

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2022 and 2021**

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

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## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Feng Tay Enterprises Company Limited and its subsidiaries (“the Group”), as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, 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 Statement of Auditing Standard 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. 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 generally accepted auditing standards 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 \$10,802,822 thousand and \$11,144,178 thousand, constituting 21.70% and 25.41% of consolidated total assets as of March 31, 2022 and 2021, respectively; total liabilities amounting to \$3,784,743 thousand and \$4,585,097 thousand, constituting 13.71% and 19.59% of consolidated total liabilities as of March 31, 2022 and 2021, respectively, and total comprehensive income amounting to \$292,930 thousand and \$225,640 thousand, constituting 10.19% and 12.43% of consolidated total comprehensive income (loss) for the three months ended March 31, 2022 and 2021, respectively.

Furthermore, as stated in Note (6)(e), the other equity accounted investments of the Group in its investee companies of \$778,343 thousand and \$728,112 thousand as of March 31, 2022 and 2021, respectively, and its equity in net gain on these investee companies of \$39,820 thousand and \$5,859 thousand for the three months ended March 31, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

**Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 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 Rou-Lan Kuo and Shu-Ling Lien.

KPMG

Taipei, Taiwan (Republic of China)  
May 6, 2022

**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)  
Reviewed only, not audited in accordance with generally accepted auditing standards**

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

**Consolidated Balance Sheets**

**March 31, 2022, December 31, 2021, and March 31, 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

		March 31, 2022		December 31, 2021		March 31, 2021				March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Assets</b>															
<b>Current assets:</b>															
1100	Cash and cash equivalents (Note (6)(a))	\$ 4,558,393	9	3,820,459	8	4,615,874	11	2100	Short-term borrowings (Note (6)(k))	\$ 7,336,183	15	6,300,675	13	3,710,314	8
1170	Accounts receivable (Notes (6)(c) and (r))	9,380,323	19	8,567,534	18	7,556,909	17	2130	Current contract liabilities (Note (6)(r))	490	-	403	-	443	-
1180	Accounts receivable due from related parties, net (Notes (6)(c), (r) and (7))	20,447	-	13,118	-	12,520	-	2170	Notes and accounts payable	4,985,542	10	3,960,166	8	4,938,384	11
1200	Other receivables (Note (7))	817,818	2	631,589	1	398,139	1	2200	Other payables	4,115,287	8	4,672,025	10	3,653,765	8
1220	Current tax assets	118,136	-	178,851	-	174,013	-	2230	Current tax liabilities	2,473,751	5	1,761,214	4	2,969,798	8
130X	Inventories (Note (6)(d))	9,318,936	19	9,374,817	20	7,960,916	18	2280	Current lease liabilities (Note (6)(m))	35,324	-	33,158	-	20,889	-
1476	Other current financial assets (Note (8))	1,079,644	2	1,044,985	2	119,164	-	2320	Long-term liabilities, current portion (Note (6)(l))	13,719	-	37,186	-	77,505	-
1479	Other current assets, others	958,572	2	814,889	2	1,006,367	3	2399	Other current liabilities, others	42,768	-	19,476	-	65,967	-
	<b>Total current assets</b>	<u>26,252,269</u>	<u>53</u>	<u>24,446,242</u>	<u>51</u>	<u>21,843,902</u>	<u>50</u>		<b>Total current liabilities</b>	<u>19,003,064</u>	<u>38</u>	<u>16,784,303</u>	<u>35</u>	<u>15,437,065</u>	<u>35</u>
<b>Non-current assets:</b>															
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	-	-	-	-	420	-	2540	Long-term borrowings (Note (6)(l))	1,317,803	3	2,853,288	6	1,040,334	2
1550	Investments accounted for using equity method (Note (6)(e))	778,343	2	719,726	2	728,112	2	2570	Deferred tax liabilities (Note (6)(o))	3,048,882	6	3,276,537	7	3,027,554	7
1600	Property, plant and equipment (Note (6)(g))	18,737,795	38	18,059,715	39	17,963,730	41	2580	Non-current lease liabilities (Note (6)(m))	521,498	1	534,191	1	502,967	1
1755	Right-of-use assets (Note (6)(h))	1,680,297	3	1,650,198	3	1,409,289	3	2640	Non-current net defined benefit liability (Note (6)(n))	3,462,260	7	3,356,409	7	3,231,526	8
1760	Investment property, net (Note (6)(i))	66,729	-	64,004	-	62,827	-	2670	Other non-current liabilities	248,999	1	251,898	1	164,132	-
1780	Intangible assets (Note (6)(j))	409,159	1	401,207	1	385,395	1		<b>Total non-current liabilities</b>	<u>8,599,442</u>	<u>18</u>	<u>10,272,323</u>	<u>22</u>	<u>7,966,513</u>	<u>18</u>
1840	Deferred tax assets (Note (6)(o))	1,244,922	2	1,232,747	3	1,053,368	2		<b>Total liabilities</b>	<u>27,602,506</u>	<u>56</u>	<u>27,056,626</u>	<u>57</u>	<u>23,403,578</u>	<u>53</u>
1980	Other non-current financial assets (Note (8))	73,687	-	71,532	-	75,191	-	<b>Equity attributable to owners of parent</b>							
1990	Other non-current assets	531,342	1	279,818	1	329,059	1	<b>(Note (6)(p)):</b>							
	<b>Total non-current assets</b>	<u>23,522,274</u>	<u>47</u>	<u>22,478,947</u>	<u>49</u>	<u>22,007,391</u>	<u>50</u>	3110	Total capital stock	8,816,811	18	8,816,811	19	8,816,811	20
								3200	Capital surplus	50,914	-	50,916	-	50,008	-
								Retained earnings:							
								3310	Legal reserve	5,126,375	10	5,126,375	11	4,676,373	11
								3320	Special reserve	2,082,107	4	2,082,107	4	1,247,402	3
								3350	Unappropriated retained earnings	6,666,302	13	4,593,319	10	6,271,422	15
								Other equity interest:							
								3410	Exchange differences on translation of foreign financial statements	(1,945,862)	(4)	(2,559,457)	(5)	(2,091,196)	(5)
									<b>Total equity attributable to owners of parent:</b>	<u>20,796,647</u>	<u>41</u>	<u>18,110,071</u>	<u>39</u>	<u>18,970,820</u>	<u>44</u>
								36XX	<b>Non-controlling interests</b>	<u>1,375,390</u>	<u>3</u>	<u>1,758,492</u>	<u>4</u>	<u>1,476,895</u>	<u>3</u>
									<b>Total equity</b>	<u>22,172,037</u>	<u>44</u>	<u>19,868,563</u>	<u>43</u>	<u>20,447,715</u>	<u>47</u>
<b>Total assets</b>		<u>\$ 49,774,543</u>	<u>100</u>	<u>46,925,189</u>	<u>100</u>	<u>43,851,293</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 49,774,543</u>	<u>100</u>	<u>46,925,189</u>	<u>100</u>	<u>43,851,293</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with generally accepted auditing standards**

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

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2022 and 2021**

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

		<b>For the three months ended March 31</b>			
		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues (Notes (6)(r) and (7))</b>	\$ 22,394,994	100	19,336,825	100
5000	<b>Operating costs (Note (6)(d))</b>	(17,132,556)	(77)	(14,614,896)	(76)
	<b>Gross profit from operations</b>	<u>5,262,438</u>	<u>23</u>	<u>4,721,929</u>	<u>24</u>
	<b>Operating expenses:</b>				
6100	Selling and administrative expenses	(2,036,632)	(9)	(1,754,691)	(9)
6300	Research and development expenses	(674,035)	(3)	(649,614)	(3)
	<b>Total operating expenses</b>	<u>(2,710,667)</u>	<u>(12)</u>	<u>(2,404,305)</u>	<u>(12)</u>
	<b>Net operating income</b>	<u>2,551,771</u>	<u>11</u>	<u>2,317,624</u>	<u>12</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note (6)(t))	12,376	-	11,016	-
7010	Other income (Note (6)(t))	146,084	1	151,502	1
7020	Other gains and losses, net (Note (6)(t))	317,089	1	230,160	1
7050	Financial costs (Note (6)(t))	(32,431)	-	(24,558)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(e))	39,820	-	5,859	-
	<b>Total non-operating income and expenses</b>	<u>482,938</u>	<u>2</u>	<u>373,979</u>	<u>2</u>
	<b>Profit from continuing operations before tax</b>	<u>3,034,709</u>	<u>13</u>	<u>2,691,603</u>	<u>14</u>
7950	<b>Income tax expenses (Note (6)(o))</b>	(827,309)	4	(862,645)	4
	<b>Net profit</b>	<u>2,207,400</u>	<u>9</u>	<u>1,828,958</u>	<u>10</u>
	<b>Other comprehensive income:</b>				
	<b>Item that may be reclassified subsequently to profit or loss</b>				
8360	Exchange differences on translation of foreign financial statements	643,192	3	(14,102)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	24,979	-	1,074	-
8399	Income tax related to components of other comprehensive income that will may be reclassified to profit or loss	(2,080)	-	(89)	-
	<b>Item that may be reclassified subsequently to profit or loss</b>	<u>666,091</u>	<u>3</u>	<u>(13,117)</u>	<u>-</u>
	<b>Other comprehensive income</b>	<u>666,091</u>	<u>3</u>	<u>(13,117)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 2,873,491</u>	<u>12</u>	<u>1,815,841</u>	<u>10</u>
	<b>Net profit, attributable to:</b>				
8610	Net profit, attributable to owners of parent	\$ 2,072,983	9	1,639,861	9
8620	Net profit, attributable to non-controlling interests	134,417	-	189,097	1
		<u>\$ 2,207,400</u>	<u>9</u>	<u>1,828,958</u>	<u>10</u>
	<b>Comprehensive income attributable to:</b>				
8710	Comprehensive income, attributable to owners of parent	\$ 2,686,578	12	1,630,772	9
8720	Comprehensive income, attributable to non-controlling interests	186,913	-	185,069	1
		<u>\$ 2,873,491</u>	<u>12</u>	<u>1,815,841</u>	<u>10</u>
	<b>Earnings per share (Note (6)(q))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 2.35</u>		<u>1.86</u>	

