

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2024 and 2023**

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

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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安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Feng Tay Enterprises Company Limited and its subsidiaries (“the Group”), as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 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 \$16,156,593 thousand and \$13,897,683 thousand, constituting 30.57% and 27.43% of consolidated total assets as of June 30, 2024 and 2023, respectively; total liabilities amounting to \$4,986,527 thousand and \$4,390,660 thousand, constituting 17.85% and 15.38% of consolidated total liabilities as of June 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$85,125 thousand, \$158,018 thousand, \$594,075 thousand and \$(35,843) thousand, constituting 4.16%, 9.17%, 13.40% and (1.48)% of consolidated total comprehensive income for the three months and six months ended June 30, 2024 and 2023, respectively.

Furthermore, as stated in Note (6)(d), the other equity accounted investments of the Group in its investee companies of \$1,196,941 thousand and \$1,031,152 thousand as of June 30, 2024 and 2023, respectively, and its equity in net gain on these investee companies of \$73,167 thousand, \$31,143 thousand, \$56,199 thousand and \$10,888 thousand for the three months and six months ended June 30, 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 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)  
August 13, 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****June 30, 2024, December 31, 2023, and June 30, 2023****(Expressed in Thousands of New Taiwan Dollars)**

| Assets   | June 30, 2024        |            | December 31, 2023 |            | June 30, 2023     |            | January 1, 2023<br>(Restatement) |            |  | Liabilities and Equity      | June 30, 2024 |                   | December 31, 2023 |                   | June 30, 2023 |                   | January 1, 2023<br>(Restatement) |   |
|--|----------------------|------------|-------------------|------------|-------------------|------------|----------------------------------|------------|--|-----------------------------|---------------|-------------------|-------------------|-------------------|---------------|-------------------|----------------------------------|---|
|  | Amount               | %          | Amount            | %          | Amount            | %          | Amount                           | %          |  |                             | Amount        | %                 | Amount            | %                 | Amount        | %                 | Amount                           | % |
| <b>Current assets:</b>   |                      |            |                   |            |                   |            |                                  |            |  | <b>Current liabilities:</b> |               |                   |                   |                   |               |                   |                                  |   |
| 1100 Cash and cash equivalents<br>(Notes (6)(a) and (n))                                 | \$ 3,258,059         | 6          | 3,858,842         | 8          | 4,316,448         | 8          | 5,573,482                        | 11         | 2100 Short-term borrowings (Note (6)(j))                                       | \$ 3,018,344                | 6             | 2,250,109         | 5                 | 1,575,239         | 3             | 435,372           | 1                                |   |
| 1170 Accounts receivable<br>(Notes (6)(b) and (q))                                       | 8,800,286            | 17         | 8,138,765         | 16         | 8,539,360         | 17         | 8,772,178                        | 17         | 2130 Current contract liabilities<br>(Note (6)(q))                             | 965                         | -             | 999               | -                 | 735               | -             | 317               | -                                |   |
| 1180 Accounts receivable due from<br>related parties, net<br>(Notes (6)(b), (q) and (7)) | -                    | -          | -                 | -          | 1,171             | -          | 21,146                           | -          | 2170 Notes and accounts payable  | 4,472,236                   | 8             | 4,256,055         | 9                 | 3,974,138         | 8             | 3,941,237         | 8                                |   |
| 1200 Other receivables (Note (7))  | 982,062              | 2          | 772,084           | 2          | 640,437           | 1          | 442,193                          | 1          | 2216 Dividends payable   | 4,246,176                   | 8             | -                 | -                 | 6,935,664         | 14            | 35,218            | -                                |   |
| 1220 Current tax assets  | 204,831              | -          | 309,550           | -          | 19,898            | -          | 187,379                          | -          | 2200 Other payables  | 4,269,513                   | 8             | 5,250,463         | 10                | 4,039,072         | 8             | 6,407,114         | 12                               |   |
| 130X Inventories (Note (6)(c))   | 9,079,157            | 17         | 8,578,013         | 17         | 8,911,843         | 18         | 9,104,194                        | 18         | 2230 Current tax liabilities   | 1,327,948                   | 3             | 1,725,252         | 3                 | 1,345,353         | 3             | 2,593,834         | 5                                |   |
| 1476 Other current financial assets<br>(Note (8))  | 955                  | -          | 1,362             | -          | 1,334             | -          | 1,364                            | -          | 2280 Current lease liabilities (Note (6)(l))                                   | 25,668                      | -             | 31,952            | -                 | 33,121            | -             | 34,934            | -                                |   |
| 1479 Other current assets, others  | 1,136,485            | 2          | 947,131           | 2          | 1,110,566         | 2          | 1,078,973                        | 2          | 2320 Long-term liabilities, current portion<br>(Note (6)(k))                   | -                           | -             | 57,679            | -                 | 56,526            | -             | 14,481            | -                                |   |
| <b>Total current assets</b>  | <b>23,461,835</b>    | <b>44</b>  | <b>22,605,747</b> | <b>45</b>  | <b>23,541,057</b> | <b>46</b>  | <b>25,180,909</b>                | <b>49</b>  | 2399 Other current liabilities, others   | 48,502                      | -             | 44,024            | -                 | 51,390            | -             | 36,328            | -                                |   |
| <b>Non-current assets:</b>   |                      |            |                   |            |                   |            |                                  |            | <b>Total current liabilities</b>   | <b>17,409,352</b>           | <b>33</b>     | <b>13,616,533</b> | <b>27</b>         | <b>18,011,238</b> | <b>36</b>     | <b>13,498,835</b> | <b>26</b>                        |   |
| 1550 Investments accounted for using<br>equity method (Note (6)(d))                      | 1,196,941            | 2          | 1,080,014         | 2          | 1,031,152         | 2          | 1,051,389                        | 2          | <b>Non-current liabilities:</b>  |                             |               |                   |                   |                   |               |                   |                                  |   |
| 1600 Property, plant and equipment<br>(Note (6)(f))                                      | 23,162,698           | 44         | 21,952,247        | 43         | 21,444,658        | 42         | 20,704,257                       | 40         | 2540 Long-term borrowings (Note (6)(k))  | 1,930,966                   | 4             | 3,451,540         | 7                 | 2,106,414         | 4             | 2,511,012         | 5                                |   |
| 1755 Right-of-use assets (Note (6)(g))   | 1,733,188            | 4          | 1,683,217         | 3          | 1,719,052         | 4          | 1,764,171                        | 4          | 2570 Deferred tax liabilities (Note (6)(n))                                    | 3,313,930                   | 6             | 3,560,853         | 7                 | 3,489,145         | 7             | 3,827,503         | 8                                |   |
| 1760 Investment property, net<br>(Note (6)(h))   | 56,648               | -          | 70,149            | -          | 69,020            | -          | 68,679                           | -          | 2580 Non-current lease liabilities<br>(Note (6)(l))                            | 524,132                     | 1             | 515,667           | 1                 | 506,325           | 1             | 549,238           | 1                                |   |
| 1780 Intangible assets (Note (6)(i))   | 456,152              | 1          | 423,698           | 1          | 408,115           | 1          | 420,583                          | 1          | 2640 Non-current net defined benefit<br>liability (Note (6)(m))                | 4,486,786                   | 9             | 4,226,913         | 9                 | 4,223,442         | 8             | 3,839,586         | 8                                |   |
| 1840 Deferred tax assets (Note (6)(n))   | 1,913,243            | 4          | 1,800,863         | 4          | 1,708,478         | 4          | 1,409,418                        | 3          | 2670 Other non-current liabilities, others                                     | 265,137                     | -             | 220,586           | -                 | 208,803           | -             | 210,266           | -                                |   |
| 1980 Other non-current financial assets<br>(Note (8))                                    | 109,550              | -          | 102,622           | -          | 97,178            | -          | 84,422                           | -          | <b>Total non-current liabilities</b>   | <b>10,520,951</b>           | <b>20</b>     | <b>11,975,559</b> | <b>24</b>         | <b>10,534,129</b> | <b>20</b>     | <b>10,937,605</b> | <b>22</b>                        |   |
| 1990 Other non-current assets, others  | 755,529              | 1          | 928,366           | 2          | 650,977           | 1          | 626,539                          | 1          | <b>Total liabilities</b>   | <b>27,930,303</b>           | <b>53</b>     | <b>25,592,092</b> | <b>51</b>         | <b>28,545,367</b> | <b>56</b>     | <b>24,436,440</b> | <b>48</b>                        |   |
| <b>Total non-current assets</b>  | <b>29,383,949</b>    | <b>56</b>  | <b>28,041,176</b> | <b>55</b>  | <b>27,128,630</b> | <b>54</b>  | <b>26,129,458</b>                | <b>51</b>  | <b>Equity attributable to owners of<br/>parent (Note (6)(o)):</b>              |                             |               |                   |                   |                   |               |                   |                                  |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3110 Total capital stock   | 9,874,828                   | 19            | 9,874,828         | 19                | 8,816,811         | 18            | 8,816,811         | 17                               |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3150 Stock dividend to be distributed  | -                           | -             | -                 | -                 | 1,058,017         | 2             | -                 | -                                |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3200 Capital surplus   | 50,309                      | -             | 53,750            | -                 | 51,145            | -             | 51,160            | -                                |   |
|  |                      |            |                   |            |                   |            |                                  |            | Retained earnings:   |                             |               |                   |                   |                   |               |                   |                                  |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3310 Legal reserve   | 6,979,145                   | 13            | 6,476,443         | 13                | 6,476,443         | 13            | 5,577,243         | 11                               |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3320 Special reserve   | 1,127,303                   | 2             | 1,053,529         | 2                 | 1,053,529         | 2             | 2,559,457         | 5                                |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3350 Unappropriated retained earnings  | 4,862,691                   | 10            | 6,829,001         | 13                | 3,748,389         | 7             | 9,042,212         | 18                               |   |
|  |                      |            |                   |            |                   |            |                                  |            | Other equity interest:   |                             |               |                   |                   |                   |               |                   |                                  |   |
|  |                      |            |                   |            |                   |            |                                  |            | 3410 Exchange differences on<br>translation of foreign<br>financial statements | 172,183                     | -             | (1,127,303)       | (2)               | (810,034)         | (2)           | (1,053,529)       | (2)                              |   |
|  |                      |            |                   |            |                   |            |                                  |            | <b>Total equity attributable to<br/>owners of parent:</b>                      | <b>23,066,459</b>           | <b>44</b>     | <b>23,160,248</b> | <b>45</b>         | <b>20,394,300</b> | <b>40</b>     | <b>24,993,354</b> | <b>49</b>                        |   |
|  |                      |            |                   |            |                   |            |                                  |            | 36XX <b>Non-controlling interests</b>  | <b>1,849,022</b>            | <b>3</b>      | <b>1,894,583</b>  | <b>4</b>          | <b>1,730,020</b>  | <b>4</b>      | <b>1,880,573</b>  | <b>3</b>                         |   |
|  |                      |            |                   |            |                   |            |                                  |            | <b>Total equity</b>  | <b>24,915,481</b>           | <b>47</b>     | <b>25,054,831</b> | <b>49</b>         | <b>22,124,320</b> | <b>44</b>     | <b>26,873,927</b> | <b>52</b>                        |   |
| <b>Total assets</b>  | <b>\$ 52,845,784</b> | <b>100</b> | <b>50,646,923</b> | <b>100</b> | <b>50,669,687</b> | <b>100</b> | <b>51,310,367</b>                | <b>100</b> | <b>Total liabilities and equity</b>  | <b>\$ 52,845,784</b>        | <b>100</b>    | <b>50,646,923</b> | <b>100</b>        | <b>50,669,687</b> | <b>100</b>    | <b>51,310,367</b> | <b>100</b>                       |   |

