

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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

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Independent Auditors' Review Report

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$16,141,815 thousand and \$14,017,832 thousand, constituting 31.17% and 28.13% of consolidated total assets as of March 31, 2024 and 2023, respectively; total liabilities amounting to \$4,841,012 thousand and \$4,418,137 thousand, constituting 19.63% and 19.51% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$508,950 thousand and \$(193,861) thousand, constituting 21.31% and (27.45)% of consolidated total comprehensive income for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note (6)(d), the other equity accounted investments of the Group in its investee companies of \$1,107,381 thousand and \$977,662 thousand as of March 31, 2024 and 2023, respectively, and its equity in net loss on these investee companies of \$16,968 thousand and \$20,255 thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

May 10, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2024		December 31, 2023		March 31, 2023 (Restatement)		January 1, 2023 (Restatement)			March 31, 2024		December 31, 2023		March 31, 2023 (Restatement)		January 1, 2023 (Restatement)		
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%	
Current assets:										Liabilities and Equity								
1100 Cash and cash equivalents (Notes (6)(a) and (n))	\$ 3,371,591	7	3,858,842	8	5,033,026	10	5,573,482	11	2100 Short-term borrowings (Note (6)(j))	\$ 3,728,055	7	2,250,109	5	1,585,519	3	435,372	1	
1170 Notes and accounts receivable (Notes (6)(b) and (q))	8,186,949	16	8,138,765	16	7,744,979	16	8,772,178	17	2130 Current contract liabilities (Note (6)(q))	906	-	999	-	429	-	317	-	
1180 Accounts receivable due from related parties, net (Notes (6)(b), (q) and (7))	-	-	-	-	41	-	21,146	-	2170 Notes and accounts payable	4,276,192	9	4,256,055	9	4,052,707	8	3,941,237	8	
1200 Other receivables (Note (7))	901,176	2	772,084	2	780,828	2	442,193	1	2200 Other payables	4,015,044	8	5,250,463	10	4,565,036	9	6,442,332	12	
1220 Current tax assets	190,792	-	309,550	-	165,732	-	187,379	-	2230 Current tax liabilities	2,209,482	4	1,725,252	3	2,154,643	4	2,593,834	5	
130X Inventories (Note (6)(c))	8,917,149	17	8,578,013	17	8,964,264	18	9,104,194	18	2280 Current lease liabilities (Note (6)(l))	29,902	-	31,952	-	35,238	-	34,934	-	
1476 Other current financial assets (Note (8))	978	-	1,362	-	1,371	-	1,364	-	2320 Long-term liabilities, current portion (Note (6)(k))	-	-	57,679	-	-	-	14,481	-	
1479 Other current assets, others	1,056,977	2	947,131	2	1,035,973	2	1,078,973	2	2399 Other current liabilities, others	69,386	-	44,024	-	69,045	-	36,328	-	
Total current assets	22,625,612	44	22,605,747	45	23,726,214	48	25,180,909	49	Total current liabilities	14,328,967	28	13,616,533	27	12,462,617	24	13,498,835	26	
Non-current assets:									Non-current liabilities:									
1550 Investments accounted for using equity method (Note (6)(d))	1,107,381	2	1,080,014	2	977,662	2	1,051,389	2	2540 Long-term borrowings (Note (6)(k))	1,837,962	4	3,451,540	7	1,909,733	4	2,511,012	5	
1600 Property, plant and equipment (Note (6)(f))	23,009,716	44	21,952,247	43	20,832,011	42	20,704,257	40	2570 Deferred tax liabilities (Note (6)(n))	3,326,631	6	3,560,853	7	3,576,524	8	3,827,503	8	
1755 Right-of-use assets (Note (6)(g))	1,731,416	3	1,683,217	3	1,711,598	3	1,764,171	4	2580 Non-current lease liabilities (Note (6)(l))	507,889	1	515,667	1	489,361	1	549,238	1	
1760 Investment property, net (Note (6)(h))	55,515	-	70,149	-	69,318	-	68,679	-	2640 Non-current net defined benefit liability (Note (6)(m))	4,411,968	9	4,226,913	9	3,996,809	8	3,839,586	8	
1780 Intangible assets (Note (6)(i))	451,776	1	423,698	1	413,610	1	420,583	1	2670 Other non-current liabilities, others	253,404	-	220,586	-	207,829	-	210,266	-	
1840 Deferred tax assets (Note (6)(n))	1,872,254	4	1,800,863	4	1,449,558	3	1,409,418	3	Total non-current liabilities	10,337,854	20	11,975,559	24	10,180,256	21	10,937,605	22	
1980 Other non-current financial assets (Note (8))	106,547	-	102,622	-	83,105	-	84,422	-	Total liabilities	24,666,821	48	25,592,092	51	22,642,873	45	24,436,440	48	
1990 Other non-current assets, others	828,974	2	928,366	2	569,118	1	626,539	1	Equity attributable to owners of parent (Note (6)(o)):									
Total non-current assets	29,163,579	56	28,041,176	55	26,105,980	52	26,129,458	51	3110 Total capital stock	9,874,828	19	9,874,828	19	8,816,811	18	8,816,811	17	
Total assets	\$ 51,789,191	100	50,646,923	100	49,832,194	100	51,310,367	100	3200 Capital surplus	53,341	-	53,750	-	51,027	-	51,160	-	
									3310 Retained earnings:									
									3320 Legal reserve	6,476,443	12	6,476,443	13	5,577,243	11	5,577,243	11	
									3330 Special reserve	1,053,529	2	1,053,529	2	2,559,457	5	2,559,457	5	
									3350 Unappropriated retained earnings	8,099,647	16	6,829,001	13	9,791,571	20	9,042,212	18	
									3410 Other equity interest:									
									Exchange differences on translation of foreign financial statements	(152,896)	-	(1,127,303)	(2)	(1,200,765)	(2)	(1,053,529)	(2)	
									Total equity attributable to owners of parent:	25,404,892	49	23,160,248	45	25,595,344	52	24,993,354	49	
									36XX Non-controlling interests	1,717,478	3	1,894,583	4	1,593,977	3	1,880,573	3	
									Total equity	27,122,370	52	25,054,831	49	27,189,321	55	26,873,927	52	
									Total liabilities and equity	\$ 51,789,191	100	50,646,923	100	49,832,194	100	51,310,367	100	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes (6)(q) and (7))	\$ 20,616,451	100	19,502,750	100
5000	Operating costs (Note (6)(c))	<u>(16,295,265)</u>	<u>(79)</u>	<u>(15,976,273)</u>	<u>(82)</u>
	Gross profit from operations	<u>4,321,186</u>	<u>21</u>	<u>3,526,477</u>	<u>18</u>
	Operating expenses:				
6100	Selling and administrative expenses	(2,290,584)	(11)	(1,982,075)	(10)
6300	Research and development expenses	<u>(689,448)</u>	<u>(4)</u>	<u>(617,497)</u>	<u>(3)</u>
	Total operating expenses	<u>(2,980,032)</u>	<u>(15)</u>	<u>(2,599,572)</u>	<u>(13)</u>
	Net operating income	<u>1,341,154</u>	<u>6</u>	<u>926,905</u>	<u>5</u>
	Non-operating income and expenses:				
7100	Interest income (Note (6)(s))	12,734	-	25,719	-
7010	Other income (Note (6)(s))	126,230	1	120,972	1
7020	Other gains and losses, net (Note (6)(s))	425,195	2	(107,120)	(1)
7050	Financial costs (Note (6)(s))	(63,016)	-	(50,491)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(d))	<u>(16,968)</u>	<u>-</u>	<u>(20,255)</u>	<u>-</u>
	Total non-operating income and expenses	<u>484,175</u>	<u>3</u>	<u>(31,175)</u>	<u>-</u>
	Profit from continuing operations before tax	1,825,329	9	895,730	5
7950	Income tax expenses (Note (6)(n))	<u>(485,709)</u>	<u>(2)</u>	<u>(39,262)</u>	<u>-</u>
	Net profit	<u>1,339,620</u>	<u>7</u>	<u>856,468</u>	<u>5</u>
	Other comprehensive income:				
	Item that may be reclassified subsequently to profit or loss				
8360	Exchange differences on translation of foreign financial statements	1,052,818	5	(151,053)	(1)
8399	Income tax related to components of other comprehensive income (loss) that will may be reclassified to profit or loss	<u>(3,764)</u>	<u>-</u>	<u>751</u>	<u>-</u>
	Item that may be reclassified subsequently to profit or loss	<u>1,049,054</u>	<u>5</u>	<u>(150,302)</u>	<u>(1)</u>
	Other comprehensive income (loss)	<u>1,049,054</u>	<u>5</u>	<u>(150,302)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 2,388,674</u>	<u>12</u>	<u>706,166</u>	<u>4</u>
	Net profit, attributable to:				
8610	Net profit, attributable to owners of parent	\$ 1,270,646	7	749,359	4
8620	Net profit, attributable to non-controlling interests	<u>68,974</u>	<u>-</u>	<u>107,109</u>	<u>1</u>
		<u>\$ 1,339,620</u>	<u>7</u>	<u>856,468</u>	<u>5</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 2,245,053	11	602,123	3
8720	Comprehensive income, attributable to non-controlling interests	<u>143,621</u>	<u>1</u>	<u>104,043</u>	<u>1</u>
		<u>\$ 2,388,674</u>	<u>12</u>	<u>706,166</u>	<u>4</u>
	Earnings per share (Note (6)(p))				
9750	Basic earnings per share (dollars)	<u>\$ 1.29</u>		<u>0.76</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Retained earnings							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Balance on January 1, 2023	\$ 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	-	-	-	-	749,359	-	749,359	107,109	856,468
Other comprehensive loss	-	-	-	-	-	(147,236)	(147,236)	(3,066)	(150,302)
Total comprehensive income (loss)	-	-	-	-	749,359	(147,236)	602,123	104,043	706,166
Due to donated assets received	-	(7)	-	-	-	-	(7)	-	(7)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	183	-	-	-	-	183	-	183
Changes in ownership interests in subsidiaries	-	(309)	-	-	-	-	(309)	(2,000)	(2,309)
Changes in non-controlling interests	-	-	-	-	-	-	-	(388,639)	(388,639)
Balance on March 31, 2023	\$ 8,816,811	51,027	5,577,243	2,559,457	9,791,571	(1,200,765)	25,595,344	1,593,977	27,189,321
Balance on January 1, 2024	\$ 9,874,828	53,750	6,476,443	1,053,529	6,829,001	(1,127,303)	23,160,248	1,894,583	25,054,831
Net profit	-	-	-	-	1,270,646	-	1,270,646	68,974	1,339,620
Other comprehensive income	-	-	-	-	-	974,407	974,407	74,647	1,049,054
Total comprehensive income	-	-	-	-	1,270,646	974,407	2,245,053	143,621	2,388,674
Changes in ownership interests in subsidiaries	-	(409)	-	-	-	-	(409)	3,555	3,146
Changes in non-controlling interests	-	-	-	-	-	-	-	(324,281)	(324,281)
Balance on March 31, 2024	\$ 9,874,828	53,341	6,476,443	1,053,529	8,099,647	(152,896)	25,404,892	1,717,478	27,122,370

