

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 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 June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 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 \$15,002,071 thousand and \$16,156,593 thousand, constituting 30.45% and 30.57% of consolidated total assets as of June 30, 2025 and 2024, respectively; total liabilities amounting to \$4,418,296 thousand and \$4,986,527 thousand, constituting 16.59% and 17.85% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive (loss) income amounting to \$(1,093,077) thousand, \$85,125 thousand, \$(793,706) thousand and \$594,075 thousand, constituting 44.10%, 4.16%, 85.71% and 13.40% of consolidated total comprehensive income for the three months and six months ended June 30, 2025 and 2024, respectively.

Furthermore, as stated in Note (6)(d), the other equity accounted investments of the Group in its investee companies of \$1,245,578 thousand and \$1,196,941 thousand as of June 30, 2025 and 2024, respectively, and its equity in net gain on these investee companies of \$80,980 thousand, \$73,167 thousand, \$72,109 thousand and \$56,199 thousand for the three months and six months ended June 30, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 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)
August 12, 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

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024						June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note (6)(a))	\$ 3,027,999	6	5,140,543	9	3,258,059	6	2100	Short-term borrowings (Note (6)(j))	\$ 2,284,283	5	2,983,008	5	3,018,344	6		
1170	Accounts receivable (Notes (6)(b) and (q))	8,380,466	17	8,118,995	15	8,800,286	17	2130	Current contract liabilities (Note (6)(q))	992	-	1,141	-	965	-		
1200	Other receivables (Note (7))	739,543	2	915,173	2	982,062	2	2170	Notes and accounts payable	3,705,548	8	4,131,129	8	4,472,236	8		
1220	Current tax assets	331,098	1	514,210	1	204,831	-	2216	Dividends payable	5,040,257	10	11,385	-	4,246,176	8		
130X	Inventories (Note (6)(c))	8,531,844	17	9,237,855	17	9,079,157	17	2200	Other payables	3,921,017	8	5,619,372	10	4,269,513	8		
1476	Other current financial assets (Note (8))	858	-	956	-	955	-	2230	Current tax liabilities	2,038,030	4	944,396	2	1,327,948	3		
1479	Other current assets, others	1,001,694	2	957,965	2	1,136,485	2	2280	Current lease liabilities (Note (6)(l))	33,715	-	39,408	-	25,668	-		
	Total current assets	22,013,502	45	24,885,697	46	23,461,835	44	2320	Long-term liabilities, current portion (Note (6)(k))	63,060	-	-	-	-	-		
Non-current assets:								2399	Other current liabilities, others	55,827	-	43,842	-	48,502	-		
1550	Investments accounted for using equity method (Note (6)(d))	1,245,578	2	1,316,221	2	1,196,941	2		Total current liabilities	17,142,729	35	13,773,681	25	17,409,352	33		
1600	Property, plant and equipment (Note (6)(f))	21,039,379	43	23,215,335	43	23,162,698	44	Non-Current liabilities:									
1755	Right-of-use assets (Note (6)(g))	1,569,750	3	1,768,461	3	1,733,188	4	2540	Long-term borrowings (Note (6)(k))	1,568,678	3	3,397,663	6	1,930,966	4		
1760	Investment property, net (Note (6)(h))	40,260	-	56,728	-	56,648	-	2570	Deferred tax liabilities (Note (6)(n))	3,452,276	7	3,641,904	7	3,313,930	6		
1780	Intangible assets (Note (6)(i))	463,990	1	459,452	1	456,152	1	2580	Non-current lease liabilities (Note (6)(l))	515,222	1	577,463	1	524,132	1		
1840	Deferred tax assets (Note (6)(n))	1,899,456	4	1,814,594	3	1,913,243	4	2640	Non-current net defined benefit liability (Note (6)(m))	3,746,243	8	3,935,182	7	4,486,786	9		
1980	Other non-current financial assets (Note (8))	89,414	-	103,172	-	109,550	-	2670	Other non-current liabilities, others	203,398	-	238,007	-	265,137	-		
1990	Other non-current assets, others (Note (7))	904,737	2	773,122	2	755,529	1		Total non-current liabilities	9,485,817	19	11,790,219	21	10,520,951	20		
	Total non-current assets	27,252,564	55	29,507,085	54	29,383,949	56		Total liabilities	26,628,546	54	25,563,900	46	27,930,303	53		
								Equity attributable to owners of parent (Note (6)(o)):									
								3110	Total capital stock	9,874,828	20	9,874,828	18	9,874,828	19		
								3200	Capital surplus	47,369	-	49,085	-	50,309	-		
									Retained earnings:								
								3310	Legal reserve	7,623,478	15	6,979,145	13	6,979,145	13		
								3320	Special reserve	-	-	1,127,303	2	1,127,303	2		
								3350	Unappropriated retained earnings	5,764,886	12	8,449,684	16	4,862,691	10		
									Other equity interest:								
								3410	Exchange differences on translation of foreign financial statements	(2,401,357)	(5)	360,006	1	172,183	-		
									Total equity attributable to owners of parent:	20,909,204	42	26,840,051	50	23,066,459	44		
								36XX	Non-controlling interests	1,728,316	4	1,988,831	4	1,849,022	3		
									Total equity	22,637,520	46	28,828,882	54	24,915,481	47		
Total assets		\$ 49,266,066	100	54,392,782	100	52,845,784	100		Total liabilities and equity	\$ 49,266,066	100	54,392,782	100	52,845,784	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 and six months ended June 30, 2025 and 2024

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

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (Note (6)(q))	\$ 20,399,718	100	22,266,696	100	41,122,541	100	42,883,147	100
5000	Operating costs (Note (6)(c))	(15,469,320)	(76)	(17,172,515)	(77)	(31,816,662)	(77)	(33,467,780)	(78)
	Gross profit from operations	4,930,398	24	5,094,181	23	9,305,879	23	9,415,367	22
	Operating expenses:								
6100	Selling and administrative expenses	(1,908,135)	(9)	(2,343,524)	(11)	(4,193,078)	(10)	(4,634,108)	(11)
6300	Research and development expenses	(686,494)	(3)	(745,490)	(3)	(1,387,931)	(4)	(1,434,938)	(4)
	Total operating expenses	(2,594,629)	(12)	(3,089,014)	(14)	(5,581,009)	(14)	(6,069,046)	(15)
	Net operating income	2,335,769	12	2,005,167	9	3,724,870	9	3,346,321	7
	Non-operating income and expenses:								
7100	Interest income (Note (6)(s))	15,668	-	20,063	-	26,880	-	32,797	-
7010	Other income (Notes (6)(s) and (7))	88,893	-	154,888	1	200,828	-	281,118	1
7020	Other gains and losses, net (Note (6)(s))	(860,148)	(4)	238,878	1	(646,675)	(1)	664,073	2
7050	Financial costs (Note (6)(s))	(59,045)	-	(72,749)	-	(122,228)	-	(135,765)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))	80,980	-	73,167	-	72,109	-	56,199	-
	Total non-operating income and expenses	(733,652)	(4)	414,247	2	(469,086)	(1)	898,422	3
	Profit from continuing operations before tax	1,602,117	8	2,419,414	11	3,255,784	8	4,244,743	10
7950	Income tax expenses (Note (6)(n))	(773,824)	(4)	(725,364)	(3)	(1,231,204)	(3)	(1,211,073)	(3)
	Net profit	828,293	4	1,694,050	8	2,024,580	5	3,033,670	7
	Other comprehensive income:								
8360	Item that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(3,320,125)	(16)	352,131	2	(2,962,704)	(7)	1,404,949	3
8399	Income tax related to components of other comprehensive loss that will may be reclassified to profit or loss (Note (6)(n))	13,476	-	(1,390)	-	12,080	-	(5,154)	-
	Item that may be reclassified subsequently to profit or loss	(3,306,649)	(16)	350,741	2	(2,950,624)	(7)	1,399,795	3
	Other comprehensive (loss) income	(3,306,649)	(16)	350,741	2	(2,950,624)	(7)	1,399,795	3
8500	Total comprehensive (loss) income	\$ (2,478,356)	(12)	2,044,791	10	(926,044)	(2)	4,433,465	10
	Net profit, attributable to:								
8610	Net profit, attributable to owners of parent	\$ 719,630	3	1,585,696	8	1,868,394	5	2,856,342	7
8620	Net profit, attributable to non-controlling interests	108,663	1	108,354	-	156,186	-	177,328	-
		\$ 828,293	4	1,694,050	8	2,024,580	5	3,033,670	7
	Comprehensive (loss) income attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ (2,372,077)	(12)	1,910,775	9	(892,969)	(2)	4,155,828	9
8720	Comprehensive income, attributable to non-controlling interests	(106,279)	-	134,016	1	(33,075)	-	277,637	1
		\$ (2,478,356)	(12)	2,044,791	10	(926,044)	(2)	4,433,465	10
	Earnings per share (Note (6)(p))								
9750	Basic earnings per share (dollars)	\$ 0.73		1.60		1.89		2.89	