See accompanying notes to consolidated financial statements.

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

**Consolidated Statements of Comprehensive Income**

**For the three months and six months ended June 30, 2024 and 2023**

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

|      | For the three months ended June 30   |      |              |      | For the six months ended June 30 |      |              |      |
|------|--|------|--------------|------|----------------------------------|------|--------------|------|
|      | 2024   |      | 2023         |      | 2024                             |      | 2023         |      |
|      | Amount   | %    | Amount       | %    | Amount                           | %    | Amount       | %    |
| 4000 | <b>Operating revenues (Notes (6)(q) and (7))</b>   |      |              |      |                                  |      |              |      |
|      | \$ 22,266,696  | 100  | 20,656,426   | 100  | 42,883,147                       | 100  | 40,159,176   | 100  |
| 5000 | <b>Operating costs (Note (6)(c))</b>   |      |              |      |                                  |      |              |      |
|      | (17,172,515)   | (77) | (16,641,982) | (81) | (33,467,780)                     | (78) | (32,618,255) | (81) |
|      | <b>Gross profit from operations</b>  |      |              |      |                                  |      |              |      |
|      | 5,094,181  | 23   | 4,014,444    | 19   | 9,415,367                        | 22   | 7,540,921    | 19   |
|      | <b>Operating expenses:</b>   |      |              |      |                                  |      |              |      |
| 6100 | Selling and administrative expenses  |      |              |      |                                  |      |              |      |
|      | (2,343,524)  | (11) | (1,982,158)  | (10) | (4,634,108)                      | (11) | (3,964,233)  | (10) |
| 6300 | Research and development expenses  |      |              |      |                                  |      |              |      |
|      | (745,490)  | (3)  | (618,671)    | (3)  | (1,434,938)                      | (4)  | (1,236,168)  | (3)  |
|      | <b>Total operating expenses</b>  |      |              |      |                                  |      |              |      |
|      | (3,089,014)  | (14) | (2,600,829)  | (13) | (6,069,046)                      | (15) | (5,200,401)  | (13) |
|      | <b>Net operating income</b>  |      |              |      |                                  |      |              |      |
|      | 2,005,167  | 9    | 1,413,615    | 6    | 3,346,321                        | 7    | 2,340,520    | 6    |
|      | <b>Non-operating income and expenses:</b>  |      |              |      |                                  |      |              |      |
| 7100 | Interest income (Note (6)(s))  |      |              |      |                                  |      |              |      |
|      | 20,063   | -    | 36,549       | -    | 32,797                           | -    | 62,268       | -    |
| 7010 | Other income (Notes (6)(s) and (7))  |      |              |      |                                  |      |              |      |
|      | 154,888  | 1    | 117,568      | 1    | 281,118                          | 1    | 238,540      | -    |
| 7020 | Other gains and losses, net (Notes (6)(s) and (7))   |      |              |      |                                  |      |              |      |
|      | 238,878  | 1    | 224,928      | 1    | 664,073                          | 2    | 117,808      | -    |
| 7050 | Financial costs (Note (6)(s))  |      |              |      |                                  |      |              |      |
|      | (72,749)   | -    | (59,003)     | -    | (135,765)                        | -    | (109,494)    | -    |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))             |      |              |      |                                  |      |              |      |
|      | 73,167   | -    | 31,143       | -    | 56,199                           | -    | 10,888       | -    |
|      | <b>Total non-operating income and expenses</b>   |      |              |      |                                  |      |              |      |
|      | 414,247  | 2    | 351,185      | 2    | 898,422                          | 3    | 320,010      | -    |
|      | <b>Profit from continuing operations before tax</b>  |      |              |      |                                  |      |              |      |
|      | 2,419,414  | 11   | 1,764,800    | 8    | 4,244,743                        | 10   | 2,660,530    | 6    |
| 7950 | <b>Income tax expenses (Note (6)(n))</b>   |      |              |      |                                  |      |              |      |
|      | (725,364)  | (3)  | (433,677)    | (2)  | (1,211,073)                      | (3)  | (472,939)    | (1)  |
|      | <b>Net profit</b>  |      |              |      |                                  |      |              |      |
|      | 1,694,050  | 8    | 1,331,123    | 6    | 3,033,670                        | 7    | 2,187,591    | 5    |
|      | <b>Other comprehensive income:</b>   |      |              |      |                                  |      |              |      |
| 8360 | <b>Item that may be reclassified subsequently to profit or loss</b>  |      |              |      |                                  |      |              |      |
| 8361 | Exchange differences on translation of foreign financial statements  |      |              |      |                                  |      |              |      |
|      | 352,131  | 2    | 393,352      | 2    | 1,404,949                        | 3    | 242,299      | 1    |
| 8399 | Income tax related to components of other comprehensive loss that will may be reclassified to profit or loss |      |              |      |                                  |      |              |      |
|      | (1,390)  | -    | (1,899)      | -    | (5,154)                          | -    | (1,148)      | -    |
|      | <b>Item that may be reclassified subsequently to profit or loss</b>  |      |              |      |                                  |      |              |      |
|      | 350,741  | 2    | 391,453      | 2    | 1,399,795                        | 3    | 241,151      | 1    |
|      | <b>Other comprehensive income</b>  |      |              |      |                                  |      |              |      |
|      | 350,741  | 2    | 391,453      | 2    | 1,399,795                        | 3    | 241,151      | 1    |
| 8500 | <b>Total comprehensive income</b>  |      |              |      |                                  |      |              |      |
|      | \$ 2,044,791   | 10   | 1,722,576    | 8    | 4,433,465                        | 10   | 2,428,742    | 6    |
|      | <b>Net profit, attributable to:</b>  |      |              |      |                                  |      |              |      |
| 8610 | Net profit, attributable to owners of parent   |      |              |      |                                  |      |              |      |
|      | \$ 1,585,696   | 8    | 1,197,051    | 5    | 2,856,342                        | 7    | 1,946,410    | 4    |
| 8620 | Net profit, attributable to non-controlling interests  |      |              |      |                                  |      |              |      |
|      | 108,354  | -    | 134,072      | 1    | 177,328                          | -    | 241,181      | 1    |
|      | \$ 1,694,050   | 8    | 1,331,123    | 6    | 3,033,670                        | 7    | 2,187,591    | 5    |
|      | <b>Comprehensive income attributable to:</b>   |      |              |      |                                  |      |              |      |
| 8710 | Comprehensive income, attributable to owners of parent   |      |              |      |                                  |      |              |      |
|      | \$ 1,910,775   | 9    | 1,587,783    | 8    | 4,155,828                        | 9    | 2,189,905    | 5    |
| 8720 | Comprehensive income, attributable to non-controlling interests  |      |              |      |                                  |      |              |      |
|      | 134,016  | 1    | 134,793      | -    | 277,637                          | 1    | 238,837      | 1    |
|      | \$ 2,044,791   | 10   | 1,722,576    | 8    | 4,433,465                        | 10   | 2,428,742    | 6    |