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2024	2023 (Restatement)
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,825,329	895,730
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	747,683	712,234
Amortization expense	17,021	13,321
Interest expense	63,016	50,491
Interest income	(12,734)	(25,719)
Share of loss of associates and joint ventures accounted for using equity method	16,968	20,255
Loss on disposal of property, plant and equipment	136	937
Profit from lease modification	-	(1,226)
Gain on disposal of investment properties	(24,475)	-
Impairment losses	138	515
Total adjustments to reconcile profit	<u>807,753</u>	<u>770,808</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	(23,522)	1,047,693
Decrease (increase) in other receivables	(99,822)	(326,630)
Decrease (increase) in inventories	14,857	81,634
Decrease (increase) in other current assets, others	(74,650)	36,136
Decrease (increase) in other current financial assets	465	-
Total changes in operating assets	<u>(182,672)</u>	<u>838,833</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	(133)	113
Increase (decrease) in notes and accounts payable	(79,507)	123,157
Increase (decrease) in other payable	(1,722,899)	(2,129,552)
Increase (decrease) in other current liabilities, others	23,974	32,237
Increase (decrease) in net defined benefit liability	41,747	180,530
Increase (decrease) in other non-current liabilities, others	23,466	(763)
Total changes in operating liabilities	<u>(1,713,352)</u>	<u>(1,794,278)</u>
Total changes in operating assets and liabilities	<u>(1,896,024)</u>	<u>(955,445)</u>
Total adjustments	<u>(1,088,271)</u>	<u>(184,637)</u>
Cash inflow generated from operations	737,058	711,093
Interest received	13,550	19,014
Interest paid	(70,170)	(49,551)
Income taxes paid	(137,114)	(747,775)
Net cash flows from (used in) operating activities	<u>543,324</u>	<u>(67,219)</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(931,790)	(1,002,131)
Proceeds from disposal of property, plant and equipment	48,909	61,709
Acquisition of intangible assets	(42,435)	(6,763)
Proceeds from disposal of investment properties	42,095	-
Decrease in other non-current financial assets	133	412
Increase in other non-current assets, others	(1,899)	(5,187)
Dividends received	-	44,553
Net cash flows used in investing activities	<u>(884,987)</u>	<u>(907,407)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,442,606	1,152,177
Proceeds from long-term borrowings	29,679	337,163
Repayments of long-term borrowings	(1,785,151)	(939,788)
Payment of lease liabilities	(32,298)	(29,561)
Change in non-controlling interests	3,151	(21)
Net cash flows from (used in) financing activities	<u>(342,013)</u>	<u>519,970</u>
Effect of exchange rate changes on cash and cash equivalents	196,425	(85,800)
Net decrease in cash and cash equivalents	(487,251)	(540,456)
Cash and cash equivalents at beginning of period	3,858,842	5,573,482
Cash and cash equivalents at end of period	<u>\$ 3,371,591</u>	<u>5,033,026</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 10, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- 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”

(Continued)

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company GLO	PT Feng Tay Indonesia Enterprises	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	100.00 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000.(Note)
The Company	Growth-Link Overseas Company Limited(GLO)	Investment holding.	100.00 %	100.00 %	100.00 %	Growth-Link Overseas Company Limited was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).
The Company GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	92.13 %	VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923).(Note)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company GLO	Dona Orient Holdings Limited (DOH)	Investment holding.	100.00 %	100.00 %	100.00 %	Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817).
The Company GLO	PT Rich Valley Indonesia	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	100.00 %	PT Rich Valley Indonesia was established in Indonesia in 2019, and has paid in capital of USD36,431,286.(Note)
The Company	Great Eastern Industries Limited	International trade services.	100.00 %	100.00 %	100.00 %	Great Eastern Industries Limited, was established in Hong Kong in 2019, and has paid in capital of USD1,000,000 (including share premium of USD999,000).(Note)
The Company	Great South Private Limited	Investing holding.	100.00 %	100.00 %	100.00 %	Great South Private Limited was established in Singapore in 2021, and has paid in capital of SGD1,600,000.(Note)
The Company	India Tindivanam Footwear Private Limited	Manufactures athletic shoes, semi-finished footwear and footwear accessories.	93.91 %	93.60 %	96.17 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of USD40,064,208.(Note)
GLO	Fujian Da Feng Holdings Company Limited(DF)	Investment holding.	70.00 %	70.00 %	70.00 %	Fujian Da Feng Holdings Company Limited was established in Fujian Province, China in 1993, and has paid in capital of USD27,000,000.(Note)
DF	Fujian Lifeng Footwear Industrial Development Company Limited(LF)	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Lifeng Footwear Industrial Development Company Limited was established in Fujian Province, China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Xiefeng Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	80.00 %	Fujian San Feng Footwear Company Limited was established in Fujian Province, China in 1992, and has paid in capital of USD15,000,000.
GLO, DF, LF and XM	Fujian Great Hope Footwear Company Limited(GH)	Manufactures athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	100.00 %	100.00 %	100.00 %	Fujian Great Hope Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000.(Note)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
GLO	Fujian Putian Xie Feng Mold Company Limited(XM)	Manufactures and repairs molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	50.34 %	Fujian Putian Xie Feng Mold Company Limited was established in Fujian Province, China in 1991, and has paid in capital of USD3,000,000.(Note)
LF, GH and XM	Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	100.00 %	100.00 %	100.00 %	Suzhou Yufeng Plastic Technology Co., Ltd., was established in Jiangsu Province, China in 2009, and has paid in capital of USD2,562,738.(Note)
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesaler and retailer of general merchandise, and related services.	50.00 %	50.00 %	50.00 %	Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province, China in 1992, and has paid in capital of USD4,500,000.(Note)
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding.	92.00 %	92.00 %	92.00 %	Dona Pacific Holdings Limited was established in British Virgin Islands in 2000, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901).(Note)
GLO	VX Mold Company Limited(VXM)	Investment holding.	93.00 %	93.00 %	93.00 %	VX Mold Company Limited was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.(Note)
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoes.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Limited was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
VXH	Dona Victor Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Victor Footwear Co., Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.
DOH	Vietnam Dona Orient Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.
DOH	Vung Tau Orient Co., Ltd.	Manufactures golf balls, soccer balls, backpack and bags.	100.00 %	100.00 %	100.00 %	Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD33,000,000.(Note)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
DOH	Vietnam Nam Ha Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Nam Ha Footwear Company Limited was established in Vietnam in 2019, and has paid in capital of USD62,000,000.(Note)
DPH	Dona Pacific (Vietnam) Co., Ltd.	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD20,000,000.
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufactures and repairs molds, cutting dies, and processing of metal parts.	100.00 %	100.00 %	100.00 %	Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000.(Note)
GLO and LUH	Cheyar SEZ Developers Private Limited	Development in India's Industrial Park.	100.00 %	100.00 %	100.00 %	Cheyar SEZ Developers Private Limited was established in Indian in 2006, and has paid in capital of USD119,893,561.(Note)
LUH	East Wind Footwear Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	East Wind Footwear Company Limited was established in British Virgin Islands in 2010, and has paid in capital of USD16,532,207 (including share premium of USD16,522,456).
LUH	Fairway Enterprises Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	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 company is a non-significant subsidiary, its financial statements have not been reviewed.