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 six months ended June 30, 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 Ordinary shares	Capital surplus	Retained earnings		Unappropriated retained earnings				
			Legal reserve	Special reserve		Exchange differences on translation of foreign financial statements			
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	-	-	-	-	2,856,342	-	2,856,342	177,328	3,033,670
Other comprehensive (loss) income	-	-	-	-	-	1,299,486	1,299,486	100,309	1,399,795
Total comprehensive income	-	-	-	-	2,856,342	1,299,486	4,155,828	277,637	4,433,465
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	502,702	-	(502,702)	-	-	-	-
Special reserve appropriated	-	-	-	73,774	(73,774)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,246,176)	-	(4,246,176)	-	(4,246,176)
Changes in ownership interests in subsidiaries	-	(3,441)	-	-	-	-	(3,441)	6,586	3,145
Changes in non-controlling interests	-	-	-	-	-	-	-	(329,784)	(329,784)
Balance on June 30, 2024	\$ 9,874,828	50,309	6,979,145	1,127,303	4,862,691	172,183	23,066,459	1,849,022	24,915,481
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	-	-	-	-	1,868,394	-	1,868,394	156,186	2,024,580
Other comprehensive income	-	-	-	-	-	(2,761,363)	(2,761,363)	(189,261)	(2,950,624)
Total comprehensive (loss) income	-	-	-	-	1,868,394	(2,761,363)	(892,969)	(33,075)	(926,044)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	644,333	-	(644,333)	-	-	-	-
Reversal of special reserve	-	-	-	(1,127,303)	1,127,303	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,036,162)	-	(5,036,162)	-	(5,036,162)
Due to donated assets received	-	(99)	-	-	-	-	(99)	-	(99)
Changes in ownership interests in subsidiaries	-	(1,617)	-	-	-	-	(1,617)	1,617	-
Changes in non-controlling interests	-	-	-	-	-	-	-	(229,057)	(229,057)
Balance on June 30, 2025	\$ 9,874,828	47,369	7,623,478	-	5,764,886	(2,401,357)	20,909,204	1,728,316	22,637,520

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 six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,255,784	4,244,743
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,512,252	1,531,610
Amortization expense	40,926	36,188
Interest expense	122,228	135,765
Interest income	(26,880)	(32,797)
Share of profit of associates and joint ventures accounted for using equity method	(72,109)	(56,199)
Loss on disposal of property, plant and equipment	6,110	15,891
Gain on disposal of investment properties	(80,727)	(24,801)
Others	(1,593)	22,629
Total adjustments to reconcile profit	1,500,207	1,628,286
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable	(318,303)	(627,245)
Decrease (increase) in other receivables	93,256	(161,894)
Decrease (increase) in inventories	(296,659)	(30,925)
Decrease (increase) in other current assets, others	(136,719)	(133,487)
Decrease (increase) in other current financial assets	-	469
Total changes in operating assets	(658,425)	(953,082)
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	(30)	(90)
Increase (decrease) in notes and accounts payable	(206,738)	86,883
Increase (decrease) in other payable	(1,088,917)	(1,209,918)
Increase (decrease) in other current liabilities, others	15,596	1,895
Increase (decrease) in net defined benefit liability	188,459	66,581
Increase (decrease) in other non-current liabilities, others	(9,831)	32,079
Total changes in operating liabilities	(1,101,461)	(1,022,570)
Total changes in operating assets and liabilities	(1,759,886)	(1,975,652)
Total adjustments	(259,679)	(347,366)
Cash inflow generated from operations	2,996,105	3,897,377
Interest received	28,695	30,901
Interest paid	(124,206)	(141,236)
Income taxes paid	(459,623)	(1,761,583)
Net cash flows from operating activities	2,440,971	2,025,459
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(1,552,977)	(1,597,403)
Proceeds from disposal of property, plant and equipment	68,388	79,786
Acquisition of intangible assets	(56,882)	(64,334)
Proceeds from disposal of intangible assets	591	-
Proceeds from disposal of investment properties	92,984	42,656
Decrease (increase) in other non-current financial assets	3,121	(1,403)
(Increase) decrease in other non-current assets, others	(1,514)	5,977
Net cash flows used in investing activities	(1,446,289)	(1,534,721)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(589,498)	722,938
Proceeds from long-term borrowings	50,561	94,703
Repayments of long-term borrowings	(1,623,243)	(1,789,352)
Payment of lease liabilities	(30,656)	(28,155)
Change in non-controlling interests	(208,483)	(316,786)
Net cash flows used in financing activities	(2,401,319)	(1,316,652)
Effect of exchange rate changes on cash and cash equivalents	(705,907)	225,131
Net decrease in cash and cash equivalents	(2,112,544)	(600,783)
Cash and cash equivalents at beginning of period	5,140,543	3,858,842
Cash and cash equivalents at end of period	\$ 3,027,999	3,258,059

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
June 30, 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, ice skates, ski boots, golf balls, soccer balls, backpack, 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 August 12, 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 Accounting Standards endorsed 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:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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”

(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

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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.

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 19 “Subsidiaries without Public Accountability: Disclosures”

(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
			June 30, 2025	December 31, 2024	June 30, 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)
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).

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
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.	96.28 %	95.85 %	95.04 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of INR5,375,944,020. (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
			June 30, 2025	December 31, 2024	June 30, 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)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			June 30, 2025	December 31, 2024	June 30, 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 Private Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoes.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Private Limited was established in British Virgin Islands in 2006. In May 2025, the company re-domiciled to Singapore, with a paid-in capital of USD79,141,400.
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
			June 30, 2025	December 31, 2024	June 30, 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.

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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

	June 30, 2025	December 31, 2024	June 30, 2024
Cash	\$ 994	1,125	1,114
Demand deposits and check deposit	1,338,578	2,221,183	1,363,638
Time deposits	1,688,427	2,918,235	1,893,307
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 3,027,999</u></u>	<u><u>5,140,543</u></u>	<u><u>3,258,059</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

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable—measured at amortized cost	\$ 8,380,466	8,118,995	8,808,258
Less: Allowance for credit loss	-	-	(7,972)
	<u><u>\$ 8,380,466</u></u>	<u><u>8,118,995</u></u>	<u><u>8,800,286</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:

June 30, 2025			
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,796,504	0.00%	-
1 to 10 days past due	535,449	0.00%	-
11 to 60 days past due	46,697	0.00%	-
61 days to 1 year past due	1,816	0.00%	-
	\$ 8,380,466		-
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%	-
	\$ 8,118,995		-
June 30, 2024			
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,772,503	0.00%	-
1 to 10 days past due	989,506	0.00%	-
11 to 60 days past due	27,410	0.00%	-
61 days to 1 year past due	10,867	0.00%	-
More than 1 year past due	7,972	100.00%	7,972
	\$ 8,808,258		7,972

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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 six months ended June 30	
	2025	2024
Balance on January 1	\$ -	7,972
Balance on June 30	<u>\$ -</u>	<u>7,972</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 3,657,628	3,638,768	3,540,456
Work in process	1,327,931	1,322,945	1,349,162
Finished goods	2,312,740	3,044,874	2,651,774
Merchandise inventory	81,944	89,807	104,348
Inventory in transit	1,151,426	1,140,984	1,432,375
Others	175	477	1,042
	<u>\$ 8,531,844</u>	<u>9,237,855</u>	<u>9,079,157</u>

The details of operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Cost of goods sold	\$ 15,371,355	16,995,748	31,372,920	33,101,401
Unallocated production overheads	71,127	180,979	393,849	325,492
Net gains on inventories	(89)	(286)	(833)	(735)
Inventory scrap loss	10,884	54,028	29,426	80,509
Revenue from sale of scraps	(14,958)	(16,391)	(28,356)	(30,087)
Losses (reversal gains) on obsolescence and inventory valuation	31,001	(41,563)	49,656	(8,800)
Total	<u>\$ 15,469,320</u>	<u>17,172,515</u>	<u>31,816,662</u>	<u>33,467,780</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. However, the original factors led to the loss disappeared due to disposal of inventory, resulting in gains on price recovery of inventory. These changes were recognized as reduction of operating cost.