See accompanying notes to consolidated financial statements.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2022 and 2021  
(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	Legal reserve	Retained earnings Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			
<b>Balance on January 1, 2021</b>	\$ 8,816,811	50,025	4,676,373	1,247,402	4,631,561	(2,082,107)	17,340,065	2,015,027	19,355,092
Net profit	-	-	-	-	1,639,861	-	1,639,861	189,097	1,828,958
Other comprehensive income	-	-	-	-	-	(9,089)	(9,089)	(4,028)	(13,117)
Total comprehensive income	-	-	-	-	1,639,861	(9,089)	1,630,772	185,069	1,815,841
Due to donated assets received	-	(17)	-	-	-	-	(17)	-	(17)
Changes in non-controlling interests	-	-	-	-	-	-	-	(723,201)	(723,201)
<b>Balance on March 31, 2021</b>	<b>\$ 8,816,811</b>	<b>50,008</b>	<b>4,676,373</b>	<b>1,247,402</b>	<b>6,271,422</b>	<b>(2,091,196)</b>	<b>18,970,820</b>	<b>1,476,895</b>	<b>20,447,715</b>
<b>Balance on January 1, 2022</b>	\$ 8,816,811	50,916	5,126,375	2,082,107	4,593,319	(2,559,457)	18,110,071	1,758,492	19,868,563
Net profit	-	-	-	-	2,072,983	-	2,072,983	134,417	2,207,400
Other comprehensive income	-	-	-	-	-	613,595	613,595	52,496	666,091
Total comprehensive income	-	-	-	-	2,072,983	613,595	2,686,578	186,913	2,873,491
Due to donated assets received	-	(2)	-	-	-	-	(2)	-	(2)
Changes in non-controlling interests	-	-	-	-	-	-	-	(570,015)	(570,015)
<b>Balance on March 31, 2022</b>	<b>\$ 8,816,811</b>	<b>50,914</b>	<b>5,126,375</b>	<b>2,082,107</b>	<b>6,666,302</b>	<b>(1,945,862)</b>	<b>20,796,647</b>	<b>1,375,390</b>	<b>22,172,037</b>

See accompanying notes to consolidated financial statements.

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

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 3,034,709	2,691,603
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	666,072	607,734
Amortization expense	11,825	10,380
Interest expense	32,431	24,558
Interest income	(12,376)	(11,016)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(39,820)	(5,859)
Loss on disposal of property, plant and equipment	3,307	6,019
Gain on disposal of investment properties	-	(110,364)
Impairment losses	1,099	3,867
<b>Total adjustments to reconcile profit</b>	<b>662,538</b>	<b>525,319</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes and accounts receivable	(788,055)	(172,070)
Decrease (increase) in other receivables	(171,795)	(40,147)
Decrease (increase) in inventories	380,787	12,114
Decrease (increase) in other current assets	118,084	(14,497)
Decrease (increase) in other current financial assets	(34,591)	315
Decrease (increase) in other non-current assets	(9,954)	61,517
<b>Total changes in operating assets</b>	<b>(505,524)</b>	<b>(152,768)</b>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in current contract liabilities	(257)	(1,725)
Increase (decrease) in notes and accounts payable	957,038	(381,019)
Increase (decrease) in other payable	(922,737)	(1,388,634)
Increase (decrease) in other current liabilities	18,688	24,751
Increase (decrease) in net defined benefit liability	20,688	(41,833)
Increase (decrease) in other non-current liabilities	(11,107)	27,585
<b>Total changes in operating liabilities</b>	<b>62,313</b>	<b>(1,760,875)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(443,211)</b>	<b>(1,913,643)</b>
<b>Total adjustments</b>	<b>219,327</b>	<b>(1,388,324)</b>
Cash inflow generated from operations	3,254,036	1,303,279
Interest received	14,145	14,098
Interest paid	(32,368)	(24,017)
Income taxes paid	(295,967)	(539,292)
<b>Net cash flows from operating activities</b>	<b>2,939,846</b>	<b>754,068</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(958,616)	(785,820)
Proceeds from disposal of property, plant and equipment	17,087	14,430
Acquisition of intangible assets	(16,598)	(17,482)
Proceeds from disposal of investment properties	-	122,311
Decrease (increase) in other non-current financial assets	(532)	252
Decrease (increase) in other non-current assets	(229,058)	203
Dividends received	5,527	49,930
<b>Net cash flows used in investing activities</b>	<b>(1,182,190)</b>	<b>(616,176)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	937,648	211,970
Proceeds from long-term borrowings	155,675	130,350
Repayments of long-term borrowings	(1,736,110)	-
Payment of lease liabilities	(29,360)	(26,033)
Change in non-controlling interests	(557,769)	(519,461)
<b>Net cash flows used in financing activities</b>	<b>(1,229,916)</b>	<b>(203,174)</b>
Effect of exchange rate changes on cash and cash equivalents	210,194	(36,001)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>737,934</b>	<b>(101,283)</b>
Cash and cash equivalents at beginning of period	3,820,459	4,717,157
<b>Cash and cash equivalents at end of period</b>	<b>\$ 4,558,393</b>	<b>4,615,874</b>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with generally accepted auditing standards

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

**Notes to the Consolidated Financial Statements**

**March 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

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

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

The consolidated financial statements were authorized for issuance by the board of directors on May 6, 2022.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) 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, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

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

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

**(4) Summary of significant 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 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, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

**(b) Basis of consolidation**

**(i) List of subsidiaries in the consolidated financial statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	PT Feng Tay Indonesia Enterprises	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	99.81 %	99.81 %	99.81 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000.(Note1)
The Company	Growth-Link Overseas Co., Ltd. (GLO)	Investment holding, selling of athletic shoes, and trading of footwear materials.	100.00 %	100.00 %	100.00 %	Growth-Link Overseas Co., Ltd. was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).
The Company GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	92.13 %	VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923).(Note1)
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).

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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
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company & GLO	PT Rich Valley Indonesia	Manufacturing of 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 USD24,069,151.(Note1)
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).(Note1)
The Company	Great South Private Limited	Investing holding.	100.00 %	100.00 %	- %	Great South Private Limited was established in Singapore in 2021, and has paid in capital of SGD300,000.(Note1)
GLO	Fujian Da Feng Holdings Co., Ltd. (DF)	Investment holding.	70.00 %	70.00 %	70.00 %	Fujian Da Feng Holdings Co., Ltd. was established in Fujian Province, China in 1993, and has paid in capital of USD30,000,000.(Note1)
DF	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. (LF)	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. was established in Fujian Province, China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Xiefeng Footwear Co., Ltd. was established in Fujian Province, China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	80.00 %	Fujian San Feng Footwear Co., Ltd. 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 Co., Ltd.( GH)	Production of 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 Co., Ltd. was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000.(Note1)
GLO	Xie Feng Mold Co., Ltd. Putian, Fujian(XM)	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	50.34 %	Xie Feng Mold Co., Ltd. Putian, Fujian was established in Fujian Province, China in 1991, and has paid in capital of USD3,000,000.(Note1)
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.(Note1)
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail 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.(Note1)

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2022	December 31, 2021	March 31, 2021	
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding and sale of finished shoes.	92.00 %	92.00 %	92.00 %	Dona Pacific Holdings Ltd., was established in British Virgin Islands in 1990, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901).(Note1)
GLO	VX Mold Co., Ltd. (VXM)	Investment holding.	93.00 %	93.00 %	93.00 %	VX Mold Co., Ltd., was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.(Note1)
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoe.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Ltd., was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
VXH	Dona Victor Footwear Co., Ltd.	Producing of 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.	Manufacturing of 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.	Manufacturing of 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.	Producing 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 USD23,000,000.(Note1)
DOH	Hold Gold Trading Co., Ltd.	Selling of finished shoes, golf balls, backpack, bags and soccer ball.	100.00 %	100.00 %	100.00 %	Hold Gold Trading Co.,Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD100,000 (including share premium of USD99,900). (Note1) \ (Note2)
DOH	Vietnam Nam Ha Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Nam Ha Footwear Co., Ltd., was established in Vietnam in 2019, and has paid in capital of USD 27,000,000. (Note1)
DPH	Dona Pacific (Vietnam) Co., Ltd.	Producing 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.

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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
			March 31, 2022	December 31, 2021	March 31, 2021	
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufacturing and repair of 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.(Note1)
GLO and LUH	Cheyar SEZ Developers Private Ltd.	Development in India's Industrial Park.	100.00 %	100.00 %	100.00 %	Cheyar SEZ Developers Private Ltd., was established in Indian in 2006, and has paid in capital of USD90,688,139.(Note1)
LUH	East Wind Footwear Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	East Wind Footwear Co., Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD16,532,207 (including share premium of USD16,522,456).
LUH	Fairway Enterprises Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	Fairway Enterprises Co., Ltd., was established in British Virgin Islands in 2014, and has paid in capital of USD54,302,000 (including share premium of USD54,274,849).

Note1: This company is an non-significant subsidiary, its financial statements have not been reviewed.

Note2: This subsidiary was dissolved in April 2022.

