exchange rates	<u>1,630</u>	<u>4,788</u>	<u>6,418</u>
Balance on March 31, 2025	<u><u>\$ 440,731</u></u>	<u><u>464,533</u></u>	<u><u>905,264</u></u>
Balance on January 1, 2024	\$ 431,028	364,866	795,894
Additions	-	41,813	41,813
Disposal / Obsolescence	-	(17,354)	(17,354)
Effect of changes in foreign exchange rates	<u>5,026</u>	<u>12,074</u>	<u>17,100</u>
Balance on March 31, 2024	<u><u>\$ 436,054</u></u>	<u><u>401,399</u></u>	<u><u>837,453</u></u>
Accumulated amortization and impairment losses			
Balance on January 1, 2025	\$ 122,967	306,362	429,329
Amortization	-	20,654	20,654
Disposal / Obsolescence	-	(15,621)	(15,621)
Effect of changes in foreign exchange rates	<u>1,547</u>	<u>3,556</u>	<u>5,103</u>
Balance on March 31, 2025	<u><u>\$ 124,514</u></u>	<u><u>314,951</u></u>	<u><u>439,465</u></u>
Balance on January 1, 2024	\$ 115,304	256,892	372,196
Amortization	-	17,021	17,021
Disposal / Obsolescence	-	(17,354)	(17,354)
Effect of changes in foreign exchange rates	<u>4,771</u>	<u>9,043</u>	<u>13,814</u>
Balance on March 31, 2024	<u><u>\$ 120,075</u></u>	<u><u>265,602</u></u>	<u><u>385,677</u></u>
Carrying amounts:			
Balance on January 1, 2025	<u><u>\$ 316,134</u></u>	<u><u>143,318</u></u>	<u><u>459,452</u></u>
Balance on March 31, 2025	<u><u>\$ 316,217</u></u>	<u><u>149,582</u></u>	<u><u>465,799</u></u>
Balance on January 1, 2024	<u><u>\$ 315,724</u></u>	<u><u>107,974</u></u>	<u><u>423,698</u></u>
Balance on March 31, 2024	<u><u>\$ 315,979</u></u>	<u><u>135,797</u></u>	<u><u>451,776</u></u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of March 31, 2025, December 31, 2024 and March 31, 2024, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	\$ <u>4,369,975</u>	<u>2,983,008</u>	<u>3,728,055</u>
Range of interest rates	<u>1.70%~6.30%</u>	<u>1.70%~6.50%</u>	<u>1.48%~6.05%</u>

(k) Long-term borrowings

The details were as follows:

	Currency	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	TWD	\$ -	1,500,000	-
Unsecured bank loans	USD	1,746,274	1,830,869	1,776,420
Other long-term borrowings	INR	<u>69,517</u>	<u>66,794</u>	<u>61,542</u>
		1,815,791	3,397,663	1,837,962
Less: current portion		<u>(69,517)</u>	-	-
Total		\$ <u>1,746,274</u>	<u>3,397,663</u>	<u>1,837,962</u>
Range of interest rates		<u>0.10%~5.32%</u>	<u>0.10%~5.44%</u>	<u>0.10%~6.40%</u>
Period		<u>2026</u>	<u>2026</u>	<u>2025~2026</u>

(l) Lease liabilities

The Group lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ <u>37,932</u>	<u>39,408</u>	<u>29,902</u>
Non-current	\$ <u>548,704</u>	<u>577,463</u>	<u>507,889</u>

For the maturities analysis, please refer to Note (6)(t).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31
	2025 2024
Interest on lease liabilities	\$ <u>14,681</u> <u>13,101</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the three months ended March 31	
	2025	2024
Total cash outflow for leases	\$ 51,151	45,399

(i) Real estate leases

The Group leases land and buildings for its office, factory and warehouse. The leases of office space typically run for a period of 1 to 99 years. Some leases include an option to renew the lease term for the same duration at the end of the original contractual period.

(ii) Other leases

The Group leased photocopiers with lease terms of eight years.

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Group amounted to \$165,113 thousand and \$141,372 thousand for the three months ended March 31, 2025 and 2024, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$265,255 thousand and \$264,408 thousand for the three months ended March 31, 2025 and 2024, respectively.

(n) Income taxes

The details of the Group's income tax expense were as follows:

	For the three months ended March 31	
	2025	2024
Current tax expense		
Current period	\$ 762,317	791,694
Adjustment for prior periods	(16,079)	(372)
	<u>746,238</u>	<u>791,322</u>
Deferred tax expense		
Origination and reversal of temporary differences	(288,858)	(305,613)
Income tax expense	\$ 457,380	485,709

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amount of income tax recognized in other comprehensive income (loss) for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income	\$ <u><u>(1,396)</u></u>	<u><u>(3,764)</u></u>

(i) Income Tax approval

The Company's tax returns for the years up to 2021 and 2023 have been assessed by the R.O.C. tax authorities.

For the years from 2011 to 2020, some of the Group's subsidiaries were involved in disputes with tax authorities over tax returns, and the amended amounts of additional tax were approved for each of the approved years. Each subsidiary has filed an administrative relief application, which has been under review by the authorities concerned.

(ii) Global Minimum Tax (GMT)

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation since the Income Inclusion Rule (IIR) and the domestic minimum top-up tax have been effective and implemented in Vietnam (where the subsidiaries operate from January 1, 2024), as well as Indonesia and Singapore (where the subsidiaries operate from January 1, 2025). After an assessment, the Group determined that the simplified effective tax rates of its subsidiaries operating in Vietnam and Indonesia exceeded 16%, and only its subsidiary operating in Singapore has passed the minimum profit exclusion test, which entitles it to apply for a temporary relief under the Pillar Two tax legislation, hence, there is no current tax impact for the three months ended March 31, 2025.