As of June 30, 2025, December 31, 2024 and June 30, 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Individually insignificant joint venture	\$ <u><u>1,245,578</u></u>	<u><u>1,316,221</u></u>	<u><u>1,196,941</u></u>
	<u>For the three months ended June 30</u>	<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u> <u>2024</u>
Attributable to the Group:			
Profit from continuing operation	\$ 80,980	73,167	72,109 56,199
Other comprehensive income	<u>(148,361)</u>	<u>15,302</u>	<u>(132,999)</u> <u>56,738</u>
Comprehensive income	\$ <u><u>(67,381)</u></u>	<u><u>88,469</u></u>	<u><u>(60,890)</u></u> <u><u>112,937</u></u>

(ii) Collateral

As of June 30, 2025, December 31, 2024 and June 30, 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		
		June 30, 2025	December 31, 2024	June 30, 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
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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:

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 150,925	332,513	28,895
Non-current assets	2,260,004	2,385,224	2,399,613
Current liabilities	(53,258)	(48,713)	(30,526)
Net assets	<u>\$ 2,357,671</u>	<u>2,669,024</u>	<u>2,397,982</u>
Non-controlling interests	<u>\$ 707,301</u>	<u>800,707</u>	<u>719,395</u>
	For the three months ended June 30	For the six months ended June 30	
	2025	2024	2025
Net income	\$ 173,848	105,696	222,023
Other comprehensive (loss) income	(308,850)	30,785	(273,349)
Comprehensive (loss) income	<u>\$ (135,002)</u>	<u>136,481</u>	<u>(51,326)</u>
Profit, attributable to non-controlling interests	<u>\$ 52,154</u>	<u>31,709</u>	<u>66,607</u>
Comprehensive (loss) income, attributable to non-controlling interests	<u>\$ (40,501)</u>	<u>40,944</u>	<u>(15,398)</u>
Net cash flows from operating activities	\$ 27,600	9,440	14,959
Net cash flows from investing activities	353,496	468,856	353,432
Net cash flows used in financing activities	(260,449)	(502,799)	(260,449)
Net increase (decrease) in cash and cash equivalents	<u>\$ 120,647</u>	<u>(24,503)</u>	<u>107,942</u>
Cash dividends to non-controlling interests	<u>\$ 78,135</u>	<u>150,840</u>	<u>78,135</u>

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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 six months ended June 30, 2025 and 2024 were as follows:

Cost:		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
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	-	-	18,781	261,129	15,758	225	2,609	11,069	1,386	1,398,592	1,709,549
Disposals	-	-	(83,814)	(366,057)	(10,270)	(918)	(4,799)	(10,225)	(1,698)	-	(477,781)
Reclassifications	-	-	124,048	918,812	33,397	2,466	12,045	20,613	-	(1,111,381)	-
Effect of changes in foreign exchange rates		(47,339)	(1,624,897)	(2,887,527)	(49,163)	-	(61,898)	(85,074)	(2,971)	(252,323)	(5,011,192)
Balance on June 30, 2025	\$	<u>1,607,843</u>	<u>16,185,859</u>	<u>24,841,786</u>	<u>582,799</u>	<u>117,140</u>	<u>562,162</u>	<u>760,858</u>	<u>106,854</u>	<u>2,828,875</u>	<u>47,594,176</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	-	-	13,562	461,078	22,394	2,690	12,280	15,380	1,105	1,687,603	2,216,092
Disposals	-	-	(2,442)	(391,687)	(19,963)	(874)	(11,987)	(6,126)	(477)	-	(433,556)
Reclassifications	-	-	391,035	1,626,071	16,244	-	(131,758)	82,261	-	(1,983,853)	-
Effect of changes in foreign exchange rates		23,703	767,556	1,302,084	21,345	-	35,983	36,025	1,511	127,506	2,315,713
Balance on June 30, 2024	\$	<u>1,650,631</u>	<u>17,537,620</u>	<u>26,141,127</u>	<u>564,763</u>	<u>122,985</u>	<u>616,768</u>	<u>801,627</u>	<u>106,899</u>	<u>2,344,212</u>	<u>49,886,632</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	-	-	329,669	998,960	36,122	3,869	65,365	34,245	3,066	-	1,471,296
Reversal of impairment loss	-	-	-	(1,593)	-	-	-	-	-	-	(1,593)
Disposals	-	-	(80,681)	(296,227)	(9,812)	(863)	(4,382)	(9,888)	(1,430)	-	(403,283)
Reclassifications	-	-	7,012	2,286	1,142	-	(9,351)	(1,089)	-	-	-
Effect of changes in foreign exchange rates		-	(835,974)	(1,699,139)	(36,928)	-	(36,860)	(58,787)	(2,200)	-	(2,669,888)
Balance on June 30, 2025	\$	<u>-</u>	<u>8,311,516</u>	<u>16,696,256</u>	<u>439,618</u>	<u>105,406</u>	<u>351,168</u>	<u>563,474</u>	<u>87,359</u>	<u>-</u>	<u>26,554,797</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	-	-	335,663	1,022,750	25,796	4,830	61,117	35,943	3,334	-	1,489,433
Impairment loss	-	-	-	22,591	-	-	-	38	-	-	22,629
Disposals	-	-	(1,997)	(299,382)	(19,258)	(870)	(9,881)	(6,086)	(405)	-	(337,879)
Reclassifications	-	-	19,915	55,840	48	-	(75,803)	-	-	-	-
Effect of changes in foreign exchange rates		-	370,557	1,283,789	15,954	-	16,838	25,387	1,090	-	1,713,615
Balance on June 30, 2024	\$	<u>-</u>	<u>8,502,369</u>	<u>16,708,736</u>	<u>430,314</u>	<u>106,748</u>	<u>324,146</u>	<u>566,392</u>	<u>85,229</u>	<u>-</u>	<u>26,723,934</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 June 30, 2025	\$	<u>1,607,843</u>	<u>7,874,343</u>	<u>8,145,530</u>	<u>143,181</u>	<u>11,734</u>	<u>210,994</u>	<u>197,384</u>	<u>19,495</u>	<u>2,828,875</u>	<u>21,039,379</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 June 30, 2024	\$	<u>1,650,631</u>	<u>9,035,251</u>	<u>9,432,391</u>	<u>134,449</u>	<u>16,237</u>	<u>292,622</u>	<u>235,235</u>	<u>21,670</u>	<u>2,344,212</u>	<u>23,162,698</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 June 30, 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 June 30, 2025, December 31, 2024 and June 30, 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
Additions	28,417	-	-	-	28,417
Effect of changes in foreign exchange rates	(210,623)	(9,735)	-	(278)	(220,636)
Balance on June 30, 2025	<u>\$ 1,786,522</u>	<u>89,371</u>	<u>-</u>	<u>2,331</u>	<u>1,878,224</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	101,497	4,606	867	139	107,109
Balance on June 30, 2024	<u>\$ 1,943,982</u>	<u>97,117</u>	<u>16,107</u>	<u>2,582</u>	<u>2,059,788</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2025	\$ 278,564	21,625	-	1,793	301,982
Depreciation	24,749	16,010	-	197	40,956
Effect of changes in foreign exchange rates	(31,257)	(3,001)	-	(206)	(34,464)
Balance on June 30, 2025	<u>\$ 272,056</u>	<u>34,634</u>	<u>-</u>	<u>1,784</u>	<u>308,474</u>
Balance on January 1, 2024	\$ 215,441	44,302	8,422	1,297	269,462
Depreciation	24,645	16,020	1,256	199	42,120
Effect of changes in foreign exchange rates	12,128	2,318	495	77	15,018
Balance on June 30, 2024	<u>\$ 252,214</u>	<u>62,640</u>	<u>10,173</u>	<u>1,573</u>	<u>326,600</u>
Carrying amount:					
Balance on January 1, 2025	<u>\$ 1,690,164</u>	<u>77,481</u>	<u>-</u>	<u>816</u>	<u>1,768,461</u>
Balance on June 30, 2025	<u>\$ 1,514,466</u>	<u>54,737</u>	<u>-</u>	<u>547</u>	<u>1,569,750</u>
Balance on January 1, 2024	<u>\$ 1,627,044</u>	<u>48,209</u>	<u>6,818</u>	<u>1,146</u>	<u>1,683,217</u>
Balance on June 30, 2024	<u>\$ 1,691,768</u>	<u>34,477</u>	<u>5,934</u>	<u>1,009</u>	<u>1,733,188</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 six months ended June 30, 2025 and 2024 were as follows:

	Owned property		
	Land	Buildings	Total
Cost:			
Balance on January 1, 2025	\$ 6,858	404,980	411,838
Disposal	-	(122,567)	(122,567)
Effect of changes in foreign exchange rates	-	(32,490)	(32,490)
Balance on June 30, 2025	<u>\$ 6,858</u>	<u>249,923</u>	<u>256,781</u>
Balance on January 1, 2024	\$ 16,017	406,284	422,301
Disposals	(9,559)	(22,312)	(31,871)
Effect of changes in foreign exchange rates	400	20,328	20,728
Balance on June 30, 2024	<u>\$ 6,858</u>	<u>404,300</u>	<u>411,158</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2025	\$ -	355,110	355,110
Disposal	-	(110,310)	(110,310)
Effect of changes in foreign exchange rates	-	(28,279)	(28,279)
Balance on June 30, 2025	<u>\$ -</u>	<u>216,521</u>	<u>216,521</u>
Balance on January 1, 2024	\$ -	352,152	352,152
Depreciation	-	57	57
Disposal	-	(14,016)	(14,016)
Effect of changes in foreign exchange rates	-	16,317	16,317
Balance on June 30, 2024	<u>\$ -</u>	<u>354,510</u>	<u>354,510</u>
Carrying amount:			
Balance on January 1, 2025	<u>\$ 6,858</u>	<u>49,870</u>	<u>56,728</u>
Balance on June 30, 2025	<u>\$ 6,858</u>	<u>33,402</u>	<u>40,260</u>
Balance on January 1, 2024	<u>\$ 16,017</u>	<u>54,132</u>	<u>70,149</u>
Balance on June 30, 2024	<u>\$ 6,858</u>	<u>49,790</u>	<u>56,648</u>

In April 2025, the Group signed an agreement, wherein the buyer, an entity, will purchase Yuanhong City real estate from the Group. In June 2025, the transaction for 2nd floor of Yuanhong City real estate has been completed, with a sale price of \$92,984 thousand, resulting in \$80,727 thousand recognized as gain on disposal of assets.

The Group signed a sales agreement in March 2024 to sell Eagle Crest, an American real estate. The sale price was \$42,656 thousand, and the sale has been completed in the month when the sales agreement was signed, and \$24,801 thousand was recognized as gain on disposal of assets.

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

Except as disclosed above, there were no material differences between the fair value of investment properties and that of disclosed in Note 6(h) to the 2024 consolidated financial statements.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Investment property of the Group was not pledged as collateral for its loans.

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the six months ended June 30, 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	-	56,882	56,882
Disposal / Obsolescence	-	(17,675)	(17,675)
Effect of changes in foreign exchange rates	(13,521)	(39,755)	(53,276)
Balance on June 30, 2025	<u>\$ 425,580</u>	<u>449,132</u>	<u>874,712</u>
Balance on January 1, 2024	\$ 431,028	364,866	795,894
Additions	-	64,259	64,259
Disposal / Obsolescence	-	(19,559)	(19,559)
Effect of changes in foreign exchange rates	6,772	15,931	22,703
Balance on June 30, 2024	<u>\$ 437,800</u>	<u>425,497</u>	<u>863,297</u>
Accumulated amortization and impairment losses			
Balance on January 1, 2025	\$ 122,967	306,362	429,329
Amortization	-	40,926	40,926
Disposal / Obsolescence	-	(17,084)	(17,084)
Effect of changes in foreign exchange rates	(12,838)	(29,611)	(42,449)
Balance on June 30, 2025	<u>\$ 110,129</u>	<u>300,593</u>	<u>410,722</u>
Balance on January 1, 2024	\$ 115,304	256,892	372,196
Amortization	-	36,188	36,188
Disposal / Obsolescence	-	(19,559)	(19,559)
Effect of changes in foreign exchange rates	6,428	11,892	18,320
Balance on June 30, 2024	<u>\$ 121,732</u>	<u>285,413</u>	<u>407,145</u>

(Continued)

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

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Carrying amounts:			
Balance on January 1, 2025	\$ <u>316,134</u>	<u>143,318</u>	<u>459,452</u>
Balance on June 30, 2025	\$ <u>315,451</u>	<u>148,539</u>	<u>463,990</u>
Balance on January 1, 2024	\$ <u>315,724</u>	<u>107,974</u>	<u>423,698</u>
Balance on June 30, 2024	\$ <u>316,068</u>	<u>140,084</u>	<u>456,152</u>

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of June 30, 2025, December 31, 2024 and June 30, 2024, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unsecured bank loans	\$ <u>2,284,283</u>	<u>2,983,008</u>	<u>3,018,344</u>
Range of interest rates	<u>1.70%~6.30%</u>	<u>1.70%~6.50%</u>	<u>1.645%~6.30%</u>

(k) Long-term borrowings

The details were as follows:

	<u>Currency</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unsecured bank loans	TWD	\$ -	1,500,000	-
Unsecured bank loans	USD	1,568,678	1,830,869	1,866,888
Other long-term borrowings	INR	<u>63,060</u>	<u>66,794</u>	<u>64,078</u>
		1,631,738	3,397,663	1,930,966
Less: current portion		<u>(63,060)</u>	<u>-</u>	<u>-</u>
Total		\$ <u>1,568,678</u>	<u>3,397,663</u>	<u>1,930,966</u>
Range of interest rates		<u>0.10%~5.31%</u>	<u>0.10%~5.44%</u>	<u>0.10%~6.47%</u>
Period		<u>2026</u>	<u>2026</u>	<u>2025~2026</u>

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

(l) Lease liabilities

The Group lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ <u>33,715</u>	<u>39,408</u>	<u>25,668</u>
Non-current	\$ <u>515,222</u>	<u>577,463</u>	<u>524,132</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 June 30 2025	2024	For the six months ended June 30 2025	2024
Interest on lease liabilities	\$ <u>12,129</u>	<u>13,099</u>	<u>26,810</u>	<u>26,200</u>

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

	For the six months ended June 30 2025	2024
Total cash outflow for leases	\$ <u>57,466</u>	<u>54,355</u>

(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 \$167,681 thousand, \$189,659 thousand, \$332,794 thousand and \$331,031 thousand for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$243,126 thousand, \$271,351 thousand, \$508,381 thousand and \$535,759 thousand for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, respectively.

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

(n) Income taxes

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

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ 575,273	758,912	1,337,590	1,550,606
Adjustment for prior periods	184,183	20,142	168,104	19,770
	<u>759,456</u>	<u>779,054</u>	<u>1,505,694</u>	<u>1,570,376</u>
Deferred tax expense				
Origination and reversal of temporary differences	14,368	(53,690)	(274,490)	(359,303)
Income tax expense	<u>\$ 773,824</u>	<u>725,364</u>	<u>1,231,204</u>	<u>1,211,073</u>

The amount of income tax recognized in other comprehensive income (loss) for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	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>13,476</u>	<u>(1,390)</u>	<u>12,080</u>	<u>(5,154)</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 2021, 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.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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 operated from January 1, 2024), as well as in Indonesia, Singapore and Hong Kong (where the subsidiaries operated from January 1, 2025). Based on the Group's assessment, its subsidiaries operating in Vietnam, Indonesia, Singapore, and Hong Kong meet the criteria for one of the transitional safe harbors under the Pillar Two framework, including the Simplified ETR Test (effective tax rate exceeding 16%), the Routine Profits Test, or the De Minimis Test. Accordingly, the Group did not recognize any current income tax impact related to Pillar Two as of June 30, 2025.

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.

(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 June 30, 2025, December 31, 2024 and June 30, 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.

