Stock Code: 9910

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: **No. 52, Kegong 8th Road, Douliu City, Yunlin County**
Telephone: **(05)537-9100**

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Feng Tay Enterprises Company Limited as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Feng Tay Enterprises Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Feng Tay Enterprises Company Limited
Chairman: Chien - Hung Wang
Date: March 14, 2024

安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of The Group:

Opinion

We have audited the consolidated financial statements of Feng Tay Enterprises Company Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

   Please refer to Note (4)(o) of the consolidated financial statements for details of the accounting policies on revenue recognition. Please refer to Note (6)(q) of the consolidated financial statements for details of type of operating revenue.

Description of the key auditor matter:

Feng Tay Enterprises Company Limited principally engages in the production and sale of athletic shoes, and its sales revenues are mainly composed of export revenues. On the one hand, transaction terms and conditions impact the timing of revenue recognition for exports. On the other hand, the transfer of control over goods involves uncertainty. Accordingly, the accuracy of timing of revenue recognition has significant influence on consolidated financial statements. Therefore, we considered revenue recognition for sales before and after the balance sheet date to be a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include assessing whether the internal control related to sales revenue recognized by the Group. was appropriate by testing internal control, so as to ascertain the execution and effectiveness thereof; testing export revenues by sampling relevant documents, so as to verify the accuracy of revenue recognition for exports; performing cut-off tests for revenue recognition for transactions in a sufficient period before and after the reporting date, so as to assess whether the timing of revenue recognition for sales was reasonable.

Other Matter

Feng Tay Enterprises Company Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Feng Tay Enterprises Company Limited's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Rou-Lan and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (Restatement)		January 1, 2022 (Restatement)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Notes (6)(a) and (n))	$ 3,858,842	8	5,573,482	11	4,863,252	10
1170	Accounts receivable (Notes (6)(b) and (q))	8,138,765	16	8,772,178	17	8,567,534	18
1180	Accounts receivable due from related parties, net (Notes (6)(b), (q) and (7))	-	-	21,146	-	13,118	-
1200	Other receivables (Note (7))	772,084	2	442,193	1	631,589	2
1220	Current tax assets	309,550	-	187,379	-	178,851	-
130X	Inventories (Note (6)(c))	8,578,013	17	9,104,194	18	9,374,817	20
1476	Other current financial assets (Note (8))	1,362	-	1,364	-	2,192	-
1479	Other current assets, others	947,131	2	1,078,973	2	814,889	2
	Total current assets	22,605,747	45	25,180,909	49	24,446,242	52
	Non-current assets:						
1550	Investments accounted for using equity method (Note (6)(d))	1,080,014	2	1,051,389	2	719,726	2
1600	Property, plant and equipment (Note (6)(f))	21,952,247	43	20,704,257	40	18,059,715	38
1755	Right-of-use assets (Note (6)(g))	1,683,217	3	1,764,171	4	1,650,198	3
1760	Investment property, net (Note (6)(h))	70,149	-	68,679	-	64,004	-
1780	Intangible assets (Note (6)(i))	423,698	1	420,583	1	401,207	1
1840	Deferred tax assets (Note (6)(n))	1,800,863	4	1,409,418	3	1,232,747	3
1980	Other non-current financial assets (Note (8))	102,622	-	84,422	-	71,532	-
1990	Other non-current assets	928,366	2	626,539	1	279,818	1
	Total non-current assets	28,041,176	55	26,129,458	51	22,478,947	48
	Total assets	$ 50,646,923	100	51,310,367	100	46,925,189	100

		December 31, 2023		December 31, 2022 (Restatement)		January 1, 2022 (Restatement)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Note (6)(j))	$ 2,250,109	5	435,372	1	6,300,675	13
2130	Current contract liabilities (Note (6)(q))	999	-	317	-	403	-
2170	Notes and accounts payable	4,256,055	9	3,941,237	8	3,960,166	9
2200	Other payables	5,250,463	10	6,442,332	12	4,672,025	10
2230	Current tax liabilities	1,725,252	3	2,593,834	5	1,761,214	4
2280	Current lease liabilities (Note (6)(l))	31,952	-	34,934	-	33,158	-
2320	Long-term liabilities, current portion (Note (6)(k))	57,679	-	14,481	-	37,186	-
2399	Other current liabilities, others	44,024	-	36,328	-	19,476	-
	Total current liabilities	13,616,533	27	13,498,835	26	16,784,303	36
	Non-Current liabilities:						
2540	Long-term borrowings (Note (6)(k))	3,451,540	7	2,511,012	5	2,853,288	6
2570	Deferred tax liabilities (Note (6)(n))	3,560,853	7	3,827,503	8	3,276,537	7
2580	Non-current lease liabilities (Note (6)(l))	515,667	1	549,238	1	534,191	1
2640	Non-current net defined benefit liability (Note (6)(m))	4,226,913	9	3,839,586	8	3,356,409	7
2670	Other non-current liabilities	220,586	-	210,266	-	251,898	1
	Total non-current liabilities	11,975,559	24	10,937,605	22	10,272,323	22
	Total liabilities	25,592,092	51	24,436,440	48	27,056,626	58
	Equity attributable to owners of parent (Note (6)(o)):						
3110	Total capital stock	9,874,828	19	8,816,811	17	8,816,811	18
3200	Capital surplus	53,750	-	51,160	-	50,916	-
	Retained earnings:						
3310	Legal reserve	6,476,443	13	5,577,243	11	5,126,375	11
3320	Special reserve	1,053,529	2	2,559,457	5	2,082,107	4
3350	Unappropriated retained earnings	6,829,001	13	9,042,212	18	4,593,319	10
	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	(1,127,303)	(2)	(1,053,529)	(2)	(2,559,457)	(5)
	Total equity attributable to owners of parent:	23,160,248	45	24,993,354	49	18,110,071	38
36XX	**Non-controlling interests**	1,894,583	4	1,880,573	3	1,758,492	4
	Total equity	25,054,831	49	26,873,927	52	19,868,563	42
	Total liabilities and equity	$ 50,646,923	100	51,310,367	100	46,925,189	100

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenues (Notes (6)(q) and (7))**	$ 85,767,264	100	95,902,924	100
5000	**Operating costs (Note (6)(c))**	(67,991,313)	(79)	(72,616,941)	(76)
	Gross profit from operations	17,775,951	21	23,285,983	24
	Operating expenses:				
6100	Selling and administrative expenses	(8,514,539)	(10)	(9,002,483)	(9)
6300	Research and development expenses	(2,677,760)	(3)	(2,929,431)	(3)
6450	Expected credit loss	-	-	(7,972)	-
	Total operating expenses	(11,192,299)	(13)	(11,939,886)	(12)
	Net operating income	6,583,652	8	11,346,097	12
	Non-operating income and expenses:				
7100	Interest income (Note (6)(s))	122,398	-	61,871	-
7010	Other income (Note (6)(s))	404,944	-	657,888	1
7020	Other gains and losses, net (Note (6)(s))	144,954	-	1,321,235	1
7050	Financial costs (Note (6)(s))	(252,120)	-	(167,042)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))	77,251	-	254,418	-
	Total non-operating income and expenses	497,427	-	2,128,370	2
	Profit from continuing operations before tax	7,081,079	8	13,474,467	14
7950	**Income tax expenses (Note (6)(n))**	(1,635,142)	(2)	(3,710,194)	(4)
	Net profit	5,445,937	6	9,764,273	10
	Other comprehensive income:				
8310	**Item that will not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	30,932	-	(160,034)	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(2,378)	-	134	-
8349	Income tax related to components of other comprehensive income that will may not be reclassified to profit	10,923	-	66,493	-
	Item that will not be reclassified subsequently to profit or loss	39,477	-	(93,407)	-
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(87,760)	-	1,573,625	2
8399	Income tax related to components of other comprehensive income (loss) that will may be reclassified to profit or loss	135	-	(7,051)	-
	Item that may be reclassified subsequently to profit or loss	(87,625)	-	1,566,574	2
	Other comprehensive income (loss)	(48,148)	-	1,473,167	2
8500	**Total comprehensive income**	**$ 5,397,789**	**6**	**11,237,440**	**12**
	Net profit, attributable to:				
8610	Net profit, attributable to owners of parent	$ 4,974,908	5	9,081,733	9
8620	Net profit, attributable to non-controlling interests	471,029	1	682,540	1
		$ 5,445,937	**6**	**9,764,273**	**10**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 4,953,248	5	10,497,932	11
8720	Comprehensive income, attributable to non-controlling interests	444,541	1	739,508	1
		$ 5,397,789	**6**	**11,237,440**	**12**
	Earnings per share (Note (6)(p))				
9750	**Basic earnings per share (dollars)**	**$**	**5.04**		**9.20**

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Share capital		Retained earnings			Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	$ 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	-	-	-	-	9,081,733	-	9,081,733	682,540	9,764,273
Other comprehensive income	-	-	-	-	(89,729)	1,505,928	1,416,199	56,968	1,473,167
Total comprehensive income	-	-	-	-	8,992,004	1,505,928	10,497,932	739,508	11,237,440
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	450,868	-	(450,868)	-	-	-	-
Special reserve appropriated	-	-	-	477,350	(477,350)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,614,893)	-	(3,614,893)	-	(3,614,893)
Due to donated assets received	-	850	-	-	-	-	850	-	850
Changes in ownership interests in subsidiaries	-	(606)	-	-	-	-	(606)	22,329	21,723
Changes in non-controlling interests	-	-	-	-	-	-	-	(639,756)	(639,756)
Balance on December 31, 2022	8,816,811	51,160	5,577,243	2,559,457	9,042,212	(1,053,529)	24,993,354	1,880,573	26,873,927
Net profit	-	-	-	-	4,974,908	-	4,974,908	471,029	5,445,937
Other comprehensive income	-	-	-	-	52,114	(73,774)	(21,660)	(26,488)	(48,148)
Total comprehensive income	-	-	-	-	5,027,022	(73,774)	4,953,248	444,541	5,397,789
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	899,200	-	(899,200)	-	-	-	-
Reversal of special reserve	-	-	-	(1,505,928)	1,505,928	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,788,944)	-	(6,788,944)	-	(6,788,944)
Stock dividends of ordinary share	1,058,017	-	-	-	(1,058,017)	-	-	-	-
Due to donated assets received	-	920	-	-	-	-	920	-	920
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	183	-	-	-	-	183	-	183
Changes in ownership interests in subsidiaries	-	1,487	-	-	-	-	1,487	46,888	48,375
Changes in non-controlling interests	-	-	-	-	-	-	-	(477,419)	(477,419)
Balance on December 31, 2023	$ 9,874,828	53,750	6,476,443	1,053,529	6,829,001	(1,127,303)	23,160,248	1,894,583	25,054,831