Additionally, the subsidiary operating in Hong Kong is expected to complete its legislation of the Pillar Two Act this year. After evaluation, the Group has also determined its Hong Kong subsidiary can pass the minimum profit exclusion test, thus, qualifying it for a temporary relief under the Pillar Two tax legislation, resulting in the Group to have no impact on its current income tax.

For the subsidiaries operating in jurisdictions where the Pillar Two tax legislation has not yet been enacted, the Group will continue to monitor the date when the legislation takes effect and assess the income tax impacts.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Profit-seeking enterprise income tax returns

The Group's income tax returns must be filed individually by each entity instead of on a consolidated basis; consequently, the Group's income taxes were calculated using the local tax rate applicable to each entity.

(o) Capital and other equity

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company's total rated share capital amount to \$12,000,000 thousand, with a par value of \$10, and the number of shares all was 1,200,000 thousand ordinary shares. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 987,483 thousand ordinary shares, all the consideration for issued shares has been received.

Reconciliations of shares outstanding for the three months ended March 31, 2025 and 2024 is as follows:

(Expressed in thousands of shares)	Ordinary shares	
	For the three months ended	
	March 31	
	2025	2024
Balance on January 1	987,483	987,483
Balance on March 31	987,483	987,483

(i) Capital surplus

The details of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Treasury share transactions	\$ 4,143	4,143	4,143
Gain on disposal of assets	32,980	32,980	32,980
Capital surplus-premium from merger	2,160	2,160	2,160
Donation from shareholders	5,768	5,768	4,537
Issued shares of subsidiaries not recognized in proportion to shareholding	3,851	3,851	9,338
Difference between consideration and carrying amount of subsidiaries acquired or disposed	183	183	183
	\$ 49,085	49,085	53,341

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of annual net earnings, after deducting accumulated deficit, shall be set aside as a legal reserve and a special reserve shall be appropriated or reserved pursuant to laws or regulations. A portion or all of the remainder, together with the unappropriated retained earnings for the prior year, may be further distributed as dividends.

Since the Company is experiencing stable growth, in response to its long term financial planning, as well as its objective to achieve stable development and sustainable operation, it is necessary for the Board of Directors to propose a dividend distribution plan based on budget and capital demand of the following year, and have it resolved at the shareholders' meeting. Dividend distribution shall account for no less than 50% of distributable earnings, and stock dividends shall not exceed 80% of the distribution.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. However, if the Company has set aside a special earnings reserve pursuant to the provisions of the preceding paragraph, it shall make a supplement to the difference between the stated reduction amount and the net of other equity. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Earnings distribution

The 2024 and 2023 earnings distribution have been decided and approved during the Company's board and shareholders' meetings held on March 7, 2025 and May 31, 2024, respectively, as follows:

	2024		2023	
	Amount (dollar)	Total	Amount (dollar)	Total
Dividends distributed to ordinary shareholders				
Cash	\$ 5.10	5,036,162	4.30	4,246,176

(iii) Other equity interest after tax

	Exchange differences on translation of foreign financial statement
Balance on January 1, 2025	\$ 360,006
Exchange differences on translation of foreign financial statement	330,344
Balance on March 31, 2025	\$ 690,350
Balance on January 1, 2024	\$ (1,127,303)
Exchange differences on translation of foreign financial statement	974,407
Balance on March 31, 2024	\$ (152,896)

(iv) Non-controlling interests (NCIs)

	For the three months ended March 31	
	2025	2024
Balance on January 1	\$ 1,988,831	1,894,583
Shares attributed to non-controlling interests		
Net profit	47,523	68,974
Foreign currency translation differences for foreign operations	25,681	74,647
Changes in ownership interests in subsidiaries	-	3,555
Earnings distribution to non-controlling interests	(263,145)	(324,281)
Balance on March 31	\$ 1,798,890	1,717,478

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Earnings per share

For the three months ended March 31, 2025 and 2024, the Company's basic earnings per share were calculated as follows:

	For the three months ended March 31	
	2025	2024
Basic earnings per share		
Net profit attributable to ordinary shareholders of the Company	\$ <u><u>1,148,764</u></u>	<u><u>1,270,646</u></u>
Weighted average number of ordinary shares (basic)	<u>987,483</u>	<u>987,483</u>
Basic earnings per share (dollars)	\$ <u><u>1.16</u></u>	<u><u>1.29</u></u>

The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees and directors for the year ended December 31, 2025, was distributed in cash using the same method for the preceding three years.

(q) Revenue from contracts with customer

(i) Disaggregation of revenue

	For the three months ended March 31, 2025		
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 15,375,723	432,895	15,808,618
America	1,642,606	352,889	1,995,495
Switzerland	1,147,176	6,084	1,153,260
Mainland China	467,454	970	468,424
Mexico	511,051	8,028	519,079
Other countries	<u>485,690</u>	<u>292,257</u>	<u>777,947</u>
	<u><u>\$ 19,629,700</u></u>	<u><u>1,093,123</u></u>	<u><u>20,722,823</u></u>
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,629,700	-	19,629,700
Others	<u>-</u>	<u>1,093,123</u>	<u>1,093,123</u>
	<u><u>\$ 19,629,700</u></u>	<u><u>1,093,123</u></u>	<u><u>20,722,823</u></u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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For the three months ended March 31, 2024			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 15,792,834	421,135	16,213,969
America	1,851,337	265,653	2,116,990
Switzerland	787,257	79	787,336
Mainland China	473,246	5,887	479,133
Mexico	422,972	18,005	440,977
Other countries	346,010	232,036	578,046
	<u>\$ 19,673,656</u>	<u>942,795</u>	<u>20,616,451</u>
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,673,656	-	19,673,656
Others	-	942,795	942,795
	<u>\$ 19,673,656</u>	<u>942,795</u>	<u>20,616,451</u>
(ii) Contract balances			
	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable(including related parties)	\$ 9,157,072	8,118,995	8,194,921
Less: allowance for credit loss	-	-	(7,972)
Total	<u>\$ 9,157,072</u>	<u>8,118,995</u>	<u>8,186,949</u>
Contract liabilities	<u>\$ 1,099</u>	<u>1,141</u>	<u>906</u>

Please refer to Note (6)(b) for the disclosure of accounts receivable and impairment.