(i) Capital surplus

The details of capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 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	5,669	5,768	4,537
Issued shares of subsidiaries not recognized in proportion to shareholding	2,234	3,851	6,306
Difference between consideration and carrying amount of subsidiaries acquired or disposed	183	183	183
	<u><u>\$ 47,369</u></u>	<u><u>49,085</u></u>	<u><u>50,309</u></u>

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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

On May 28, 2025, and May 31, 2024, the Company's shareholder's meetings resolved to distribute the 2024 and 2023 earnings, respectively. These earnings were appropriated 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	(2,761,363)
Balance on June 30, 2025	\$ (2,401,357)
Balance on January 1, 2024	\$ (1,127,303)
Exchange differences on translation of foreign financial statement	1,299,486
Balance on June 30, 2024	\$ 172,183

(iv) Non-controlling interests (NCIs)

	For the six months ended June 30	
	2025	2024
Balance on January 1	\$ 1,988,831	1,894,583
Shares attributed to non-controlling interests		
Net profit	156,186	177,328
Foreign currency translation differences for foreign operations	(189,261)	100,309
Changes in ownership interests in subsidiaries	1,617	6,586
Earnings distribution to non-controlling interests	(229,057)	(329,784)
Balance on June 30	\$ 1,728,316	1,849,022

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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 June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, the Company's basic earnings per share were calculated as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic earnings per share				
Net profit attributable to ordinary shareholders of the Company	\$ <u>719,630</u>	<u>1,585,696</u>	<u>1,868,394</u>	<u>2,856,342</u>
Weighted average number of ordinary shares (basic)	<u>987,483</u>	<u>987,483</u>	<u>987,483</u>	<u>987,483</u>
Basic earnings per share (dollars)	\$ <u>0.73</u>	<u>1.60</u>	<u>1.89</u>	<u>2.89</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

	<u>For the three months ended June 30, 2025</u>		
	<u>Segments of footwear manufacturing and sales</u>	<u>Other Segments</u>	<u>Total</u>
Primary geographical markets			
Singapore	\$ 14,913,986	459,069	15,373,055
America	1,601,097	303,856	1,904,953
Switzerland	1,167,674	3,677	1,171,351
Mainland China	441,228	5,185	446,413
Mexico	533,550	21,211	554,761
Other countries	<u>645,365</u>	<u>303,820</u>	<u>949,185</u>
	<u>\$ 19,302,900</u>	<u>1,096,818</u>	<u>20,399,718</u>
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,302,900	-	19,302,900
Other	<u>-</u>	<u>1,096,818</u>	<u>1,096,818</u>
	<u>\$ 19,302,900</u>	<u>1,096,818</u>	<u>20,399,718</u>

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For the three months ended June 30, 2024			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 16,373,620	580,009	16,953,629
America	1,867,119	281,372	2,148,491
Switzerland	953,305	130	953,435
Mainland China	1,028,203	3,150	1,031,353
Mexico	507,390	18,307	525,697
Other countries	406,296	247,795	654,091
	\$ 21,135,933	1,130,763	22,266,696
Major products/services lines			
Manufacturing and sale of footwear	\$ 21,135,933	-	21,135,933
Other	-	1,130,763	1,130,763
	\$ 21,135,933	1,130,763	22,266,696
For the six months ended June 30, 2025			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 30,289,709	891,964	31,181,673
America	3,243,703	656,745	3,900,448
Switzerland	2,314,850	9,761	2,324,611
Mainland China	908,682	6,155	914,837
Mexico	1,044,601	29,239	1,073,840
Other countries	1,131,055	596,077	1,727,132
	\$ 38,932,600	2,189,941	41,122,541
Major products/services lines			
Manufacturing and sale of footwear	\$ 38,932,600	-	38,932,600
Others	-	2,189,941	2,189,941
	\$ 38,932,600	2,189,941	41,122,541

(Continued)

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	For the six months ended June 30, 2024		
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 32,166,454	1,001,144	33,167,598
America	3,718,456	547,025	4,265,481
Switzerland	1,740,562	209	1,740,771
Mainland China	1,501,449	9,037	1,510,486
Mexico	930,362	36,312	966,674
Other countries	752,306	479,831	1,232,137
	\$ 40,809,589	2,073,558	42,883,147
Major products/services lines			
Manufacturing and sale of footwear	\$ 40,809,589	-	40,809,589
Others	-	2,073,558	2,073,558
	\$ 40,809,589	2,073,558	42,883,147

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 8,380,466	8,118,995	8,808,258
Less: allowance for credit loss	-	-	(7,972)
Total	\$ 8,380,466	8,118,995	8,800,286
Contract liabilities	\$ 992	1,141	965

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

(r) Compensation to employees and directors

On May 28, 2025, the Company's shareholders' meeting resolved to amend the Articles of Incorporation. Under the revised Articles, if there is profit for the year, then, a minimum of 2.0% shall be allocated as employee compensation (of which a minimum of 30% shall be allocated to non-managerial employees) and a maximum of 1.8% as director compensation. However, if the Company has accumulated deficits, the profit should be reserved to offset and deficit.

Prior to the amendment, the Articles stipulated 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 and deficit.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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The Company (reversed) estimated its employee compensation at respectively \$(14,029) thousand, \$39,770 thousand, \$52,807 thousand and \$77,600 thousand for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, and estimated its director compensation at \$18,708 thousand, \$37,370 thousand, \$45,132 thousand and \$65,899 thousand for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 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.

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 June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest income from bank deposits	\$ <u>15,668</u>	<u>20,063</u>	<u>26,880</u>	<u>32,797</u>

(ii) Other income

The details of the Group's other income for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Rent income	\$ 4,876	5,045	11,106	6,485
Government subsidy	10,419	92,623	25,549	104,748
Other income	<u>73,598</u>	<u>57,220</u>	<u>164,173</u>	<u>169,885</u>
	<u>\$ 88,893</u>	<u>154,888</u>	<u>200,828</u>	<u>281,118</u>

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Foreign exchange (losses) gains	\$ (793,238)	282,152	(579,602)	684,610
Losses on disposal of property, plant and equipment	(6,501)	(15,755)	(6,110)	(15,891)
Gain on disposal of investment property	80,727	326	80,727	24,801
Reversal (provision) of impairment loss	1,490	(22,491)	1,593	(22,629)
Others	(142,626)	(5,354)	(143,283)	(6,818)
	\$ (860,148)	238,878	(646,675)	664,073

(iv) Financial costs

The details of the Group's financial costs for the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Interest expense	\$ 59,045	72,749	122,228	135,765

(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 June 30, 2025, December 31, 2024 and June 30, 2024, 69%, 69% and 74% of the Group's total receivables were concentrated within a single overseas customer.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(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>
June 30, 2025							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 3,705,548	3,705,548	3,704,809	739	-	-	-
Other payables	3,921,017	3,921,017	3,352,251	568,766	-	-	-
Dividends payable	5,040,257	5,040,257	5,040,257	-	-	-	-
Unsecured bank loans	3,852,961	3,961,995	2,222,505	160,642	1,578,848	-	-
Other long-term borrowings	63,060	63,108	32	63,076	-	-	-
Lease liabilities	<u>548,937</u>	<u>1,346,661</u>	<u>31,146</u>	<u>52,693</u>	<u>77,657</u>	<u>168,221</u>	<u>1,016,944</u>
	<u>\$ 17,131,780</u>	<u>18,038,586</u>	<u>14,351,000</u>	<u>845,916</u>	<u>1,656,505</u>	<u>168,221</u>	<u>1,016,944</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	5,619,372	5,619,372	5,202,219	417,153	-	-	-
Dividends payable	11,385	11,385	11,385	-	-	-	-
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	<u>616,871</u>	<u>1,487,446</u>	<u>59,875</u>	<u>33,180</u>	<u>88,159</u>	<u>187,155</u>	<u>1,119,077</u>
	<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>
June 30, 2024							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,472,236	4,472,236	4,470,891	1,345	-	-	-
Other payables	4,269,513	4,269,513	3,632,521	636,992	-	-	-
Dividends payable	4,246,176	4,246,176	4,246,176	-	-	-	-
Unsecured bank loans	4,885,232	5,088,179	2,424,877	772,223	1,891,079	-	-
Other long-term borrowings	64,078	64,191	32	32	64,127	-	-
Lease liabilities	<u>549,800</u>	<u>1,408,204</u>	<u>31,313</u>	<u>46,066</u>	<u>70,672</u>	<u>171,993</u>	<u>1,088,160</u>
	<u>\$ 18,487,035</u>	<u>19,548,499</u>	<u>14,805,810</u>	<u>1,456,658</u>	<u>2,025,878</u>	<u>171,993</u>	<u>1,088,160</u>

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

(Continued)

1) Exposure to currency risks

(Continued)

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December 31, 2024				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial liabilities</u>				
<u>Monetary items</u>				
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
June 30, 2024				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 278,744	USD : TWD	32.400	9,031,289
	22,287	USD : CNY	7.1268	722,111
	364	USD : VND	25,363	11,802
VND	748,258,318	VND : USD	0.00004	972,736
INR	2,750,698	INR : USD	0.0120	1,067,821
IDR	99,642,248	IDR : USD	0.0001	199,284
<u>Non-monetary items</u>				
USD	36,943	USD : TWD	32.400	1,196,941
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	35,480	USD : TWD	32.400	1,149,551
	12,117	USD : CNY	7.1268	392,576
	115	USD : VND	25,363	3,742
VND	1,442,715,942	VND : USD	0.00004	1,875,531
INR	3,262,781	INR : USD	0.0120	1,266,612
IDR	1,211,707,464	IDR : USD	0.0001	2,423,415

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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 six months ended June 30, 2025 and 2024, would have increased the net profit before tax by \$273,756 thousand and \$244,681 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 six months ended June 30, 2025 and 2024, foreign exchange (loss) gain (including realized and unrealized portions) amounted to \$(579,602) thousand and \$684,610 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 by \$6,286 thousand and \$8,804 thousand for the six months ended June 30, 2025 and 2024, respectively. This was mainly due to the Group's deposits and borrowings at variable rates.