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022 (Restatement)
Cash flows from (used in) operating activities:			
Profit before tax	$	7,081,079	13,474,467
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		2,926,037	2,810,984
Amortization expense		54,203	51,653
Expected credit loss		-	7,972
Interest expense		252,120	167,042
Interest income		(122,398)	(61,871)
Share of profit of associates and joint ventures accounted for using equity method		(77,251)	(254,418)
Loss on disposal of property, plant and equipment		37,737	17,279
Profit from lease modification		(1,226)	-
Impairment losses		5,931	7,357
Total adjustments to reconcile profit		3,075,153	2,745,998
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in accounts receivable		628,363	(180,927)
Decrease (increase) in other receivables		(346,264)	246,526
Decrease (increase) in inventories		508,141	1,120,738
Decrease (increase) in other current assets		149,227	103,736
Decrease (increase) in other current financial assets		(20)	840
Total changes in operating assets		939,447	1,290,913
Changes in operating liabilities:			
Increase (decrease) in current contract liabilities		691	(457)
Increase (decrease) in notes and accounts payable		352,273	(189,494)
Increase (decrease) in other payable		(1,072,051)	1,441,324
Increase (decrease) in other current liabilities		9,381	8,826
Increase (decrease) in net defined benefit liability		452,683	83,128
Increase (decrease) in other non-current liabilities		10,710	(65,961)
Total changes in operating liabilities		(246,313)	1,277,366
Total changes in operating assets and liabilities		693,134	2,568,279
Total adjustments		3,768,287	5,314,277
Cash inflow generated from operations		10,849,366	18,788,744
Interest received		128,237	57,260
Interest paid		(247,343)	(165,602)
Income taxes paid		(3,430,212)	(2,376,743)
Net cash flows from operating activities		7,300,048	16,303,659
Cash flows from (used in) investing activities:			
Acquisition of property, plant and equipment		(4,141,094)	(4,454,173)
Proceeds from disposal of property, plant and equipment		93,406	119,709
Acquisition of intangible assets		(57,045)	(68,397)
Proceeds from disposal of intangible assets		-	2,544
Acquisition of right-of-use assets		-	(76,638)
Increase in other non-current financial assets		(19,145)	(7,824)
Increase in other non-current assets		(261,730)	(391,100)
Dividends received		44,761	5,725
Net cash flows used in investing activities		(4,340,847)	(4,870,154)
Cash flows from (used in) financing activities:			
Increase (decrease) in short-term loans		2,187,985	(6,026,783)
Proceeds from long-term borrowings		1,706,189	1,671,274
Repayments of long-term borrowings		(1,088,189)	(2,192,239)
Payment of lease liabilities		(35,040)	(41,433)
Cash dividends paid		(6,788,944)	(3,614,893)
Change in non-controlling interests		(477,953)	(727,696)
Net cash flows used in financing activities		(4,495,952)	(10,931,770)
Effect of exchange rate changes on cash and cash equivalents		(177,889)	208,495
Net (decrease) increase in cash and cash equivalents		(1,714,640)	710,230
Cash and cash equivalents at beginning of period		5,573,482	4,863,252
Cash and cash equivalents at end of period	$	**3,858,842**	**5,573,482**

See accompanying notes to consolidated financial statements.

(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 March 14, 2024.

(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, 2023:

- 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"

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) 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”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (TWD), which is the Company’s functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(Continued)

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Description**
The Company、GLO	PT Feng Tay Indonesia Enterprises	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	99.81 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000.
The Company	Growth-Link Overseas Company Limited(GLO)	Investment holding.	100.00 %	100.00 %	Growth-Link Overseas Company Limited was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).
The Company、GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	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).
The Company、GLO	Dona Orient Holdings Limited (DOH)	Investment holding.	100.00 %	100.00 %	Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817).
The Company、GLO	PT Rich Valley Indonesia	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	PT Rich Valley Indonesia was established in Indonesia in 2019,and has paid in capital of USD36,431,286.
The Company	Great Eastern Industries Limited	International trade services.	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).

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Description
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 SGD1,600,000.
The Company	India Tindivanam Footwear Private Limited	Manufactures athletic shoes, semi-finished footwear and footwear accessories.	93.60 %	93.87 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of INR2,994,917,250.
GLO	Fujian Da Feng Holdings Company Limited(DF)	Investment holding.	70.00 %	70.00 %	Fujian Da Feng Holdings Company Limited was established in Fujian Province, China in 1993, and has paid in capital of USD27,000,000.
DF	Fujian Lifeng Footwear Industrial Development Company Limited(LF)	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Fujian Lifeng Footwear Industrial Development Company Limited was established in Fujian Province, China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Fujian Xiefeng Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	Fujian San Feng Footwear Company Limited was established in Fujian Province, China in 1992, and has paid in capital of USD15,000,000.
GLO, DF, LF and XM	Fujian Great Hope Footwear Company Limited(GH)	Manufactures athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	100.00 %	100.00 %	Fujian Great Hope Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000.
GLO	Fujian Putian Xie Feng Mold Company Limited(XM)	Manufactures and repairs molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	Fujian Putian Xie Feng Mold Company Limited was established in Fujian Province, China in 1991, and has paid in capital of USD3,000,000.
LF, GH and XM	Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	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.
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesaler and retailer of general merchandise, and related services.	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.
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding.	92.00 %	92.00 %	Dona Pacific Holdings Limited was established in British Virgin Islands in 2000, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901).
GLO	VX Mold Company Limited(VXM)	Investment holding.	93.00 %	93.00 %	VX Mold Company Limited was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoes.	88.00 %	88.00 %	Lotus Footwear Enterprises Limited was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
VXH	Dona Victor Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Dona Victor Footwear Co., Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Description
DOH	Vietnam Dona Orient Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.
DOH	Vung Tau Orient Co., Ltd.	Manufactures golf balls, soccer balls, backpack and bags.	100.00 %	100.00 %	Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD33,000,000.
DOH	Hold Gold Trading Co., Ltd.	Selling of finished shoes, golf balls, backpack, bags and soccer balls.	- %	- %	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).(Note)
DOH	Vietnam Nam Ha Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Nam Ha Footwear Company Limited was established in Vietnam in 2019, and has paid in capital of USD62,000,000.
DPH	Dona Pacific (Vietnam) Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD20,000,000.
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufactures and repairs molds, cutting dies, and processing of metal parts.	100.00 %	100.00 %	Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000.
GLO and LUH	Cheyyar SEZ Developers Private Limited	Development in India's Industrial Park.	100.00 %	100.00 %	Cheyyar SEZ Developers Private Limited was established in Indian in 2006, and has paid in capital of USD119,893,561.
LUH	East Wind Footwear Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	East Wind Footwear Company Limited 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 Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	Fairway Enterprises Company Limited was established in British Virgin Islands in 2014, and has paid in capital of USD45,793,307 (including share premium of USD45,763,806).

Note: This subsidiary was dissolved in April 2022.

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

(d) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate on the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for that difference relating to the following, which are recognized in other comprehensive income:

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost or FVOCI – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, with change in the cumulative amortization using the effective interest method. In addition, these assets are further adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss

(Continued)

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive dividend is established.

3) Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivable and other financial assets).

The Group measures allowances for credit loss at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowance for credit loss for trade receivables are always measured at an amount equal to lifetime ECL.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

(Continued)

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Allowance for credit loss for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payable, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in non-operating income and expenses.

(Continued)

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The cost of inventories of matetials is calculated using the first-in-first-out method for the Company and its subsidiaries in Indonesia, the rest is calculated using the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 “Joint Arrangements” defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 “Investments in Associates and Joint Ventures”, unless the Group qualifies for exemption from that Standard.

(Continued)

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

When the Group's share of losses of a joint venture equals or exceeds its interests in a joint venture, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(j) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

(Continued)

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	2 years~ 55 years
2)	Machinery and equipment	2 years~ 13 years
3)	Computer and communication equipment	3 years~ 7 years
4)	Testing equipment	2 years~ 8 years
5)	Transportation equipment	3 years~ 5 years
6)	Office equipment	3 years~ 8 years
7)	Other equipment	2 years~ 8 years

Depreciation methods, useful lives and residual values are reviewed on each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

— there is a change of its assessment on whether it will exercise a extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

(ii) Other Intangible assets

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses. Such intangible assets are amortized on a straight line basis over the estimated useful lives and are recognized in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

1) computer software: 1~10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment – non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

Revenue is recognized when the control of a product has been transferred to the customer. When the products are delivered to the customer, the customer has full obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

(Continued)

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized；such reductions are reversed when the proability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to offset current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities related to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Government grants

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(Continued)

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(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 the IFRSs 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note (6)(c) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	**December 31, 2022**
Cash	$	907	1,165
Demand deposits and check deposit		1,438,215	1,922,997
Time deposits		2,419,720	3,649,320
Cash and cash equivalents in the consolidated statement of cash flows	**$**	**3,858,842**	**5,573,482**

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

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In accordance with the IFRSs Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2024, the Group reclassified the balance of Repatriated Offshore Funds of $497,387 thousand and $1,042,793 thousand on December 31, 2022 and January 1, 2022 from other current financial assets to cash and cash equivalents.

(b) Accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Accounts receivable–measured at amortized cost	$ 8,146,737	8,801,296
Less: Allowance for credit loss	(7,972)	(7,972)
	$ 8,138,765	**8,793,324**

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

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Allowance for credit loss provision**
Current	$ 6,875,318	0.00%	-
1 to 60 days past due	1,259,600	0.00%	-
61 days to 1 year past due	3,847	0.00%	-
More than 1 year past due	7,972	100.00%	7,972
	$ 8,146,737		**7,972**

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Allowance for credit loss provision**
Current	$ 7,952,293	0.00%	-
1 to 60 days past due	840,957	0.00%	-
61 days to 1 year past due	4,087	98.19%	4,013
More than 1 year past due	3,959	100.00%	3,959
	$ 8,801,296		**7,972**

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

	For the years ended December 31	
	2023	2022
Balance on January 1	$ 7,972	-
Impairment losses recognized	-	7,972
Balance on December 31	**$ 7,972**	**7,972**

As of December 31, 2023 and 2022, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 3,199,060	4,066,297
Work in process	1,246,496	1,156,759
Finished goods	3,143,251	2,793,327
Merchandise inventory	33,781	129,915
Inventory in transit	953,520	955,771
Others	1,905	2,125
	$ 8,578,013	**9,104,194**

The details of operating cost were as follows:

	For the years ended December 31	
	2023	2022
Cost of goods sold	$ 67,725,163	72,624,654
Net (gains) losses on inventories	(10,051)	88
Inventory scrap loss	272,279	42,382
Revenue from sale of scraps	(109,132)	(91,781)
Losses on obsolescence and inventory valuation	113,054	41,598
Total	**$ 67,991,313**	**72,616,941**

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 December 31, 2023 and 2022, the inventory of the Group was not pledged as collateral for its loan.

(d) 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:

		December 31, 2023	December 31, 2022
Joint ventures	$	1,080,014	1,051,389

(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:

		December 31, 2023	December 31, 2022
Individually insignificant joint venture	$	1,080,014	1,051,389

		For the years ended December 31	
		2023	2022
Attributable to the Group:			
Profit from continuing operation	$	77,251	254,418
Other comprehensive income (loss)		(3,865)	77,769
Comprehensive income	$	73,386	332,187

(ii) Collateral

As of December 31, 2023 and 2022, the investment accounted for using equity method of the Group was not pledged as collateral for its loan.