|      | <b>Earnings per share (Note (6)(p))</b>  |      |              |      |                                  |      |              |      |
| 9750 | <b>Basic earnings per share (dollars)</b>  |      |              |      |                                  |      |              |      |
|      | \$ 1.60  |      | 1.21         |      | 2.89                             |      | 1.97         |      |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | Equity attributable to owners of parent |                                     |                 |                   |                  |                                     | Total other<br>equity interest<br>Exchange<br>differences on<br>translation of<br>foreign financial<br>statements | Total equity<br>attributable to<br>owners of parent | Non-controlling<br>interests | Total equity      |
|---|---|-------------------------------------|-----------------|-------------------|------------------|-------------------------------------|---|---|------------------------------|-------------------|
|   | Share capital                           |                                     | Capital surplus | Retained earnings |                  |                                     |   |   |                              |                   |
|   | Ordinary<br>shares                      | Stock dividend<br>to be distributed |                 | Legal reserve     | Special reserve  | Unappropriated<br>retained earnings |   |   |                              |                   |
| <b>Balance on January 1, 2023</b>   | \$ 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  | -                                       | -                                   | -               | -                 | -                | 1,946,410                           | -   | 1,946,410   | 241,181                      | 2,187,591         |
| Other comprehensive income (loss)   | -                                       | -                                   | -               | -                 | -                | -                                   | 243,495   | 243,495   | (2,344)                      | 241,151           |
| Total comprehensive income  | -                                       | -                                   | -               | -                 | -                | 1,946,410                           | 243,495   | 2,189,905   | 238,837                      | 2,428,742         |
| Appropriation and distribution of retained earnings:                                      |   |                                     |                 |                   |                  |                                     |   |   |                              |                   |
| Legal reserve appropriated  | -                                       | -                                   | -               | 899,200           | -                | (899,200)                           | -   | -   | -                            | -                 |
| Reversal of special reserve   | -                                       | -                                   | -               | -                 | (1,505,928)      | 1,505,928                           | -   | -   | -                            | -                 |
| Cash dividends of ordinary share  | -                                       | -                                   | -               | -                 | -                | (6,788,944)                         | -   | (6,788,944)   | -                            | (6,788,944)       |
| Stock dividends of ordinary share   | -                                       | 1,058,017                           | -               | -                 | -                | (1,058,017)                         | -   | -   | -                            | -                 |
| Due to donated assets received  | -                                       | -                                   | (7)             | -                 | -                | -                                   | -   | (7)   | -                            | (7)               |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | -                                       | -                                   | 183             | -                 | -                | -                                   | -   | 183   | -                            | 183               |
| Changes in ownership interests in subsidiaries  | -                                       | -                                   | (191)           | -                 | -                | -                                   | -   | (191)   | 2,639                        | 2,448             |
| Changes in non-controlling interests  | -                                       | -                                   | -               | -                 | -                | -                                   | -   | -   | (392,029)                    | (392,029)         |
| <b>Balance on June 30, 2023</b>   | <b>\$ 8,816,811</b>                     | <b>1,058,017</b>                    | <b>51,145</b>   | <b>6,476,443</b>  | <b>1,053,529</b> | <b>3,748,389</b>                    | <b>(810,034)</b>  | <b>20,394,300</b>                                   | <b>1,730,020</b>             | <b>22,124,320</b> |
| <b>Balance on January 1, 2024</b>   | \$ 9,874,828                            | -                                   | 53,750          | 6,476,443         | 1,053,529        | 6,829,001                           | (1,127,303)   | 23,160,248  | 1,894,583                    | 25,054,831        |
| Net profit  | -                                       | -                                   | -               | -                 | -                | 2,856,342                           | -   | 2,856,342   | 177,328                      | 3,033,670         |
| Other comprehensive income  | -                                       | -                                   | -               | -                 | -                | -                                   | 1,299,486   | 1,299,486   | 100,309                      | 1,399,795         |
| Total comprehensive income  | -                                       | -                                   | -               | -                 | -                | 2,856,342                           | 1,299,486   | 4,155,828   | 277,637                      | 4,433,465         |
| Appropriation and distribution of retained earnings:                                      |   |                                     |                 |                   |                  |                                     |   |   |                              |                   |
| Legal reserve appropriated  | -                                       | -                                   | -               | 502,702           | -                | (502,702)                           | -   | -   | -                            | -                 |
| Special reserve appropriated  | -                                       | -                                   | -               | -                 | 73,774           | (73,774)                            | -   | -   | -                            | -                 |
| Cash dividends of ordinary share  | -                                       | -                                   | -               | -                 | -                | (4,246,176)                         | -   | (4,246,176)   | -                            | (4,246,176)       |
| Changes in ownership interests in subsidiaries  | -                                       | -                                   | (3,441)         | -                 | -                | -                                   | -   | (3,441)   | 6,586                        | 3,145             |
| Changes in non-controlling interests  | -                                       | -                                   | -               | -                 | -                | -                                   | -   | -   | (329,784)                    | (329,784)         |
| <b>Balance on June 30, 2024</b>   | <b>\$ 9,874,828</b>                     | <b>-</b>                            | <b>50,309</b>   | <b>6,979,145</b>  | <b>1,127,303</b> | <b>4,862,691</b>                    | <b>172,183</b>  | <b>23,066,459</b>                                   | <b>1,849,022</b>             | <b>24,915,481</b> |