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

(c) Employee benefits

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

(d) Income taxes

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

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

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

(Continued)

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions 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, 2021. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash	\$ 1,016	1,003	1,174
Demand deposits and check deposit	2,213,594	1,218,416	1,219,003
Time deposits	<u>2,343,783</u>	<u>2,601,040</u>	<u>3,395,697</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 4,558,393</u>	<u>3,820,459</u>	<u>4,615,874</u>

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

(b) Financial assets at fair value through other comprehensive income

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Equity investments at fair value through other comprehensive income			
Stock unlisted in foreign markets	\$ -	-	<u>420</u>

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term strategic purposes.

(ii) For credit risk and market risk, please refer to note 6(v).

(iii) As of March 31, 2021, the Group did not provide any financial assets at fair value through other comprehensive income as collateral for its loans.

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

(c) Accounts receivables (including related parties)

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Trade receivables—measured at amortized cost	\$ 9,400,770	8,580,652	7,569,429
Less: Allowance for credit loss	-	-	-
	<u><u>\$ 9,400,770</u></u>	<u><u>8,580,652</u></u>	<u><u>7,569,429</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables 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:

	<b>March 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss provision</b>
Current	\$ 8,673,684	0.00%	-
1 to 60 days past due	721,353	0.00%	-
61 days to 1 year past due	5,733	0.00%~50.00%	-
	<u><u>\$ 9,400,770</u></u>		<u><u>-</u></u>
	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss provision</b>
Current	\$ 7,283,255	0.00%	-
1 to 60 days past due	1,290,935	0.00%	-
61 days to 1 year past due	6,462	0.00%~50.00%	-
	<u><u>\$ 8,580,652</u></u>		<u><u>-</u></u>
	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss provision</b>
Current	\$ 7,001,381	0.00%	-
1 to 60 days past due	567,665	0.00%	-
61 days to 1 year past due	383	0.00%~50.00%	-
	<u><u>\$ 7,569,429</u></u>		<u><u>-</u></u>

(Continued)

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

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

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2022</b>	<b>2021</b>
Balance on March 31	\$ -	-

As of March 31, 2022, December 31, 2021 and March 31, 2021, none of the Group's accounts receivable was pledged as collateral for loans and borrowings.

(d) Inventories

	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
Raw materials and supplies	\$ 4,587,909	4,680,122	3,526,642
Work in process	1,077,132	1,135,772	914,536
Finished goods	2,023,393	2,071,857	2,313,273
Merchandise inventory	125,825	152,063	222,227
Inventory in transit	1,502,160	1,333,423	980,517
Others	2,517	1,580	3,721
	<b>\$ 9,318,936</b>	<b>9,374,817</b>	<b>7,960,916</b>

The details of operating cost were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2022</b>	<b>2021</b>
Cost of goods sold	\$ 17,156,558	14,601,136
Net losses (gains) on inventories	(15)	460
Inventory scrap loss	749	1,352
Revenue from sale of scraps	(39,741)	(10,580)
Losses on obsolescence and inventory valuation	15,005	22,528
Total	<b>\$ 17,132,556</b>	<b>14,614,896</b>

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

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had not provided any inventories as collateral for its loans.

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

(e) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Joint ventures	\$ <u>778,343</u>	<u>719,726</u>	<u>728,112</u>

(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:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Individually insignificant joint venture	\$ <u>778,343</u>	<u>719,726</u>	<u>728,112</u>

	<u>For the three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Attributable to the Group:		
Profit (loss) from continuing operation	\$ 39,820	5,859
Other comprehensive income (loss)	<u>22,899</u>	<u>985</u>
Comprehensive income (loss)	<u>\$ 62,719</u>	<u>6,844</u>

(ii) Collateral

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had not provided any investment accounted for using equity method as collaterals for its loans.

(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.

(Continued)

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

(f) Material non-controlling interest of subsidiaries

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

<u>Subsidiaries</u>	<u>Main operation place</u>	<u>Percentage of non-controlling interests</u>		
		<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Da Feng Holdings Co., Ltd.	China	30.00 %	30.00 %	30.00 %

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:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Current assets	\$ 109,928	1,322,920	228,268
Non-current assets	1,998,751	1,707,959	2,170,373
Current liabilities	(27,361)	(49,168)	(64,465)
Net assets	<u>\$ 2,081,318</u>	<u>2,981,711</u>	<u>2,334,176</u>
Non-controlling interests	<u>\$ 624,396</u>	<u>894,513</u>	<u>700,253</u>
		<b>For the three months ended</b>	
		<b>March 31</b>	
		<u>2022</u>	<u>2021</u>
Net income		\$ 229,462	339,319
Other comprehensive income (loss)		96,612	64,956
Comprehensive income		<u>\$ 326,074</u>	<u>404,275</u>
Profit, attributable to non-controlling interests		<u>\$ 68,839</u>	<u>101,796</u>
Comprehensive income, attributable to non-controlling interests		<u>\$ 97,822</u>	<u>121,283</u>
Net cash flows from operating activities		\$ (93,251)	654,633
Net cash flows from investing activities		1,098,078	378,919
Net cash flows from financing activities		(1,230,196)	(1,553,210)
Net increase (decrease) in cash and cash equivalents		<u>\$ (225,369)</u>	<u>(519,658)</u>
Cash dividends to non-controlling interests		<u>\$ 369,059</u>	<u>465,963</u>

(Continued)

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

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:										
Balance on January 1, 2022	\$ 1,585,956	13,272,490	19,511,422	439,680	113,563	441,603	526,556	88,908	839,820	36,819,998
Additions	-	9,469	94,246	7,226	305	5,821	11,607	180	681,732	810,586
Disposals	-	(4,639)	(67,024)	(5,242)	(68)	(2,266)	(2,292)	(699)	-	(82,230)
Reclassifications	-	66,129	386,171	6,927	850	10,861	13,684	-	(484,622)	-
Effect of changes in foreign exchange rates	12,840	352,174	676,897	10,877	-	14,417	14,786	962	16,309	1,099,262
Balance on March 31, 2022	\$ 1,598,796	13,695,623	20,601,712	459,468	114,650	470,436	564,341	89,351	1,053,239	38,647,616
Balance on January 1, 2021	\$ 1,596,826	12,966,118	18,104,311	402,740	105,054	316,652	523,656	83,541	1,099,299	35,198,197
Additions	-	1,076	36,173	13,194	1,491	926	3,555	1,430	706,089	763,934
Disposals	-	(15,417)	(183,750)	(3,098)	(10)	(3,177)	(14,400)	(928)	-	(220,780)
Reclassifications	-	2,642	652,777	3,309	2,008	20,380	2,249	-	(683,365)	-
Effect of changes in foreign exchange rates	747	(4,769)	10,947	139	-	221	411	58	217	7,971
Balance on March 31, 2021	\$ 1,597,573	12,949,650	18,620,458	416,284	108,543	335,002	515,471	84,101	1,122,240	35,749,322
Depreciation and impairment loss:										
Balance on January 1, 2022	\$ -	6,529,458	11,127,462	333,398	95,845	208,504	401,377	64,239	-	18,760,283
Depreciation	-	128,437	476,414	12,703	2,270	12,970	12,204	1,804	-	646,802
Impairment loss	-	-	1,085	14	-	-	-	-	-	1,099
Disposals	-	(3,884)	(48,271)	(4,733)	(64)	(2,071)	(2,223)	(590)	-	(61,836)
Effect of changes in foreign exchange rates	-	189,757	347,549	7,897	-	6,595	11,004	671	-	563,473
Balance on March 31, 2022	\$ -	6,843,768	11,904,239	349,279	98,051	225,998	422,362	66,124	-	19,909,821
Balance on January 1, 2021	\$ -	6,168,537	10,234,841	299,195	90,445	182,901	387,310	61,081	-	17,424,310
Depreciation	-	126,452	428,431	12,675	1,649	8,747	12,256	1,695	-	591,905
Impairment loss	-	260	3,593	9	-	5	-	-	-	3,867
Disposals	-	(11,571)	(168,346)	(3,062)	(10)	(2,556)	(13,953)	(833)	-	(200,331)
Effect of changes in foreign exchange rates	-	(4,332)	(30,359)	119	-	50	322	41	-	(34,159)
Balance on March 31, 2021	\$ -	6,279,346	10,468,160	308,936	92,084	189,147	385,935	61,984	-	17,785,592
Carrying amounts:										
Balance on January 1, 2022	\$ 1,585,956	6,743,032	8,383,960	106,282	17,718	233,099	125,179	24,669	839,820	18,059,715
Balance on March 31, 2022	\$ 1,598,796	6,851,855	8,697,473	110,189	16,599	244,438	141,979	23,227	1,053,239	18,737,795
Balance on January 1, 2021	\$ 1,596,826	6,797,581	7,869,470	103,545	14,609	133,751	136,346	22,460	1,099,299	17,773,887
Balance on March 31, 2021	\$ 1,597,573	6,670,304	8,152,298	107,348	16,459	145,855	129,536	22,117	1,122,240	17,963,730

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.