(e) Material non-controlling interest of subsidiaries

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

		Percentage of non-controlling interests	
Subsidiaries	Main operation place	December 31, 2023	December 31, 2022
Da Feng Holdings Co., Ltd.	China	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:

	December 31, 2023	December 31, 2022
Current assets	$ 511,204	793,011
Non-current assets	2,107,616	2,112,137
Current liabilities	(40,487)	(48,194)
Net assets	**$ 2,578,333**	**2,856,954**
Non-controlling interests	**$ 773,500**	**857,086**

	For the years ended December 31	
	2023	**2022**
Net income	$ 513,934	1,095,325
Other comprehensive income (loss)	(18,177)	99,339
Comprehensive income	**$ 495,757**	**1,194,664**
Profit, attributable to non-controlling interests	**$ 154,180**	**328,598**
Comprehensive income, attributable to non-controlling interests	**$ 148,727**	**358,399**
Net cash flows from operating activities	$ 20,900	17,485
Net cash flows from investing activities	741,837	992,589
Net cash flows used in financing activities	(754,702)	(1,190,316)
Net increase (decrease) in cash and cash equivalents	**$ 8,035**	**(180,242)**
Cash dividends to non-controlling interests	**$ 226,411**	**357,095**

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022 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, 2023	$ 1,627,127	14,768,244	22,355,304	503,148	116,842	564,300	623,809	103,495	2,169,304	42,831,573
Additions	-	29,040	68,321	27,305	5,141	32,074	25,899	4,849	3,951,597	4,144,226
Disposals	(132)	(223,367)	(719,149)	(21,962)	(4,506)	(15,536)	(23,847)	(7,249)	-	(1,015,748)
Reclassifications	-	1,861,538	1,527,746	17,998	3,692	134,920	49,489	3,620	(3,596,786)	2,217
Effect of changes in foreign exchange rates	(67)	(67,546)	(88,641)	(1,746)	-	(3,508)	(1,263)	45	(11,159)	(173,885)
Balance on December 31, 2023	**$ 1,626,928**	**16,367,909**	**23,143,581**	**524,743**	**121,169**	**712,250**	**674,087**	**104,760**	**2,512,956**	**45,788,383**
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	-	96,847	327,220	31,916	7,183	24,749	38,487	5,878	3,593,447	4,125,727
Disposals	-	(55,984)	(750,169)	(27,026)	(6,762)	(17,701)	(10,434)	(2,429)	-	(870,505)
Reclassifications	-	643,259	1,526,986	31,446	2,858	78,026	27,020	8,027	(2,310,086)	7,536
Effect of changes in foreign exchange rates	41,171	811,632	1,739,845	27,132	-	37,623	42,180	3,111	46,123	2,748,817
Balance on December 31, 2022	**$ 1,627,127**	**14,768,244**	**22,355,304**	**503,148**	**116,842**	**564,300**	**623,809**	**103,495**	**2,169,304**	**42,831,573**

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	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
Depreciation and impairment loss:										
Balance on January 1, 2023	$ -	7,425,458	13,398,726	379,888	98,291	269,135	477,124	78,694	-	22,127,316
Depreciation	-	585,520	2,058,312	50,580	8,855	77,385	56,846	6,687	-	2,844,185
Impairment loss	-	-	5,902	-	-	29	-	-	-	5,931
Disposals	-	(193,821)	(623,910)	(21,355)	(4,358)	(12,916)	(21,872)	(6,373)	-	(884,605)
Reclassifications	-	-	-	-	-	-	-	2,169	-	2,169
Effect of changes in foreign exchange rates	-	(38,926)	(215,882)	(1,339)	-	(1,758)	(988)	33	-	(258,860)
Balance on December 31, 2023	**$ -**	**7,778,231**	**14,623,148**	**407,774**	**102,788**	**331,875**	**511,110**	**81,210**	**-**	**23,836,136**
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	-	547,265	2,005,083	51,116	8,884	59,119	53,178	6,795	-	2,731,440
Impairment loss	-	-	7,265	61	-	30	1	-	-	7,357
Disposals	-	(49,338)	(624,130)	(25,601)	(6,438)	(15,968)	(9,961)	(2,075)	-	(733,511)
Reclassifications	-	-	-	12	-	(12)	-	7,536	-	7,536
Effect of changes in foreign exchange rates	-	398,073	883,046	20,902	-	17,462	32,529	2,199	-	1,354,211
Balance on December 31, 2022	**$ -**	**7,425,458**	**13,398,726**	**379,888**	**98,291**	**269,135**	**477,124**	**78,694**	**-**	**22,127,316**
Carrying amounts:										
Balance on December 31, 2023	**$ 1,626,928**	**8,589,678**	**8,520,433**	**116,969**	**18,381**	**380,375**	**162,977**	**23,550**	**2,512,956**	**21,952,247**
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 December 31, 2022	**$ 1,627,127**	**7,342,786**	**8,956,578**	**123,260**	**18,551**	**295,165**	**146,685**	**24,801**	**2,169,304**	**20,704,257**

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 pleged to the Company. An amount of $7,121 thousand was recognized as cost of land.

As of December 31, 2023 and 2022 the property, plant and equipment of the Group were not pledged as collateral for its loan.

(g) Right-of-use assets

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

	Land	Buildings	Machinery equipment	Other equipment	Total
Cost:					
Balance on January 1, 2023	$ 1,895,108	80,766	15,242	4,660	1,995,776
Additions	-	38,126	-	-	38,126
Disposal/Write-off	(46,570)	(25,432)	-	-	(72,002)
Reclassification	-	-	-	(2,217)	(2,217)
Effect of changes in foreign exchange rates	(6,053)	(949)	(2)	-	(7,004)
Balance on December 31, 2023	**$ 1,842,485**	**92,511**	**15,240**	**2,443**	**1,952,679**

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		Land	Buildings	Machinery equipment	Other equipment	Total
Balance on January 1, 2022	$	1,697,289	84,697	13,736	11,001	1,806,723
Additions		78,750	-	-	989	79,739
Disposal/Write-off		-	(8,077)	-	-	(8,077)
Reclassification		-	-	-	(7,536)	(7,536)
Others		-	-	-	62	62
Effect of changes in foreign exchange rates		119,069	4,146	1,506	144	124,865
Balance on December 31, 2022	$	**1,895,108**	**80,766**	**15,242**	**4,660**	**1,995,776**
Accumulated depreciation and impairment losses:						
Balance on January 1, 2023	$	182,603	39,925	6,017	3,060	231,605
Depreciation		48,390	30,282	2,439	410	81,521
Disposal/Write-off		(14,126)	(25,432)	-	-	(39,558)
Reclassification		-	-	-	(2,169)	(2,169)
Effect of changes in foreign exchange rates		(1,426)	(473)	(34)	(4)	(1,937)
Balance on December 31, 2023	$	**215,441**	**44,302**	**8,422**	**1,297**	**269,462**
Balance on January 1, 2022	$	124,762	19,383	3,253	9,127	156,525
Depreciation		48,723	26,754	2,342	1,407	79,226
Disposal/Write-off		-	(8,077)	-	-	(8,077)
Reclassification		-	-	-	(7,536)	(7,536)
Effect of changes in foreign exchange rates		9,118	1,865	422	62	11,467
Balance on December 31, 2022	$	**182,603**	**39,925**	**6,017**	**3,060**	**231,605**
Carrying amount:						
Balance on December 31, 2023	$	**1,627,044**	**48,209**	**6,818**	**1,146**	**1,683,217**
Balance on January 1, 2022	$	**1,572,527**	**65,314**	**10,483**	**1,874**	**1,650,198**
Balance on December 31, 2022	$	**1,712,505**	**40,841**	**9,225**	**1,600**	**1,764,171**

(h) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the years ended December 31, 2023 and 2022 were as follows:

		Owned property		
		Land	**Buildings**	**Total**
Cost:				
Balance on January 1, 2023	$	16,019	412,878	428,897
Effect of changes in foreign exchange rates		(2)	(6,594)	(6,596)
Balance on December 31, 2023	$	**16,017**	**406,284**	**422,301**
Balance on January 1, 2022	$	15,114	404,663	419,777
Effect of changes in foreign exchange rates		905	8,215	9,120
Balance on December 31, 2022	$	**16,019**	**412,878**	**428,897**
Accumulated depreciation and impairment losses:				
Balance on January 1, 2023	$	-	360,218	360,218
Depreciation		-	331	331
Effect of changes in foreign exchange rates		-	(8,397)	(8,397)
Balance on December 31, 2023	$	**-**	**352,152**	**352,152**

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	Owned property		
	Land	Buildings	Total
Balance on January 1, 2022	$ -	355,773	355,773
Depreciation	-	318	318
Effect of changes in foreign exchange rates	-	4,127	4,127
Balance on December 31, 2022	$ -	360,218	360,218
Carrying amount:			
Balance on December 31, 2023	$ 16,017	54,132	70,149
Balance on January 1, 2022	$ 15,114	48,890	64,004
Balance on December 31, 2022	$ 16,019	52,660	68,679
Fair value:			
Balance on December 31, 2023			$ 370,299
Balance on December 31, 2022			$ 381,861

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.

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 December 31, 2023 and 2022, the Investment property of the Group was not pledged as collateral for its loans.

(Continued)

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(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Goodwill	Computer software	Total
Costs			
Balance on January 1, 2023	$ 431,047	334,591	765,638
Additions	-	57,617	57,617
Disposal / Obsolescence	-	(25,469)	(25,469)
Effect of changes in foreign exchange rates	(19)	(1,873)	(1,892)
Balance on December 31, 2023	**$ 431,028**	**364,866**	**795,894**
Balance on January 1, 2022	$ 419,291	318,596	737,887
Additions	-	68,283	68,283
Disposal / Obsolescence	-	(71,215)	(71,215)
Effect of changes in foreign exchange rates	11,756	18,927	30,683
Balance on December 31, 2022	**$ 431,047**	**334,591**	**765,638**
Accumulated amortization and impairment losses			
Balance on January 1, 2023	$ 115,323	229,732	345,055
Amortization	-	54,203	54,203
Disposal / Obsolescence	-	(25,469)	(25,469)
Effect of changes in foreign exchange rates	(19)	(1,574)	(1,593)
Balance on December 31, 2023	**$ 115,304**	**256,892**	**372,196**
Balance on January 1, 2022	$ 104,161	232,519	336,680
Amortization	-	51,653	51,653
Disposal / Obsolescence	-	(68,677)	(68,677)
Effect of changes in foreign exchange rates	11,162	14,237	25,399
Balance on December 31, 2022	**$ 115,323**	**229,732**	**345,055**
Carrying amounts:			
Balance on December 31, 2023	**$ 315,724**	**107,974**	**423,698**
Balance on January 1, 2022	**$ 315,130**	**86,077**	**401,207**
Balance on December 31, 2022	**$ 315,724**	**104,859**	**420,583**

(Continued)

The amortization of intangible assets and their impairment losses are included in the statement of comprehensive income:

	For the years ended December 31	
	2023	2022
Cost of sales	$ 5,452	5,229
Operating expenses	48,751	46,424
Total	$ **54,203**	**51,653**

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of December 31, 2023 and 2022, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ **2,250,109**	**435,372**
Range of interest rates	**1.57%~6.50%**	**3.60%~5.62%**

(k) Long-term borrowings

The details were as follows:

	December 31, 2023			
	Currency	Interest Rate	Period	Amount
Unsecured bank loans	TWD	1.55%	2025	$ 1,470,000
	USD	6.36%~6.57%	2025	1,923,908
Other long-term borrowings	INR	0.10%	2024~2026	115,311
				3,509,219
Less: current portion				(57,679)
Total				$ **3,451,540**

	December 31, 2022			
	Currency	Interest Rate	Period	Amount
Unsecured bank loans	TWD	1.48%	2024	$ 852,000
	USD	5.25%~5.52%	2024	1,554,462
Other long-term borrowings	INR	0.10%	2023~2026	119,031
				2,525,493
Less: current portion				(14,481)
Total				$ **2,511,012**

(Continued)

(l) Lease liabilities

The Group lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 31,952	34,934
Non-current	$ 515,667	549,238