(r) Compensation to employees and directors

The Company's Articles of Incorporation stipulate that if there is profit for the year, then, a minimum of 2.0% shall be allocated as employee compensation and a maximum of 1.8% as director compensation. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The Company estimated its employee compensation at respectively \$66,836 thousand and \$37,830 thousand for the three months ended March 31, 2025 and 2024, and estimated its director compensation at \$26,424 thousand and \$28,529 thousand for the three months ended March 31, 2025 and 2024, respectively. The estimated amounts, recognized as operating costs or expenses, were based on net profit before tax of for the respective periods, multiplied by the percentage of compensation to employees and directors, as specified in the Articles of Incorporation. If the actual amounts differ from the estimated amounts, the differences shall be accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to \$180,000 thousand and \$140,000 thousand; and directors amounted to \$105,300 thousand and \$91,000 thousand, respectively. The information is available on the Market Observation Post System website. There was no difference between the amounts approved by Board of Directors.

(s) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended	
	March 31	
	2025	2024
Interest income from bank deposits	<u>\$ 11,212</u>	<u>12,734</u>

(ii) Other income

The details of the Group's other income for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended	
	March 31	
	2025	2024
Rent income	\$ 6,230	1,440
Government subsidy	15,130	12,125
Other income	90,575	112,665
	<u>\$ 111,935</u>	<u>126,230</u>

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended	
	March 31	
	2025	2024
Foreign exchange gains	\$ 213,636	402,458
Gains (losses) on disposal of property, plant and equipment	391	(136)
Gain on disposal of investment property	-	24,475
Reversal (provision) of impairment loss	103	(138)
Others	(657)	(1,464)
	<u>\$ 213,473</u>	<u>425,195</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iv) Financial costs

The details of the Group's financial costs for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
	\$ <u>63,183</u>	<u>63,016</u>
Interest expense		

(t) Financial instruments

(i) Credit risks

1) Credit risk exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group.

2) The concentration of credit risk

On March 31, 2025, December 31, 2024 and March 31, 2024, 68%, 69% and 75% of the Group's total receivables were concentrated within a single overseas customer.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
March 31, 2025							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,204,080	4,204,080	4,203,075	1,005	-	-	-
Other payables	4,216,306	4,216,306	3,560,402	655,904	-	-	-
Unsecured bank loans	6,116,249	6,274,548	3,981,945	511,849	1,780,754	-	-
Other long-term borrowings	69,517	69,587	35	35	69,517	-	-
Lease liabilities	586,636	1,454,562	30,248	61,512	86,709	184,315	1,091,778
	\$ <u>15,192,788</u>	<u>16,219,083</u>	<u>11,775,705</u>	<u>1,230,305</u>	<u>1,936,980</u>	<u>184,315</u>	<u>1,091,778</u>
December 31, 2024							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,131,129	4,131,129	4,129,971	1,158	-	-	-
Other payables	5,630,757	5,630,757	5,213,604	417,153	-	-	-
Unsecured bank loans	6,313,877	6,543,413	2,709,433	427,624	3,406,356	-	-
Other long-term borrowings	66,794	66,879	33	34	66,812	-	-
Lease liabilities	616,871	1,487,446	59,875	33,180	88,159	187,155	1,119,077
	\$ <u>16,759,428</u>	<u>17,859,624</u>	<u>12,112,916</u>	<u>879,149</u>	<u>3,561,327</u>	<u>187,155</u>	<u>1,119,077</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,276,192	4,276,192	4,219,940	56,252	-	-	-
Other payables	4,015,044	4,015,044	3,438,427	576,617	-	-	-
Unsecured bank loans	5,504,475	5,708,147	3,248,229	632,306	1,827,612	-	-
Other long-term borrowings	61,542	61,666	31	31	62	61,542	-
Lease liabilities	537,791	1,397,182	32,773	48,613	70,510	172,123	1,073,163
	<u>\$ 14,395,044</u>	<u>15,458,231</u>	<u>10,939,400</u>	<u>1,313,819</u>	<u>1,898,184</u>	<u>233,665</u>	<u>1,073,163</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risks

1) Exposure to currency risks

March 31, 2025				
	<u>Foreign currency (In thousands)</u>		<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 271,439	USD : TWD	33.155	8,999,551
	24,451	USD : CNY	7.1782	810,681
	38	USD : VND	25,560	1,276
VND	693,689,578	VND : USD	0.00004	901,796
INR	1,921,929	INR : USD	0.0117	745,516
IDR	148,675,144	IDR : USD	0.0001	297,350
<u>Non-monetary items</u>				
USD	39,928	USD : TWD	33.155	1,323,826
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	30,945	USD : TWD	33.155	1,025,976
	7,027	USD : CNY	7.1782	232,980
	116	USD : VND	25,560	3,851
VND	1,613,948,440	VND : USD	0.00004	2,098,133
INR	2,903,414	INR : USD	0.0117	1,126,234
IDR	1,010,034,337	IDR : USD	0.0001	2,020,069