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

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset 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.

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

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) It liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Employee benefits

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

(e) Income taxes

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

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

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2023.

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash	\$ 1,009	907	1,075
Demand deposits and check deposit	1,578,924	1,438,215	1,680,518
Time deposits	<u>1,791,658</u>	<u>2,419,720</u>	<u>3,351,433</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 3,371,591</u>	<u>3,858,842</u>	<u>5,033,026</u>

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

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 \$493,169 thousand and \$497,387 thousand on March 31, 2023 and January 1, 2023 from other current financial assets to cash and cash equivalents.

(b) Notes and accounts receivable (including related parties)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable—measured at amortized cost	\$ 8,194,908	8,146,737	7,752,911
Notes receivable—measured at amortized cost	13	-	81
Less: Allowance for credit loss	<u>(7,972)</u>	<u>(7,972)</u>	<u>(7,972)</u>
	<u>\$ 8,186,949</u>	<u>8,138,765</u>	<u>7,745,020</u>

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

	<u>March 31, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Allowance for credit loss provision</u>
Current	\$ 7,394,174	0.00%	-
1 to 60 days past due	792,023	0.00%	-
61 days to 1 year past due	752	0.00%	-
More than 1 year past due	<u>7,972</u>	100.00%	<u>7,972</u>
	<u>\$ 8,194,921</u>		<u>7,972</u>

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

	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	<u>7,972</u>	100.00%	<u>7,972</u>
	<u>\$ 8,146,737</u>		<u>7,972</u>
	March 31, 2023		
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,374,917	0.00%	-
1 to 60 days past due	370,103	0.00%	-
More than 1 year past due	<u>7,972</u>	100.00%	<u>7,972</u>
	<u>\$ 7,752,992</u>		<u>7,972</u>

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

	For the three months ended March 31	
	2024	2023
Balance on January 1	\$ <u>7,972</u>	<u>7,972</u>
Balance on March 31	<u>\$ 7,972</u>	<u>7,972</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the notes and accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 3,485,905	3,199,060	3,755,359
Work in process	1,198,995	1,246,496	1,100,436
Finished goods	3,009,776	3,143,251	2,867,749
Merchandise inventory	63,646	33,781	178,952
Inventory in transit	1,156,952	953,520	1,056,034
Others	<u>1,875</u>	<u>1,905</u>	<u>5,734</u>
	<u>\$ 8,917,149</u>	<u>8,578,013</u>	<u>8,964,264</u>

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

The details of operating cost were as follows:

	For the three months ended March 31	
	2024	2023
Cost of goods sold	\$ 16,105,653	15,910,008
Unallocated production overheads	144,513	-
Net gains on inventories	(449)	(62)
Inventory scrap loss	26,481	905
Revenue from sale of scraps	(13,696)	(23,327)
Losses on obsolescence and inventory valuation	32,763	88,749
Total	\$ 16,295,265	15,976,273

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

As of March 31, 2024, December 31, 2023 and March 31, 2023, the inventory of the Group was not pledged as collateral for its loan.

(d) Investments accounted for using equity method

(i) Joint ventures

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Individually insignificant joint venture	\$ 1,107,381	1,080,014	977,662

	For the three months ended March 31	
	2024	2023
Attributable to the Group:		
Loss from continuing operation	\$ (16,968)	(20,255)
Other comprehensive income (loss)	41,436	(8,265)
Comprehensive income (loss)	\$ 24,468	(28,520)

(ii) Collateral

As of March 31, 2024, December 31, 2023 and March 31, 2023, the investment accounted for using equity method of the Group was not pledged as collateral for its loan.

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

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

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

(e) Material non-controlling interest of subsidiaries

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

<u>Subsidiaries</u>	<u>Main operation place</u>	<u>Percentage of non-controlling interests</u>		
		<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Da Feng Holdings Co., Ltd.	China	30.00 %	30.00 %	30.00 %

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 521,903	511,204	784,442
Non-current assets	2,277,991	2,107,616	2,319,575
Current liabilities	(531,757)	(40,487)	(787,617)
Net assets	<u>\$ 2,268,137</u>	<u>2,578,333</u>	<u>2,316,400</u>
Non-controlling interests	<u>\$ 680,441</u>	<u>773,500</u>	<u>694,920</u>
		<u>For the three months ended March 31</u>	
		<u>2024</u>	<u>2023</u>
Net income		\$ 87,815	212,867
Other comprehensive income		99,793	871
Comprehensive income		<u>\$ 187,608</u>	<u>213,738</u>
Profit, attributable to non-controlling interests		<u>\$ 26,345</u>	<u>63,860</u>
Comprehensive income, attributable to non-controlling interests		<u>\$ 56,282</u>	<u>64,121</u>
Net cash flows used in operating activities		\$ (6,130)	(12,950)
Net cash flows used in investing activities		(34)	-
Net cash flows used in financing activities		-	-
Net decrease in cash and cash equivalents		<u>\$ (6,164)</u>	<u>(12,950)</u>
Cash dividends to non-controlling interests		<u>\$ -</u>	<u>-</u>

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

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023 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, 2024	\$ 1,626,928	16,367,909	23,143,581	524,743	121,169	712,250	674,087	104,760	2,512,956	45,788,383
Additions	-	8,748	459,986	9,994	1,076	6,443	5,899	1,016	1,004,561	1,497,723
Disposals	-	(53)	(168,609)	(13,466)	(848)	(3,243)	(3,817)	(80)	-	(190,116)
Reclassifications	-	309,877	956,233	11,210	-	(165,180)	71,289	-	(1,183,429)	-
Effect of changes in foreign exchange rates	17,591	576,256	977,970	16,104	-	26,296	26,806	1,126	95,324	1,737,473
Balance on March 31, 2024	<u>\$ 1,644,519</u>	<u>17,262,737</u>	<u>25,369,161</u>	<u>548,585</u>	<u>121,397</u>	<u>576,566</u>	<u>774,264</u>	<u>106,822</u>	<u>2,429,412</u>	<u>48,833,463</u>
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	-	3,859	55,472	3,647	81	3,485	13,069	2,117	880,409	962,139
Disposals	(130)	(6,740)	(285,678)	(5,694)	(698)	(3,397)	(10,501)	(4,885)	-	(317,723)
Reclassifications	-	89,938	365,326	1,555	1,172	45,471	7,335	2,217	(510,797)	2,217
Effect of changes in foreign exchange rates	(3,533)	(68,161)	(136,003)	(2,140)	-	(3,440)	(4,117)	(256)	(13,976)	(231,626)
Balance on March 31, 2023	<u>\$ 1,623,464</u>	<u>14,787,140</u>	<u>22,354,421</u>	<u>500,516</u>	<u>117,397</u>	<u>606,419</u>	<u>629,595</u>	<u>102,688</u>	<u>2,524,940</u>	<u>43,246,580</u>
Depreciation and impairment loss:										
Balance on January 1, 2024	\$ -	7,778,231	14,623,148	407,774	102,788	331,875	511,110	81,210	-	23,836,136
Depreciation	-	163,979	500,171	12,082	2,481	29,045	17,297	1,661	-	726,716
Impairment loss	-	-	138	-	-	-	-	-	-	138
Disposals	-	(44)	(121,745)	(12,816)	(844)	(1,760)	(3,789)	(73)	-	(141,071)
Reclassifications	-	14,351	48,030	138	-	(62,519)	-	-	-	-
Effect of changes in foreign exchange rates	-	279,914	1,077,840	12,002	-	12,475	18,787	810	-	1,401,828
Balance on March 31, 2024	<u>\$ -</u>	<u>8,236,431</u>	<u>16,127,582</u>	<u>419,180</u>	<u>104,425</u>	<u>309,116</u>	<u>543,405</u>	<u>83,608</u>	<u>-</u>	<u>25,823,747</u>
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	-	140,913	503,685	12,941	1,962	16,738	13,602	1,592	-	691,433
Impairment loss	-	-	515	-	-	-	-	-	-	515
Disposals	-	(4,766)	(228,731)	(5,523)	(666)	(2,570)	(8,731)	(4,090)	-	(255,077)
Reclassifications	-	-	-	-	-	-	-	2,169	-	2,169
Effect of changes in foreign exchange rates	-	(26,251)	(119,359)	(1,587)	-	(1,417)	(2,990)	(183)	-	(151,787)
Balance on March 31, 2023	<u>\$ -</u>	<u>7,535,354</u>	<u>13,554,836</u>	<u>385,719</u>	<u>99,587</u>	<u>281,886</u>	<u>479,005</u>	<u>78,182</u>	<u>-</u>	<u>22,414,569</u>
Carrying amounts:										
Balance on January 1, 2024	<u>\$ 1,626,928</u>	<u>8,589,678</u>	<u>8,520,433</u>	<u>116,969</u>	<u>18,381</u>	<u>380,375</u>	<u>162,977</u>	<u>23,550</u>	<u>2,512,956</u>	<u>21,952,247</u>
Balance on March 31, 2024	<u>\$ 1,644,519</u>	<u>9,026,306</u>	<u>9,241,579</u>	<u>129,405</u>	<u>16,972</u>	<u>267,450</u>	<u>230,859</u>	<u>23,214</u>	<u>2,429,412</u>	<u>23,009,716</u>
Balance on January 1, 2023	<u>\$ 1,627,127</u>	<u>7,342,786</u>	<u>8,956,578</u>	<u>123,260</u>	<u>18,551</u>	<u>295,165</u>	<u>146,685</u>	<u>24,801</u>	<u>2,169,304</u>	<u>20,704,257</u>
Balance on March 31, 2023	<u>\$ 1,623,464</u>	<u>7,251,786</u>	<u>8,799,585</u>	<u>114,797</u>	<u>17,810</u>	<u>324,533</u>	<u>150,590</u>	<u>24,506</u>	<u>2,524,940</u>	<u>20,832,011</u>