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	$ 50,950	50,198

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	$ 85,990	91,631

(i) Real estate leases

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

(ii) Other leases

The Group leased photocopiers with lease terms of eight years.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 6,059,161	5,754,909
Fair value of plan assets	(1,832,248)	(1,915,323)
Net defined benefit assets	$ 4,226,913	3,839,586

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The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Retired employee under the plans (covered by the Labor Standards Law) will be entitled to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

The employees of subsidiaries in Indonesia, India, and Vietnam are entitled to retirement benefit under the Group's defined benefit plan, for which actuarial valuation is conducted in accordance with the local labor laws and regulations.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks

The Company's Bank of Taiwan pension reserve account balance had amounted to \$1,832,248 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	For the years ended December 31	
	2023	**2022**
Defined benefit obligation on January 1	$ 5,754,909	5,189,304
Current service cost and interest cost	612,139	598,837
Remeasurement loss (gain):		
—Actuarial loss (gain) arising from experience	(144,541)	12,944
—Actuarial loss arising from demographic assumptions	-	32,421
—Actuarial loss arising from financial assumptions	126,025	254,818
Past service credit	-	102,896
Benefits paid	(301,673)	(292,270)
Effect of movements in exchange rates	12,302	(144,041)
Defined benefit obligations on December 31	**$ 6,059,161**	**5,754,909**

(Continued)

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31	
	2023	2022
Fair value of plan assets on January 1	$ 1,915,323	1,832,895
Interest income	28,099	11,612
Remeasurement gain (loss)		
－Return on plan assets excluding interest income	12,416	140,149
Contributions paid by the employer	20,222	99,710
Benefits paid	(143,812)	(169,043)
Fair value of plan assets on December 31	**$ 1,832,248**	**1,915,323**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	For the years ended December 31	
	2023	2022
Current service costs	$ 381,612	424,145
Net interest of net defined benefit liabilities obligations	202,428	163,080
	$ 584,040	**587,225**
Operating costs	$ 485,316	506,442
Selling and Administration expenses	83,391	68,238
Research and development expenses	15,333	12,545
	$ 584,040	**587,225**

5) Actuarial assumptions

The principal actuarial assumptions on the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.375%~7.21%	1.50%~7.28%
Future salary increases rate	5.00%~10.00%	5.00%~10.00%

The contribution to be made by the Group to the defined benefit plans within one year after the reporting date is $101,767 thousand.

The weighted-average lifetime of the defined benefit plans is 6.51 to 10.60 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations		
		0.25% Increased	0.25% Decreased
December 31, 2023			
Discount rate	$	(117,236)	118,952
Future salary increasing rate		115,992	(114,899)
December 31, 2022			
Discount rate	$	(113,005)	116,441
Future salary increasing rate		113,561	(110,860)

Reasonably possible changes on the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The employees of the Group’s subsidiaries in China, India and Vietnamese are members of their respective government pension plans, to which those subsidiaries must allocate a specific proportion of the salary, so as to provide funding for their respective plans, while the Group’s only obligation is to contribute a specific amount to these government pension plans.

The pension costs incurred from the contributions to the pension plans amounted to $1,025,227 thousand and $1,074,130 thousand for the years ended December 31, 2023 and 2022, respectively.

(n) Income taxes

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.

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(i) Income tax expense

The components of income tax in the years 2023 and 2022 were as follows:

		For the years ended December 31	
		2023	**2022**
Current income tax expense:			
Current period	$	2,521,070	3,139,788
Adjustment for prior years		(236,343)	78,554
		2,284,727	3,218,342
Deferred income tax expense:			
Origination and reversal of temporary differences		(649,650)	491,852
Adjustment for prior years		65	-
		(649,585)	491,852
Income tax expense	$	**1,635,142**	**3,710,194**

The amount of income tax recognized in other comprehensive income (loss) for 2023 and 2022 were as follows:

		For the years ended December 31	
		2023	**2022**
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	$	**10,923**	**66,493**
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income	$	**135**	**(7,051)**

Reconciliation of income tax and profit before tax for 2023 and 2022 was as follows:

		For the years ended December 31	
		2023	**2022**
Profit before income tax	$	**7,081,079**	**13,474,467**
Income tax using each entity's domestic tax rate	$	2,326,644	4,096,942
Others income tax adjustments		248,041	115,736
Tax exempt income		(291,206)	(178,442)
Tax incentives		(511,303)	(361,385)
Tax credit for foreign income		(86,966)	(121,579)
Change in unrecognized temporary differences		16,885	(58,433)
Adjustment to prior periods' income tax		(236,278)	78,554
Tax on dividend income		93,436	114,211
Additional tax on undistributed earnings		70,599	-
Others		5,290	24,590
Income tax expenses	$	**1,635,142**	**3,710,194**

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Tax losses	$ 68,604	30,040

The tax authorities of subsidiaries allow net losses to offset taxable income for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused amount	Year of expiry
2019	$ 1,048	2024
2020	37,235	2025
2021	88,383	2026
2022	28,112	2027 and without deadline
2023	206,408	2028 and without deadline

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities during 2023 and 2022 were as follows:

	Gains on foreign investment	Others	Total
Deferred Tax Liabilities:			
Balance on January 1, 2023	$ 3,167,912	659,591	3,827,503
Debit (credit) on income statement	(188,724)	(71,474)	(260,198)
Debit (credit) on other comprehensive income	-	(135)	(135)
Effect in exchange rate	-	(6,317)	(6,317)
Balance on December 31, 2023	$ 2,979,188	581,665	3,560,853

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	Gains on foreign investment	Others	Total
Balance on January 1, 2022	$ 2,795,081	481,456	3,276,537
Debit (credit) on income statement	372,831	168,738	541,569
Debit (credit) on other comprehensive income	-	7,051	7,051
Effect in exchange rate	-	2,346	2,346
Balance on December 31, 2022	**$ 3,167,912**	**659,591**	**3,827,503**

	Defined Benefit Plans	Others	Total
Deferred Tax Assets:			
Balance on January 1, 2023	$ 629,511	779,907	1,409,418
(Debit) credit on income statement	60,868	328,519	389,387
(Debit) credit on other comprehensive income	10,923	-	10,923
Effect in exchange rate	(1,247)	(7,618)	(8,865)
Balance on December 31, 2023	**$ 700,055**	**1,100,808**	**1,800,863**
Balance on January 1, 2022	$ 566,777	665,970	1,232,747
(Debit) credit on income statement	(47,777)	97,494	49,717
(Debit) credit on other comprehensive income	66,493	-	66,493
Effect in exchange rate	44,018	16,443	60,461
Balance on December 31, 2022	**$ 629,511**	**779,907**	**1,409,418**

As of December 31, 2023, the information of the Group's unused tax losses for which deferred tax assets were recognized are as follows:

Year of loss	Unused amount	Year of expiry
2023	$ 476,830	2028

(iii) Assessment of tax

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

In 2021, the dividends distributed by the subsidiaries of the Company 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. The amounts of restricted assets under the regulations on repatriation of funds on December 31, 2022, were $497,387 thousand, which is recognized under other current financial assets. For the year, the restricted assets under the regulations on repatriation of funds were recognized under other current financial assets reclassifies to cash and cash equivalents, please refer to Note (6)(a) for details.

(iv) Business income tax administrative remedies

For the year of 2011 to 2020, 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 years from 2006 to 2013, some of the Group’s subsidiaries in Mainland China were involved in disputes with the local tax authorities over tax returns, against which, each of the subsidiaries has estimated income tax expenses in 2016, filed a defense and negotiated with the tax authorities. Moreover, a final proposal has been reached with the tax authorities in March 2023, in which the tax expenses were approved and adjusted according to what had been agreed upon.

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

(o) Capital and other equity

As of December 31, 2023 and 2022, the Company’s total rated share capital amount to $12,000,000 thousand and $9,000,000 thousand, each with par value of $10, and the number of shares was 1,200,000 thousand and $900,000 thousand ordinary shares, respectively. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 987,483 thousand thousand and 881,681 thousand ordinary shares, respectively, all the consideration for issued shares has been received.

Reconciliations of shares outstanding for the years ended December 31, 2023 and 2022 is as follows:

	Ordinary shares	
	For the years ended December 31	
(Expressed in thousands of shares)	**2023**	**2022**
Balance on January 1	881,681	881,681
Stock dividend	105,802	-
Balance on December 31	**987,483**	**881,681**

(i) Ordinary shares

The Group transferred its unappropriated retained earnings of $1,058,017 thousand to its capital, with the base date set on August 11, 2023, based on the resolution decided during the shareholders’ meeting held on June 21, 2023, with the approval of the Financial Supervisory Commission. The relevant statutory registration procedures had been completed.

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(ii) Capital surplus

The details of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Treasury share transactions	$ 4,143	4,143
Gain on disposal of assets	32,980	32,980
Capital surplus-premium from merger	2,160	2,160
Donation from shareholders	4,537	3,617
Issued shares of subsidiaries not recognized in proportion to shareholding	9,747	8,260
Difference between consideration and carring amount of subsidiaries acquired or disposed	183	-
	$ 53,750	**51,160**

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.

(iii) Retained earnings

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

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

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

On June 21, 2023, and June 17, 2022, the Company's shareholder's meetings resolved to distribute the 2022 and 2021 earnings, respectively. These earnings were appropriated as follows:

	2022		2021	
	Amount (dollar)	Total	Amount (dollar)	Total
Dividends distributed to ordinary shareholders				
Cash	$ 7.70	6,788,944	4.10	3,614,893
Shares	1.20	1,058,017	-	-
Total		$ 7,846,961		3,614,893

On March 14, 2023, the Company's Board of Directors proposed to distribute the 2023 earnings as follows:

	For the years ended December 31 2023	
	Amount (dollar)	Total
Dividends distributed to ordinary shareholders		
Cash	$ 4.30	4,246,176

(iv) Other equity interest after tax

	Exchange differences on translation of foreign financial statement
Balance on January 1, 2023	$ (1,053,529)
Exchange differences on translation of foreign financial statement	(73,774)
Balance on December 31, 2023	$ (1,127,303)

(Continued)

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		Exchange differences on translation of foreign financial statement
Balance on January 1, 2022	$	(2,559,457)
Exchange differences on translation of foreign financial statement		1,505,928
Balance on December 31, 2022	**$**	**(1,053,529)**

(v) Non-controlling interests (NCIs)

		For the years ended December 31	
		2023	**2022**
Balance on January 1	$	1,880,573	1,758,492
Shares attributed to non-controlling interests			
Net profit		471,029	682,540
Foreign currency translation differences for foreign operations		(13,851)	60,646
Remeasurement from defined benefit plans		(12,637)	(3,678)
Changes in ownership interests in subsidiaries		46,888	22,329
Cash dividends paid to NCIs by subsidiaries		(477,419)	(612,902)
Capital returned to NCIs by subsidiaries on capital reduction		-	(26,854)
Balance on December 31	**$**	**1,894,583**	**1,880,573**

(p) Earnings per share

For the years ended December 31, 2023 and 2022, the Company's basic earnings per share were calculated as follows:

	For the years ended December 31	
	2023	**2022**
Basic earnings per share		
Net profit attributable to ordinary shareholders of the Company	**4,974,908**	**9,081,733**
Weighted average number of ordinary shares (basic)	987,483	987,483
Basic earnings per share (dollars)	**5.04**	**9.20**

The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees and directors for the year ended December 31, 2023, was distributed in cash using the same method for the preceding three years.