See accompanying notes to consolidated financial statements.

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

**Consolidated Statements of Cash Flows**  
**For the six months ended June 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

|  | <b>For the six months ended June 30</b> |                               |
|--|---|-------------------------------|
|  | <b>2024</b>                             | <b>2023<br/>(Restatement)</b> |
| <b>Cash flows from (used in) operating activities:</b>                             |   |                               |
| <b>Profit before tax</b>   | \$ 4,244,743                            | 2,660,530                     |
| <b>Adjustments:</b>  |   |                               |
| <b>Adjustments to reconcile profit (loss):</b>                                     |   |                               |
| Depreciation expense   | 1,531,610                               | 1,360,302                     |
| Amortization expense   | 36,188                                  | 26,606                        |
| Interest expense   | 135,765                                 | 109,494                       |
| Interest income  | (32,797)                                | (62,268)                      |
| Share of profit of associates and joint ventures accounted for using equity method | (56,199)                                | (10,888)                      |
| Loss on disposal of property, plant and equipment                                  | 15,891                                  | 17,704                        |
| Profit from lease modification   | -                                       | (1,226)                       |
| Gain on disposal of investment properties  | (24,801)                                | -                             |
| Impairment losses  | 22,629                                  | 825                           |
| <b>Total adjustments to reconcile profit</b>                                       | <u>1,628,286</u>                        | <u>1,440,549</u>              |
| <b>Changes in operating assets and liabilities:</b>                                |   |                               |
| <b>Changes in operating assets:</b>  |   |                               |
| Decrease (increase) in accounts receivable   | (627,245)                               | 255,226                       |
| Decrease (increase) in other receivables   | (161,894)                               | (190,424)                     |
| Decrease (increase) in inventories   | (30,925)                                | 262,233                       |
| Decrease (increase) in other current assets, others                                | (133,487)                               | (21,066)                      |
| Decrease (increase) in other current financial assets                              | 469                                     | -                             |
| <b>Total changes in operating assets</b>   | <u>(953,082)</u>                        | <u>305,969</u>                |
| <b>Changes in operating liabilities:</b>   |   |                               |
| Increase (decrease) in current contract liabilities                                | (90)                                    | 407                           |
| Increase (decrease) in notes and accounts payable                                  | 86,883                                  | 16,818                        |
| Increase (decrease) in other payable   | (1,209,918)                             | (2,212,531)                   |
| Increase (decrease) in other current liabilities, others                           | 1,895                                   | 16,111                        |
| Increase (decrease) in net defined benefit liability                               | 66,581                                  | 336,000                       |
| Increase (decrease) in other non-current liabilities, others                       | 32,079                                  | (4,442)                       |
| <b>Total changes in operating liabilities</b>                                      | <u>(1,022,570)</u>                      | <u>(1,847,637)</u>            |
| <b>Total changes in operating assets and liabilities</b>                           | <u>(1,975,652)</u>                      | <u>(1,541,668)</u>            |
| <b>Total adjustments</b>   | <u>(347,366)</u>                        | <u>(101,119)</u>              |
| Cash inflow generated from operations  | 3,897,377                               | 2,559,411                     |
| Interest received  | 30,901                                  | 67,719                        |
| Interest paid  | (141,236)                               | (104,878)                     |
| Income taxes paid  | (1,761,583)                             | (2,361,375)                   |
| <b>Net cash flows from operating activities</b>                                    | <u>2,025,459</u>                        | <u>160,877</u>                |
| <b>Cash flows from (used in) investing activities:</b>                             |   |                               |
| Acquisition of property, plant and equipment                                       | (1,597,403)                             | (1,905,069)                   |
| Proceeds from disposal of property, plant and equipment                            | 79,786                                  | 72,413                        |
| Acquisition of intangible assets   | (64,334)                                | (13,779)                      |
| Proceeds from disposal of investment properties                                    | 42,656                                  | -                             |
| Increase in other non-current financial assets                                     | (1,403)                                 | (11,520)                      |
| Decrease (increase) in other non-current assets, others                            | 5,977                                   | (8,458)                       |
| Dividends received   | -                                       | 43,769                        |
| <b>Net cash flows used in investing activities</b>                                 | <u>(1,534,721)</u>                      | <u>(1,822,644)</u>            |
| <b>Cash flows from (used in) financing activities:</b>                             |   |                               |
| Increase in short-term loans   | 722,938                                 | 1,118,388                     |
| Proceeds from long-term borrowings   | 94,703                                  | 546,464                       |
| Repayments of long-term borrowings   | (1,789,352)                             | (940,593)                     |
| Payment of lease liabilities   | (28,155)                                | (26,798)                      |
| Change in non-controlling interests  | (316,786)                               | (281,889)                     |
| <b>Net cash flows from (used in) financing activities</b>                          | <u>(1,316,652)</u>                      | <u>415,572</u>                |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                | 225,131                                 | (10,839)                      |
| <b>Net decrease in cash and cash equivalents</b>                                   | (600,783)                               | (1,257,034)                   |
| <b>Cash and cash equivalents at beginning of period</b>                            | 3,858,842                               | 5,573,482                     |
| <b>Cash and cash equivalents at end of period</b>                                  | <u>\$ 3,258,059</u>                     | <u>4,316,448</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**  
**June 30, 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 August 13, 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”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