(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.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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- 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.

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.

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

(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.

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 June 30, 2025, December 31, 2024 and June 30, 2024, there was no guarantee outstanding.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(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 June 30, 2025, December 31, 2024 and June 30, 2024, amounted to \$14,860,458 thousand, \$13,798,013 thousand and \$15,295,899 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.

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.

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(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:

	June 30, 2025	December 31, 2024	June 30, 2024
Total liabilities	\$ 26,628,546	25,563,900	27,930,303
Less: cash and cash equivalents	(3,027,999)	(5,140,543)	(3,258,059)
Net debt	23,600,547	20,423,357	24,672,244
Total equity	22,637,520	28,828,882	24,915,481
Total capital	<u>\$ 46,238,067</u>	<u>49,252,239</u>	<u>49,587,725</u>
Debt-to-equity ratio on period end	<u>51.04 %</u>	<u>41.47 %</u>	<u>49.75 %</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 six months ended June 30, 2025 and 2024.

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Others	Non-cash changes	June 30, 2025
				Foreign exchange movement	
Long-term borrowings	\$ 3,397,663	(1,572,682)	-	(193,243)	1,631,738
Short-term borrowings	2,983,008	(589,498)	-	(109,227)	2,284,283
Lease liabilities	616,871	(30,656)	28,417	(65,695)	548,937
Total liabilities from financing activities	<u>\$ 6,997,542</u>	<u>(2,192,836)</u>	<u>28,417</u>	<u>(368,165)</u>	<u>4,464,958</u>

	January 1, 2024	Cash flows	Others	Non-cash changes	June 30, 2024
				Foreign exchange movement	
Long-term borrowings	\$ 3,509,219	(1,694,649)	-	116,396	1,930,966
Short-term borrowings	2,250,109	722,938	-	45,297	3,018,344
Lease liabilities	547,619	(28,155)	-	30,336	549,800
Total liabilities from financing activities	<u>\$ 6,306,947</u>	<u>(999,866)</u>	<u>-</u>	<u>192,029</u>	<u>5,499,110</u>

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(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	"
WANG LIOU, MEI-HUEI	Related party in substance

(b) Significant transactions with related parties

(i) Other revenue

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
The Group is a joint venture under the joint agreement	\$ <u><u>2,317</u></u>	<u><u>2,576</u></u>	<u><u>4,957</u></u>	<u><u>4,931</u></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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other receivables	The Group is a joint venture under the joint agreement	\$ <u><u>759</u></u>	<u><u>963</u></u>	<u><u>815</u></u>

(iii) Property transactions

Purchases of property, plant and equipment

To support the expansion of development center at Feng Tay factory, the Company purchased a parcel of land located in Douliu City, Yunlin County from a related party in May 2025, with the total contract amount of \$249,140 thousand, and an additional related cost of approximately \$6,700 thousand. As of June 30, 2025, prepayments totaling \$124,570 thousand was recorded under "Other non-current assets, others". The acquisition price of the land was determined with reference to an appraisal report issued by Elite Real Estate Appraisers Joint Firm.

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Notes to the Consolidated Financial Statements

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 72,416	91,669	145,676	173,317
Post-employment benefits	1,316	1,241	2,799	2,510
	\$ 73,732	92,910	148,475	175,827

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Other current financial assets	Customs deposit and lease deposit	\$ 858	956	955
Other non-current financial assets	Customs deposit and lease deposit	89,414	103,172	109,550
		\$ 90,272	104,128	110,505

(9) Commitments and contingencies:

- (a) As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group has issued promissory notes for short-term and long-term borrowings of \$9,132,500 thousand, \$9,946,150 thousand and \$9,416,000 thousand, respectively.
- (b) As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had payables in respect of important construction contracts, amounting to \$1,338,432 thousand, \$1,541,756 thousand and \$1,777,010 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

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

(12) Others:

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

By item	By function	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 4,299,238	1,416,897	5,716,135	4,906,247	1,745,342	6,651,589
Labor and health insurance		482,051	142,378	624,429	540,978	147,173	688,151
Pension		317,102	93,705	410,807	360,981	100,029	461,010
Other employee benefits		482,019	137,552	619,571	608,090	176,578	784,668
Depreciation		492,846	236,333	729,179	534,655	249,272	783,927
Amortization		3,270	17,002	20,272	1,326	17,841	19,167

By item	By function	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 8,986,537	3,046,936	12,033,473	9,798,727	3,379,581	13,178,308
Labor and health insurance		1,039,259	302,534	1,341,793	1,101,818	298,569	1,400,387
Pension		655,087	186,088	841,175	680,691	186,099	866,790
Other employee benefits		1,036,433	300,538	1,336,971	1,208,899	336,704	1,545,603
Depreciation		1,034,123	478,129	1,512,252	1,058,350	473,260	1,531,610
Amortization		5,863	35,063	40,926	2,739	33,449	36,188

- (b) Seasonality of operation

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

(Continued)

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

(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 six months ended June 30, 2025:

- i. Loans to other parties: None
- ii. Guarantees and endorsements for other parties: None
- iii. Securities held as of June 30, 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	746,302	1%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	329,920	3%	-
"	"	"	Purchase	3,061,113	7%	20 days	"	-	(360,433)	(4%)	-
"	India Tindivanam Footwear Private Limited	"	Sale	567,421	1%	90 days	"	-	599,579	5%	-
"	"	"	Purchase	431,802	1%	30 days	"	-	(76,201)	(1%)	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	Sale	1,186,222	2%	60/90 days	"	-	748,992	6%	-
"	"	"	Purchase	2,414,674	5%	30 days	"	-	(686,770)	(8%)	-
"	East Wind Footwear Company Limited (India Branch)	"	Sale	808,769	2%	60/90 days	"	-	445,261	4%	-
"	"	"	Purchase	1,779,199	4%	30 days	"	-	(619,946)	(8%)	-
"	Fairway Enterprises Company Limited (India Branch)	"	Sale	1,165,837	2%	30 days	"	-	391,729	3%	-
"	"	"	Purchase	2,219,274	5%	30 days	"	-	(413,623)	(5%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sale	326,254	1%	15 days	"	-	52,522	-	-
"	"	"	Purchase	1,386,133	3%	15 days	"	-	(120,359)	(1%)	-
"	Fujian San Feng Footwear Company Limited	"	Sale	269,118	1%	15 days	"	-	43,281	-	-
"	"	"	Purchase	1,087,931	2%	15 days	"	-	(62,669)	(1%)	-
"	Fujian Xiefeng Footwear Company Limited	"	Sale	612,053	1%	15 days	"	-	64,628	1%	-
"	"	"	Purchase	2,036,151	4%	15 days	"	-	(256,873)	(3%)	-
"	Fujian Great Hope Footwear Company Limited	"	Purchase	608,323	1%	60 days	"	-	(185,404)	(2%)	-
"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sale	105,905	-	15 days	"	-	36,588	-	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	Sale	806,365	2%	30 days	"	-	151,885	1%	-