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(q) Revenue from contracts with customer

(i) Disaggregation of revenue

	For the years ended December 31, 2023		
	Segments of footwear manufacturing and sales	**Other Segments**	**Total**
Primary geographical markets			
Singapore	$ 62,397,130	1,946,422	64,343,552
America	7,631,133	1,107,918	8,739,051
Switzerland	4,115,293	441	4,115,734
Mainland China	3,455,699	20,485	3,476,184
Mexico	1,803,975	45,016	1,848,991
Other countries	2,152,658	1,091,094	3,243,752
	$ 81,555,888	**4,211,376**	**85,767,264**
Major products/services lines			
Manufacturing and sale of footwear	$ 81,555,888	-	81,555,888
Others	-	4,211,376	4,211,376
	$ 81,555,888	**4,211,376**	**85,767,264**

	For the years ended December 31, 2022		
	Segments of footwear manufacturing and sales	**Other Segments**	**Total**
Primary geographical markets			
Singapore	$ 69,509,782	1,910,128	71,419,910
America	9,305,593	1,134,322	10,439,915
Mainland China	4,432,513	12,420	4,444,933
Switzerland	3,752,690	4,892	3,757,582
Mexico	1,890,354	37,284	1,927,638
Other countries	2,811,347	1,101,599	3,912,946
	$ 91,702,279	**4,200,645**	**95,902,924**
Major products/services lines			
Manufacturing and sale of footwear	$ 91,702,279	-	91,702,279
Others	-	4,200,645	4,200,645
	$ 91,702,279	**4,200,645**	**95,902,924**

(Continued)

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable(including related parties)	$ 8,146,737	8,801,296	8,580,652
Less: allowance for credit loss	(7,972)	(7,972)	-
Total	$ 8,138,765	8,793,324	8,580,652
Contract liabilities	$ 999	317	403

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

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $317 thousand and $403 thousand, respectively.

(r) Compensation to employees and directors

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

The Company estimated its employee compensation at respectively $140,000 thousand and $270,000 thousand for the years ended December 31, 2023 and 2022, and estimated its director compensation at $91,000 thousand and $145,080 thousand for years ended December 31, 2023 and 2022, 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.

There was no difference between the amounts approved by Board of Directors and those recognized in the parent-company-only financial statements for the years ended December 31, 2023 and 2022. The information is available on the Market Observation Post System website.

(s) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest income from bank deposits	$ 122,398	61,871

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(ii) Other income

The details of the Group's other income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Rent income	$ 3,246	3,419
Government subsidy	41,439	187,765
Income from export incentives	-	39,908
Other income	360,259	426,796
	$ 404,944	**657,888**

(iii) Other gains and losses

The details of the Group's other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Foreign exchange gains	$ 278,614	1,388,840
Losses on disposal of property, plant and equipment	(37,737)	(17,279)
Impairment loss	(5,931)	(7,357)
Profit from lease modification	1,226	-
Others	(91,218)	(42,969)
	$ 144,954	**1,321,235**

(iv) Financial costs

The details of the Group's financial costs for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest expense	**$ 252,120**	**167,042**

(t) Financial instruments

(i) Credit risks

1) Credit risk exposure

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

2) The concentration of credit risk

On December 31, 2023 and 2022, 85% and 71% 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:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2023							
Non-derivative financial liabilities							
Notes and accounts payable	$ 4,256,055	4,256,055	4,254,770	1,285	-	-	-
Other payables	5,250,463	5,250,463	5,248,385	2,078	-	-	-
Unsecured bank loans	5,644,017	5,908,547	2,148,930	268,648	3,490,969	-	-
Other long-term borrowings	115,311	115,442	57,708	29	58	57,647	-
Lease liabilities	547,619	1,384,905	52,150	29,703	68,498	167,561	1,066,993
	$ 15,813,465	**16,915,412**	**11,761,943**	**301,743**	**3,559,525**	**225,208**	**1,066,993**
December 31, 2022							
Non-derivative financial liabilities							
Notes and accounts payable	$ 3,941,237	3,941,237	3,930,959	10,278	-	-	-
Other payables	6,442,332	6,442,332	6,442,167	165	-	-	-
Unsecured bank loans	2,841,834	3,015,952	338,049	204,239	2,473,664	-	-
Other long-term borrowings	119,031	119,265	14,532	53	52,757	51,923	-
Lease liabilities	584,172	1,469,684	51,678	33,245	74,415	172,820	1,137,526
	$ 13,928,606	**14,988,470**	**10,777,385**	**247,980**	**2,600,836**	**224,743**	**1,137,526**

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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(iii) Currency risks

1) Exposure to currency risks

	December 31, 2023			
	Foreign currency (In thousands)	Exchange rate		TWD
Financial assets				
Monetary items				
USD	$ 264,637	USD：TWD	30.655	8,112,443
	21,141	USD：CNY	7.0827	648,079
	0.13	USD：VND	24,250	4
VND	686,395,529	VND：USD	0.00004	892,314
INR	1,333,654	INR：USD	0.0120	491,852
IDR	179,614,062	IDR：USD	0.0001	359,228
Non-monetary items				
USD	35,231	USD：TWD	30.655	1,080,014
Financial liabilities				
Monetary items				
USD	32,373	USD：TWD	30.655	992,407
	13,505	USD：CNY	7.0827	414,003
	151	USD：VND	24,250	4,622
VND	1,850,403,222	VND：USD	0.00004	2,405,524
INR	2,964,866	INR：USD	0.0120	1,093,443
IDR	1,308,295,348	IDR：USD	0.0001	2,616,591

	December 31, 2022			
	Foreign currency (In thousands)	Exchange rate		TWD
Financial assets				
Monetary items				
USD	$ 317,778	USD：TWD	30.660	9,743,084
	31,066	USD：CNY	6.9646	952,474
	104	USD：VND	23,570	3,186
VND	387,275,775	VND：USD	0.00004	503,459
INR	2,686,296	INR： USD	0.0121	995,004
IDR	36,631,536	IDR：USD	0.0001	69,600
Non-monetary items				
USD	34,292	USD：TWD	30.660	1,051,389

(Continued)

	December 31, 2022			
	Foreign currency (In thousands)	Exchange rate		TWD
Financial liabilities				
Monetary items				
USD	27,038	USD：TWD	30.660	828,992
	7,777	USD：CNY	6.9646	238,428
	378	USD：VND	23,570	11,577
VND	1,900,289,824	VND：USD	0.00004	2,470,377
INR	3,620,800	INR：USD	0.0121	1,341,144
IDR	1,266,479,737	IDR：USD	0.0001	2,406,311

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 years ended December 31, 2023 and 2022, would have increased or decreased the net profit before tax by $148,867 thousand and $248,499 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gain (including realized and unrealized portions) amounted to $278,614 thousand and $1,388,840 thousand, respectively.

(iv) Interest rate analysis

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

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

If the interest rate increases or decreases by 50 basis points, with all other variable factors remaining constant, the Group’s net profit before tax would have decreased or increased by $21,029 thousand and $4,594 thousand for the years ended December 31, 2023 and 2022, respectively. This was mainly due to the Group’s deposits and borrowings at variable rates.

(Continued)

(v) Fair value information

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

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

(u) Financial risk management

(i) Overview

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

1) credit risk

2) liquidity risk

3) market risk

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

(ii) Risk management framework

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

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

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

(iii) Credit risk

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

1) Trade and other receivables

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

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

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

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

2) Investment

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

3) Guarantees

As of December 31, 2023 and 2022, 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 December 31, 2023 and 2022, amounted to $13,855,266 thousand and $16,310,996 thousand, respectively.

(v) Market risk

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

1) Currency risk

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

The interest is denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily TWD、USD 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.

(v) Capital management

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

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

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

	December 31, 2023	December 31, 2022
Total liabilities	$ 25,592,092	24,436,440
Less: cash and cash equivalents	(3,858,842)	(5,573,482)
Net debt	21,733,250	18,862,958
Total equity	25,054,831	26,873,927
Total capital	**$ 46,788,081**	**45,736,885**
Debt-to-equity ratio on period end	**46.45 %**	**41.24 %**

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

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022.

Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	January 1, 2023	Cash flows	Others	Foreign exchange movement	December 31, 2023
Long-term borrowings	$ 2,525,493	618,000	-	365,726	3,509,219
Short-term borrowings	435,372	2,187,985	-	(373,248)	2,250,109
Lease liabilities	584,172	(35,040)	4,456	(5,969)	547,619
Total liabilities from financing activities	**$ 3,545,037**	**2,770,945**	**4,456**	**(13,491)**	**6,306,947**

(Continued)

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	January 1, 2022	Cash flows	Non-cash changes: Others	Non-cash changes: Foreign exchange movement	December 31, 2022
Long-term borrowings	$ 2,890,474	(520,965)	-	155,984	2,525,493
Short-term borrowings	6,300,675	(6,026,783)	-	161,480	435,372
Lease liabilities	567,349	(41,433)	79,739	(21,483)	584,172
Total liabilities from financing activities	$ 9,758,498	(6,589,181)	79,739	295,981	3,545,037

(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.

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

(b) Significant transactions with related parties

(i) Operating income

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

	For the years ended December 31 2023	2022
The Group is a joint venture under the joint agreement	$ 3,994	141,976

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

(ii) Other revenue

	For the years ended December 31 2023	2022
The Group is a joint venture under the joint agreement	$ 9,390	9,610

(iii) Other expense

	For the years ended December 31 2023	2022
The Group is a joint venture under the joint agreement	$ 161	16

(iv) Receivables due from Related Parties

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

Account item	Category of related party	December 31, 2023	December 31, 2022
Accounts receivable	The Group is a joint venture under the joint agreement	$ -	21,146
Other receivables	The Group is a joint venture under the joint agreement	761	1,443
		$ 761	**22,589**

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the years ended December 31	
	2023	**2022**
Short-term employee benefits	$ 288,374	442,538
Post-employment benefits	5,017	4,325
	$ 293,391	**446,863**

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Other current financial assets	Customs deposit and lease deposit	$ 1,362	1,364
Other non-current financial assets	Customs deposit and lease deposit	102,622	84,422
		$ 103,984	**85,786**

(9) Commitments and contingencies:

(a) As of December 31, 2023 and 2022, the Group has issued promissory notes for short-term and long-term borrowings of $9,258,950 thousand and $9,259,400 thousand, respectively.

(b) As of December 31, 2023 and 2022, the Group had payables in respect of important construction contracts, amounting to $2,013,356 thousand and $2,309,047 thousand, respectively.

(10) Losses Due to Major Disasters: None

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(11) Subsequent Events:

The Group signed the sale agreement in March 2024. The buyer will purchase the U.S. real estate, Eagle Crest from the Group, the agreement is expected to be completed in 2024.