As of March 31, 2022, December 31, 2021 and March 31, 2021 the property, plant and equipment of the Company were 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**

(h) Right-of-use assets

The Group leases assets, including parking lots, plants, warehouses and telephone sets. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2022	\$ 1,697,289	84,697	13,736	11,001	1,806,723
Additions	-	-	-	922	922
Effect of changes in foreign exchange rates	49,522	(4,385)	469	45	45,651
Balance on March 31, 2022	<u>\$ 1,746,811</u>	<u>80,312</u>	<u>14,205</u>	<u>11,968</u>	<u>1,853,296</u>
Balance on January 1, 2021	\$ 1,465,910	30,755	14,133	11,281	1,522,079
Additions	4,990	-	-	-	4,990
Effect of changes in foreign exchange rates	721	60	28	2	811
Balance on March 31, 2021	<u>\$ 1,471,621</u>	<u>30,815</u>	<u>14,161</u>	<u>11,283</u>	<u>1,527,880</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2022	\$ 124,762	19,383	3,253	9,127	156,525
Depreciation	11,660	6,583	552	400	19,195
Effect of changes in foreign exchange rates	3,877	(6,735)	120	17	(2,721)
Balance on March 31, 2022	<u>\$ 140,299</u>	<u>19,231</u>	<u>3,925</u>	<u>9,544</u>	<u>172,999</u>
Balance on January 1, 2021	\$ 86,461	7,490	1,116	7,818	102,885
Depreciation	12,861	1,933	556	403	15,753
Effect of changes in foreign exchange rates	(76)	24	5	-	(47)
Balance on March 31, 2021	<u>\$ 99,246</u>	<u>9,447</u>	<u>1,677</u>	<u>8,221</u>	<u>118,591</u>
Carrying amount:					
Balance on January 1, 2022	<u>\$ 1,572,527</u>	<u>65,314</u>	<u>10,483</u>	<u>1,874</u>	<u>1,650,198</u>
Balance on March 31, 2022	<u>\$ 1,606,512</u>	<u>61,081</u>	<u>10,280</u>	<u>2,424</u>	<u>1,680,297</u>
Balance on January 1, 2021	<u>\$ 1,379,449</u>	<u>23,265</u>	<u>13,017</u>	<u>3,463</u>	<u>1,419,194</u>
Balance on March 31, 2021	<u>\$ 1,372,375</u>	<u>21,368</u>	<u>12,484</u>	<u>3,062</u>	<u>1,409,289</u>

(i) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	<u>Owned property</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	
Cost:			
Balance on January 1, 2022	\$ 15,114	404,663	419,777
Effect of changes in foreign exchange rates	282	15,567	15,849
Balance on March 31, 2022	<u>\$ 15,396</u>	<u>420,230</u>	<u>435,626</u>

(Continued)

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

	<u>Owned property</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	
Balance on January 1, 2021	\$ 15,353	533,298	548,651
Disposals	-	(124,752)	(124,752)
Effect of changes in foreign exchange rates	16	(3,188)	(3,172)
Balance on December 31, 2021	<u>\$ 15,369</u>	<u>405,358</u>	<u>420,727</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2022	\$ -	355,773	355,773
Depreciation	-	75	75
Effect of changes in foreign exchange rates	-	13,049	13,049
Balance on March 31, 2022	<u>\$ -</u>	<u>368,897</u>	<u>368,897</u>
Balance on January 1, 2021	\$ -	473,621	473,621
Depreciation	-	76	76
Disposal	-	(112,805)	(112,805)
Effect of changes in foreign exchange rates	-	(2,992)	(2,992)
Balance on March 31, 2021	<u>\$ -</u>	<u>357,900</u>	<u>357,900</u>
Carrying amount:			
Balance on January 1, 2022	<u>\$ 15,114</u>	<u>48,890</u>	<u>64,004</u>
Balance on March 31, 2022	<u>\$ 15,396</u>	<u>51,333</u>	<u>66,729</u>
Balance on January 1, 2021	<u>\$ 15,353</u>	<u>59,677</u>	<u>75,030</u>
Balance on March 31, 2021	<u>\$ 15,369</u>	<u>47,458</u>	<u>62,827</u>
Fair value:			
Balance on March 31, 2022			<u>\$ 347,952</u>
Balance on January 1, 2022			<u>\$ 336,612</u>
Balance on March 31, 2021			<u>\$ 337,688</u>

In November 2020, the Group entered into a purchase intent contract whereby the buyer, which was a company, promised to purchase real estate in Yuanhong City from the Group by phases. In January 2021, the transfer of ownership, the first phase of the transaction, has been completed, and \$109,597 thousand was recognized as proceeds from disposal.

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

In December 2021, the buyer failed to complete the transaction within 360 days after the date on which the contract was entered into. Therefore, the Group issued a contract termination letter to the buyer but did not receive any response. The Group consulted the lawyer, and the lawyer judged that the buyer had already abandoned the purchase of the real estate in Yuanhong City. According to the liability clauses specified in the contract, the Group filed a claim for a liquidated damages of CNY5,000,000 against the buyer and the Group received a deposit of CNY3,000,000, which was accounted for as a portion of the liquidated damages and allocated to the three sellers, in proportion to the amount of the transaction's uncompleted part, and therefore the Group recognized CNY2,162,851 as other income. The Group decided not to pursue the remaining liquidated damages amounted of CNY2,000,000 from the buyer in April 22 after a comprehensive assessment of the low probability of winning the case.

Investment property includes commercial property held for value appreciation.

The fair value of commercial property was evaluated by a qualified independent valuation expert based on market value.

The land held for value appreciation was evaluated based on the publicly available average price of latest transactions, public information, and the cost to reacquire the subject matter on the transaction date. In addition, the current status, economy, function, and other factors of the subject matter were taken into consideration to estimate its value.

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Investment property of the Group was not pledged as collateral for its loans.

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Costs			
Balance on January 1, 2022	\$ 419,291	318,596	737,887
Additions	-	17,574	17,574
Disposal	-	(278)	(278)
Effect of changes in foreign exchange rates	<u>3,667</u>	<u>9,139</u>	<u>12,806</u>
Balance on March 31, 2022	<u>\$ 422,958</u>	<u>345,031</u>	<u>767,989</u>
Balance on January 1, 2021	\$ 422,395	269,614	692,009
Additions	-	17,494	17,494
Disposal	-	(1,979)	(1,979)
Effect of changes in foreign exchange rates	<u>213</u>	<u>(64)</u>	<u>149</u>
Balance on March 31, 2021	<u>\$ 422,608</u>	<u>285,065</u>	<u>707,673</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>
Accumulated amortization and impairment losses			
Balance on January 1, 2022	\$ 104,161	232,519	336,680
Amortization	-	11,825	11,825
Disposal	-	(278)	(278)
Effect of changes in foreign exchange rates	3,481	7,122	10,603
Balance on March 31, 2022	<u>\$ 107,642</u>	<u>251,188</u>	<u>358,830</u>
Balance on January 1, 2021	\$ 107,108	206,659	313,767
Amortization	-	10,380	10,380
Disposal	-	(1,979)	(1,979)
Effect of changes in foreign exchange rates	203	(93)	110
Balance on March 31, 2021	<u>\$ 107,311</u>	<u>214,967</u>	<u>322,278</u>
Carrying amounts:			
Balance on January 1, 2022	<u>\$ 315,130</u>	<u>86,077</u>	<u>401,207</u>
Balance on March 31, 2022	<u>\$ 315,316</u>	<u>93,843</u>	<u>409,159</u>
Balance on January 1, 2021	<u>\$ 315,287</u>	<u>62,955</u>	<u>378,242</u>
Balance on March 31, 2021	<u>\$ 315,297</u>	<u>70,098</u>	<u>385,395</u>

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of March 31, 2022, December 31, 2021 and March 31, 2021, no impairment loss has been recognized.

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group did not provide any intangible asset as collateral for its loans.

(k) Short-term borrowings

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unsecured bank loans	<u>\$ 7,336,183</u>	<u>6,300,675</u>	<u>3,710,314</u>
Range of interest rates	<u>0.55%~4.35%</u>	<u>0.55%~1.90%</u>	<u>0.53%~4.35%</u>

(Continued)

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

## (l) Long-term borrowings

The details were as follows:

	<b>Currency</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Unsecured bank loans	TWD	\$ -	1,500,000	-
Unsecured bank loans	USD	1,220,153	1,246,113	897,275
Other long-term borrowings	INR	111,369	144,361	220,564
		1,331,522	2,890,474	1,117,839
Less: current portion		(13,719)	(37,186)	(77,505)
Total		<u>\$ 1,317,803</u>	<u>2,853,288</u>	<u>1,040,334</u>
Range of interest rates		<u>0.10%~1.45%</u>	<u>0.10%~1.16%</u>	<u>0.10%~1.37%</u>
Period		<u>112~115</u>	<u>111~115</u>	<u>110~115</u>

## (m) Lease liabilities

The Group lease liabilities were as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Current	<u>\$ 35,324</u>	<u>33,158</u>	<u>20,889</u>
Non-current	<u>\$ 521,498</u>	<u>534,191</u>	<u>502,967</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<u>\$ 12,026</u>	<u>11,766</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<u>\$ 41,386</u>	<u>37,799</u>

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

(i) Real estate leases

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group leases land and buildings for its parking, factory and warehouse. The leases of office space typically run for a period of 1 to 50 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 telephone sets, with lease terms of three to five years.

(n) 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, 2021 and 2020.

The expenses recognized in profit or loss for the Group amounted to \$89,482 thousand and \$92,107 thousand for the three months ended March 31, 2022 and 2021, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$248,712 thousand and \$229,456 thousand for the three months ended March 31, 2022 and 2021, respectively.

(o) Income taxes

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

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax expense		
Current period	\$ 826,959	854,901
Adjustment for prior periods	350	7,744
Income tax expense	<b>\$ 827,309</b>	<b>862,645</b>

(Continued)

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

The amount of income tax recognized in other comprehensive income for the three months ended March 31, 2022 and 2021 were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2022</b>	<b>2021</b>
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	\$ <u>(2,080)</u>	<u>(89)</u>

The Company's tax returns for the years up to 2019 have been assessed by the R.O.C. tax authorities.