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024					
		Foreign currency			
		(In thousands)	Exchange rate		TWD
Financial assets					
Monetary items					
USD	\$	273,437	USD : TWD	32.735	8,950,954
		40,115	USD : CNY	7.1844	1,313,177
		86	USD : VND	25,401	2,809
VND		708,229,589	VND : USD	0.00004	920,698
INR		2,159,483	INR : USD	0.0117	826,868
IDR		244,095,967	IDR : USD	0.0001	488,192
Non-monetary items					
USD		40,208	USD : TWD	32.735	1,316,221
Financial liabilities					
Monetary items					
USD		31,523	USD : TWD	32.735	1,031,920
		12,176	USD : CNY	7.1844	398,578
		39	USD : VND	25,401	1,284
VND		1,990,486,088	VND : USD	0.00004	2,587,632
INR		2,787,297	INR : USD	0.0117	1,067,256
IDR		1,100,833,975	IDR : USD	0.0001	2,201,668
March 31, 2024					
		Foreign currency			
		(In thousands)	Exchange rate		TWD
Financial assets					
Monetary items					
USD	\$	268,558	USD : TWD	31.950	8,580,443
		31,677	USD : CNY	7.0950	1,012,066
		0.13	USD : VND	24,800	4
VND		702,168,082	VND : USD	0.00004	912,819
INR		1,107,274	INR : USD	0.0120	424,307
IDR		105,633,182	IDR : USD	0.0001	211,266
Non-monetary items					
USD		34,660	USD : TWD	31.950	1,107,381

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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March 31, 2024				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	33,509	USD : TWD	31.950	1,070,608
	13,634	USD : CNY	7.0950	435,604
	131	USD : VND	24,800	4,171
VND	1,180,504,114	VND : USD	0.00004	1,534,655
INR	2,877,674	INR : USD	0.0120	1,102,725
IDR	1,177,085,447	IDR : USD	0.0001	2,354,171

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. An appreciation or depreciation of 5% of the TWD against the USD, VND, INR and IDR for the three months ended March 31, 2025 and 2024, would have increased the net profit before tax by \$262,446 thousand and \$231,949 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$213,636 thousand and \$402,458 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The change in interest rate reported to the Group's key management was based on 50 basis points, which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate increases or decreases by 50 basis points, with all other variable factors remaining constant, the Group's net profit before tax would have decreased or increased by \$5,878 thousand and \$4,907 thousand for the three months ended March 31, 2025 and 2024, respectively. This was mainly due to the Group's deposits and borrowings at variable rates.

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(v) Fair value information

1) Financial instruments not measured at fair value

The Group considered that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(vi) Valuation techniques for financial instruments measured at fair value

If the fair value of the unlisted stocks held the Group is mainly estimated using the discounted cash flow model method, with reference to the Group's future growth rate, net worth, and operation.

(u) Financial risk management

(i) Overview

The Group had exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risk. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying financial statement.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Trade and other receivables

Exposure to credit risk of the Group is mainly affected by the condition of each customer. However, the management also considers the demographics of the Group's customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

Management has established a credit policy, under which when available, and, in some cases, each new customer is analyzed individually for credit rating before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings bank references. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Group's benchmark credit rating may transact with the Group only on a prepayment basis.

In monitoring the credit risk of the customers, the Group groups them according to the credit characteristics of the customers; for example, by whether they are primary or secondary customers, region, industry, age and maturity date of receivables, and previously existing financial difficulties. The Group's accounts receivable were mainly due from Group's customers. Customers rated as high risk are classified as restricted customers and monitored, and those customers may transact with the Group only on a prepayment basis in the future.

The Group has established an allowance account for bad debts that represents its estimate of incurred losses in respect of trade receivables, other receivables, and investments. This allowance mainly comprises a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This allowance for the loss component is determined based on historical payment statistics of similar financial assets.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Investment

The credit risk exposure for the bank deposits and other financial instruments are measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

As of March 31, 2025, December 31, 2024 and March 31, 2024, there was no guarantee outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of March 31, 2025, December 31, 2024 and March 31, 2024, amounted to \$14,085,456 thousand, \$13,798,013 thousand and \$14,816,573 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (TWD), US Dollars (USD) and China Yuan (CNY). The currencies used in these transactions are denominated in TWD, USD, VND, INR, IDR and CNY.

The interest is denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily TWD, USD, VND, INR and CNY. This provided an economic hedge without derivatives being entered into, and therefore, hedge accounting was not applied in these circumstances.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

2) Interest rate risk

The Group's risk exposure on to changes in interest rates is mainly attributable to short-term and long-term loans at floating rates. Any change in interest rates will cause the effective interest rates of short-term and long-term loans to change and thus cause the future cash flows to fluctuate over time.

(v) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders and other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

The Group's debt-to-equity ratios on the reporting dates were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total liabilities	\$ 24,343,854	25,563,900	24,666,821
Less: cash and cash equivalents	(3,806,754)	(5,140,543)	(3,371,591)
Net debt	20,537,100	20,423,357	21,295,230
Total equity	30,118,049	28,828,882	27,122,370
Total capital	<u>\$ 50,655,149</u>	<u>49,252,239</u>	<u>48,417,600</u>
Debt-to-equity ratio on period end	<u>40.54 %</u>	<u>41.47 %</u>	<u>43.98 %</u>

(w) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2025 and 2024.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Others	Non-cash changes Foreign exchange movement	March 31, 2025
Long-term borrowings	\$ 3,397,663	(1,607,102)	-	25,230	1,815,791
Short-term borrowings	2,983,008	1,371,576	-	15,391	4,369,975
Lease liabilities	616,871	(36,470)	-	6,235	586,636
Total liabilities from financing activities	<u>\$ 6,997,542</u>	<u>(271,996)</u>	<u>-</u>	<u>46,856</u>	<u>6,772,402</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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	January 1, 2024	Cash flows	Non-cash changes		March 31, 2024
			Others	Foreign exchange movement	
Long-term borrowings	\$ 3,509,219	(1,755,472)	-	84,215	1,837,962
Short-term borrowings	2,250,109	1,442,606	-	35,340	3,728,055
Lease liabilities	547,619	(32,298)	-	22,470	537,791
Total liabilities from financing activities	<u>\$ 6,306,947</u>	<u>(345,164)</u>	<u>-</u>	<u>142,025</u>	<u>6,103,808</u>