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)	
Feng Tay Enterprises Co., Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Parent and subsidiary	Purchase	3,300,658	7%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with	-	(411,795)	(5%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	1,259,761	3%	30 days	"	-	171,875	1%	-
"	"	"	Purchase	2,968,917	6%	30 days	"	-	(550,703)	(7%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	604,184	1%	30 days	"	-	110,328	1%	-
"	"	"	Purchase	3,504,541	8%	30 days	"	-	(697,377)	(9%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sale	2,072,870	4%	15 days	"	-	280,068	2%	-
"	"	"	Purchase	8,351,033	18%	30 days	"	-	(1,502,610)	(19%)	-
"	Vung Tau Orient Co., Ltd.	"	Sale	561,723	1%	120 days	"	-	329,682	3%	-
"	"	"	Purchase	1,640,354	4%	10 days	"	-	(116,748)	(1%)	-
"	Vietnam Nam Ha Footwear Company Limited	"	Sale	180,166	-	90 days	"	-	93,766	1%	-
"	"	"	Purchase	630,845	1%	10 days	"	-	(53,539)	(1%)	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,061,113	100%	20 days	"	-	360,433	100%	-
"	"	"	Purchase	746,302	36%	90 days	"	-	(329,920)	(64%)	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,386,133	85%	15 days	"	-	120,359	66%	-
"	"	"	Purchase	326,254	39%	15 days	"	-	(52,522)	(39%)	-
"	Fujian Xiefeng Footwear Company Limited	Associate	"	116,983	14%	15-20 days	"	-	(22,674)	(17%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,036,151	85%	15 days	"	-	256,873	78%	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	Associate	"	116,983	5%	15-20 days	"	-	22,674	7%	-
"	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Purchase	612,053	46%	15 days	"	-	(64,628)	(38%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,087,931	69%	15 days	"	-	62,669	34%	-
"	"	"	Purchase	269,118	33%	15 days	"	-	(43,281)	(31%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	608,323	99%	60 days	"	-	185,404	94%	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Purchase	105,905	76%	15 days	"	-	(36,588)	(89%)	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	Sale	3,474,573	100%	Payment after Delivery	"	-	1,759,580	100%	-
Hong Kong Shoe Majesty Trading Company Limited	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	3,474,573	100%	Payment after Delivery	"	-	(1,759,580)	(100%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,504,541	100%	30 days	"	-	697,377	100%	-
"	"	"	Purchase	604,184	70%	30 days	"	-	(110,328)	(29%)	-
"	Dona Victor Molds Mfg. Co., Ltd.	Associate	"	109,363	13%	60 days	"	-	(18,142)	(5%)	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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)	
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,300,658	93%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with	-	411,795	91%	-
"	"	"	Purchase	806,365	67%	30 days	"	-	(151,885)	(40%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,968,917	72%	30 days	"	-	550,703	71%	-
"	"	"	Purchase	1,259,761	56%	30 days	"	-	(171,875)	(50%)	-
Dona Victor Molds Mfg. Co., Ltd.	Dona Victor Footwear Co., Ltd.	Associate	Sale	109,363	28%	60 days	"	-	18,142	33%	-
"	Vietnam Dona Standard.	"	"	133,616	34%	60 days	"	-	15,381	28%	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,640,354	100%	10 days	"	-	116,748	99%	-
"	"	"	Purchase	561,723	88%	120 days	"	-	(329,682)	(79%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	8,351,033	98%	30 days	"	-	1,502,610	98%	-
"	"	"	Purchase	2,072,870	87%	15 days	"	-	(280,068)	(37%)	-
"	Dona Victor Molds Mfg. Co., Ltd.	Associate	"	133,616	6%	60 days	"	-	(15,381)	(2%)	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	630,845	98%	10 days	"	-	53,539	96%	-
"	"	"	Purchase	180,166	85%	90 days	"	-	(93,766)	(57%)	-
India Tindivanam Footwear Private Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	431,802	92%	30 days	"	-	76,201	87%	-
"	"	"	Purchase	567,421	93%	90 days	"	-	(599,579)	(90%)	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,779,199	97%	30 days	"	-	619,946	98%	-
"	"	"	Purchase	808,769	96%	60/90 days	"	-	(445,261)	(92%)	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,414,674	94%	30 days	"	-	686,770	96%	-
"	"	"	Purchase	1,186,222	99%	60/90 days	"	-	(748,992)	(94%)	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,219,274	97%	30 days	"	-	413,623	95%	-
"	"	"	Purchase	1,165,837	97%	30 days	"	-	(391,729)	(90%)	-

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	329,920	3.69	-	-	64,921	-
"	India Tindivanam Footwear Private Limited	"	599,579	2.20	316,871	-	-	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	748,992	3.51	116,632	-	15,234	-
"	East Wind Footwear Company Limited (India Branch)	"	445,261	4.10	35,488	-	21,841	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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.	Fairway Enterprises Company Limited (India Branch)	Parent and subsidiary	391,729	6.26	-	-	94,130	-
"	"	"	26,735	Note 2	-	-	-	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	151,885	12.28	-	-	72,340	-
"	Vietnam Dona Orient Co., Ltd.	"	171,875	12.93	-	-	63,098	-
"	Dona Victor Footwear Co., Ltd.	"	110,328	13.68	-	-	56,229	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	280,068	7.73	8,163	-	265,663	-
"	Vung Tau Orient Co., Ltd.	"	329,682	3.51	-	-	19,529	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	360,433	16.58	-	-	360,271	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	120,359	20.60	-	-	120,359	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	256,873	14.16	-	-	254,438	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	185,404	6.60	-	-	79,606	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	1,759,580	5.08	-	-	179,589	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	697,377	9.16	-	-	571,702	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	411,795	16.55	-	-	411,795	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	550,703	10.12	-	-	459,336	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	116,748	21.66	-	-	114,163	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	1,502,610	11.60	-	-	1,133,288	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	619,946	5.95	-	-	233,045	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	686,770	7.39	-	-	296,504	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	413,623	11.37	-	-	290,499	-

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

Note 2: As the amount primarily relates to other receivables, it is not applicable for the calculation of turnover days.

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	746,302	Note 3	1.8148%
"	"	"	"	Cost of sales	3,061,113	Note 3	7.4439%

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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	Accounts receivable due from related parties	329,920	90 days	0.6697%
"	"	"	"	Accounts payable to related parties	360,433	20 days	0.7316%
"	"	India Tindivanam Footwear Private Limited	"	Sales revenue	567,421	Note 3	1.3798%
"	"	"	"	Cost of sales	431,802	Note 3	1.0500%
"	"	"	"	Accounts receivable due from related parties	599,579	90 days	1.2170%
"	"	"	"	Accounts payable to related parties	76,201	30 days	0.1547%
"	"	Lotus Footwear Enterprises Limited (India Branch)	"	Sales revenue	1,186,222	Note 3	2.8846%
"	"	"	"	Cost of sales	2,414,674	Note 3	5.8719%
"	"	"	"	Accounts receivable due from related parties	748,992	60/90 days	1.5203%
"	"	"	"	Accounts payable to related parties	686,770	30 days	1.3940%
"	"	East Wind Footwear Company Limited (India Branch)	"	Sales revenue	808,769	Note 3	1.9667%
"	"	"	"	Cost of sales	1,779,199	Note 3	4.3266%
"	"	"	"	Accounts receivable due from related parties	445,261	60/90 days	0.9038%
"	"	"	"	Accounts payable to related parties	619,946	30 days	1.2584%
"	"	Fairway Enterprises Company Limited (India Branch)	"	Sales revenue	1,165,837	Note 3	2.8350%
"	"	"	"	Cost of sales	2,219,274	Note 3	5.3967%
"	"	"	"	Accounts receivable due from related parties	391,729	30 days	0.7951%
"	"	"	"	Accounts payable to related parties	413,623	30 days	0.8396%
"	"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sales revenue	326,254	Note 3	0.7934%
"	"	"	"	Cost of sales	1,386,133	Note 3	3.3707%
"	"	"	"	Accounts receivable due from related parties	52,522	15 days	0.1066%
"	"	"	"	Accounts payable to related parties	120,359	15 days	0.2443%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	269,118	Note 3	0.6544%
"	"	"	"	Cost of sales	1,087,931	Note 3	2.6456%
"	"	"	"	Accounts receivable due from related parties	43,281	15 days	0.0879%
"	"	"	"	Accounts payable to related parties	62,669	15 days	0.1272%
"	"	Fujian Xiefeng Footwear Company Limited	"	Sales revenue	612,053	Note 3	1.4884%
"	"	"	"	Cost of sales	2,036,151	Note 3	4.9514%
"	"	"	"	Accounts receivable due from related parties	64,628	15 days	0.1312%