In 2021, the dividends distributed by the subsidiaries of the Group are applicable to the regulations on repatriation of funds, the dividend amount is \$1,506,230 thousand, the tax rate is 10%, and the tax incentive amount is \$152,272 thousand.

For the year of 2012 to 2016, some of the Group's subsidiaries were embroiled in disputes with tax authorities over tax returns, and the amended amounts thereof had been approved and adjusted for the respective years of approval. Each subsidiary has filed an administrative relief application, which has been under review by the authorities concerned.

For the year of 2006 to 2013, some of the Group's subsidiaries in China were involved in disputes with tax authorities over tax returns, against which each of the subsidiaries has filed an appeal, and negotiations were undergone. The estimated tax expense was recognized in 2016; as of the reporting date, the negotiations were still in progress.

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.

(p) Capital and other equity

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Company's total rated share capital amounted to \$9,000,000 thousand, with a par value of \$10, and the number of shares all was 900,000 thousand ordinary shares. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are all 881,681 thousand ordinary shares, and all the consideration for issued shares has been received.

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

(i) Capital surplus

The details of capital surplus were as follows:

	<b>March 31,</b> <b>2022</b>	<b>December 31,</b> <b>2021</b>	<b>March 31,</b> <b>2021</b>
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	2,765	2,767	1,859
Issued shares of subsidiaries not recognized in proportion to shareholding	8,866	8,866	8,866
	<b>\$ 50,914</b>	<b>50,916</b>	<b>50,008</b>

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.

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

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 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.

3) Earnings distribution

On March 18, 2022, the Company's board of directors resolved to appropriate the 2021 earnings. On July 16, 2021, the shareholder's meetings resolved to distribute the 2020 earnings. These earnings were appropriated as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Amount (dollar)</u>	<u>Total</u>	<u>Amount (dollar)</u>	<u>Total</u>
Dividends distributed to ordinary shareholders				
Cash	\$ 4.10	<u>3,614,893</u>	3.70	<u>3,262,220</u>

(iii) Other equity interest after tax

Balance on January 1, 2022	\$ (2,559,457)
Exchange differences on translation of foreign financial statement	590,696
Exchange differences on associates accounted for using equity method	<u>22,899</u>
Balance on March 31, 2022	<u>\$ (1,945,862)</u>

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

	<b>Exchange differences on translation of foreign financial statement</b>
Balance on January 1, 2021	\$ (2,082,107)
Exchange differences on translation of foreign financial statement	(10,074)
Exchange differences on associates accounted for using equity method	<u>985</u>
Balance on March 31, 2021	<u><u>\$ (2,091,196)</u></u>

(iv) Non-controlling interests (NCIs)

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Balance on January 1	\$ 1,758,492	2,015,027
Shares attributed to non-controlling interests		
Net profit	134,417	189,097
Foreign currency translation differences for foreign operations	52,496	(4,028)
Cash dividends paid to NCIs by subsidiaries	<u>(570,015)</u>	<u>(723,201)</u>
Balance on March 31	<u><u>\$ 1,375,390</u></u>	<u><u>1,476,895</u></u>

(q) Earnings per share

For the three months ended March 31, 2022 and 2021, the Company's basic earnings per share were calculated as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Basic earnings per share</b>		
Net profit attributable to ordinary shareholders of the Company	<u>\$ 2,072,983</u>	<u>1,639,861</u>
Weighted average number of ordinary shares (basic)	<u>881,681</u>	<u>881,681</u>
<b>Basic earnings per share (dollars)</b>	<u><u>\$ 2.35</u></u>	<u><u>1.86</u></u>

The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees, directors, and the supervisors for the year ended December 31, 2022, was distributed in cash using the same method for the preceding three years.

(Continued)

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

## (r) Revenue from contracts with customer

## (i) Disaggregation of revenue

	<b>For the three months ended March 31, 2022</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 16,096,685	422,634	16,519,319
America	2,252,332	260,237	2,512,569
Mainland China	1,345,310	749	1,346,059
Switzerland	748,419	-	748,419
Mexico	401,820	4,696	406,516
Other countries	619,721	242,391	862,112
	<b>\$ 21,464,287</b>	<b>930,707</b>	<b>22,394,994</b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 21,464,287	-	21,464,287
Other	-	930,707	930,707
	<b>\$ 21,464,287</b>	<b>930,707</b>	<b>22,394,994</b>
	<b>For the three months ended March 31, 2021</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 14,457,896	339,102	14,796,998
America	1,671,177	72,277	1,743,454
Mainland China	998,965	-	998,965
Switzerland	508,558	-	508,558
Mexico	461,217	3,882	465,099
Other countries	753,389	70,362	823,751
	<b>\$ 18,851,202</b>	<b>485,623</b>	<b>19,336,825</b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 18,851,202	-	18,851,202
Other	-	485,623	485,623
	<b>\$ 18,851,202</b>	<b>485,623</b>	<b>19,336,825</b>

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

(ii) Contract balances

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Accounts receivable (including related parties)	\$ 9,400,770	8,580,652	7,569,429
Less: allowance for credit loss	-	-	-
Total	<u>\$ 9,400,770</u>	<u>8,580,652</u>	<u>7,569,429</u>
Contract liabilities	<u>\$ 490</u>	<u>403</u>	<u>443</u>

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

(s) Compensation to employees and directors

The Company's Articles of Incorporation stipulate that if there is profit for the year, then, a minimum of 2.0% shall be allocated as employee compensation and a maximum of 1.8% as director compensation.

The Company estimated its employee compensation at respectively \$61,590 thousand and \$39,262 thousand for the three months ended March 31, 2022 and 2021, and estimated its director compensation at \$45,749 thousand and \$35,335 thousand for the three months ended March 31, 2022 and 2021, 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, 2021 and 2020, the remunerations to employees amounted to \$185,000 thousand and \$165,000 thousand; and directors amounted to \$98,280 thousand and \$108,550 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.

(t) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the three months ended March 31, 2022 and 2021 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Interest income from bank deposits	<u>\$ 12,376</u>	<u>11,016</u>

(Continued)

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

(ii) Other income

The details of the other income of the Group for the three months ended March 31, 2022 and 2021 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Rent income	\$ 884	984
Government subsidy	7,599	10,574
Income from export incentives	26,689	-
Other income	110,912	139,944
	<b>\$ 146,084</b>	<b>151,502</b>

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended March 31, 2022 and 2021 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Foreign exchange gains	\$ 328,184	130,627
Losses on disposal of property, plant and equipment	(3,307)	(6,019)
Gains on disposal of investment property	-	110,364
Impairment loss	(1,099)	(3,867)
Others	(6,689)	(945)
	<b>\$ 317,089</b>	<b>230,160</b>

(iv) Financial costs

The details of the Group's financial cost for the three months ended March 31, 2022 and 2021 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expenses	<b>\$ 32,431</b>	<b>24,558</b>

(Continued)



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

(u) Financial instruments

(i) Credit risks

1) Credit risk exposure

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

2) The concentration of credit risk

On March 31, 2022, December 31, 2021 and March 31, 2021, 73%, 80% and 78% of the Group's total receivables were concentrated within a single overseas customer.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
<b>March 31, 2022</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 4,985,542	4,985,542	4,973,494	12,048	-	-	-
Other payables	4,115,287	4,115,287	4,115,287	-	-	-	-
Unsecured bank loans	8,556,336	8,602,936	6,611,672	765,127	1,226,137	-	-
Other long-term borrowings	111,369	111,678	56	56	13,818	97,748	-
Lease liabilities	556,822	1,418,282	29,488	53,658	81,592	175,293	1,078,251
	<u>\$ 18,325,356</u>	<u>19,233,725</u>	<u>15,729,997</u>	<u>830,889</u>	<u>1,321,547</u>	<u>273,041</u>	<u>1,078,251</u>
<b>December 31, 2021</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 3,960,166	3,960,166	3,939,514	20,652	-	-	-
Other payables	4,672,025	4,672,025	4,672,025	-	-	-	-
Unsecured bank loans	9,046,788	9,099,197	5,681,640	656,310	2,761,247	-	-
Other long-term borrowings	144,361	144,683	37,240	53	12,473	94,917	-
Lease liabilities	567,349	1,412,171	47,959	31,798	80,661	174,035	1,077,718
	<u>\$ 18,390,689</u>	<u>19,288,242</u>	<u>14,378,378</u>	<u>708,813</u>	<u>2,854,381</u>	<u>268,952</u>	<u>1,077,718</u>
<b>March 31, 2021</b>							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,938,384	4,938,384	4,905,276	33,108	-	-	-
Other payables	3,653,765	3,653,765	3,653,765	-	-	-	-
Unsecured bank loans	4,607,589	4,631,561	3,291,179	439,867	900,515	-	-
Other long-term borrowings	220,564	220,992	77,577	71	38,857	59,720	44,767
Lease liabilities	523,856	1,418,799	23,971	43,387	63,854	171,438	1,116,149
	<u>\$ 13,944,158</u>	<u>14,863,501</u>	<u>11,951,768</u>	<u>516,433</u>	<u>1,003,226</u>	<u>231,158</u>	<u>1,160,916</u>