(7) Related-party transactions:

(a) Name of related parties and relationship

The followings are entities that had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Shoe Majesty Co., Ltd.	A joint venture under the Group's joint arrangement
Vietnam Shoe Majesty Co., Ltd.	"
Hong Kong Shoe Majesty Trading Company Limited	"

(b) Significant transactions with related parties

(i) Other revenue

	For the three months ended March 31	
	2025	2024
The Group is a joint venture under the joint agreement	<u>\$ 2,640</u>	<u>2,355</u>

(ii) Receivables due from Related Parties

The receivables due from related parties of the Group were as follows:

<u>Account item</u>	<u>Category of related party</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other receivables	The Group is a joint venture under the joint agreement	<u>\$ 863</u>	<u>963</u>	<u>772</u>

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 73,260	81,648
Post-employment benefits	1,483	1,269
	<u>\$ 74,743</u>	<u>82,917</u>

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(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Other current financial assets	Customs deposit and lease deposit	\$ 970	956	978
Other non-current financial assets	Customs deposit and lease deposit	104,581	103,172	106,547
		<u>\$ 105,551</u>	<u>104,128</u>	<u>107,525</u>

(9) Commitments and contingencies:

- (a) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has issued promissory notes for short-term and long-term borrowings of \$9,983,950 thousand, \$9,946,150 thousand and \$9,375,500 thousand, respectively.
- (b) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had payables in respect of important construction contracts, amounting to \$1,385,671 thousand, \$1,541,756 thousand and \$1,906,494 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Others:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	\$ 4,687,299	1,630,039	6,317,338	4,892,480	1,634,239	6,526,719
Labor and health insurance	557,208	160,156	717,364	560,840	151,396	712,236
Pension	337,985	92,383	430,368	319,710	86,070	405,780
Other employee benefits	554,414	162,986	717,400	600,809	160,126	760,935
Depreciation	541,277	241,796	783,073	523,695	223,988	747,683
Amortization	2,593	18,061	20,654	1,413	15,608	17,021

- (b) Seasonality of operation

The Group's operations are not affected by seasonal or cyclical factors.

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(13) Other disclosures

(a) Information on significant transactions

The followings is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025:

- i. Loans to other parties: None
- ii. Guarantees and endorsements for other parties: None
- iii. Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): None
- iv. Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Sale	326,967	1%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	293,857	2%	-
"	"	"	Purchase	1,628,210	7%	20 days	"	-	(376,733)	(5%)	-
"	India Tindivanam Footwear Private Limited	"	Sale	380,484	2%	90 days	"	-	597,761	5%	-
"	"	"	Purchase	231,938	1%	30 days	"	-	(86,846)	(1%)	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	Sale	533,190	2%	60/90 days	"	-	545,122	4%	-
"	"	"	Purchase	1,248,834	5%	30 days	"	-	(611,821)	(8%)	-
"	East Wind Footwear Company Limited (India Branch)	"	Sale	417,454	2%	60/90 days	"	-	457,766	4%	-
"	"	"	Purchase	897,422	4%	30 days	"	-	(615,188)	(8%)	-
"	Fairway Enterprises Company Limited (India Branch)	"	Sale	463,828	2%	30 days	"	-	224,960	2%	-
"	"	"	Purchase	1,147,089	5%	30 days	"	-	(365,601)	(5%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sale	186,363	1%	15 days	"	-	52,388	-	-
"	"	"	Purchase	776,609	3%	15 days	"	-	(135,437)	(2%)	-
"	Fujian San Feng Footwear Company Limited	"	Sale	143,866	1%	15 days	"	-	25,190	-	-
"	"	"	Purchase	566,250	2%	15 days	"	-	(53,070)	(1%)	-
"	Fujian Xiefeng Footwear Company Limited	"	Sale	285,773	1%	15 days	"	-	50,445	-	-
"	"	"	Purchase	943,105	4%	15 days	"	-	(199,648)	(2%)	-
"	Fujian Great Hope Footwear Company Limited	"	Purchase	322,334	1%	60 days	"	-	(191,205)	(2%)	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	Sale	357,869	1%	30 days	"	-	171,692	1%	-
"	"	"	Purchase	1,619,411	7%	15 days	"	-	(415,899)	(5%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	Vietnam Dona Orient Co., Ltd.	Parent and subsidiary	Sale	602,542	2%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with	-	95,683	1%	-
"	"	"	Purchase	1,504,377	6%	30 days	"	-	(441,116)	(5%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	264,870	1%	30 days	"	-	90,801	1%	-
"	"	"	Purchase	1,767,490	8%	30 days	"	-	(608,966)	(7%)	-
"	Vietnam Dona Standard Footwear Co., Ltd	"	Sale	971,697	4%	45 days	"	-	801,098	6%	-
"	"	"	Purchase	4,235,158	18%	30 days	"	-	(1,762,668)	(22%)	-
"	Vung Tau Orient Co., Ltd	"	Sale	265,971	1%	120 days	"	-	356,944	3%	-
"	"	"	Purchase	806,841	3%	10 days	"	-	(202,864)	(2%)	-
"	Vietnam Nam Ha Footwear Company Limited	"	Sale	108,969	-	90 days	"	-	141,318	1%	-
"	"	"	Purchase	290,566	1%	10 days	"	-	(60,481)	(1%)	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,628,210	100%	20 days	"	-	376,733	98%	-
"	"	"	Purchase	326,967	32%	90 days	"	-	(293,857)	(52%)	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	776,609	93%	15 days	"	-	135,437	100%	-
"	"	"	Purchase	186,363	40%	15 days	"	-	(52,388)	(33%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd	Subsidiary and parent	Sale	943,105	82%	15 days	"	-	199,648	67%	-
"	"	"	Purchase	285,773	39%	15 days	"	-	(50,445)	(30%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	566,250	66%	15 days	"	-	53,070	44%	-
"	"	"	Purchase	143,866	34%	15 days	"	-	(25,190)	(20%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	322,334	98%	60 days	"	-	191,205	97%	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	Sale	1,080,142	100%	Payment after Delivery	"	-	845,415	100%	-
Hong Kong Shoe Majesty Trading Company Limited	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	1,080,142	100%	Payment after Delivery	"	-	(845,415)	(98%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,767,490	100%	30 days	"	-	608,966	100%	-
"	"	"	Purchase	264,870	66%	30 days	"	-	(90,801)	(23%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,619,411	93%	15 days	"	-	415,899	90%	-
"	"	"	Purchase	357,869	48%	30 days	"	-	(171,692)	(34%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,504,377	72%	30 days	"	-	441,116	61%	-
"	"	"	Purchase	602,542	46%	30 days	"	-	(95,683)	(30%)	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	806,841	100%	10 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with	-	202,864	99%	-
"	"	"	Purchase	265,971	87%	120 days	"	-	(356,944)	(77%)	-
Vietnam Dona Standard Footwear Co., Ltd	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	4,235,158	98%	30 days	"	-	1,762,668	97%	-
"	"	"	Purchase	971,697	87%	45 days	"	-	(801,098)	(59%)	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	290,566	99%	10 days	"	-	60,481	95%	-
"	"	"	Purchase	108,969	88%	90 days	"	-	(141,318)	(64%)	-
India Tindivanam Footwear Private Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	231,938	92%	30 days	"	-	86,846	84%	-
"	"	"	Purchase	380,484	95%	90 days	"	-	(597,761)	(87%)	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	897,422	98%	30 days	"	-	615,188	100%	-
"	"	"	Purchase	417,454	96%	60/90 days	"	-	(457,766)	(92%)	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,248,834	95%	30 days	"	-	611,821	93%	-
"	"	"	Purchase	533,190	97%	60/90 days	"	-	(545,122)	(90%)	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,147,089	99%	30 days	"	-	365,601	99%	-
"	"	"	Purchase	463,828	95%	30 days	"	-	(224,960)	(77%)	-