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

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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As of March 31, 2024, December 31, 2023 and March 31, 2023 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:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2024	\$ 1,842,485	92,511	15,240	2,443	1,952,679
Effect of changes in foreign exchange rates	76,086	3,591	643	103	80,423
Balance on March 31, 2024	<u>\$ 1,918,571</u>	<u>96,102</u>	<u>15,883</u>	<u>2,546</u>	<u>2,033,102</u>
Balance on January 1, 2023	\$ 1,895,108	80,766	15,242	4,660	1,995,776
Additions	-	9,541	-	-	9,541
Disposal/Write-off	(46,570)	-	-	-	(46,570)
Reclassification	-	-	-	(2,217)	(2,217)
Effect of changes in foreign exchange rates	(9,711)	122	(129)	(20)	(9,738)
Balance on March 31, 2023	<u>\$ 1,838,827</u>	<u>90,429</u>	<u>15,113</u>	<u>2,423</u>	<u>1,946,792</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2024	\$ 215,441	44,302	8,422	1,297	269,462
Depreciation	12,281	7,912	620	98	20,911
Effect of changes in foreign exchange rates	9,073	1,821	363	56	11,313
Balance on March 31, 2024	<u>\$ 236,795</u>	<u>54,035</u>	<u>9,405</u>	<u>1,451</u>	<u>301,686</u>
Balance on January 1, 2023	\$ 182,603	39,925	6,017	3,060	231,605
Depreciation	12,500	7,509	594	117	20,720
Disposal/Write-off	(14,126)	-	-	-	(14,126)
Reclassification	-	-	-	(2,169)	(2,169)
Effect of changes in foreign exchange rates	(780)	(1)	(49)	(6)	(836)
Balance on March 31, 2023	<u>\$ 180,197</u>	<u>47,433</u>	<u>6,562</u>	<u>1,002</u>	<u>235,194</u>
Carrying amount:					
Balance on January 1, 2024	<u>\$ 1,627,044</u>	<u>48,209</u>	<u>6,818</u>	<u>1,146</u>	<u>1,683,217</u>
Balance on March 31, 2024	<u>\$ 1,681,776</u>	<u>42,067</u>	<u>6,478</u>	<u>1,095</u>	<u>1,731,416</u>
Balance on January 1, 2023	<u>\$ 1,712,505</u>	<u>40,841</u>	<u>9,225</u>	<u>1,600</u>	<u>1,764,171</u>
Balance on March 31, 2023	<u>\$ 1,658,630</u>	<u>42,996</u>	<u>8,551</u>	<u>1,421</u>	<u>1,711,598</u>

(h) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the three months ended March 31, 2024 and 2023 were as follows:

	<u>Owned property</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance on January 1, 2024	\$ 16,017	406,284	422,301
Disposal	-	(31,451)	(31,451)
Effect of changes in foreign exchange rates	387	16,092	16,479
Balance on March 31, 2024	<u>\$ 16,404</u>	<u>390,925</u>	<u>407,329</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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	Owned property		Total
	Land	Buildings	
Balance on January 1, 2023	\$ 16,019	412,878	428,897
Effect of changes in foreign exchange rates	(78)	1,747	1,669
Balance on March 31, 2023	<u>\$ 15,941</u>	<u>414,625</u>	<u>430,566</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2024	\$ -	352,152	352,152
Depreciation	-	56	56
Disposal	-	(13,831)	(13,831)
Effect of changes in foreign exchange rates	-	13,437	13,437
Balance on March 31, 2024	<u>\$ -</u>	<u>351,814</u>	<u>351,814</u>
Balance on January 1, 2023	\$ -	360,218	360,218
Depreciation	-	81	81
Effect of changes in foreign exchange rates	-	949	949
Balance on March 31, 2023	<u>\$ -</u>	<u>361,248</u>	<u>361,248</u>
Carrying amount:			
Balance on January 1, 2024	<u>\$ 16,017</u>	<u>54,132</u>	<u>70,149</u>
Balance on March 31, 2024	<u>\$ 16,404</u>	<u>39,111</u>	<u>55,515</u>
Balance on January 1, 2023	<u>\$ 16,019</u>	<u>52,660</u>	<u>68,679</u>
Balance on March 31, 2023	<u>\$ 15,941</u>	<u>53,377</u>	<u>69,318</u>

There was no significant difference between the fair value of the investment property of the Group and the information disclosed in Note (6)(h) of the consolidated financial report for the year ended December 31, 2023.

The Group signed a sales agreement in March 2024. The buyer, which was a company, would purchase Eagle Crest, an American real estate, from the Group. The sale has been completed in the month when the sales agreement was signed, and \$24,475 thousand was recognized as proceeds from the disposal.

Investment property includes commercial property held for value appreciation.

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

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

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Investment property of the Group was not pledged as collateral for its loans.

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

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the three months ended March 31, 2024 and 2023 were as follows:

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Costs			
Balance on January 1, 2024	\$ 431,028	364,866	795,894
Additions	-	41,813	41,813
Disposal / Obsolescence	-	(17,354)	(17,354)
Effect of changes in foreign exchange rates	<u>5,026</u>	<u>12,074</u>	<u>17,100</u>
Balance on March 31, 2024	<u><u>\$ 436,054</u></u>	<u><u>401,399</u></u>	<u><u>837,453</u></u>
Balance on January 1, 2023	\$ 431,047	334,591	765,638
Additions	-	6,716	6,716
Disposal / Obsolescence	-	(7,147)	(7,147)
Effect of changes in foreign exchange rates	<u>(1,009)</u>	<u>(1,174)</u>	<u>(2,183)</u>
Balance on March 31, 2023	<u><u>\$ 430,038</u></u>	<u><u>332,986</u></u>	<u><u>763,024</u></u>
Accumulated amortization and impairment losses			
Balance on January 1, 2024	\$ 115,304	256,892	372,196
Amortization	-	17,021	17,021
Disposal / Obsolescence	-	(17,354)	(17,354)
Effect of changes in foreign exchange rates	<u>4,771</u>	<u>9,043</u>	<u>13,814</u>
Balance on March 31, 2024	<u><u>\$ 120,075</u></u>	<u><u>265,602</u></u>	<u><u>385,677</u></u>
Balance on January 1, 2023	\$ 115,323	229,732	345,055
Amortization	-	13,321	13,321
Disposal / Obsolescence	-	(7,147)	(7,147)
Effect of changes in foreign exchange rates	<u>(958)</u>	<u>(857)</u>	<u>(1,815)</u>
Balance on March 31, 2023	<u><u>\$ 114,365</u></u>	<u><u>235,049</u></u>	<u><u>349,414</u></u>
Carrying amounts:			
Balance on January 1, 2024	<u><u>\$ 315,724</u></u>	<u><u>107,974</u></u>	<u><u>423,698</u></u>
Balance on March 31, 2024	<u><u>\$ 315,979</u></u>	<u><u>135,797</u></u>	<u><u>451,776</u></u>
Balance on January 1, 2023	<u><u>\$ 315,724</u></u>	<u><u>104,859</u></u>	<u><u>420,583</u></u>
Balance on March 31, 2023	<u><u>\$ 315,673</u></u>	<u><u>97,937</u></u>	<u><u>413,610</u></u>