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

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

## (iii) Currency risks

## 1) Exposure to currency risks

		<b>March 31, 2022</b>		
		<b>Foreign currency (In thousands)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	325,409	USD : TWD 28.575	9,298,558
		30,325	USD : CNY 6.3482	866,526
		1	USD : VND 22,840	16
VND		497,684,463	VND : USD 0.00004	646,990
INR		2,611,315	INR : USD 0.0132	984,205
IDR		194,077,168	IDR : USD 0.0001	388,154
<u>Non-monetary items</u>				
USD		27,239	USD : TWD 28.575	778,343
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		46,658	USD : TWD 28.575	1,333,247
		9,051	USD : CNY 6.3482	258,643
		2	USD : VND 22,840	64
VND		1,285,818,939	VND : USD 0.00004	1,671,565
INR		2,446,796	INR : USD 0.0132	922,197
IDR		2,209,793	IDR : USD 0.0001	4,420
		<b>December 31, 2021</b>		
		<b>Foreign currency (In thousands)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	301,489	USD : TWD 27.63	8,330,141
		36,677	USD : CNY 6.3757	1,013,394
		-	USD : VND 22,780	5
VND		454,930,701	VND : USD 0.00004	545,917
INR		2,753,372	INR : USD 0.0135	1,023,979
IDR		78,872,233	IDR : USD 0.0001	149,857
<u>Non-monetary items</u>				
USD		26,049	USD : TWD 27.63	719,726

(Continued)

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

<b>December 31, 2021</b>				
<b>Foreign currency</b>				
<u>Financial liabilities</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>	
<u>Monetary items</u>				
USD	38,025	USD : TWD	27.63	1,050,625
	6,318	USD : CNY	6.3757	174,566
	2	USD : VND	22,780	62
VND	1,588,636,552	VND : USD	0.00004	1,906,364
INR	3,529,802	INR : USD	0.0135	1,312,733
IDR	271,247,336	IDR : USD	0.0001	515,370
<b>March 31, 2021</b>				
<b>Foreign currency</b>				
<u>Financial assets</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>	
<u>Monetary items</u>				
USD	\$ 249,751	USD : TWD	28.485	7,114,166
	25,978	USD : CNY	6.5712	739,971
	19	USD : VND	23,080	542
VND	126,953,851	VND : USD	0.00004	152,345
INR	1,490,921	INR : USD	0.0136	577,732
IDR	12,521,601	IDR : USD	0.0001	25,043
<u>Non-monetary items</u>				
USD	25,561	USD : TWD	28.485	728,112
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	55,036	USD : TWD	28.485	1,567,699
	6,139	USD : CNY	6.5712	174,867
VND	1,073,583,527	VND : USD	0.00004	1,288,300
INR	2,075,152	INR : USD	0.0136	804,122
IDR	141,973,723	IDR : USD	0.0001	283,947

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

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. An appreciation or depreciation of 5% of the TWD against the USD, VND, INR and IDR for the three months ended March 31, 2022 and 2021, would have increased or decreased the net profit before tax by \$399,716 thousand and \$224,543 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Gains or losses on foreign exchange

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$328,184 thousand and \$130,627 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 Company'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 increased or decreased by \$986 thousand and \$166 thousand for the three months ended March 31, 2022 and 2021, respectively, due to the Company's borrowings at variable rates and banks deposits at variable rates. This was mainly due to the Company'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.

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

2) Financial instruments measured at fair value

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

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

	<b>March 31, 2021</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	\$ <b>420</b>	-	-	<b>420</b>	<b>420</b>

3) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Balance on January 1, 2021	\$ 422
Effect of changes in foreign exchange rates	(2)
Balance on March 31, 2021	\$ <b>420</b>

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

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. Nonetheless, the assessment concluded that there was no significant difference between the assessed fair value and the information disclosed in Note 6(b) of the consolidated financial statements.

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

(v) 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.

(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 Company'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 Company only on a prepayment basis.

(Continued)

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

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 March 31, 2022, December 31, 2021 and March 31, 2021, there was no guarantee outstanding.

(iv) Liquidity risk

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

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of March 31, 2022, December 31, 2021 and March 31, 2021, amounted to \$9,391,851 thousand, \$8,585,588 thousand and \$11,728,229 thousand, respectively.

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

(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 and INR. 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.

3) Other market price risks

The Group did not enter into any commodity contract for purposes other than meeting the Group's expected consumption and sales demand; such contracts were not settled on a net basis.

(w) 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 shareholders, issue new shares or sell assets to settle any liabilities.

(Continued)



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

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

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Total liabilities	\$ 27,602,506	27,056,626	23,403,578
Less: cash and cash equivalents	<u>(4,558,393)</u>	<u>(3,820,459)</u>	<u>(4,615,874)</u>
Net debt	23,044,113	23,236,167	18,787,704
Total equity	<u>22,172,037</u>	<u>19,868,563</u>	<u>20,447,715</u>
Total capital	<u>\$ 45,216,150</u>	<u>43,104,730</u>	<u>39,235,419</u>
Debt to equity ratio on period end	<u>50.96 %</u>	<u>53.91 %</u>	<u>47.88 %</u>

**(7) Related-party transactions:**

(a) Name of related parties and relationship

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

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

Note: This company was liquidated on December 9, 2021.

(b) Significant transactions with related parties

(i) Operating income

The amounts of significant sales by the Group to related parties were as follows:

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2022</u>	<u>2021</u>
The Group is a joint venture under the joint agreement	<u>\$ 31,226</u>	<u>23,385</u>

Sales prices for related parties were similar to those of the third-party customers.

(Continued)

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

(ii) Other revenue

	For the three months ended March 31	
	2022	2021
The Group is a joint venture under the joint agreement	\$ 2,262	-

(iii) Receivables due from Related Parties

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

Account item	Category of related party	March 31, 2022	December 31, 2021	March 31, 2021
Accounts receivable	The Group is a joint venture under the joint agreement	\$ 20,447	13,118	12,520
Other receivables	The Group is a joint venture under the joint agreement	766	609	1,349
		\$ 21,213	13,727	13,869

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31	
	2022	2021
Short-term employee benefits	\$ 115,273	88,945
Post-employment benefits	1,083	929
	\$ 116,356	89,874

**(8) Pledged assets:**

The book values of pledged assets were as follows:

Pledged assets	Object	March 31, 2022	December 31, 2021	March 31, 2021
Other current financial assets	Customs deposit and lease deposit	\$ 1,186	2,192	1,236
Other non-current financial assets	Customs deposit and lease deposit	73,687	71,532	75,191
		\$ 74,873	73,724	76,427

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

**(9) Commitments and contingencies:**

- (a) As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group has issued promissory notes for short-term and long-term borrowings of \$8,571,750 thousand, \$8,486,700 thousand and \$6,996,975 thousand, respectively.
- (b) As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had payables in respect of important construction contracts, amounting to \$1,609,376 thousand, \$399,298 thousand and \$370,896 thousand, respectively.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

**(12) Others:**

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

By item	By function	For the three months ended March 31, 2022			For the three months ended March 31, 2021		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		4,619,074	1,536,557	6,155,631	3,943,745	1,393,659	5,337,404
Labor and health insurance		449,939	116,989	566,928	440,448	112,337	552,785
Pension		265,895	72,299	338,194	254,491	67,072	321,563
Other employee benefits		646,300	131,165	777,465	492,225	105,621	597,846
Depreciation		507,290	158,782	666,072	456,513	151,221	607,734
Amortization		1,295	10,530	11,825	1,024	9,356	10,380

- (b) Impact of COVID-19

Due to the outbreak of Covid-19 in 2022, the Group's plants in Suzhou, China, were suspended from April 11 to April 24 in compliance with the local government's epidemic prevention policy. The Group will continue to strengthen the epidemic prevention measures to cope with the development of the epidemic.

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

**(13) Other disclosures**

(a) Information on significant transactions

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2022:

- i. Loans to other parties : None
- ii. Guarantees and endorsements for other parties : None
- iii. Securities held as of March 31, 2022 (excluding investment in subsidiaries, associates and joint ventures) : None
- iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock :

(In Thousands of New Taiwan Dollar)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Counterparty	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain/Loss on Disposal	Shares	Amount (Note1)
Feng Tay Enterprises Co., Ltd.	Stock PT Rich Valley Indonesia	Investments accounted for using equity method	-	Subsidiary	179,990	355,271	160,000	312,860	-	-	-	-	339,990	688,676

Note 1 : The ending balance includes the realized gain/loss on equity investment and exchange differences on translation of foreign financial statements.

Note 2 : Reconciliated in the preparation of the consolidated report.

- v. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock : None
- vi. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock : None
- vii. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 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	567,314	2%	30days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	275,497	2%	-