Note: Reconciliated in the preparation of the consolidated report.

- v. Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	293,857	3.39	-	-	60,763	-
"	India Tindivanam Footwear Private Limited	"	597,761	2.95	106,368	-	-	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	545,122	3.72	-	-	67,739	-
"	East Wind Footwear Company Limited (India Branch)	"	457,766	4.17	5,544	-	52,766	-
"	Fairway Enterprises Company Limited (India Branch)	"	224,960	6.41	-	-	39,045	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	171,692	10.13	-	-	118,004	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	Parent and subsidiary	801,098	4.90	-	-	229,789	-
"	Vung Tau Orient Co., Ltd.	"	356,944	3.19	-	-	55,230	-
"	Vietnam Nam Ha Footwear Company Limited	"	141,318	3.89	-	-	35,398	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	376,733	17.82	-	-	376,733	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	135,437	22.54	-	-	135,437	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	199,648	14.94	-	-	199,645	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	191,205	7.14	-	-	64,081	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	845,415	5.06	-	-	71,488	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	608,966	10.07	-	-	417,135	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	415,899	16.69	-	-	415,686	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	441,116	11.67	-	-	350,634	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	202,864	16.84	-	-	202,864	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	1,762,668	11.17	-	-	1,313,664	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	615,188	6.32	-	-	201,233	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	611,821	8.53	-	-	197,647	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	365,601	13.12	-	-	182,933	-

Note 1: Reconciliated in the preparation of the consolidated report.

vi. Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollar)