(12) Others:

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

By function / By item	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	$ 19,979,430	6,027,466	26,006,896	19,819,465	6,618,149	26,437,614
Labor and health insurance	2,252,931	567,875	2,820,806	1,977,198	470,547	2,447,745
Pension	1,270,885	338,382	1,609,267	1,333,388	327,967	1,661,355
Other employee benefits	2,600,013	584,168	3,184,181	2,682,784	667,616	3,350,400
Depreciation	2,140,530	785,507	2,926,037	2,151,009	659,975	2,810,984
Amortization	5,452	48,751	54,203	5,229	46,424	51,653

(b) Seasonality of operation

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

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(13) Other disclosures

(a) Information on significant transactions

The followings is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2023:

i. Loans to other parties: None

ii. Guarantees and endorsements for other parties: None

iii. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain/Loss on Disposal	Shares	Amount (Note1)
	Stock													
Feng Tay Enterprises Co., Ltd.	India Tindivanam Footwear Private Limited	Investments accounted for using equity method	-	Subsidiary	88,000,000	316,957	192,328,078	721,686	-	-	-	-	280,328,078	927,522
Dona Orient Holdings Limited	Vietnam Nam Ha Footwear Company Limited	Investments accounted for using equity method	-	Subsidiary	Note 3	1,288,563	Note 3	594,075	-	-	-	-	Note 3	1,771,875
Lotus Footwear Enterprises Limited	Cheyyar SEZ Developers Private Limited	Investments accounted for using equity method	-	Subsidiary	104,999,999	2,387,363	13,000,000	486,706	-	-	-	-	117,999,999	2,880,529

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.

Note 3: Unissued shares of the Vietnamese entities.

Note 4: Amounts denominated in foreign currencies in this chart are translated into New Taiwan Dollars using the spot exchange rate at the reporting date. (On December 31, 2023, the USD closing exchange rate of 30.655)

v. Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Name of property	Transaction date (Note1)	Transaction amount (Note1)	Status of payment	Counter-party (Note2)	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	New Development Center	November 10, 2023	1,950,000	Payment according to contract conditions	FONG YU ASSOCIATED ENGINEERING CO., LTD., etc.	None	-	-	-	-	Price comparison and bargaining	In response to the Company's business development	None

Note 1: This is the estimated transaction amount based on the new development center project approved by the Board of Directors, and the actual transaction amount is based on the contract.

Note 2: The Company originally decided that the total budget for the New Development Center project was $1.35 billion on August 11, 2022. Due to the adjustment of the construction plan and rising prices, the total budget was changed to $1.95 billion by a resolution of the Board of Directors on November 10, 2023, among which the civil engineering work amounted to $1.33 billion has been contracted by Fong Yu Associated Engineering Co., Ltd. on September 7, 2023, and other project contracts have not yet been signed.

vi. Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

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vii. Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Sale	1,531,220	2%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	435,326	4%	-
〃	〃	〃	Purchase	6,010,566	8%	20 days	〃	-	(413,044)	(6%)	-
〃	India Tindivanam Footwear Private Limited	〃	Sale	241,105	-	90 days	〃	-	99,696	1%	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	Sale	1,498,084	2%	30 days	〃	-	130,903	1%	-
〃	〃	〃	Purchase	6,724,926	9%	15 days	〃	-	(342,661)	(5%)	-
〃	Vietnam Dona Orient Co., Ltd.	〃	Sale	3,065,081	4%	75 days	〃	-	723,651	6%	-
〃	〃	〃	Purchase	6,322,286	8%	30 days	〃	-	(684,356)	(10%)	-
〃	Dona Victor Footwear Co., Ltd.	〃	Sale	1,327,351	2%	30 days	〃	-	87,737	1%	-
〃	〃	〃	Purchase	7,421,152	10%	30 days	〃	-	(749,232)	(11%)	-
〃	Lotus Footwear Enterprises Limited (India Branch)	〃	Sale	2,099,897	3%	60/90 days	〃	-	449,863	4%	-
〃	〃	〃	Purchase	5,547,072	7%	30 days	〃	-	(637,291)	(10%)	-
〃	Fujian Lifeng Footwear Industrial Development Company Limited	〃	Sale	716,155	1%	15 days	〃	-	52,888	-	-
〃	〃	〃	Purchase	3,188,529	4%	15 days	〃	-	(120,098)	(2%)	-
〃	Fujian San Feng Footwear Company Limited	〃	Sale	593,456	1%	15 days	〃	-	32,380	-	-
〃	〃	〃	Purchase	2,408,991	3%	15 days	〃	-	(61,181)	(1%)	-
〃	Fujian Xiefeng Footwear Company Limited	〃	Sale	1,210,297	1%	15 days	〃	-	61,668	1%	-
〃	〃	〃	Purchase	3,693,305	5%	15 days	〃	-	(154,889)	(2%)	-
〃	Fujian Great Hope Footwear Company Limited	〃	Sale	129,106	-	15 days	〃	-	1,238	-	-
〃	〃	〃	Purchase	1,181,557	2%	60 days	〃	-	(181,852)	(3%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sale	3,468,159	4%	90 days	〃	-	760,927	7%	-
〃	〃	〃	Purchase	16,238,158	22%	10 days	〃	-	(430,712)	(6%)	-
〃	Vung Tau Orient Co., Ltd.	〃	Sale	989,751	1%	120 days	〃	-	301,882	3%	-
〃	〃	〃	Purchase	3,080,964	4%	10 days	〃	-	(125,190)	(2%)	-
〃	Fujian Putian Xie Feng Mold Company Limited	〃	Purchase	109,876	-	30 days	〃	-	(9,662)	-	-
〃	Vietnam Nam Ha Footwear Company Limited	〃	Sale	261,750	-	90 days	〃	-	28,989	-	-
〃	East Wind Footwear Company Limited (India Branch)	〃	Sale	1,615,178	2%	60 days	〃	-	268,676	2%	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	East Wind Footwear Company Limited (India Branch)	Parent and subsidiary	Purchase	4,601,220	6%	20/30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(497,380)	(7%)	-
〃	Fairway Enterprises Company Limited (India Branch)	〃	Sale	2,589,968	3%	30/60 days	〃	-	275,377	2%	-
〃	〃	〃	Purchase	5,643,166	8%	30 days	〃	-	(437,057)	(7%)	-
〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	Sale	458,736	1%	15 days	〃	-	68,728	1%	-
〃	〃	〃	Purchase	249,197	-	30 days	〃	-	(14,867)	-	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	6,010,566	99%	20 days	〃	-	413,044	97%	-
〃	〃	〃	Purchase	1,531,220	35%	90 days	〃	-	(435,326)	(68%)	-
India Tindivanam Footwear Private Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Purchase	241,105	99%	90 days	〃	-	(99,696)	(77%)	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,188,529	75%	15 days	〃	-	120,098	50%	-
〃	〃	〃	Purchase	716,155	28%	15 days	〃	-	(52,888)	(23%)	-
〃	Fujian Xiefeng Footwear Company Limited	Associate	〃	209,834	8%	10~15 days	〃	-	(16,247)	(7%)	-
〃	Fujian Putian Xie Feng Mold Company Limited	〃	〃	189,333	7%	10~15 days	〃	-	(11,425)	(5%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,693,305	72%	15 days	〃	-	154,889	63%	-
〃	〃	〃	Purchase	1,210,297	48%	15 days	〃	-	(61,668)	(25%)	-
〃	Fujian Lifeng Footwear Industrial Development Company Limited	Associate	Sale	209,834	4%	10~15 days	〃	-	16,247	7%	-
〃	Fujian San Feng Footwear Company Limited	〃	〃	211,071	4%	15~20 days	〃	-	16,831	7%	-
〃	Fujian Putian Xie Feng Mold Company Limited	〃	Purchase	159,475	6%	10~15 days	〃	-	(14,786)	(6%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	2,408,991	65%	15 days	〃	-	61,181	46%	-
〃	〃	〃	Purchase	593,456	30%	15 days	〃	-	(32,380)	(15%)	-
〃	Fujian Xiefeng Footwear Company Limited	Associate	〃	211,071	11%	15~20 days	〃	-	(16,831)	(8%)	-
〃	Fujian Putian Xie Feng Mold Company Limited	〃	〃	185,256	9%	10~15 days	〃	-	(12,490)	(6%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,181,557	96%	60 days	〃	-	181,852	96%	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	129,106	21%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(1,238)	(2%)	-
〃	Fujian Putian Xie Feng Mold Company Limited	Associate	〃	157,025	26%	10~60 days	〃	-	(23,451)	(30%)	-
Fujian Putian Xie Feng Mold Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	109,876	12%	30 days	〃	-	9,662	12%	-
〃	Fujian Xiefeng Footwear Company Limited	Associate	〃	159,475	17%	10~15 days	〃	-	14,786	18%	-
〃	Fujian Lifeng Footwear Industrial Development Company Limited	〃	〃	189,333	20%	10~15 days	〃	-	11,425	14%	-
〃	Fujian Great Hope Footwear Company Limited	〃	〃	157,025	17%	10~60 days	〃	-	23,451	29%	-
〃	Fujian San Feng Footwear Company Limited	〃	〃	185,256	20%	10~15 days	〃	-	12,490	16%	-
〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	〃	124,024	13%	15~20 days	〃	-	7,506	9%	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	249,197	24%	30 days	〃	-	14,867	17%	-
〃	〃	〃	Purchase	458,736	77%	15 days	〃	-	(68,728)	(90%)	-
〃	Fujian Putian Xie Feng Mold Company Limited	Associate	〃	124,024	21%	15~20 days	〃	-	(7,506)	(10%)	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	Sale	4,810,094	100%	Payment after Delivery	〃	-	870,454	99%	-
Hong Kong Shoe Majesty Trading Company Limited	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	4,810,094	100%	Payment after Delivery	〃	-	(870,454)	(98%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	7,421,152	100%	30 days	〃	-	749,232	100%	-
〃	〃	〃	Purchase	1,327,351	67%	30 days	〃	-	(87,737)	(21%)	-
〃	Dona Pacific (Vietnam) Co., Ltd	Associate	〃	169,866	9%	60 days	〃	-	(15,437)	(4%)	-
〃	Dona Victor Molds Mfg. Co., Ltd.	〃	〃	190,796	10%	30 days	〃	-	(17,280)	(4%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	〃	238,274	12%	60 days	〃	-	(31,322)	(7%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	6,724,926	92%	15 days	〃	-	342,661	87%	-
〃	〃	〃	Purchase	1,498,084	93%	30 days	〃	-	(130,903)	(28%)	-
〃	Vietnam Dona Orient Co., Ltd.	Associate	Sale	284,948	4%	60 days	〃	-	27,245	7%	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	〃	121,792	2%	60 days	〃	-	8,919	2%	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Dona Pacific (Vietnam) Co., Ltd.	Dona Victor Footwear Co., Ltd.	Associate	Sale	169,866	2%	60 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	15,437	4%	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	6,322,286	73%	30 days	〃	-	684,356	71%	-
〃	〃	〃	Purchase	3,065,081	75%	75 days	〃	-	(723,651)	(73%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	Associate	〃	143,403	4%	60 days	〃	-	(15,624)	(2%)	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	〃	284,948	7%	60 days	〃	-	(27,245)	(3%)	-
〃	Dona Victor Molds Mfg Co., Ltd.	〃	〃	118,945	3%	30 days	〃	-	(8,464)	(1%)	-
Dona Victor Molds Mfg. Co., Ltd.	Dona Victor Footwear Co., Ltd.	Associate	Sale	190,796	28%	30 days	〃	-	17,280	28%	-
〃	Vietnam Dona Orient Co., Ltd.	〃	〃	118,945	17%	30 days	〃	-	8,464	14%	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	〃	298,329	43%	30 days	〃	-	29,190	47%	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,080,964	100%	10 days	〃	-	125,190	98%	-
〃	〃	〃	Purchase	989,751	82%	120 days	〃	-	(301,882)	(78%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	Associate	〃	119,213	10%	60 days	〃	-	(8,908)	(2%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	16,238,158	96%	10 days	〃	-	430,712	86%	-
〃	〃	〃	Purchase	3,468,159	86%	90 days	〃	-	(760,927)	(58%)	-
〃	Dona Victor Footwear Co., Ltd.	Associate	Sale	238,274	1%	60 days	〃	-	31,322	6%	-
〃	Vung Tau Orient Co., Ltd.	〃	〃	119,213	1%	60 days	〃	-	8,908	2%	-
〃	Vietnam Dona Orient Co., Ltd.	〃	〃	143,403	1%	60 days	〃	-	15,624	3%	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	Purchase	121,792	3%	60 days	〃	-	(8,919)	(1%)	-
〃	Dona Victor Molds Mfg. Co., Ltd.	〃	〃	298,329	7%	30 days	〃	-	(29,190)	(2%)	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	261,750	96%	90 days	〃	-	(28,989)	(26%)	-
East Wind Footwear Company Limited(India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	4,601,220	100%	20/30 days	〃	-	497,380	100%	-
〃	〃	〃	Purchase	1,615,178	95%	60 days	〃	-	(268,676)	(86%)	-
Lotus Footwear Enterprises Limited(India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	5,547,072	97%	30 days	〃	-	637,291	98%	-
〃	〃	〃	Purchase	2,099,897	99%	60/90 days	〃	-	(449,863)	(91%)	-
Fairway Enterprises Company Limited(India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	5,643,166	100%	30 days	〃	-	437,057	100%	-
〃	〃	〃	Purchase	2,589,968	98%	30/60 days	〃	-	(275,377)	(89%)	-

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

Note 2: The above-mentioned transactions between related parties included repeated sales and purchases.