**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.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Purchase	1,970,914	8%	20 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(539,538)	(7%)	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	Sale	350,275	1%	30days	"	-	209,831	2%	-
"	"	"	Purchase	1,918,446	8%	15 days	"	-	(469,638)	(6%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	798,685	3%	75days	"	-	782,480	6%	-
"	"	"	Purchase	1,790,198	7%	30days	"	-	(640,669)	(8%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	433,020	2%	30days	"	-	85,380	1%	-
"	"	"	Purchase	2,173,252	9%	30days	"	-	(862,312)	(11%)	-
"	Lotus Footwear Enterprises Ltd. (India Branch)	"	Sale	582,916	2%	60/90days	"	-	631,722	5%	-
"	"	"	Purchase	1,012,420	4%	30days	"	-	(481,114)	(6%)	-
"	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	"	Sale	192,896	1%	15days	"	-	46,037	-	-
"	"	"	Purchase	602,622	3%	15days	"	-	(111,729)	(1%)	-
"	Fujian San Feng Footwear Co., Ltd.	"	Sale	155,318	1%	15days	"	-	48,820	-	-
"	"	"	Purchase	607,743	3%	15days	"	-	(80,053)	(1%)	-
"	Fujian Xiefeng Footwear Co., Ltd.	"	Sale	265,322	1%	15days	"	-	30,904	-	-
"	"	"	Purchase	844,146	4%	15days	"	-	(151,277)	(2%)	-
"	Fujian Great Hope Footwear Co., Ltd.	"	Purchase	412,299	2%	60days	"	-	(286,751)	(4%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sale	866,795	3%	90days	"	-	824,086	6%	-
"	"	"	Purchase	3,902,174	16%	10days	"	-	(716,432)	(9%)	-
"	Vung Tau Orient Co., Ltd.	"	Sale	188,856	1%	90days	"	-	200,584	2%	-
"	"	"	Purchase	496,376	2%	10days	"	-	(84,255)	(1%)	-
"	East Wind Footwear Co., Ltd. (India Branch)	"	Sale	523,143	2%	60/90days	"	-	693,161	5%	-
"	"	"	Purchase	1,204,129	5%	10days	"	-	(377,145)	(5%)	-
"	Fairway Enterprises Co., Ltd. (India Branch)	"	Sale	772,139	3%	60/90days	"	-	844,949	6%	-
"	"	"	Purchase	1,213,488	5%	30days	"	-	(462,501)	(6%)	-
"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sale	131,440	1%	15days	"	-	90,051	1%	-
Growth-Link Overseas Co., Ltd.	Lotus Footwear Enterprises Ltd. (India Branch)	Parent and subsidiary	Purchase	141,172	42%	Payment after Delivery	"	-	(143,516)	(42%)	-
"	East Wind Footwear Co., Ltd. (India Branch)	"	"	182,792	54%	"	"	-	(185,827)	(54%)	-

**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)	
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,970,914	100%	20days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	539,538	100%	-
"	"	"	Purchase	567,314	38%	30days	"	-	(275,497)	(48%)	-
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	602,622	54%	15days	"	-	111,729	42%	-
"	"	"	Purchase	192,896	26%	15days	"	-	(46,037)	(19%)	-
Fujian Xiefeng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	844,146	61%	15days	"	-	151,277	41%	-
"	"	"	Purchase	265,322	46%	15days	"	-	(30,904)	(21%)	-
Fujian San Feng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	607,743	61%	15days	"	-	80,053	29%	-
"	"	"	Purchase	155,318	53%	15days	"	-	(48,820)	(24%)	-
Fujian Great Hope Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	412,299	98%	60days	"	-	286,751	97%	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	131,440	78%	15days	"	-	(90,051)	(88%)	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Co., Ltd.	Associate	Sale	1,368,445	100%	Payment after Delivery	"	-	591,913	100%	-
Hong Kong Shoe Majesty Trading Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	1,368,445	100%	Payment after Delivery	"	-	(591,913)	(96%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	2,173,252	100%	30days	"	-	862,312	100%	-
"	"	"	Purchase	433,020	73%	30days	"	-	(85,380)	(20%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,918,446	94%	15days	"	-	469,638	91%	-
"	"	"	Purchase	350,275	94%	30days	"	-	(209,831)	(40%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,790,198	72%	30days	"	-	640,669	62%	-
"	"	"	Purchase	798,685	81%	75days	"	-	(782,480)	(75%)	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	496,376	99%	10days	"	-	84,255	94%	-
"	"	"	Purchase	188,856	93%	90days	"	-	(200,584)	(75%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,902,174	95%	10days	"	-	716,432	88%	-
"	"	"	Purchase	866,795	75%	90days	"	-	(824,086)	(56%)	-
East Wind Footwear Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	Sale	182,792	13%	Payment after Delivery	"	-	185,827	33%	-
"	Feng Tay Enterprises Co., Ltd.	"	"	1,204,129	87%	10days	"	-	377,145	67%	-

**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)	
East Wind Footwear Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	523,143	95%	60/90days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(693,161)	(92%)	-
Lotus Footwear Enterprises Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	141,172	12%	Payment after Delivery	"	-	143,516	22%	-
"	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	"	1,012,420	85%	30days	"	-	481,114	75%	-
"	"	"	Purchase	582,916	100%	60/90days	"	-	(631,722)	(94%)	-
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,213,488	99%	30days	"	-	462,501	95%	-
"	"	"	Purchase	772,139	99%	60/90days	"	-	(844,949)	(95%)	-

Note : Reconciliated in the preparation of the consolidated report.

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

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note)	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	275,497	8.55	-	-	108,560	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	209,831	8.35	-	-	100,190	-
"	Vietnam Dona Orient Co., Ltd.	"	782,480	4.34	-	-	68,349	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	824,086	4.57	-	-	65,983	-
"	Vung Tau Orient Co., Ltd.	"	200,584	4.62	-	-	57,041	-
"	Lotus Footwear Enterprises Ltd. (India Branch)	"	631,722	3.68	-	-	197,028	-
"	"	"	299,259	Note2	-	-	-	-
"	East Wind Footwear Co., Ltd. (India Branch)	"	693,161	3.10	83,311	-	123,326	-
"	Fairway Enterprises Co., Ltd. (India Branch)	"	844,949	3.74	-	-	212,781	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	539,538	15.74	-	-	265,677	-
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	111,729	16.72	-	-	57,221	-
Fujian Xiefeng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	151,277	23.19	-	-	61,122	-
Fujian Great Hope Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	286,751	7.62	-	-	17,080	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	591,913	10.12	-	-	105,730	-

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

Name of company	Related party	Nature of relationship	Ending balance (Note)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	862,312	13.11	-	-	119,147	-
Dona Pacific (Vietnam) Co., Ltd	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	469,638	18.06	-	-	218,365	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	640,669	15.21	-	-	34,550	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	716,432	23.42	-	-	238,331	-
East Wind Footwear Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	185,827	8.00	-	-	-	-
"	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	377,145	17.21	-	-	63,444	-
Lotus Footwear Enterprises Ltd.(India Branch)	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	143,516	8.00	-	-	-	-
"	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	481,114	8.87	-	-	105,027	-
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	462,501	10.41	-	-	72,042	-

Note1 : Reconciliated in the preparation of the consolidated report.

Note2 : It is mainly other receivables, so they are not applicable to the calculation of turnover days.

ix. Trading in derivative instruments : None

x. Business relationships and significant intercompany transactions :

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	567,314	Note3	2.5332%
"	"	"	"	Cost of sales	1,970,914	Note3	8.8007%
"	"	"	"	Accounts receivable due from related parties	275,497	30days	0.5535%
"	"	"	"	Accounts payable to related parties	539,538	20days	1.0840%
"	"	Dona Pacific (Vietnam) Co., Ltd.	4	Sales revenue	350,275	Note3	1.5641%
"	"	"	"	Cost of sales	1,918,446	Note3	8.5664%
"	"	"	"	Accounts receivable due from related parties	209,831	30days	0.4216%
"	"	"	"	Accounts payable to related parties	469,638	15days	0.9435%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	798,685	Note3	3.5664%
"	"	"	"	Cost of sales	1,790,198	Note3	7.9937%
"	"	"	"	Accounts receivable due from related parties	782,480	75days	1.5720%
"	"	"	"	Accounts payable to related parties	640,669	30days	1.2871%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	433,020	Note3	1.9336%
"	"	"	"	Cost of sales	2,173,252	Note3	9.7042%



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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Dona Victor Footwear Co., Ltd.	4	Accounts receivable due from related parties	85,380	30days	0.1715%
"	"	"	"	Accounts payable to related parties	862,312	30days	1.7324%
"	"	Lotus Footwear Enterprises Ltd. (India Branch)	"	Sales revenue	582,916	Note3	2.6029%
"	"	"	"	Cost of sales	1,012,420	Note3	4.5207%
"	"	"	"	Accounts receivable due from related parties	631,722	60/90days	1.2692%
"	"	"	"	Accounts payable to related parties	481,114	30days	0.9666%
"	"	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	"	Sales revenue	192,896	Note3	0.8613%
"	"	"	"	Cost of sales	602,622	Note3	2.6909%
"	"	"	"	Accounts receivable due from related parties	46,037	15days	0.0925%
"	"	"	"	Accounts payable to related parties	111,729	15days	0.2245%
"	"	Fujian San Feng Footwear Co., Ltd.	"	Sales revenue	155,318	Note3	0.6935%
"	"	"	"	Cost of sales	607,743	Note3	2.7137%
"	"	"	"	Accounts receivable due from related parties	48,820	15days	0.0981%
"	"	"	"	Accounts payable to related parties	80,053	15days	0.1608%
"	"	Fujian Xiefeng Footwear Co., Ltd.	"	Sales revenue	265,322	Note3	1.1847%
"	"	"	"	Cost of sales	844,146	Note3	3.7694%
"	"	"	"	Accounts receivable due from related parties	30,904	15days	0.0621%
"	"	"	"	Accounts payable to related parties	151,277	15days	0.3039%
"	"	Fujian Great Hope Footwear Co., Ltd.	"	Cost of sales	412,299	Note3	1.8410%
"	"	"	"	Accounts payable to related parties	286,751	60days	0.5761%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	866,795	Note3	3.8705%
"	"	"	"	Cost of sales	3,902,174	Note3	17.4243%
"	"	"	"	Accounts receivable due from related parties	824,086	90days	1.6556%
"	"	"	"	Accounts payable to related parties	716,432	10days	1.4394%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	188,856	Note3	0.8433%
"	"	"	"	Cost of sales	496,376	Note3	2.2165%
"	"	"	"	Accounts receivable due from related parties	200,584	90days	0.4030%