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

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of March 31, 2024, December 31, 2023 and March 31, 2023, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank loans	\$ <u>3,728,055</u>	<u>2,250,109</u>	<u>1,585,519</u>
Range of interest rates	<u>1.48%~6.05%</u>	<u>1.57%~6.50%</u>	<u>1.48%~6.20%</u>

(k) Long-term borrowings

The details were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank loans	TWD \$ -	1,470,000	-
Unsecured bank loans	USD 1,776,420	1,923,908	1,802,720
Other long-term borrowings	INR <u>61,542</u>	<u>115,311</u>	<u>107,013</u>
	1,837,962	3,509,219	1,909,733
Less: current portion	-	(57,679)	-
Total	\$ <u>1,837,962</u>	<u>3,451,540</u>	<u>1,909,733</u>
Range of interest rates	<u>0.10%~6.40%</u>	<u>0.10%~6.57%</u>	<u>0.10%~6.08%</u>
Period	<u>2025~2026</u>	<u>2024~2026</u>	<u>2024~2026</u>

(i) Complying with the loan covenant

The Group complied with the covenant at the end of the first quarter of 2024. Accordingly, the loan is classified as a non-current liability on 31 March 31, 2024. Moreover, the Group expects to comply with the quarterly covenants for at least 12 months after the reporting date.

(l) Lease liabilities

The Group lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	\$ <u>29,902</u>	<u>31,952</u>	<u>35,238</u>
Non-current	\$ <u>507,889</u>	<u>515,667</u>	<u>489,361</u>

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended	
	March 31	
	2024	2023
Interest on lease liabilities	\$ 13,101	12,653

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

	For the three months ended	
	March 31	
	2024	2023
Total cash outflow for leases	\$ 45,399	42,214

(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

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group amounted to \$141,372 thousand and \$134,908 thousand for the three months ended March 31, 2024 and 2023, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$264,408 thousand and \$251,004 thousand for the three months ended March 31, 2024 and 2023, respectively.

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

(n) Income taxes

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

	For the three months ended March 31	
	2024	2023
Current tax expense		
Current period	\$ 791,694	545,532
Adjustment for prior periods	(372)	(215,151)
	<u>791,322</u>	<u>330,381</u>
Deferred tax expense		
Origination and reversal of temporary differences	(305,613)	(291,119)
Income tax expense	<u>\$ 485,709</u>	<u>39,262</u>

The amount of income tax recognized in other comprehensive income (loss) for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	<u>\$ (3,764)</u>	<u>751</u>

(i) Income Tax approval

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

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.

(ii) Global Minimum Tax (GMT)

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

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

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation, since the Income Inclusion Rule (IIR) and the domestic minimum top-up tax have been effective and implemented in Vietnam, where the subsidiaries operate, from January 1, 2024. After an assessment by the Group, since the simplified effective tax rate of the subsidiaries operating in Vietnam is higher than 15%, which applies to the temporary relief under the Pillar Two tax legislation, there is no current tax impact for the three months ended March 31, 2024.

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

(iii) Regulations on repatriation of offshore funds

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 March 31, 2023 and January 1, 2023, were \$493,169 thousand and \$497,387 thousand respectively, 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 reclassified to cash and cash equivalents, please refer to Note (6)(a) for details.

(iv) Profit-seeking enterprise income tax returns

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

(o) Capital and other equity

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Company's total rated share capital amount to \$12,000,000 thousand, \$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 ordinary shares, 1,200,000 thousand ordinary shares 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 ordinary shares, 987,483 thousand ordinary shares and 881,681 thousand ordinary shares, respectively, all the consideration for issued shares has been received.

Reconciliations of shares outstanding for the three months ended March 31, 2024 and 2023 is as follows:

	Ordinary shares	
	For the three months ended	
	March 31	
	2024	2023
(Expressed in thousands of shares)		
Balance on January 1	987,483	881,681
Balance on March 31	987,483	881,681

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(i) Capital surplus

The details of capital surplus were as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Treasury share transactions	\$ 4,143	4,143	4,143
Gain on disposal of assets	32,980	32,980	32,980
Capital surplus-premium from merger	2,160	2,160	2,160
Donation from shareholders	4,537	4,537	3,610
Issued shares of subsidiaries not recognized in proportion to shareholding	9,338	9,747	7,951
Difference between consideration and carrying amount of subsidiaries acquired or disposed	183	183	183
	<u>\$ 53,341</u>	<u>53,750</u>	<u>51,027</u>

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

(ii) Retained earnings

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

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

1) Legal reserve

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

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

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 March 14, 2024, the Company's Board of Directors proposed to distribute the 2023 earnings. On June 21, 2023, the shareholder's meetings resolved to distribute the 2022 earnings. These earnings were appropriated as follows:

	2023		2022	
	Amount (dollar)	Total	Amount (dollar)	Total
Dividends distributed to ordinary shareholders				
Cash	\$ 4.30	4,246,176	7.70	6,788,944
Shares	-	-	1.20	1,058,017
Total		<u>\$ 4,246,176</u>		<u>7,846,961</u>

(iii) Other equity interest after tax

	Exchange differences on translation of foreign financial statement
Balance on January 1, 2024	\$ (1,127,303)
Exchange differences on translation of foreign financial statement	<u>974,407</u>
Balance on March 31, 2024	<u>\$ (152,896)</u>
Balance on January 1, 2023	\$ (1,053,529)
Exchange differences on translation of foreign financial statement	<u>(147,236)</u>
Balance on March 31, 2023	<u>\$ (1,200,765)</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iv) Non-controlling interests (NCIs)

	For the three months ended March 31	
	2024	2023
Balance on January 1	\$ 1,894,583	1,880,573
Shares attributed to non-controlling interests		
Net profit	68,974	107,109
Foreign currency translation differences for foreign operations	74,647	(3,066)
Changes in ownership interests in subsidiaries	3,555	(2,000)
Earnings distribution to non-controlling interests	(324,281)	(388,639)
Balance on March 31	\$ 1,717,478	1,593,977

(p) Earnings per share

For the three months ended March 31, 2024 and 2023, the Company's basic earnings per share were calculated as follows:

	For the three months ended March 31	
	2024	2023
Basic earnings per share		
Net profit attributable to ordinary shareholders of the Company	\$ 1,270,646	749,359
Weighted average number of ordinary shares (basic)	987,483	987,483
Basic earnings per share (dollars)	\$ 1.29	0.76

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, 2024, was distributed in cash using the same method for the preceding three years.

(q) Revenue from contracts with customer

(i) Disaggregation of revenue

	For the three months ended March 31, 2024		
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 15,792,834	421,135	16,213,969
America	1,851,337	265,653	2,116,990
Switzerland	787,257	79	787,336
Mainland China	473,246	5,887	479,133
Mexico	422,972	18,005	440,977
Other countries	346,010	232,036	578,046
	\$ 19,673,656	942,795	20,616,451

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For the three months ended March 31, 2024			
	Segments of footwear manufacturing and sales	Other Segments	Total
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,673,656	-	19,673,656
Others	-	942,795	942,795
	<u>\$ 19,673,656</u>	<u>942,795</u>	<u>20,616,451</u>
For the three months ended March 31, 2023			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 13,397,388	429,631	13,827,019
America	2,069,097	261,025	2,330,122
Switzerland	1,166,886	-	1,166,886
Mainland China	875,478	5,464	880,942
Mexico	374,642	9,531	384,173
Other countries	626,587	287,021	913,608
	<u>\$ 18,510,078</u>	<u>992,672</u>	<u>19,502,750</u>
Major products/services lines			
Manufacturing and sale of footwear	\$ 18,510,078	-	18,510,078
Others	-	992,672	992,672
	<u>\$ 18,510,078</u>	<u>992,672</u>	<u>19,502,750</u>
(ii) Contract balances			
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts receivable(including related parties)	\$ 8,194,921	8,146,737	7,752,992
Less: allowance for credit loss	(7,972)	(7,972)	(7,972)
Total	<u>\$ 8,186,949</u>	<u>8,138,765</u>	<u>7,745,020</u>
Contract liabilities	<u>\$ 906</u>	<u>999</u>	<u>429</u>

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

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

(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 \$37,830 thousand and \$26,400 thousand for the three months ended March 31, 2024 and 2023, and estimated its director compensation at \$28,529 thousand and \$15,580 thousand for the three months ended March 31, 2024 and 2023, respectively. The estimated amounts, recognized as operating costs or expenses, were based on net profit before tax of for the respective periods, multiplied by the percentage of compensation to employees and directors, as specified in the Articles of Incorporation. If the actual amounts differ from the estimated amounts, the differences shall be accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

For the years ended December 31, 2023 and 2022, the remunerations to employees amounted to \$140,000 thousand and \$270,000 thousand; and directors amounted to \$91,000 thousand and \$145,080 thousand, respectively. The information is available on the Market Observation Post System website. There was no difference between the amounts approved by Board of Directors.