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

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	435,326	5.50	-	-	124,133	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	130,903	14.70	-	-	122,084	-
〃	Vietnam Dona Orient Co., Ltd.	〃	723,651	4.90	-	-	419,721	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	760,927	4.08	-	-	134,069	-
〃	Vung Tau Orient Co., Ltd.	〃	301,882	3.23	79,255	-	12,479	-
〃	Lotus Footwear Enterprises Limited (India Branch)	〃	449,863	4.21	-	-	135,103	-
〃	East Wind Footwear Company Limited (India Branch)	〃	268,676	4.78	-	-	133,089	-
〃	Fairway Enterprises Company Limited (India Branch)	〃	275,377	6.79	-	-	142,396	-
〃	〃	〃	27,371	Note 2	-	-	-	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	413,044	13.98	-	-	413,044	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	120,098	21.13	-	-	120,098	-
Fujian Xiefeng Footwear Cos., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	154,889	18.33	-	-	154,889	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	181,852	6.73	-	-	133,625	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	870,454	5.66	-	-	48,105	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	749,232	10.49	-	-	749,232	-
Dona Pacific (Vietnam) Co., Ltd	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	342,661	18.78	-	-	342,661	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	684,356	10.36	-	-	684,356	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	125,190	23.46	-	-	125,190	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	430,712	27.78	-	-	426,452	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	497,380	12.40	-	-	305,479	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	637,291	9.30	-	-	555,465	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	437,057	10.65	-	-	437,057	-

Note 1: Reconciliated in the preparation of the consolidated report.
Note 2: It is mainly other receivables, so they are not applicable to the calculation of turnover days.

ix. Trading in derivative instruments: None

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

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	1,531,220	Note 3	1.7853%
〃	〃	〃	〃	Cost of sales	6,010,566	Note 3	7.0080%
〃	〃	〃	〃	Accounts receivable due from related parties	435,326	90 days	0.8595%
〃	〃	〃	〃	Accounts payable to related parties	413,044	20 days	0.8155%
〃	〃	India Tindivanam Footwear Private Limited	〃	Sales revenue	241,105	Note 3	0.2811%
〃	〃	〃	〃	Accounts receivable due from related parties	99,696	90 days	0.1968%
〃	〃	Dona Pacific(Vietnam) Co., Ltd.	4	Sales revenue	1,498,084	Note 3	1.7467%
〃	〃	〃	〃	Cost of sales	6,724,926	Note 3	7.8409%
〃	〃	〃	〃	Accounts receivable due from related parties	130,903	30 days	0.2585%
〃	〃	〃	〃	Accounts payable to related parties	342,661	15 days	0.6766%
〃	〃	Vietnam Dona Orient Co., Ltd.	〃	Sales revenue	3,065,081	Note 3	3.5737%
〃	〃	〃	〃	Technical service income	166,887	Note 4	0.1946%
〃	〃	〃	〃	Cost of sales	6,322,286	Note 3	7.3714%
〃	〃	〃	〃	Accounts receivable due from related parties	723,651	75 days	1.4288%
〃	〃	〃	〃	Accounts payable to related parties	684,356	30 days	1.3512%
〃	〃	Dona Victor Footwear Co., Ltd.	〃	Sales revenue	1,327,351	Note 3	1.5476%
〃	〃	〃	〃	Cost of sales	7,421,152	Note 3	8.6527%
〃	〃	〃	〃	Accounts receivable due from related parties	87,737	30 days	0.1732%
〃	〃	〃	〃	Accounts payable to related parties	749,232	30 days	1.4793%
〃	〃	Lotus Footwear Enterprises Limited (India Branch)	〃	Sales revenue	2,099,897	Note 3	2.4484%
〃	〃	〃	〃	Cost of sales	5,547,072	Note 3	6.4676%
〃	〃	〃	〃	Accounts receivable due from related parties	449,863	60/90 days	0.8882%
〃	〃	〃	〃	Accounts payable to related parties	637,291	30 days	1.2583%
〃	〃	Fujian Lifeng Footwear Industrial Development Company Limited	〃	Sales revenue	716,155	Note 3	0.8350%
〃	〃	〃	〃	Cost of sales	3,188,529	Note 3	3.7177%
〃	〃	〃	〃	Accounts receivable due from related parties	52,888	15 days	0.1044%
〃	〃	〃	〃	Accounts payable to related parties	120,098	15 days	0.2371%
〃	〃	Fujian San Feng Footwear Company Limited	〃	Sales revenue	593,456	Note 3	0.6919%
〃	〃	〃	〃	Cost of sales	2,408,991	Note 3	2.8088%

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No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Fujian San Feng Footwear Company Limited	4	Accounts receivable due from related parties	32,380	15 days	0.0639%
〃	〃	〃	〃	Accounts payable to related parties	61,181	15 days	0.1208%
〃	〃	Fujian Xiefeng Footwear Company Limited	〃	Sales revenue	1,210,297	Note 3	1.4111%
〃	〃	〃	〃	Cost of sales	3,693,305	Note 3	4.3062%
〃	〃	〃	〃	Accounts receivable due from related parties	61,668	15 days	0.1218%
〃	〃	〃	〃	Accounts payable to related parties	154,889	15 days	0.3058%
〃	〃	Fujian Putian Xie Feng Mold Company Limited	〃	Cost of sales	109,876	Note 3	0.1281%
〃	〃	〃	〃	Accounts payable to related parties	9,662	30 days	0.0191%
〃	〃	Fujian Great Hope Footwear Company Limited	〃	Sales revenue	129,106	Note 3	0.1505%
〃	〃	〃	〃	Cost of sales	1,181,557	Note 3	1.3776%
〃	〃	〃	〃	Accounts receivable due from related parties	1,238	15 days	0.0024%
〃	〃	〃	〃	Accounts payable to related parties	181,852	60 days	0.3591%
〃	〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sales revenue	3,468,159	Note 3	4.0437%
〃	〃	〃	〃	Cost of sales	16,238,158	Note 3	18.9328%
〃	〃	〃	〃	Accounts receivable due from related parties	760,927	90 days	1.5024%
〃	〃	〃	〃	Accounts payable to related parties	430,712	10 days	0.8504%
〃	〃	Vung Tau Orient Co., Ltd.	〃	Sales revenue	989,751	Note 3	1.1540%
〃	〃	〃	〃	Cost of sales	3,080,964	Note 3	3.5922%
〃	〃	〃	〃	Accounts receivable due from related parties	301,882	120 days	0.5961%
〃	〃	〃	〃	Accounts payable to related parties	125,190	10 days	0.2472%
〃	〃	Vietnam Nam Ha Footwear Company Limited	〃	Sales revenue	261,750	Note 3	0.3052%
〃	〃	〃	〃	Accounts receivable due from related parties	28,989	90 days	0.0572%
〃	〃	East Wind Footwear Company Limited (India Branch)	〃	Sales revenue	1,615,178	Note 3	1.8832%
〃	〃	〃	〃	Cost of sales	4,601,220	Note 3	5.3648%
〃	〃	〃	〃	Accounts receivable due from related parties	268,676	60 days	0.5305%
〃	〃	〃	〃	Accounts payable to related parties	497,380	20/30 days	0.9821%
〃	〃	Fairway Enterprises Company Limited (India Branch)	〃	Sales revenue	2,589,968	Note 3	3.0198%
〃	〃	〃	〃	Cost of sales	5,643,166	Note 3	6.5796%
〃	〃	〃	〃	Accounts receivable due from related parties	275,377	30/60 days	0.5437%

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No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Fairway Enterprises Company Limited (India Branch)	4	Accounts payable to related parties	437,057	30 days	0.8629%
〃	〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	Sales revenue	458,736	Note 3	0.5349%
〃	〃	〃	〃	Cost of sales	249,197	Note 3	0.2906%
〃	〃	〃	〃	Accounts receivable due from related parties	68,728	15 days	0.1357%
〃	〃	〃	〃	Accounts payable to related parties	14,867	30 days	0.0294%
1	Fujian Xiefeng Footwear Company Limited	Fujian Lifeng Footwear Industrial Development Company Limited	8	Sales revenue	209,834	Note 3	0.2447%
〃	〃	〃	〃	Accounts receivable due from related parties	16,247	10~15 days	0.0321%
〃	〃	Fujian San Feng Footwear Company Limited	〃	Sales revenue	211,071	Note 3	0.2461%
〃	〃	〃	〃	Accounts receivable due from related parties	16,831	15~20 days	0.0332%
2	Fujian Putian Xie Feng Mold Company Limited	Fujian Xiefeng Footwear Company Limited	8	Sales revenue	159,475	Note 3	0.1859%
〃	〃	〃	〃	Accounts receivable due from related parties	14,786	10~15 days	0.0292%
〃	〃	Fujian Lifeng Footwear Industrial Development Company Limited	〃	Sales revenue	189,333	Note 3	0.2208%
〃	〃	〃	〃	Accounts receivable due from related parties	11,425	10~15 days	0.0226%
〃	〃	Fujian Great Hope Footwear Company Limited	〃	Sales revenue	157,025	Note 3	0.1831%
〃	〃	〃	〃	Accounts receivable due from related parties	23,451	10~60 days	0.0463%
〃	〃	Fujian San Feng Footwear Company Limited	〃	Sales revenue	185,256	Note 3	0.2160%
〃	〃	〃	〃	Accounts receivable due from related parties	12,490	10~15 days	0.0247%
〃	〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	Sales revenue	124,024	Note 3	0.1446%
〃	〃	〃	〃	Accounts receivable due from related parties	7,506	15~20 days	0.0148%
3	Dona Pacific(Vietnam) Co., Ltd.	Vietnam Dona Orient Co., Ltd.	8	Sales revenue	284,948	Note 3	0.3322%
〃	〃	〃	〃	Accounts receivable due from related parties	27,245	60 days	0.0538%
〃	〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sales revenue	121,792	Note 3	0.1420%
〃	〃	〃	〃	Accounts receivable due from related parties	8,919	60 days	0.0176%
〃	〃	Dona Victor Footwear Co., Ltd.	〃	Sales revenue	169,866	Note 3	0.1981%