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	1	Sales revenue	326,967	Note 3	1.5778%
"	"	"	"	Cost of sales	1,628,210	Note 3	7.8571%
"	"	"	"	Accounts receivable due from related parties	293,857	90 days	0.5396%
"	"	"	"	Accounts payable to related parties	376,733	20 days	0.6917%
"	"	India Tindivanam Footwear Private Limited	"	Sales revenue	380,484	Note 3	1.8361%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	India Tindivanam Footwear Private Limited	1	Cost of sales	231,938	Note 3	1.1192%
"	"	"	"	Accounts receivable due from related parties	597,761	90 days	1.0976%
"	"	"	"	Accounts payable to related parties	86,846	30 days	0.1595%
"	"	Lotus Footwear Enterprises Limited (India Branch)	"	Sales revenue	533,190	Note 3	2.5730%
"	"	"	"	Cost of sales	1,248,834	Note 3	6.0264%
"	"	"	"	Accounts receivable due from related parties	545,122	60/90 days	1.0009%
"	"	"	"	Accounts payable to related parties	611,821	30 days	1.1234%
"	"	East Wind Footwear Company Limited (India Branch)	"	Sales revenue	417,454	Note 3	2.0145%
"	"	"	"	Cost of sales	897,422	Note 3	4.3306%
"	"	"	"	Accounts receivable due from related parties	457,766	60/90 days	0.8405%
"	"	"	"	Accounts payable to related parties	615,188	30 days	1.1296%
"	"	Fairway Enterprises Company Limited (India Branch)	"	Sales revenue	463,828	Note 3	2.2382%
"	"	"	"	Cost of sales	1,147,089	Note 3	5.5354%
"	"	"	"	Accounts receivable due from related parties	224,960	30 days	0.4131%
"	"	"	"	Accounts payable to related parties	365,601	30 days	0.6713%
"	"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sales revenue	186,363	Note 3	0.8993%
"	"	"	"	Cost of sales	776,609	Note 3	3.7476%
"	"	"	"	Accounts receivable due from related parties	52,388	15 days	0.0962%
"	"	"	"	Accounts payable to related parties	135,437	15 days	0.2487%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	143,866	Note 3	0.6942%
"	"	"	"	Cost of sales	566,250	Note 3	2.7325%
"	"	"	"	Accounts receivable due from related parties	25,190	15 days	0.0463%
"	"	"	"	Accounts payable to related parties	53,070	15 days	0.0974%
"	"	Fujian Xiefeng Footwear Company Limited	"	Sales revenue	285,773	Note 3	1.3790%
"	"	"	"	Cost of sales	943,105	Note 3	4.5510%
"	"	"	"	Accounts receivable due from related parties	50,445	15 days	0.0926%
"	"	"	"	Accounts payable to related parties	199,648	15 days	0.3666%
"	"	Fujian Great Hope Footwear Company Limited	"	Cost of sales	322,334	Note 3	1.5555%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Fujian Great Hope Footwear Company Limited	1	Accounts payable to related parties	191,205	60 days	0.3511%
"	"	Dona Pacific (Vietnam) Co., Ltd.	"	Sales revenue	357,869	Note 3	1.7269%
"	"	"	"	Cost of sales	1,619,411	Note 3	7.8146%
"	"	"	"	Accounts receivable due from related parties	171,692	30 days	0.3153%
"	"	"	"	Accounts payable to related parties	415,899	15 days	0.7637%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	602,542	Note 3	2.9076%
"	"	"	"	Cost of sales	1,504,377	Note 3	7.2595%
"	"	"	"	Accounts receivable due from related parties	95,683	30 days	0.1757%
"	"	"	"	Accounts payable to related parties	441,116	30 days	0.8100%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	264,870	Note 3	1.2782%
"	"	"	"	Cost of sales	1,767,490	Note 3	8.5292%
"	"	"	"	Accounts receivable due from related parties	90,801	30 days	0.1667%
"	"	"	"	Accounts payable to related parties	608,966	30 days	1.1182%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	971,697	Note 3	4.6890%
"	"	"	"	Cost of sales	4,235,158	Note 3	20.4372%
"	"	"	"	Accounts receivable due from related parties	801,098	45 days	1.4709%
"	"	"	"	Accounts payable to related parties	1,762,668	30 days	3.2365%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	265,971	Note 3	1.2835%
"	"	"	"	Cost of sales	806,841	Note 3	3.8935%
"	"	"	"	Accounts receivable due from related parties	356,944	120 days	0.6554%
"	"	"	"	Accounts payable to related parties	202,864	10 days	0.3725%
"	"	Vietnam Nam Ha Footwear Company Limited	"	Sales revenue	108,969	Note 3	0.5258%
"	"	"	"	Cost of sales	290,566	Note 3	1.4022%
"	"	"	"	Accounts receivable due from related parties	141,318	90 days	0.2595%
"	"	"	"	Accounts payable to related parties	60,481	10 days	0.1111%

Note 1: The numbers filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1. represents transactions between the parent company and its subsidiaries.
2. represents transactions between the subsidiaries and the parent company.
3. represents transactions between subsidiaries.

Note 3: Selling price of goods is determined through negotiations and there are no other transactions with non-related parties to compare with.

Note 4: Revenue is calculated based on a certain ratio determined by the contract, and there are no other transactions with non-related party to compare with.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investment

The following is the information on investment for the three months ended March 31, 2025
(excluding information on investment in Mainland China):

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,324,722	1,324,722	53,999	99.99%	1,216,530	54,946	54,945	Subsidiary (Note 5)
"	PT Rich Valley Indonesia	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,063,389	1,063,389	519,990	99.99%	1,195,655	(1,103)	(1,103)	"
"	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	16,303,862	324,617	324,617	"
"	VX Holdings Limited	British Virgin Islands	Investment holding	446,117	446,117	38,280	47.26%	726,990	50,426	23,831	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	538,499	(18,105)	(3,693)	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,529,928	1,529,928	44,753	40.97%	4,164,313	134,005	54,902	Subsidiary (Note 5)
"	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	34,333	1,021	1,021	"
"	Great South Private Limited	Singapore	Investment holding	37,946	37,946	1,700	100.00%	17,489	286	286	"
"	India Tindivandam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	1,748,180	1,748,180	462,007,967	95.85%	1,385,328	(7,826)	(7,502)	"
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	16,604	16,604	372,000	93.00%	250,277	65,498	60,914	Subsidiary (Note 5)
"	VX Holdings Limited	"	Investment holding	315,230	315,230	36,342	44.87%	709,747	50,426	22,625	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Limited	"	Investment holding	413,582	413,582	23,000	92.00%	1,396,852	53,961	49,644	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	266,742	266,742	8,580	28.60%	785,327	(18,105)	(5,178)	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	2,183,178	2,183,178	64,483	59.03%	6,266,855	134,005	79,103	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Limited	"	Investment holding business, and manufacturing and selling of finished shoes	2,255,866	2,255,866	34,020	88.00%	4,525,445	94,141	82,844	"
"	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	24	24	10	0.01%	23	(1,103)	-	Investee under the equity method (Note 5)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
Growth-Link Overseas Company Limited	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	23	23	1	0.01%	23	54,946	1	Investee under the equity method (Note 5)
"	Cheyyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	12,326	-	"
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,093,592	1,093,592	Note 4	100.00%	1,579,813	50,690	50,690	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Hong Kong	International trade services	6,631	6,631	200	100.00%	162,860	1,549	1,549	Subsidiary
"	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,226,735	1,226,735	Note 4	100.00%	2,528,122	(12,876)	(12,876)	"
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,458,820	1,458,820	Note 4	100.00%	2,407,418	149,512	149,512	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,509,834	2,509,834	"	100.00%	5,681,939	61,796	61,796	"
"	Vung Tau Orient Co., Ltd.	"	Producing golf balls, soccer balls, and backpack, bags	1,200,981	1,200,981	"	100.00%	1,072,735	(2,762)	(2,762)	"
"	Vietnam Nam Ha Footwear Company Limited	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,055,610	2,055,610	"	100.00%	1,451,487	(74,202)	(74,202)	"
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	102,781	102,781	Note 4	100.00%	266,450	65,673	65,673	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	663,100	663,100	Note 4	100.00%	1,517,261	54,148	54,148	Subsidiary (Note 5)
Lotus Footwear Enterprises Limited	Cheyyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,975,071	3,975,071	117,999,999	99.99%	3,106,328	12,326	12,326	Subsidiary (Note 5)
"	East Wind Footwear Company Limited	British Virgin Islands	Investment holding and production of athletic shoes	542,775	542,775	9,751	100.00%	995,161	40,983	40,983	"
"	Fairway Enterprises Company Limited	"	Investment holding and production of athletic shoes	1,518,277	1,518,277	29,501	100.00%	1,856,291	41,516	41,516	"