(s) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended	
	March 31	
	2024	2023
Interest income from bank deposits	<u>\$ 12,734</u>	<u>25,719</u>

(ii) Other income

The details of the Group's other income for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended	
	March 31	
	2024	2023
Rent income	\$ 1,440	1,336
Government subsidy	12,125	9,271
Other income	<u>112,665</u>	<u>110,365</u>
	<u>\$ 126,230</u>	<u>120,972</u>

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

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Foreign exchange gains (losses)	\$ 402,458	(99,275)
Losses on disposal of property, plant and equipment	(136)	(937)
Gain on disposal of investment property	24,475	-
Impairment loss	(138)	(515)
Profit from lease modification	-	1,226
Others	(1,464)	(7,619)
	\$ 425,195	(107,120)

(iv) Financial costs

The details of the Group's financial costs for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Interest expense	\$ 63,016	50,491

(t) Financial instruments

(i) Credit risks

1) Credit risk exposure

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

2) The concentration of credit risk

On March 31, 2024, December 31, 2023 and March 31, 2023, 75%, 85% and 66% of the Group's total receivables were concentrated within a single overseas customer.

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,276,192	4,276,192	4,219,940	56,252	-	-	-
Other payables	4,015,044	4,015,044	3,438,427	576,617	-	-	-
Unsecured bank loans	5,504,475	5,708,147	3,248,229	632,306	1,827,612	-	-
Other long-term borrowings	61,542	61,666	31	31	62	61,542	-
Lease liabilities	537,791	1,397,182	32,773	48,613	70,510	172,123	1,073,163
	<u>\$ 14,395,044</u>	<u>15,458,231</u>	<u>10,939,400</u>	<u>1,313,819</u>	<u>1,898,184</u>	<u>233,665</u>	<u>1,073,163</u>
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
	<u>\$ 15,813,465</u>	<u>16,915,412</u>	<u>11,761,943</u>	<u>301,743</u>	<u>3,559,525</u>	<u>225,208</u>	<u>1,066,993</u>
March 31, 2023							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,052,707	4,052,707	4,047,620	4,776	311	-	-
Other payables	4,565,036	4,565,036	4,564,985	51	-	-	-
Unsecured bank loans	3,388,239	3,564,380	1,385,303	325,088	1,853,989	-	-
Other long-term borrowings	107,013	107,227	54	54	53,872	53,247	-
Lease liabilities	524,599	1,389,497	31,517	53,114	68,630	163,000	1,073,236
	<u>\$ 12,637,594</u>	<u>13,678,847</u>	<u>10,029,479</u>	<u>383,083</u>	<u>1,976,802</u>	<u>216,247</u>	<u>1,073,236</u>

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

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iii) Currency risks

1) Exposure to currency risks

		March 31, 2024		
		Foreign currency (In thousands)	Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	268,558	USD : TWD 31.950	8,580,443
		31,677	USD : CNY 7.0950	1,012,066
		0.13	USD : VND 24,800	4
VND		702,168,082	VND : USD 0.00004	912,819
INR		1,107,274	INR : USD 0.0120	424,307
IDR		105,633,182	IDR : USD 0.0001	211,266
<u>Non-monetary items</u>				
USD		34,660	USD : TWD 31.950	1,107,381
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		33,509	USD : TWD 31.950	1,070,608
		13,634	USD : CNY 7.0950	435,604
		131	USD : VND 24,800	4,171
VND		1,180,504,114	VND : USD 0.00004	1,534,655
INR		2,877,674	INR : USD 0.0120	1,102,725
IDR		1,177,085,447	IDR : USD 0.0001	2,354,171
		December 31, 2023		
		Foreign currency (In thousands)	Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
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
<u>Non-monetary items</u>				
USD		35,231	USD : TWD 30.655	1,080,014

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

December 31, 2023				
		Foreign currency (In thousands)	Exchange rate	TWD
<u>Financial liabilities</u>				
<u>Monetary items</u>				
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
March 31, 2023				
		Foreign currency (In thousands)	Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	260,704	USD : TWD 30.400	7,925,390
		25,620	USD : CNY 6.8717	778,847
		1	USD : VND 23,460	29
VND		464,631,991	VND : USD 0.00004	604,022
INR		3,768,546	INR : USD 0.0122	1,393,608
IDR		98,409,334	IDR : USD 0.0001	196,819
<u>Non-monetary items</u>				
USD		32,160	USD : TWD 30.400	977,662
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		35,227	USD : TWD 30.400	1,070,899
		8,853	USD : CNY 6.8717	269,138
		185	USD : VND 23,460	5,627
VND		1,698,308,302	VND : USD 0.00004	2,207,801
INR		4,785,370	INR : USD 0.0122	1,769,630
IDR		1,296,955,471	IDR : USD 0.0001	2,593,911

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

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. An appreciation or depreciation of 5% of the TWD against the USD, VND, INR and IDR for the three months ended March 31, 2024 and 2023, would have increased or decreased the net profit before tax by \$231,949 thousand and \$149,085 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 three months ended March 31, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$402,458 thousand and \$(99,275) 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 \$4,907 thousand and \$2,135 thousand for the three months ended March 31, 2024 and 2023, respectively. This was mainly due to the Group's deposits and borrowings at variable rates.

(v) Fair value information

1) Financial instruments not measured at fair value

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

2) Financial instruments measured at fair value

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

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

- 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.

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

(iii) Credit risk

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

1) Trade and other receivables

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

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

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

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

2) Investment

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

3) Guarantees

As of March 31, 2024, December 31, 2023 and March 31, 2023, there was no guarantee outstanding.

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

(iv) Liquidity risk

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

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of March 31, 2024, December 31, 2023 and March 31, 2023, amounted to \$14,816,573 thousand, \$13,855,266 thousand and \$15,813,159 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.

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

(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:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Total liabilities	\$ 24,666,821	25,592,092	22,642,873
Less: cash and cash equivalents	<u>(3,371,591)</u>	<u>(3,858,842)</u>	<u>(5,033,026)</u>
Net debt	21,295,230	21,733,250	17,609,847
Total equity	<u>27,122,370</u>	<u>25,054,831</u>	<u>27,189,321</u>
Total capital	<u>\$ 48,417,600</u>	<u>46,788,081</u>	<u>44,799,168</u>
Debt-to-equity ratio on period end	<u>43.98 %</u>	<u>46.45 %</u>	<u>39.31 %</u>

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

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2024 and 2023.

Reconciliation of liabilities arising from financing activities was as follows:

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

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>March 31, 2023</u>
			<u>Others</u>	<u>Foreign exchange movement</u>	
Long-term borrowings	\$ 2,525,493	(602,625)	-	(13,135)	1,909,733
Short-term borrowings	435,372	1,152,177	-	(2,030)	1,585,519
Lease liabilities	<u>584,172</u>	<u>(29,561)</u>	<u>9,541</u>	<u>(39,553)</u>	<u>524,599</u>
Total liabilities from financing activities	<u>\$ 3,545,037</u>	<u>519,991</u>	<u>9,541</u>	<u>(54,718)</u>	<u>4,019,851</u>

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

(7) Related-party transactions:

(a) Name of related parties and relationship

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

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

(b) Significant transactions with related parties

(i) Operating income

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

	For the three months ended March 31	
	<u>2024</u>	<u>2023</u>
The Group is a joint venture under the joint agreement	\$ <u>-</u>	<u>661</u>

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

(ii) Other revenue

	For the three months ended March 31	
	<u>2024</u>	<u>2023</u>
The Group is a joint venture under the joint agreement	\$ <u>2,355</u>	<u>2,497</u>

(iii) Receivables due from Related Parties

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

<u>Account item</u>	<u>Category of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable	The Group is a joint venture under the joint agreement	\$ -	-	41
Other receivables	The Group is a joint venture under the joint agreement	<u>772</u>	<u>761</u>	<u>784</u>
		<u>\$ 772</u>	<u>761</u>	<u>825</u>

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Notes to the Consolidated Financial Statements

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended March 31	
	2024	2023
Short-term employee benefits	\$ 81,648	63,471
Post-employment benefits	1,269	1,303
	\$ 82,917	64,774

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	March 31, 2024	December 31, 2023	March 31, 2023
Other current financial assets	Customs deposit and lease deposit	\$ 978	1,362	1,371
Other non-current financial assets	Customs deposit and lease deposit	106,547	102,622	83,105
		\$ 107,525	103,984	84,476

(9) Commitments and contingencies:

- (a) As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group has issued promissory notes for short-term and long-term borrowings of \$9,375,500 thousand, \$9,258,950 thousand and \$9,236,000 thousand, respectively.
- (b) As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had payables in respect of important construction contracts, amounting to \$1,906,494 thousand, \$2,013,356 thousand and \$1,821,713 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(12) Others:

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

By item	By function	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 4,892,480	1,634,239	6,526,719	4,847,192	1,446,414	6,293,606
Labor and health insurance		560,840	151,396	712,236	524,505	143,161	667,666
Pension		319,710	86,070	405,780	308,734	77,178	385,912
Other employee benefits		600,809	160,126	760,935	663,396	118,884	782,280
Depreciation		523,695	223,988	747,683	539,492	172,742	712,234
Amortization		1,413	15,608	17,021	1,237	12,084	13,321

- (b) Seasonality of operation

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

(Continued)

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

(13) Other disclosures

(a) Information on significant transactions

The followings is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2024:

- i. Loans to other parties: None
- ii. Guarantees and endorsements for other parties: None
- iii. Securities held as of March 31, 2024 (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: None
- v. Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None
- vi. Disposal of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None
- 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	365,390	1%	60 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	330,250	3%	-
"	"	"	Purchase	1,617,759	7%	20 days	"	-	(359,774)	(5%)	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	Sale	416,492	2%	30 days	"	-	151,679	1%	-
"	"	"	Purchase	1,710,721	8%	15 days	"	-	(474,390)	(6%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	686,171	3%	45 days	"	-	468,611	4%	-
"	"	"	Purchase	1,565,731	7%	30 days	"	-	(630,473)	(9%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	255,687	1%	30 days	"	-	77,629	1%	-
"	"	"	Purchase	1,727,851	8%	30 days	"	-	(727,618)	(10%)	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	Sale	479,969	2%	60/90 days	"	-	431,039	4%	-
"	"	"	Purchase	1,222,508	5%	30 days	"	-	(625,622)	(9%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sale	218,105	1%	15 days	"	-	51,289	-	-

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.	Fujian Lifeng Footwear Industrial Development Company Limited	Parent and subsidiary	Purchase	887,936	4%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(184,135)	(3%)	-
"	Fujian San Feng Footwear Company Limited	"	Sale	182,431	1%	15 days	"	-	105,769	1%	-
"	"	"	Purchase	851,535	4%	15 days	"	-	(143,374)	(2%)	-
"	Fujian Xiefeng Footwear Company Limited	"	Sale	343,859	1%	15 days	"	-	76,445	1%	-
"	"	"	Purchase	1,068,530	5%	15 days	"	-	(195,240)	(3%)	-
"	Fujian Great Hope Footwear Company Limited	"	Purchase	277,746	1%	60 days	"	-	(180,460)	(2%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sale	895,982	4%	90 days	"	-	847,456	7%	-
"	"	"	Purchase	3,920,450	17%	15 days	"	-	(747,927)	(10%)	-
"	Vung Tau Orient Co., Ltd.	"	Sale	454,927	2%	120 days	"	-	678,075	6%	-
"	"	"	Purchase	660,572	3%	10 days	"	-	(133,051)	(2%)	-
"	East Wind Footwear Company Limited (India Branch)	"	Sale	303,798	1%	60 days	"	-	207,545	2%	-
"	"	"	Purchase	937,118	4%	30 days	"	-	(586,741)	(8%)	-
"	Fairway Enterprises Company Limited (India Branch)	"	Sale	557,395	2%	30/60 days	"	-	193,966	2%	-
"	"	"	Purchase	1,208,657	5%	30 days	"	-	(437,416)	(6%)	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,617,759	99%	20 days	"	-	359,774	99%	-
"	"	"	Purchase	365,390	34%	60 days	"	-	(330,250)	(61%)	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	887,936	88%	15 days	"	-	184,135	61%	-
"	"	"	Purchase	218,105	32%	15 days	"	-	(51,289)	(12%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,068,530	79%	15 days	"	-	195,240	63%	-
"	"	"	Purchase	343,859	43%	15 days	"	-	(76,445)	(14%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	851,535	84%	15 days	"	-	143,374	61%	-
"	"	"	Purchase	182,431	36%	15 days	"	-	(105,769)	(41%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	277,746	97%	60 days	"	-	180,460	88%	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	Sale	620,675	100%	Payment after Delivery	"	-	386,572	100%	-
Hong Kong Shoe Majesty Trading Company Limited	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	620,675	100%	Payment after Delivery	"	-	(386,572)	(98%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,727,851	99%	30 days	"	-	727,618	100%	-
"	"	"	Purchase	255,687	60%	30 days	"	-	(77,629)	(19%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,710,721	93%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	474,390	90%	-
"	"	"	Purchase	416,492	60%	30 days	"	-	(151,679)	(30%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,565,731	71%	30 days	"	-	630,473	69%	-
"	"	"	Purchase	686,171	62%	45 days	"	-	(468,611)	(67%)	-
Dona Victor Molds Mfg. Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	Associate	Sale	129,733	51%	30 days	"	-	52,404	56%	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	660,572	100%	10 days	"	-	133,051	98%	-
"	"	"	Purchase	454,927	93%	120 days	"	-	(678,075)	(85%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,920,450	97%	15 days	"	-	747,927	93%	-
"	"	"	Purchase	895,982	82%	90 days	"	-	(847,456)	(56%)	-
"	Dona Victor Molds Mfg. Co., Ltd.	Associate	"	129,733	12%	30 days	"	-	(52,404)	(3%)	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	937,118	99%	30 days	"	-	586,741	97%	-
"	"	"	Purchase	303,798	97%	60 days	"	-	(207,545)	(85%)	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,222,508	97%	30 days	"	-	625,622	95%	-
"	"	"	Purchase	479,969	100%	60/90 days	"	-	(431,039)	(91%)	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,208,657	100%	30 days	"	-	437,416	100%	-
"	"	"	Purchase	557,395	98%	30/60 days	"	-	(193,966)	(81%)	-

Note: Reconciliated in the preparation of the consolidated report.

- 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	330,250	3.82	7,127	-	145,665	-
"	India Tindivanam Footwear Private Limited	"	195,178	2.43	95,900	-	-	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	151,679	11.79	-	-	60,035	-
"	Vietnam Dona Orient Co., Ltd.	"	468,611	4.90	-	-	110,122	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	847,456	4.53	-	-	137,765	-
"	Vung Tau Orient Co., Ltd.	"	678,075	3.71	111,738	-	27,504	-

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Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	Fujian San Feng Footwear Company Limited	Parent and subsidiary	105,769	11.14	-	-	89,426	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	431,039	4.36	-	-	55,677	-
"	East Wind Footwear Company Limited (India Branch)	"	207,545	5.10	-	-	20,208	-
"	Fairway Enterprises Company Limited (India Branch)	"	193,966	9.50	-	-	71,591	-
"	"	"	6,256	Note 2	-	-	-	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	359,774	16.66	-	-	306,231	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	184,135	23.38	-	-	184,135	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	195,240	24.41	-	-	195,240	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	143,374	33.49	-	-	143,374	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	180,460	6.11	-	-	43,738	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	386,572	3.88	-	-	18,720	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	727,618	9.31	-	-	574,236	-
Dona Pacific (Vietnam) Co., Ltd	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	474,390	16.72	-	-	474,390	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	630,473	9.48	-	-	473,027	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	133,051	20.37	-	-	133,051	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	747,927	26.67	-	-	737,266	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	586,741	6.79	-	-	212,160	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	625,622	7.68	-	-	373,004	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	437,416	11.04	-	-	336,207	-

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

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	365,390	Note 3	1.7723%
"	"	"	"	Cost of sales	1,617,759	Note 3	7.8469%
"	"	"	"	Accounts receivable due from related parties	330,250	60 days	0.6377%
"	"	"	"	Accounts payable to related parties	359,774	20 days	0.6947%