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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Vung Tau Orient Co., Ltd.	4	Accounts payable to related parties	84,255	10days	0.1693%
"	"	East Wind Footwear Co., Ltd.(India Branch)	"	Sales revenue	523,143	Note3	2.3360%
"	"	"	"	Cost of sales	1,204,129	Note3	5.3768%
"	"	"	"	Accounts receivable due from related parties	693,161	60/90days	1.3926%
"	"	"	"	Accounts payable to related parties	377,145	10days	0.7577%
"	"	Fairway Enterprises Co., Ltd. (India Branch)	"	Sales revenue	772,139	Note3	3.4478%
"	"	"	"	Cost of sales	1,213,488	Note3	5.4186%
"	"	"	"	Accounts receivable due from related parties	844,949	60/90days	1.6976%
"	"	"	"	Accounts payable to related parties	462,501	30days	0.9292%
"	"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sales revenue	131,440	Note3	0.5869%
"	"	"	"	Accounts receivable due from related parties	90,051	15days	0.1809%
1	Growth-Link Overseas Co., Ltd.	Lotus Footwear Enterprises Ltd.(India Branch)	6	Cost of sales	141,172	Note3	0.6304%
"	"	"	"	Accounts payable to related parties	143,516	Payment after Delivery	0.2883%
"	"	East Wind Footwear Co., Ltd.(India Branch)	"	Cost of sales	182,792	Note3	0.8162%
"	"	"	"	Accounts payable to related parties	185,827	Note3	0.3733%

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.
4. represents transactions between the parent company and its sub-subsidiaries.
5. represents transactions between the sub-subsidiaries and the parent company
6. represents transactions between the subsidiaries and the sub-subsidiaries.
7. represents transactions between the sub-subsidiaries and the subsidiaries
8. represents transactions between sub-subsidiaries.

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

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(b) Information on investment

The following is the information on investment for the three months ended March 31, 2022 (excluding information on investment in Mainland China) :

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	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	1,322,618	1,322,618	53,900	99.81%	1,089,534	115,000	114,787	Subsidiary (Note 5)
"	PT Rich Valley Indonesia	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	692,210	379,350	339,990	100.00%	688,676	(1,056)	(1,056)	"
"	Growth-Link Overseas Co., Ltd.	Bermuda	Investment holding, selling of athletic shoes, and trading of footwear materials	5,521,531	5,521,531	6,000,000	100.00%	11,948,913	603,709	603,709	"
"	VX Holdings Ltd.	British Virgin Islands	Investment holding	447,734	447,734	38,280	47.26%	722,498	126,492	59,780	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	310,127	81,266	16,578	Investee under the equity method
"	Dona Orient Holdings Ltd.	"	Investment holding	1,529,723	1,529,723	44,753	40.97%	2,812,536	255,092	104,511	Sub-subsidiary (Note 5)
"	Great Eastern Industries Ltd.	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	32,851	2,303	2,303	Subsidiary (Note 5)
"	Great South Private Ltd.	Singapore	Investment holding	6,105	6,105	300	100.00%	4,124	(1,950)	(1,950)	"
Growth-Link Overseas Co., Ltd.	VX Mold Co., Ltd.	British Virgin Islands	Investment holding	14,310	14,310	372,000	93.00%	187,493	36,402	33,854	Subsidiary (Note 5)
"	VX Holdings Ltd.	"	Investment holding	271,685	271,685	36,342	44.87%	727,150	126,492	56,753	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Ltd.	"	Investment holding and sale of finished shoes	356,450	356,450	23,000	92.00%	779,973	142,389	130,998	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	229,894	229,894	8,580	28.60%	468,216	81,266	23,242	Investee under the equity method
"	Dona Orient Holdings Ltd.	"	Investment holding	1,881,596	1,881,596	64,483	59.03%	4,355,620	255,092	150,581	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Ltd.	"	Investment holding business, and manufacturing and selling of finished shoe	1,944,243	1,944,243	34,020	88.00%	3,533,202	48,791	42,936	"

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
Growth-Link Overseas Co., Ltd.	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	20	20	10	0.01%	69	(1,056)	-	Investee under the equity method (Note 5)
"	Cheyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	(6,976)	-	"
VX Holdings Ltd.	Dona Victor Footwear Co., Ltd.	Vietnam	Producing of athletic shoes, semi-finished footwear, and footwear accessories	942,524	942,524	Note4	100.00%	1,622,839	129,886	129,886	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Co., Ltd.	Hong Kong	International trade services	5,715	5,715	200	100.00%	102,923	22,850	22,850	Subsidiary
"	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,057,275	1,057,275	Note4	100.00%	1,484,219	59,523	59,523	"
Dona Orient Holdings Ltd.	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,257,300	1,257,300	Note4	100.00%	1,684,127	133,987	133,987	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,163,128	2,163,128	"	100.00%	3,939,781	121,652	121,652	"
"	Hold Gold Trading Co., Ltd.	British Virgin Islands	Selling of finished shoes, golf balls, backpack, bags and soccer ball	2,858	2,858	100	100.00%	5,674	(55)	(55)	"
"	Vung Tau Orient Co., Ltd.	Vietnam	Producing golf balls, soccer balls, and backpack, bags	520,728	520,728	Note4	100.00%	611,952	3,102	3,102	"
"	Vietnam Nam Ha Footwear Co., Ltd.	"	Producing athletic shoes, semi-finished footwear, and footwear accessories	771,525	771,525	"	100.00%	757,466	(3,444)	(3,444)	"
VX Mold Co., Ltd.	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	88,583	88,583	Note4	100.00%	200,280	38,089	38,089	Subsidiary (Note 5)
Dona Pacific Holdings Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Producing athletic shoes, semi-finished footwear, and footwear accessories	571,500	571,500	Note4	100.00%	844,959	142,526	142,526	Subsidiary (Note 5)
Lotus Footwear Enterprises Ltd.	Cheyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	2,591,414	2,591,414	94,999,999	100.00%	2,086,842	(6,976)	(6,976)	Subsidiary (Note 5)
"	East Wind Footwear Co., Ltd.	British Virgin Islands	Investment holding and production of athletic shoes	472,408	472,408	9,751	100.00%	865,788	124,070	124,070	"

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
Lotus Footwear Enterprises Ltd.	Fairway Enterprises Co., Ltd.	British Virgin Islands	Investment holding and production of athletic shoes	1,551,680	1,380,230	27,151	100.00%	1,693,004	72,468	72,468	Subsidiary (Note 5)

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

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

Note 3 : The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of March 31, 2022, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of March 31, 2022.

Note 4 : Unissued shares of the Vietnamese entities.

Note 5 : Included in the consolidated financial statements.

(c) Information on investment in mainland China

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

(In Thousands of New Taiwan Dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 7)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2022 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Investment income (losses) (Note 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.	128,588	Note1	156,579	-	-	156,579	119	50.00%	59	24,315	95,038
Xie Feng Mold Co., Ltd. Putian, Fujian	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	85,725	"	137,253	-	-	137,253	35,753	50.34%	17,996	96,787	887,315
Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	428,625	"	162,084	-	-	162,084	121,633	77.50%	94,265	462,971	800,050
Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	428,625	"	259,339	-	-	259,339	75,825	68.00%	51,561	160,151	745,623
Fujian Da Feng Holdings Co., Ltd.	Investment holding	857,250	"	860,431	-	-	860,431	229,462	70.00%	160,623	1,456,923	4,735,114
Fujian Great Hope Footwear Co., Ltd.	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products	227,171	"	382,462	-	-	382,462	50,208	84.73%	42,544	494,858	444,483

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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, 2022 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2022 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Investment income (losses) (Note 8)	Book value (Note 7)	Accumulated remittance of earnings in current period (Note 8)
					Outflow	Inflow						
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	428,625	Note2		-	-		94,692	70.00%	66,285	489,179	
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	73,230	"		-	-		22,273	66.07%	14,715	171,596	

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of March 31, 2022 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
1,958,148	2,587,539	12,477,988

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 year ended March 31, 2022.

Note 4 : The accumulated investment amount has been deducted by capital increase from retained earnings of USD 3,939,943, capital stock inflows of USD 18,085,989.

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 28.575 on March 31, 2022.

Note 8 : Calculated based on the average closing exchange rate of 28.1083 between January and the end of March 2022.

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".

(d) Major shareholders

Shareholding Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	95,423,056	10.82 %
WANG, CHOU-HSIONG	82,987,033	9.41 %
CHEN, HUI-LING	57,044,655	6.46 %

Note : The main shareholder information in this table is based on the last business day at the end of each quarter set by Taiwan Depository & Clearing Corporation to calculate the shares of those shareholders who hold more than 5% of the Company's ordinary shares that have been delivered without physical registration.

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**(14) Segment 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 :

	<b>Department of manufacturing and selling shoes</b>	<b>Other Departments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
<b>For the three months ended</b>				
<b>March 31, 2022</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 21,464,287	930,707	-	22,394,994
Intersegment revenues	25,011,387	733,825	(25,745,212)	-
<b>Total revenue</b>	<b>\$ 46,475,674</b>	<b>1,664,532</b>	<b>(25,745,212)</b>	<b>22,394,994</b>
<b>Reportable segment profit or loss</b>	<b>\$ 3,048,368</b>	<b>49,402</b>	<b>(63,061)</b>	<b>3,034,709</b>
	<b>Department of manufacturing and selling shoes</b>	<b>Other Departments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
<b>For the three months ended</b>				
<b>March 31, 2021</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 18,851,202	485,623	-	19,336,825
Intersegment revenues	22,004,107	634,104	(22,638,211)	-
<b>Total revenue</b>	<b>\$ 40,855,309</b>	<b>1,119,727</b>	<b>(22,638,211)</b>	<b>19,336,825</b>
<b>Reportable segment profit or loss</b>	<b>\$ 2,783,728</b>	<b>1,747</b>	<b>(93,872)</b>	<b>2,691,603</b>