- (c) 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:

| <b>Standards or Interpretations</b>                           | <b>Content of amendment</b>   | <b>Effective date per IASB</b> |
|---|---|--------------------------------|
| 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"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul> | January 1, 2027                |

(Continued)

**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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

**(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   |
|------------------|---|---|---------------|-------------------|---------------|---|
|                  |   |   | June 30, 2024 | December 31, 2023 | June 30, 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 1)                                     |
| The Company      | Growth-Link Overseas Company Limited(GLO) | Investment holding.   | 100.00 %      | 100.00 %          | 100.00 %      | Growth-Link Overseas Company Limited was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036). |

(Continued)

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

| Name of investor  | Name of subsidiary  | Principal activity  | Shareholding  |                   |               | Description  |
|-------------------|---|---|---------------|-------------------|---------------|--|
|                   |   |   | June 30, 2024 | December 31, 2023 | June 30, 2023 |  |
| The Company & GLO | VX Holdings Limited (VXH)   | Investment holding.   | 92.13 %       | 92.13 %           | 92.13 %       | VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923). (Note 1)   |
| The Company & GLO | Dona Orient Holdings Limited (DOH)                                | Investment holding.   | 100.00 %      | 100.00 %          | 100.00 %      | Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817). |
| The Company & GLO | PT Rich Valley Indonesia  | Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories. | 100.00 %      | 100.00 %          | 100.00 %      | PT Rich Valley Indonesia was established in Indonesia in 2019, and has paid in capital of USD36,431,286. (Note 1)  |
| The Company       | Great Eastern Industries Limited                                  | International trade services.   | 100.00 %      | 100.00 %          | 100.00 %      | Great Eastern Industries Limited, was established in Hong Kong in 2019, and has paid in capital of USD1,000,000 (including share premium of USD999,000). (Note 1)      |
| The Company       | Great South Private Limited                                       | Investing holding.  | 100.00 %      | 100.00 %          | 100.00 %      | Great South Private Limited was established in Singapore in 2021, and has paid in capital of SGD1,600,000. (Note 1)  |
| The Company       | India Tindivanam Footwear Private Limited                         | Manufactures athletic shoes, semi-finished footwear and footwear accessories.               | 95.04 %       | 93.60 %           | 95.36 %       | India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of USD49,112,026. (Note 1)   |
| GLO               | Fujian Da Feng Holdings Company Limited(DF)                       | Investment holding.   | 70.00 %       | 70.00 %           | 70.00 %       | Fujian Da Feng Holdings Company Limited was established in Fujian Province, China in 1993, and has paid in capital of USD27,000,000. (Note 1)                          |
| 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.                                  |

(Continued)

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

| Name of investor   | Name of subsidiary                              | Principal activity   | Shareholding  |                   |               | Description  |
|--------------------|---|--|---------------|-------------------|---------------|--|
|                    |   |  | June 30, 2024 | December 31, 2023 | June 30, 2023 |  |
| GLO, DF, LF and XM | Fujian Great Hope Footwear Company Limited(GH)  | Manufactures athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products. | 100.00 %      | 100.00 %          | 100.00 %      | Fujian Great Hope Footwear Company Limited was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000.(Note 1)                                 |
| GLO                | Fujian Putian Xie Feng Mold Company Limited(XM) | Manufactures and repairs molds, cutting dies, shoe lasts, injections, and processing of metal parts.                                     | 50.34 %       | 50.34 %           | 50.34 %       | Fujian Putian Xie Feng Mold Company Limited was established in Fujian Province, China in 1991, and has paid in capital of USD3,000,000.(Note 1)                                |
| LF, GH and XM      | Suzhou Yufeng Plastics Technology Co., Ltd.     | Manufacturing and processing of plastic products.  | 100.00 %      | 100.00 %          | 100.00 %      | Suzhou Yufeng Plastic Technology Co., Ltd., was established in Jiangsu Province, China in 2009, and has paid in capital of USD2,562,738.(Note 1)                               |
| GLO                | Fujian Wu Feng Department Store Co., Ltd.       | Wholesaler and retailer of general merchandise, and related services.  | 50.00 %       | 50.00 %           | 50.00 %       | Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province, China in 1992, and has paid in capital of USD4,500,000.(Note 1)                                  |
| GLO                | Dona Pacific Holdings Limited (DPH)             | Investment holding.  | 92.00 %       | 92.00 %           | 92.00 %       | Dona Pacific Holdings Limited was established in British Virgin Islands in 2000, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901). (Note 1) |
| GLO                | VX Mold Company Limited(VXM)                    | Investment holding.  | 93.00 %       | 93.00 %           | 93.00 %       | VX Mold Company Limited was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.(Note 1)  |
| GLO                | Lotus Footwear Enterprises Limited (LUH)        | Investment holding business, and manufacturing and selling of finished shoes.  | 88.00 %       | 88.00 %           | 88.00 %       | Lotus Footwear Enterprises Limited was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).     |
| VXH                | Dona Victor Footwear Co., Ltd.                  | Manufactures athletic shoes, semi-finished footwear, and footwear accessories.   | 100.00 %      | 100.00 %          | 100.00 %      | Dona Victor Footwear Co., Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.  |
| DOH                | Vietnam Dona Orient Co., Ltd.                   | Manufactures athletic shoes, semi-finished footwear, and footwear accessories.   | 100.00 %      | 100.00 %          | 100.00 %      | Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.  |
| DOH                | Vietnam Dona Standard Footwear Co., Ltd.        | Manufactures athletic shoes, semi-finished footwear, and footwear accessories.   | 100.00 %      | 100.00 %          | 100.00 %      | Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.  |