Note 1: Includes overseas undertakings invested by the Company and re-investment of the overseas undertakings.

Note 2: Carrying value refers to ending balance of investment recognized using the equity method, including investment gains or losses, and cumulative translation adjustments.

Note 3: The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of March 31, 2025, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of March 31, 2025.

Note 4: Unissued shares of the Vietnamese entities.

Note 5: Included in the consolidated financial statements.

Note 6: Represents the relationship between the investor and the investee.

Note 7: The difference between the investee company's profit or loss for the current period and the investment income recognized by the investing company for the current period is mainly due to the realization of sales gross profit.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China

i. The names of investees in Mainland China, the main businesses and products, and other information

(In Thousands of New Taiwan Dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 7)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Investment income (losses) (Note 3 and 8)	Book value (Note 7)	Accumulated remittance of earnings in current period (Note 8)
					Outflow	Inflow						
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	149,198	Note 1	181,675	-	-	181,675	2,795	50.00%	1,397	31,827	111,081
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	99,465	"	159,252	-	-	159,252	6,460	50.34%	3,252	90,445	1,430,751
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	497,325	"	188,063	-	-	188,063	30,665	77.50%	23,765	718,215	1,199,234
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	497,325	"	300,906	-	-	300,906	17,143	68.00%	11,657	445,579	1,159,620
Fujian Da Feng Holdings Company Limited	Investment holding.	895,185	"	928,716	-	-	928,716	48,175	70.00%	33,723	1,737,656	7,260,329
Fujian Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	263,582	"	443,763	-	-	443,763	29,618	84.73%	25,097	397,044	805,834
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	497,325	Note 2	-	-	-	-	2,319	70.00%	1,623	498,162	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	84,968	"	-	-	-	-	15,571	66.07%	10,287	159,639	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of March 31, 2025 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
2,202,375	3,002,270	18,070,829

Note 1: Indirect investment in the Company located in Mainland China through an existing company registered in the third region.

Note 2: Investment in companies in Mainland China through the existing companies registered in Mainland China.

Note 3: Recognized profit and loss from investment for the current period:

(1) The financial statements were reviewed by the parent company's certified public accountants.

(2) Based on unreviewed financial statements for the three months ended March 31, 2025.

Note 4: The cumulative investment amount has been deducted by capital increase from retained earnings of USD 3,939,943, capital repatriation of USD 20,185,981, but not yet deducted the cumulative amount of profit repatriation from Mainland China authorized by the Investment Commission of USD 364,251,035.

Note 5: The authorized investment amount is the original investment amounts authorized by investment Commission.

Note 6: The higher of the 60 % of net or combined net value, as calculated based on the upper limit stipulated in "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Investment Commission on August 29, 2008.

Note 7: Calculated based on the closing exchange rate of 33.155 on March 31, 2025.

Note 8: Calculated based on the average closing exchange rate of 32.8533 between January and the end of March 2025.

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iii Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information

(a) General Information

The Group has reportable department, footwear manufacturing and sales department, which mainly engaged in the production and sales of various sports shoes. Other departments are mainly engaged in the manufacturing of sports balls and bags.

The Group’s operating segment information and reconciliation are as follows:

	<u>Department of manufacturing and selling shoes</u>	<u>Other Departments</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
For the three months ended March 31, 2025				
Revenue				
Revenue from external customers \$	19,629,700	1,093,123	-	20,722,823
Intersegment revenues	23,623,384	1,190,510	(24,813,894)	-
Total revenue	\$ 43,253,084	2,283,633	(24,813,894)	20,722,823
Reportable segment profit or loss	\$ 1,665,809	13,518	(25,660)	1,653,667

	<u>Department of manufacturing and selling shoes</u>	<u>Other Departments</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
For the three months ended March 31, 2024				
Revenue				
Revenue from external customers \$	19,673,636	942,795	-	20,616,451
Intersegment revenues	22,474,973	1,232,477	(23,707,450)	-
Total revenue	\$ 42,148,629	2,175,272	(23,707,450)	20,616,451
Reportable segment profit or loss	\$ 1,853,770	(39,250)	10,809	1,825,329