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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 Xiefeng Footwear Company Limited	1	Accounts payable to related parties	256,873	15 days	0.5214%
"	"	Fujian Great Hope Footwear Company Limited	"	Cost of sales	608,323	Note 3	1.4793%
"	"	"	"	Accounts payable to related parties	185,404	60 days	0.3763%
"	"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sales revenue	105,905	Note 3	0.2575%
"	"	"	"	Accounts receivable due from related parties	36,588	15 days	0.0743%
"	"	Dona Pacific (Vietnam) Co., Ltd.	"	Sales revenue	806,365	Note 3	1.9609%
"	"	"	"	Cost of sales	3,300,658	Note 3	8.0264%
"	"	"	"	Accounts receivable due from related parties	151,885	30 days	0.3083%
"	"	"	"	Accounts payable to related parties	411,795	15 days	0.8359%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	1,259,761	Note 3	3.0634%
"	"	"	"	Cost of sales	2,968,917	Note 3	7.2197%
"	"	"	"	Accounts receivable due from related parties	171,875	30 days	0.3489%
"	"	"	"	Accounts payable to related parties	550,703	30 days	1.1178%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	604,184	Note 3	1.4692%
"	"	"	"	Cost of sales	3,504,541	Note 3	8.5222%
"	"	"	"	Accounts receivable due from related parties	110,328	30 days	0.2239%
"	"	"	"	Accounts payable to related parties	697,377	30 days	1.4155%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	2,072,870	Note 3	5.0407%
"	"	"	"	Cost of sales	8,351,033	Note 3	20.3077%
"	"	"	"	Accounts receivable due from related parties	280,068	15 days	0.5685%
"	"	"	"	Accounts payable to related parties	1,502,610	30 days	3.0500%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	561,723	Note 3	1.3660%
"	"	"	"	Cost of sales	1,640,354	Note 3	3.9889%
"	"	"	"	Accounts receivable due from related parties	329,682	120 days	0.6692%
"	"	"	"	Accounts payable to related parties	116,748	10 days	0.2370%
"	"	Vietnam Nam Ha Footwear Company Limited	"	Sales revenue	180,166	Note 3	0.4381%
"	"	"	"	Cost of sales	630,845	Note 3	1.5341%
"	"	"	"	Accounts receivable due from related parties	93,766	90 days	0.1903%
"	"	"	"	Accounts payable to related parties	53,539	10 days	0.1087%

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
1	Fujian Xiefeng Footwear Company Limited	Fujian Lifeng Footwear Industrial Development Company Limited	3	Sales revenue	116,983	Note 3	0.2845%
"	"	"	"	Accounts receivable due from related parties	22,674	15~20 days	0.0460%
2	Dona Victor Molds Mfg. Co., Ltd.	Dona Victor Footwear Co., Ltd.	3	Sales revenue	109,363	Note 3	0.2659%
"	"	"	"	Accounts receivable due from related parties	18,142	60 days	0.0368%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	133,616	Note 3	0.3249%
"	"	"	"	Accounts receivable due from related parties	15,381	60 days	0.0312%

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.

(b) Information on investment

The following is the information on investment for the six months ended June 30, 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 June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				June 30, 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%	682,266	(367,823)	(367,816)	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%	1,054,125	(1,823)	(1,823)	"
"	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	14,731,532	1,224,865	1,224,865	"
"	VX Holdings Limited	British Virgin Islands	Investment holding	446,117	446,117	38,280	47.26%	682,889	149,115	70,472	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	504,837	147,161	30,021	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,529,928	1,529,928	44,753	40.97%	3,555,621	668,573	273,914	Subsidiary (Note 5)
"	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	31,058	1,812	1,812	"
"	Great South Private Limited	Singapore	Investment holding	37,946	37,946	1,700	100.00%	16,527	603	603	"

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Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
Feng Tay Enterprises Co., Ltd.	India Tindivandam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	1,957,492	1,748,180	517,603,480	96.28%	1,294,871	(99,586)	(95,849)	Subsidiary (Note 5)
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	14,648	14,648	372,000	93.00%	194,064	100,770	93,716	Subsidiary (Note 5)
"	VX Holdings Limited	"	Investment holding	278,103	278,103	36,342	44.87%	667,936	149,115	66,903	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Limited	"	Investment holding	364,870	364,870	23,000	92.00%	1,340,138	178,504	164,223	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	235,325	235,325	8,580	28.60%	740,741	147,161	42,088	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,926,043	1,926,043	64,483	59.03%	5,374,691	668,573	394,659	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Private Limited	Singapore (Note 8)	Investment holding business, and manufacturing and selling of finished shoes	1,990,170	1,990,170	34,020	88.00%	4,147,193	279,073	245,585	"
"	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	21	21	10	0.01%	20	(1,823)	-	Investee under the equity method (Note 5)
"	PT Feng Tay Indonesia Enterprises	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	20	20	1	0.01%	13	(367,823)	(7)	"
"	Cheyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	31,908	-	"
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	964,788	964,788	Note 4	100.00%	1,487,106	149,625	149,625	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Hong Kong	International trade services	5,850	5,850	200	100.00%	169,600	29,495	29,495	Subsidiary
"	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,082,250	1,082,250	Note 4	100.00%	2,356,995	124,427	124,427	"
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,287,000	1,287,000	Note 4	100.00%	2,169,134	350,716	350,716	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,214,225	2,214,225	"	100.00%	4,680,483	364,119	364,119	"
"	Vung Tau Orient Co., Ltd.	"	Producing golf balls, soccer balls, and backpack, bags	1,059,529	1,059,529	"	100.00%	994,867	49,720	49,720	"
"	Vietnam Nam Ha Footwear Company Limited	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,813,500	1,813,500	"	100.00%	1,258,221	(95,476)	(95,476)	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	90,675	90,675	註4	100.00%	206,538	101,174	101,174	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	585,000	585,000	註4	100.00%	1,455,946	178,906	178,906	Subsidiary (Note 5)
Lotus Footwear Enterprises Private Limited	Cheyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,506,887	3,506,887	117,999,999	99.99%	2,760,386	31,908	31,908	Subsidiary (Note 5)
"	East Wind Footwear Company Limited	British Virgin Islands	Investment holding and production of athletic shoes	478,847	478,847	9,751	100.00%	952,520	119,983	119,983	"
"	Fairway Enterprises Company Limited	"	Investment holding and production of athletic shoes	1,339,454	1,339,454	29,501	100.00%	1,689,545	95,992	95,992	"

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 June 30, 2025, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of June 30, 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.

Note 8: The subsidiary was originally incorporated in the British Virgin Islands and was re-domiciled to Singapore in 2025.

(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 June 30, 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.	131,625	Note 1	160,277	-	-	160,277	5,136	50.00%	2,568	29,291	106,846
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	87,750	"	140,496	-	-	140,496	42,075	50.34%	21,179	133,160	1,376,205
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	438,750	"	165,913	-	-	165,913	118,871	77.50%	92,125	699,655	1,153,514
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	438,750	"	265,466	-	-	265,466	33,383	68.00%	22,700	404,842	1,115,411
Fujian Da Feng Holdings Company Limited	Investment holding.	789,750	"	819,331	-	-	819,331	222,023	70.00%	155,416	1,650,370	6,983,536

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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 June 30, 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 Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	232,538	Note 1	391,497	-	-	391,497	59,647	84.73%	50,542	372,949	775,113
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	438,750	Note 2	-	-	-	-	32,952	70.00%	23,066	450,626	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	74,960	"	-	-	-	-	34,930	66.07%	23,077	153,461	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of June 30, 2025 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
1,942,980	2,648,662	13,582,512

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 six months ended June 30, 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 29.250 on June 30, 2025.

Note 8: Calculated based on the average closing exchange rate of 31.6008 between January and the end of June 2025.

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:

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	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the three months ended				
June 30, 2025				
Revenue				
Revenue from external customers	\$ 19,302,900	1,096,818	-	20,399,718
Intersegment revenues	22,752,648	1,253,659	(24,006,307)	-
Total revenue	\$ 42,055,548	2,350,477	(24,006,307)	20,399,718
Reportable segment profit or loss	\$ 2,580,072	85,124	(1,063,079)	1,602,117

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the three months ended				
June 30, 2024				
Revenue				
Revenue from external customers	\$ 21,135,933	1,130,763	-	22,266,696
Intersegment revenues	25,762,612	663,383	(26,425,995)	-
Total revenue	\$ 46,898,545	1,794,146	(26,425,995)	22,266,696
Reportable segment profit or loss	\$ 2,379,529	33,239	6,646	2,419,414

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the six months ended				
June 30, 2025				
Revenue				
Revenue from external customers	\$ 38,932,600	2,189,941	-	41,122,541
Intersegment revenues	46,376,032	2,444,169	(48,820,201)	-
Total revenue	\$ 85,308,632	4,634,110	(48,820,201)	41,122,541
Reportable segment profit or loss	\$ 4,245,881	98,642	(1,088,739)	3,255,784

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	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the six months ended June 30, 2024				
Revenue				
Revenue from external customers \$	40,809,589	2,073,558	-	42,883,147
Intersegment revenues	48,237,585	1,895,860	(50,133,445)	-
Total revenue	\$ 89,047,174	3,969,418	(50,133,445)	42,883,147
Reportable segment profit or loss	\$ 4,233,299	(6,011)	17,455	4,244,743