(Continued)

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

| Name of investor | Name of subsidiary                      | Principal activity   | Shareholding  |                   |               | Description  |
|------------------|---|--|---------------|-------------------|---------------|--|
|                  |   |  | June 30, 2024 | December 31, 2023 | June 30, 2023 |  |
| DOH              | Vung Tau Orient Co., Ltd.               | Manufactures golf balls, soccer balls, backpack and bags.                      | 100.00 %      | 100.00 %          | 100.00 %      | Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD41,000,000.(Note 1)   |
| DOH              | Vietnam Nam Ha Footwear Company Limited | Manufactures athletic shoes, semi-finished footwear, and footwear accessories. | 100.00 %      | 100.00 %          | 100.00 %      | Vietnam Nam Ha Footwear Company Limited was established in Vietnam in 2019, and has paid in capital of USD62,000,000.(Note 1)  |
| DPH              | Dona Pacific (Vietnam) Co., Ltd.        | Manufactures athletic shoes, semi-finished footwear, and footwear accessories. | 100.00 %      | 100.00 %          | 100.00 %      | Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD20,000,000.  |
| VXM              | Dona Victor Molds MFG. Co., Ltd.        | Manufactures and repairs molds, cutting dies, and processing of metal parts.   | 100.00 %      | 100.00 %          | 100.00 %      | Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000.(Note 1)   |
| GLO and LUH      | Cheyar SEZ Developers Private Limited   | Development in India's Industrial Park.  | 100.00 %      | 100.00 %          | 100.00 %      | Cheyar SEZ Developers Private Limited was established in Indian in 2006, and has paid in capital of USD119,893,561. (Note 1)   |
| LUH              | East Wind Footwear Company Limited      | Investment holding and production of athletic shoes.                           | 100.00 %      | 100.00 %          | 100.00 %      | East Wind Footwear Company Limited was established in British Virgin Islands in 2010, and has paid in capital of USD16,532,207 (including share premium of USD16,522,456). (Note 2)  |
| LUH              | Fairway Enterprises Company Limited     | Investment holding and production of athletic shoes.                           | 100.00 %      | 100.00 %          | 100.00 %      | Fairway Enterprises Company Limited was established in British Virgin Islands in 2014, and has paid in capital of USD45,793,307 (including share premium of USD45,763,806). (Note 2) |

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

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

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

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

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.

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

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

(a) Cash and cash equivalents

|   | <b>June 30,<br/>2024</b>   | <b>December 31,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|---|----------------------------|------------------------------|--------------------------|
| Cash  | \$ 1,114                   | 907                          | 1,178                    |
| Demand deposits and check deposit                                     | 1,363,638                  | 1,438,215                    | 1,740,644                |
| Time deposits   | <u>1,893,307</u>           | <u>2,419,720</u>             | <u>2,574,626</u>         |
| Cash and cash equivalents in the consolidated statement of cash flows | <u><u>\$ 3,258,059</u></u> | <u><u>3,858,842</u></u>      | <u><u>4,316,448</u></u>  |

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

In accordance with the IFRSs Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2024, the Group reclassified the balance of Repatriated Offshore Funds of \$497,387 thousand on January 1, 2023 from other current financial assets to cash and cash equivalents.

(b) Accounts receivable (including related parties)

|  | <b>June 30,<br/>2024</b>   | <b>December 31,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|--|----------------------------|------------------------------|--------------------------|
| Accounts receivable—measured at amortized cost | \$ 8,808,258               | 8,146,737                    | 8,548,503                |
| Less: Allowance for credit loss                | <u>(7,972)</u>             | <u>(7,972)</u>               | <u>(7,972)</u>           |
|  | <u><u>\$ 8,800,286</u></u> | <u><u>8,138,765</u></u>      | <u><u>8,540,531</u></u>  |

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

|                            | <b>June 30, 2024</b>             |  |  |
|----------------------------|----------------------------------|--|--|
|                            | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average loss<br/>rate</b> | <b>Allowance for<br/>credit loss<br/>provision</b> |
| Current                    | \$ 7,521,189                     | 0.00%                                      | -  |
| 1 to 60 days past due      | 1,268,230                        | 0.00%                                      | -  |
| 61 days to 1 year past due | 10,867                           | 0.00%                                      | -  |
| More than 1 year past due  | <u>7,972</u>                     | 100.00%                                    | <u>7,972</u>                                       |
|                            | <u><b>\$ 8,808,258</b></u>       |  | <u><b>7,972</b></u>                                |
|                            |                                  |  |  |
|                            | <b>December 31, 2023</b>         |  |  |
|                            | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average loss<br/>rate</b> | <b>Allowance for<br/>credit loss<br/>provision</b> |
| 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><b>\$ 8,146,737</b></u>       |  | <u><b>7,972</b></u>                                |
|                            |                                  |  |  |
|                            | <b>June 30, 2023</b>             |  |  |
|                            | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average loss<br/>rate</b> | <b>Allowance for<br/>credit loss<br/>provision</b> |
| Current                    | \$ 8,253,701                     | 0.00%                                      | -  |
| 1 to 60 days past due      | 286,830                          | 0.00%                                      | -  |
| More than 1 year past due  | <u>7,972</u>                     | 100.00%                                    | <u>7,972</u>                                       |
|                            | <u><b>\$ 8,548,503</b></u>       |  | <u><b>7,972</b></u>                                |

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

|                      | <b>For the six months ended June 30</b> |                     |
|----------------------|---|---------------------|
|                      | <b>2024</b>                             | <b>2023</b>         |
| Balance on January 1 | \$ <u>7,972</u>                         | <u>7,972</u>        |
| Balance on June 30   | <u><b>\$ 7,972</b></u>                  | <u><b>7,972</b></u> |

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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As of June 30, 2024, December 31, 2023 and June 30, 2023, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

|                       | <u>June 30,</u><br><u>2024</u> | <u>December 31,</u><br><u>2023</u> | <u>June 30,</u><br><u>2023</u> |
|-----------------------|--------------------------------|------------------------------------|--------------------------------|
| Raw materials         | \$ 3,540,456                   | 3,199,060                          | 3,535,119                      |
| Work in process       | 1,349,162                      | 1,246,496                          | 1,237,556                      |
| Finished goods        | 2,651,774                      | 3,143,251                          | 2,957,169                      |
| Merchandise inventory | 104,348                        | 33,781                             | 78,115                         |
| Inventory in transit  | 1,432,375                      | 953,520                            | 1,103,076                      |
| Others                | 1,042                          | 1,905                              | 808                            |
|                       | <u>\$ 9,079,157</u>            | <u>8,578,013</u>                   | <u>8,911,843</u>               |