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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Dona Pacific (Vietnam) Co., Ltd.	4	Sales revenue	416,492	Note 3	2.0202%
"	"	"	"	Cost of sales	1,710,721	Note 3	8.2978%
"	"	"	"	Accounts receivable due from related parties	151,679	30 days	0.2929%
"	"	"	"	Accounts payable to related parties	474,390	15 days	0.9160%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	686,171	Note 3	3.3283%
"	"	"	"	Cost of sales	1,565,731	Note 3	7.5946%
"	"	"	"	Accounts receivable due from related parties	468,611	45 days	0.9048%
"	"	"	"	Accounts payable to related parties	630,473	30 days	1.2174%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	255,687	Note 3	1.2402%
"	"	"	"	Cost of sales	1,727,851	Note 3	8.3809%
"	"	"	"	Accounts receivable due from related parties	77,629	30 days	0.1499%
"	"	"	"	Accounts payable to related parties	727,618	30 days	1.4050%
"	"	Lotus Footwear Enterprises Limited (India Branch)	"	Sales revenue	479,969	Note 3	2.3281%
"	"	"	"	Cost of sales	1,222,508	Note 3	5.9298%
"	"	"	"	Accounts receivable due from related parties	431,039	60/90 days	0.8323%
"	"	"	"	Accounts payable to related parties	625,622	30 days	1.2080%
"	"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sales revenue	218,105	Note 3	1.0579%
"	"	"	"	Cost of sales	887,936	Note 3	4.3069%
"	"	"	"	Accounts receivable due from related parties	51,289	15 days	0.0990%
"	"	"	"	Accounts payable to related parties	184,135	15 days	0.3555%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	182,431	Note 3	0.8849%
"	"	"	"	Cost of sales	851,535	Note 3	4.1304%
"	"	"	"	Accounts receivable due from related parties	105,769	15 days	0.2042%
"	"	"	"	Accounts payable to related parties	143,374	15 days	0.2768%
"	"	Fujian Xiefeng Footwear Company Limited	"	Sales revenue	343,859	Note 3	1.6679%
"	"	"	"	Cost of sales	1,068,530	Note 3	5.1829%
"	"	"	"	Accounts receivable due from related parties	76,445	15 days	0.1476%
"	"	"	"	Accounts payable to related parties	195,240	15 days	0.3770%
"	"	Fujian Great Hope Footwear Company Limited	"	Cost of sales	277,746	Note 3	1.3472%
"	"	"	"	Accounts payable to related parties	180,460	60 days	0.3485%

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Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	4	Sales revenue	895,982	Note 3	4.3460%
"	"	"	"	Cost of sales	3,920,450	Note 3	19.0161%
"	"	"	"	Accounts receivable due from related parties	847,456	90 days	1.6364%
"	"	"	"	Accounts payable to related parties	747,927	15 days	1.4442%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	454,927	Note 3	2.2066%
"	"	"	"	Cost of sales	660,572	Note 3	3.2041%
"	"	"	"	Accounts receivable due from related parties	678,075	120 days	1.3093%
"	"	"	"	Accounts payable to related parties	133,051	10 days	0.2569%
"	"	East Wind Footwear Company Limited (India Branch)	"	Sales revenue	303,798	Note 3	1.4736%
"	"	"	"	Cost of sales	937,118	Note 3	4.5455%
"	"	"	"	Accounts receivable due from related parties	207,545	60 days	0.4007%
"	"	"	"	Accounts payable to related parties	586,741	30 days	1.1329%
"	"	Fairway Enterprises Company Limited (India Branch)	"	Sales revenue	557,395	Note 3	2.7036%
"	"	"	"	Cost of sales	1,208,657	Note 3	5.8626%
"	"	"	"	Accounts receivable due from related parties	193,966	30/60 days	0.3745%
"	"	"	"	Accounts payable to related parties	437,416	30 days	0.8446%
1	Dona Victor Molds Mfg Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	8	Sales revenue	129,733	Note 3	0.6293%
"	"	"	"	Accounts receivable due from related parties	52,404	30 days	0.1012%

Note 1: The numbers filled in as follows:

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

Note 2: Transactions labeled as follows:

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

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

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

(b) Information on investment

The following is the information on investment for the three months ended March 31, 2024
(excluding information on investment in Mainland China):

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				March 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,324,722	1,324,722	53,999	99.99%	874,582	(25,016)	(25,015)	Subsidiary (Note 5)
"	PT Rich Valley Indonesia	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,063,389	1,063,389	519,990	99.99%	1,156,289	8	8	"
"	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	15,330,369	420,848	420,848	"
"	VX Holdings Limited	British Virgin Islands	Investment holding	447,734	447,734	38,280	47.26%	743,790	(32,727)	(15,467)	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	448,053	(34,629)	(7,064)	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,529,723	1,529,723	44,753	40.97%	3,753,962	120,327	49,298	Subsidiary (Note 5)
"	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	33,256	1,063	1,063	"
"	Great South Private Limited	Singapore	Investment holding	35,517	35,517	1,600	100.00%	12,720	(156)	(156)	"
"	India Tindivandam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	1,157,554	1,052,345	308,000,000	93.91%	1,006,837	(88,498)	(82,959)	"
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	16,001	16,001	372,000	93.00%	241,871	79,920	74,326	Subsidiary (Note 5)
"	VX Holdings Limited	"	Investment holding	303,774	303,774	36,342	44.87%	732,947	(32,727)	(14,683)	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Limited	"	Investment holding	398,550	398,550	23,000	92.00%	1,270,556	89,461	82,304	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	257,047	257,047	8,580	28.60%	659,328	(34,629)	(9,904)	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	2,103,831	2,103,831	64,483	59.03%	5,712,885	120,327	71,029	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Limited	"	Investment holding business, and manufacturing and selling of finished shoes	2,173,878	2,173,878	34,020	88.00%	4,540,907	148,451	130,637	"
"	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	23	23	10	0.01%	23	8	-	Investee under the equity method (Note 5)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				March 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
Growth-Link Overseas Company Limited	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	22	22	1	0.01%	17	(25,016)	(1)	Investee under the equity method (Note 5)
"	Cheyyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	16,790	-	"
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,053,846	1,053,846	Note 4	100.00%	1,630,771	(32,486)	(32,486)	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Hong Kong	International trade services	6,390	6,390	200	100.00%	105,840	(4,069)	(4,069)	Subsidiary
"	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,182,150	1,182,150	Note 4	100.00%	2,141,345	(27,343)	(27,343)	"
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,405,800	1,405,800	Note 4	100.00%	2,355,944	192,863	192,863	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,418,615	2,418,615	"	100.00%	4,766,984	85,656	85,656	"
"	Vung Tau Orient Co., Ltd.	"	Producing golf balls, soccer balls, and backpack, bags	901,732	901,732	"	100.00%	808,637	(55,440)	(55,440)	"
"	Vietnam Nam Ha Footwear Company Limited	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,980,900	1,980,900	"	100.00%	1,742,914	(102,588)	(102,588)	"
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	99,045	99,045	Note 4	100.00%	256,820	80,087	80,087	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	639,000	639,000	Note 4	100.00%	1,379,317	89,639	89,639	Subsidiary (Note 5)
Lotus Footwear Enterprises Limited	Cheyyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,830,599	3,830,599	117,999,999	99.99%	3,009,795	16,790	16,790	Subsidiary (Note 5)
"	East Wind Footwear Company Limited	British Virgin Islands	Investment holding and production of athletic shoes	528,204	528,204	9,751	100.00%	1,042,291	15,333	15,333	"
"	Fairway Enterprises Company Limited	"	Investment holding and production of athletic shoes	1,463,096	1,463,096	29,501	100.00%	2,007,749	78,994	78,994	"

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

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

Note 3: The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of March 31, 2024, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of March 31, 2024.

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.

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

(c) Information on investment in mainland China

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

(In Thousands of New Taiwan Dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 7)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Investment income (losses) (Note 8)	Book value (Note 7)	Accumulated remittance of earnings in current period (Note 8)
					Outflow	Inflow						
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	143,775	Note 1	175,072	-	-	175,072	282	50.00%	141	26,036	106,753
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	95,850	"	153,464	-	-	153,464	35,778	50.34%	18,009	104,136	1,262,119
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	479,250	"	181,228	-	-	181,228	44,965	77.50%	34,848	655,142	1,083,854
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	479,250	"	289,970	-	-	289,970	26,445	68.00%	17,982	377,152	1,114,440
Fujian Da Feng Holdings Company Limited	Investment holding.	862,650	"	894,962	-	-	894,962	87,815	70.00%	61,471	1,587,696	6,670,013
Fujian Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	254,003	"	427,635	-	-	427,635	47,680	84.73%	40,401	384,171	665,296
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	479,250	Note 2	-	-	-	-	32,187	70.00%	22,531	472,349	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	81,879	"	-	-	-	-	18,604	66.07%	12,291	141,084	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of March 31, 2024 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
2,122,331	2,893,154	16,273,422

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

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

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

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

(2) Based on unreviewed financial statements for the three months ended March 31, 2024.

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 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 31.95 on March 31, 2024.

Note 8: Calculated based on the average closing exchange rate of 31.5733 between January and the end of March 2024.

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

iii Significant transactions:

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

(d) Major shareholders

Shareholding Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	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

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:

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the three months ended				
March 31, 2024				
Revenue				
Revenue from external customers	\$ 19,673,656	942,795	-	20,616,451
Intersegment revenues	22,474,973	1,232,477	(23,707,450)	-
Total revenue	\$ 42,148,629	2,175,272	(23,707,450)	20,616,451
Reportable segment profit or loss	\$ 1,853,770	(39,250)	10,809	1,825,329
For the three months ended				
March 31, 2023				
Revenue				
Revenue from external customers	\$ 18,510,078	992,672	-	19,502,750
Intersegment revenues	20,836,006	992,147	(21,828,153)	-
Total revenue	\$ 39,346,084	1,984,819	(21,828,153)	19,502,750
Reportable segment profit or loss	\$ 885,984	(38,187)	47,933	895,730