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No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
3	Dona Pacific(Vietnam) Co., Ltd.	Dona Victor Footwear Co., Ltd.	8	Accounts receivable due from related parties	15,437	60 days	0.0305%
4	Vietnam Dona Standard Footwear Co., Ltd.	Dona Victor Footwear Co., Ltd.	8	Sales revenue	238,274	Note 3	0.2778%
〃	〃	〃	〃	Accounts receivable due from related parties	31,322	60 days	0.0618%
〃	〃	Vung Tau Orient Co., Ltd.	〃	Sales revenue	119,213	Note 3	0.1390%
〃	〃	〃	〃	Accounts receivable due from related parties	8,908	60 days	0.0176%
〃	〃	Vietnam Dona Orient Co., Ltd.	〃	Sales revenue	143,403	Note 3	0.1672%
〃	〃	〃	〃	Accounts receivable due from related parties	15,624	60 days	0.0308%
5	Dona Victor Molds Mfg Co., Ltd.	Dona Victor Footwear Co., Ltd.	8	Sales revenue	190,796	Note 3	0.2225%
〃	〃	〃	〃	Accounts receivable due from related parties	17,280	30 days	0.0341%
〃	〃	Vietnam Dona Orient Co., Ltd.	〃	Sales revenue	118,945	Note 3	0.1387%
〃	〃	〃	〃	Accounts receivable due from related parties	8,464	30 days	0.0167%
〃	〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sales revenue	298,329	Note 3	0.3478%
〃	〃	〃	〃	Accounts receivable due from related parties	29,190	30 days	0.0576%

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.

Note 4: Income is calculated based on a certain ratio determined by the contract and there are no other transactions with the same 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 year ended December 31, 2023 (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 December 31, 2023			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value	Percentage of ownership			
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,324,722	1,322,618	53,999	99.99%	858,753	99.99%	(582,430)	(582,242)	Subsidiary (Note 5)
″	PT Rich Valley Indonesia	″	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,063,389	899,054	519,990	99.99%	1,109,414	99.99%	3,339	3,339	″
″	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	15,510,915	100.00%	2,220,915	2,220,915	″
″	VX Holdings Limited	British Virgin Islands	Investment holding	447,734	447,734	38,280	47.26%	843,111	47.26%	5,169	2,443	″
″	Shoe Majesty Co., Ltd.	″	Investment holding	203,466	203,466	6,120	20.40%	436,299	20.40%	157,655	32,162	Investee under the equity method
″	Dona Orient Holdings Limited	″	Investment holding	1,529,723	1,529,723	44,753	40.97%	3,673,760	40.97%	433,769	177,715	Subsidiary (Note 5)
″	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	35,474	100.00%	4,340	4,340	″
″	Great South Private Limited	Singapore	Investment holding	35,517	16,845	1,600	100.00%	12,628	100.00%	(13,709)	(13,709)	″
″	India Tindivandam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	1,052,345	330,659	280,328,078	93.60%	927,522	96.14%	(87,586)	(83,457)	″
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	15,352	15,352	372,000	93.00%	280,605	93.00%	199,139	185,200	Subsidiary (Note 5)
″	VX Holdings Ltd.	″	Investment holding	291,461	291,461	36,342	44.87%	827,527	44.87%	5,169	2,319	Investee under the equity method (Note 5)
″	Dona Pacific Holdings Limited	″	Investment holding	382,396	382,396	23,000	92.00%	1,364,768	92.00%	151,360	139,251	Subsidiary (Note 5)
″	Shoe Majesty Co., Ltd.	″	Investment holding	246,628	246,628	8,580	28.60%	643,715	28.60%	157,655	45,089	Investee under the equity method
″	Dona Orient Holdings Limited	″	Investment holding	2,018,559	2,018,559	64,483	59.03%	5,564,370	59.03%	433,769	256,054	Subsidiary (Note 5)
″	Lotus Footwear Enterprises Limited	″	Investment holding business, and manufacturing and selling of finished shoes	2,085,766	2,085,766	34,020	88.00%	4,237,962	88.00%	1,124,842	989,861	″
″	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	22	22	10	0.01%	111	0.01%	3,339	-	Investee under the equity method (Note 5)
″	PT Feng Tay Indonesia Enterprises	″	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	21	-	1	0.01%	17	0.01%	(582,430)	(9)	″
″	Cheyyar SEZ Developers Private Limited	India	Development in India’s Industrial Park	-	-	1	0.01%	-	0.01%	27,738	-	″
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,011,131	1,011,131	Note 4	100.00%	1,841,453	100.00%	6,011	6,011	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Hong Kong	International trade services	6,131	6,131	200	100.00%	108,566	100.00%	42,299	42,299	Subsidiary

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value	Percentage of ownership			
Shoe Majesty Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,134,235	1,134,235	Note 4	100.00%	2,081,099	100.00%	122,125	122,125	Subsidiary
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,348,820	1,348,820	Note 4	100.00%	2,318,439	100.00%	439,382	439,382	Subsidiary (Note 5)
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,320,584	2,320,584	〃	100.00%	4,490,603	100.00%	210,436	210,436	〃
〃	Vung Tau Orient Co., Ltd.	〃	Producing golf balls, soccer balls, and backpack, bags	865,183	711,908	〃	100.00%	829,688	100.00%	(115,472)	(115,472)	〃
〃	Vietnam Nam Ha Footwear Company Limited	〃	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,900,610	1,318,165	〃	100.00%	1,771,875	100.00%	(100,500)	(100,500)	〃
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	95,031	95,031	Note 4	100.00%	298,440	100.00%	199,860	199,860	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	613,100	613,100	Note 4	100.00%	1,481,618	100.00%	152,100	152,100	Subsidiary (Note 5)
Lotus Footwear Enterprises Limited	Cheyyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,675,337	3,187,150	117,999,999	99.99%	2,880,529	99.99%	27,738	27,738	Subsidiary (Note 5)
〃	East Wind Footwear Company Limited	British Virgin Islands	Investment holding and production of athletic shoes	506,795	506,795	9,751	100.00%	985,158	100.00%	357,862	357,862	〃
〃	Fairway Enterprises Company Limited	〃	Investment holding and production of athletic shoes	1,403,794	1,574,734	29,501	100.00%	1,849,674	100.00%	465,336	465,336	〃

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 December 31, 2023 audited by certified public accountants, except that some of the investees were presented based on the unaudited financial statements as of December 31, 2023.

Note 4： Unissued shares of the Vietnamese entities.

Note 5： Included in the consolidated financial statements.

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

(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, 2023 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses) (Note 8)	Book value (Note 7)	Accumulated remittance of earnings as of December 31, 2023 (Note 8)
					Outflow	Inflow							
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	137,948	Note 1	167,976	-	-	167,976	1,951	50.00%	50.00%	976	24,887	105,077
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	91,965	〃	147,244	-	-	147,244	234,663	50.34%	50.34%	118,117	193,202	1,242,300

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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, 2023 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses) (Note 8)	Book value (Note 7)	Accumulated remittance of earnings as of December 31, 2023 (Note 8)
					Outflow	Inflow							
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	459,825	Note 1	173,882	-	-	173,882	336,011	77.50%	77.50%	260,408	595,758	1,066,834
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	459,825	〃	278,217	-	-	278,217	202,529	68.00%	68.00%	137,720	344,989	1,096,940
Fujian Da Feng Holdings Company Limited	Investment holding.	827,685	〃	923,063	-	64,375	858,687	513,934	70.00%	70.00%	359,754	1,804,833	6,565,273
Fujian Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	243,707	〃	410,302	-	-	410,302	87,262	84.73%	84.73%	73,941	314,645	654,848
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	459,825	Note 2	-	-	-	-	137,609	70.00%	70.00%	96,326	410,310	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	78,561	〃	-	-	-	-	95,334	66.07%	66.07%	62,983	195,122	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of December 31, 2023 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
2,036,308	2,775,889	15,032,898

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 audited by the parent company's certified public accountants.
(2) Based on unaudited financial statements for the year ended December 31, 2023.
Note 4: The cumulative investment amount has been deducted by capital increase from retained earnings of USD 3,939,943, capital repatriation of USD 20,185,981, but not yet deducted the cumulative amount of profit repatriation from Mainland China authorized by the Investment Commission of USD 345,306,784.
Note 5: The authorized investment amount is the original investment amounts authorized by investment Commission.
Note 6: The higher of the 60 % of net value 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 30.655 on December 31, 2023.
Note 8: Calculated based on the average closing exchange rate of 31.0775 between January and the end of December 2023.

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".

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(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	106,873,822	10.82 %
CHEN, HUI-LING	63,890,013	6.46 %
WANG, CHOU-HSIONG	58,241,476	5.89 %

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.

(14) Segment information

(a) General information

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

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

2023	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	$ 81,555,888	4,211,376	-	85,767,264
Intersegment revenues	95,002,479	3,168,233	(98,170,712)	-
Total revenue	**$ 176,558,367**	**7,379,609**	**(98,170,712)**	**85,767,264**
Interest expenses	$ 228,101	25,188	(1,169)	252,120
Depreciation and amortization	2,800,066	180,174	-	2,980,240
Share of profit (loss) of associates and joint ventures accounted for using equity method	1,808,916	-	(1,731,665)	77,251
Impairment of assets	5,914	17	-	5,931
Reportable segment profit or loss	**$ 7,144,907**	**(73,982)**	**10,154**	**7,081,079**

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2022		Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
Revenue					
Revenue from external customers	$	91,702,279	4,200,645	-	95,902,924
Intersegment revenues		106,211,794	2,648,405	(108,860,199)	-
Total revenue	**$**	**197,914,073**	**6,849,050**	**(108,860,199)**	**95,902,924**
Interest expenses	$	155,203	11,839	-	167,042
Depreciation and amortization		2,711,454	151,183	-	2,862,637
Share of profit (loss) of associates and joint ventures accounted for using equity method		4,815,230	-	(4,560,812)	254,418
Impairment of assets		7,235	122	-	7,357
Reportable segment profit or loss	**$**	**13,522,384**	**168,818**	**(216,735)**	**13,474,467**

The material reconciling items of the above reportable segment are as below:

Total reportable segment revenue after deducting the intersegment revenue was $98,170,712 thousand in 2023 (2022: $108,860,199 thousand)

(b) Product and service information

Revenue from the external customers of the Group was as follows:

Product and services		**2023**	**2022**
Manufacturing and sales of shoes	$	81,555,888	91,702,279
Others		4,211,376	4,200,645
Total	$	**85,767,264**	**95,902,924**

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(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, please refer to Note (6)(q), and non-current assets are based on the geographical location of the assets.

Geographical information		**2023**	**2022**
Non-current assets:			
Vietnam	$	9,700,700	9,369,100
India		6,460,316	5,377,787
Taiwan		3,642,230	3,465,761
Mainland China		2,227,183	2,296,212
Indonesia		2,961,317	3,031,660
Other countries		65,931	43,709
Total	**$**	**25,057,677**	**23,584,229**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets, and other non-current assets, excluding financial instruments, deferred tax assets and refundable deposits.

(d) Major customers

		2023	**2022**
A customer of shoe manufacturing and sales division	**$**	**73,037,395**	**81,603,427**