The details of operating cost were as follows:

|  | <u>For the three months ended June 30</u> |                   | <u>For the six months ended June 30</u> |                   |
|--|---|-------------------|---|-------------------|
|  | <u>2024</u>                               | <u>2023</u>       | <u>2024</u>                             | <u>2023</u>       |
| Cost of goods sold                                     | \$ 16,995,748                             | 16,638,415        | 33,101,401                              | 32,424,575        |
| Unallocated production overheads                       | 180,979                                   | -                 | 325,492                                 | -                 |
| Net gains on inventories                               | (286)                                     | (330)             | (735)                                   | (392)             |
| Inventory scrap loss                                   | 54,028                                    | 23,471            | 80,509                                  | 148,224           |
| Revenue from sale of scraps                            | (16,391)                                  | (20,764)          | (30,087)                                | (44,091)          |
| (Gains) losses on obsolescence and inventory valuation | (41,563)                                  | 1,190             | (8,800)                                 | 89,939            |
| Total  | <u>\$ 17,172,515</u>                      | <u>16,641,982</u> | <u>33,467,780</u>                       | <u>32,618,255</u> |

Inventory written down to lower than net realizable value had led to recognition of inventory loss, however, the original factors led to the loss disappeared due to disposal of inventory, resulting in gains on price recovery of inventory. These changes were recognized as reduction of operating cost. In addition, 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 June 30, 2024, December 31, 2023 and June 30, 2023, the inventory of the Group was not pledged as collateral for its loan.

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

(d) Investments accounted for using equity method

(i) Joint ventures

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

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

|  | <b>June 30,<br/>2024</b>                           | <b>December 31,<br/>2023</b> | <b>June 30,<br/>2023</b>                         |
|--|--|------------------------------|--|
| Individually insignificant joint venture | \$ <b>1,196,941</b>                                | <b>1,080,014</b>             | <b>1,031,152</b>                                 |
|  | <b>For the three months ended June 30<br/>2024</b> | <b>2023</b>                  | <b>For the six months ended June 30<br/>2024</b> |
| Attributable to the Group:               |  |                              | <b>2023</b>                                      |
| Profit from continuing operation         | \$ 73,167  | 31,143                       | 56,199   |
| Other comprehensive income               | 15,302   | 20,909                       | 56,738   |
| Comprehensive income                     | \$ <b>88,469</b>                                   | <b>52,052</b>                | <b>112,937</b>                                   |
|  |  |                              | <b>23,532</b>                                    |

(ii) Collateral

As of June 30, 2024, December 31, 2023 and June 30, 2023, the investment accounted for using equity method of the Group was not pledged as collateral for its loan.

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

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

(e) Material non-controlling interest of subsidiaries

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

|                            |                                 | <b>Percentage of<br/>non-controlling interests</b> |                              |                          |
|----------------------------|---------------------------------|--|------------------------------|--------------------------|
| <b>Subsidiaries</b>        | <b>Main operation<br/>place</b> | <b>June 30,<br/>2024</b>                           | <b>December 31,<br/>2023</b> | <b>June 30,<br/>2023</b> |
| Da Feng Holdings Co., Ltd. | China                           | 30.00 %  | 30.00 %                      | 30.00 %                  |

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

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

|                           | <b>June 30,<br/>2024</b> | <b>December 31,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|---------------------------|--------------------------|------------------------------|--------------------------|
| Current assets            | \$ 28,895                | 511,204                      | 402,166                  |
| Non-current assets        | 2,399,613                | 2,107,616                    | 2,403,840                |
| Current liabilities       | (30,526)                 | (40,487)                     | (402,165)                |
| Net assets                | <u>\$ 2,397,982</u>      | <u>2,578,333</u>             | <u>2,403,841</u>         |
| Non-controlling interests | <u>\$ 719,395</u>        | <u>773,500</u>               | <u>721,152</u>           |

  

|   | <b>For the three months ended<br/>June 30</b> |                | <b>For the six months ended<br/>June 30</b> |                |
|---|---|----------------|---|----------------|
|   | <b>2024</b>                                   | <b>2023</b>    | <b>2024</b>                                 | <b>2023</b>    |
| Net income  | \$ 105,696                                    | 125,401        | 193,511                                     | 338,268        |
| Other comprehensive income (loss)                               | 30,785  | (31,047)       | 130,578                                     | (30,176)       |
| Comprehensive income  | <u>\$ 136,481</u>                             | <u>94,354</u>  | <u>324,089</u>                              | <u>308,092</u> |
| Profit, attributable to non-controlling interests               | <u>\$ 31,709</u>                              | <u>37,620</u>  | <u>58,053</u>                               | <u>101,480</u> |
| Comprehensive income, attributable to non-controlling interests | <u>\$ 40,944</u>                              | <u>28,307</u>  | <u>97,227</u>                               | <u>92,428</u>  |
| Net cash flows from (used in) operating activities              | \$ 9,440                                      | 6,200          | 3,310                                       | (6,750)        |
| Net cash flows from investing activities                        | 468,856                                       | 456,889        | 468,822                                     | 456,889        |
| Net cash flows used in financing activities                     | (502,799)                                     | (359,363)      | (502,799)                                   | (359,363)      |
| Net decrease (increase) in cash and cash equivalents            | <u>\$ (24,503)</u>                            | <u>103,726</u> | <u>(30,667)</u>                             | <u>90,776</u>  |
| Cash dividends to non-controlling interests                     | <u>\$ 150,840</u>                             | <u>107,809</u> | <u>150,840</u>                              | <u>107,809</u> |

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

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2024 and 2023 were as follows:

|   |    | Land             | Buildings         | Machinery and<br>equipment | Computer and<br>communication<br>equipment | Test equipment | Transportation<br>equipment | Office<br>equipment | Other<br>equipment | Equipment to be<br>inspected and<br>construction in<br>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                                   |    | -                | 13,562            | 461,078                    | 22,394                                     | 2,690          | 12,280                      | 15,380              | 1,105              | 1,687,603   | 2,216,092         |
| Disposals                                   |    | -                | (2,442)           | (391,687)                  | (19,963)                                   | (874)          | (11,987)                    | (6,126)             | (477)              | -   | (433,556)         |
| Reclassifications                           |    | -                | 391,035           | 1,626,071                  | 16,244                                     | -              | (131,758)                   | 82,261              | -                  | (1,983,853)   | -                 |
| Effect of changes in foreign exchange rates |    | 23,703           | 767,556           | 1,302,084                  | 21,345                                     | -              | 35,983                      | 36,025              | 1,511              | 127,506   | 2,315,713         |
| Balance on June 30, 2024                    | \$ | <u>1,650,631</u> | <u>17,537,620</u> | <u>26,141,127</u>          | <u>564,763</u>                             | <u>122,985</u> | <u>616,768</u>              | <u>801,627</u>      | <u>106,899</u>     | <u>2,344,212</u>  | <u>49,886,632</u> |
| 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                                   |    | -                | 6,416             | 87,414                     | 8,537                                      | 939            | 15,599                      | 14,073              | 4,322              | 1,802,247   | 1,939,547         |
| Disposals                                   |    | (130)            | (175,177)         | (471,429)                  | (9,242)                                    | (3,413)        | (12,585)                    | (17,641)            | (6,612)            | -   | (696,229)         |
| Reclassifications                           |    | -                | 251,692           | 515,224                    | 4,341                                      | 3,692          | 86,515                      | 9,912               | 3,037              | (872,196)   | 2,217             |
| Effect of changes in foreign exchange rates |    | 5,840            | 116,238           | 186,474                    | 2,966                                      | -              | 6,382                       | 12,731              | 357                | 49,116  | 380,104           |
| Balance on June 30, 2023                    | \$ | <u>1,632,837</u> | <u>14,967,413</u> | <u>22,672,987</u>          | <u>509,750</u>                             | <u>118,060</u> | <u>660,211</u>              | <u>642,884</u>      | <u>104,599</u>     | <u>3,148,471</u>  | <u>44,457,212</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                                |    | -                | 335,663           | 1,022,750                  | 25,796                                     | 4,830          | 61,117                      | 35,943              | 3,334              | -   | 1,489,433         |
| Impairment loss                             |    | -                | -                 | 22,591                     | -  | -              | -                           | 38                  | -                  | -   | 22,629            |
| Disposals                                   |    | -                | (1,997)           | (299,382)                  | (19,258)                                   | (870)          | (9,881)                     | (6,086)             | (405)              | -   | (337,879)         |
| Reclassifications                           |    | -                | 19,915            | 55,840                     | 48   | -              | (75,803)                    | -                   | -                  | -   | -                 |
| Effect of changes in foreign exchange rates |    | -                | 370,557           | 1,283,789                  | 15,954                                     | -              | 16,838                      | 25,387              | 1,090              | -   | 1,713,615         |
| Balance on June 30, 2024                    | \$ | <u>-</u>         | <u>8,502,369</u>  | <u>16,708,736</u>          | <u>430,314</u>                             | <u>106,748</u> | <u>324,146</u>              | <u>566,392</u>      | <u>85,229</u>      | <u>-</u>  | <u>26,723,934</u> |
| 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                                |    | -                | 285,555           | 937,824                    | 25,272                                     | 4,127          | 35,506                      | 27,880              | 3,274              | -   | 1,319,438         |
| Impairment loss                             |    | -                | -                 | 825                        | -  | -              | -                           | -                   | -                  | -   | 825               |
| Disposals                                   |    | -                | (160,304)         | (401,549)                  | (8,864)                                    | (3,300)        | (10,493)                    | (15,837)            | (5,765)            | -   | (606,112)         |
| Reclassifications                           |    | -                | -                 | -                          | -  | -              | -                           | -                   | 2,169              | -   | 2,169             |
| Effect of changes in foreign exchange rates |    | -                | 35,105            | 122,667                    | 2,414                                      | -              | 2,307                       | 6,179               | 246                | -   | 168,918           |
| Balance on June 30, 2023                    | \$ | <u>-</u>         | <u>7,585,814</u>  | <u>14,058,493</u>          | <u>398,710</u>                             | <u>99,118</u>  | <u>296,455</u>              | <u>495,346</u>      | <u>78,618</u>      | <u>-</u>  | <u>23,012,554</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 June 30, 2024                    | \$ | <u>1,650,631</u> | <u>9,035,251</u>  | <u>9,432,391</u>           | <u>134,449</u>                             | <u>16,237</u>  | <u>292,622</u>              | <u>235,235</u>      | <u>21,670</u>      | <u>2,344,212</u>  | <u>23,162,698</u> |
| 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 June 30, 2023                    | \$ | <u>1,632,837</u> | <u>7,381,599</u>  | <u>8,614,494</u>           | <u>111,040</u>                             | <u>18,942</u>  | <u>363,756</u>              | <u>147,538</u>      | <u>25,981</u>      | <u>3,148,471</u>  | <u>21,444,658</u> |

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

As of June 30, 2024, December 31, 2023 and June 30, 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<br/>equipment</u> | <u>Other<br/>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     | <u>101,497</u>      | <u>4,606</u>     | <u>867</u>                     | <u>139</u>                 | <u>107,109</u>   |
| Balance on June 30, 2024                        | <u>\$ 1,943,982</u> | <u>97,117</u>    | <u>16,107</u>                  | <u>2,582</u>               | <u>2,059,788</u> |
| Balance on January 1, 2023                      | \$ 1,895,108        | 80,766           | 15,242                         | 4,660                      | 1,995,776        |
| Additions                                       | -                   | 9,563            | -                              | -                          | 9,563            |
| Disposal/Write-off                              | (46,570)            | -                | -                              | -                          | (46,570)         |
| Reclassification                                | -                   | -                | -                              | (2,217)                    | (2,217)          |
| Effect of changes in foreign exchange rates     | <u>20,358</u>       | <u>(860)</u>     | <u>214</u>                     | <u>35</u>                  | <u>19,747</u>    |
| Balance on June 30, 2023                        | <u>\$ 1,868,896</u> | <u>89,469</u>    | <u>15,456</u>                  | <u>2,478</u>               | <u>1,976,299</u> |
| Accumulated depreciation and impairment losses: |                     |                  |                                |                            |                  |
| Balance on January 1, 2024                      | \$ 215,441          | 44,302           | 8,422                          | 1,297                      | 269,462          |
| Depreciation                                    | 24,645              | 16,020           | 1,256                          | 199                        | 42,120           |
| Effect of changes in foreign exchange rates     | <u>12,128</u>       | <u>2,318</u>     | <u>495</u>                     | <u>77</u>                  | <u>15,018</u>    |
| Balance on June 30, 2024                        | <u>\$ 252,214</u>   | <u>62,640</u>    | <u>10,173</u>                  | <u>1,573</u>               | <u>326,600</u>   |
| Balance on January 1, 2023                      | \$ 182,603          | 39,925           | 6,017                          | 3,060                      | 231,605          |
| Depreciation                                    | 24,288              | 15,001           | 1,199                          | 213                        | 40,701           |
| Disposal/Write-off                              | (14,126)            | -                | -                              | -                          | (14,126)         |
| Reclassification                                | -                   | -                | -                              | (2,169)                    | (2,169)          |
| Effect of changes in foreign exchange rates     | <u>1,493</u>        | <u>(379)</u>     | <u>105</u>                     | <u>17</u>                  | <u>1,236</u>     |
| Balance on June 30, 2023                        | <u>\$ 194,258</u>   | <u>54,547</u>    | <u>7,321</u>                   | <u>1,121</u>               | <u>257,247</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 June 30, 2024                        | <u>\$ 1,691,768</u> | <u>34,477</u>    | <u>5,934</u>                   | <u>1,009</u>               | <u>1,733,188</u> |
| 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 June 30, 2023                        | <u>\$ 1,674,638</u> | <u>34,922</u>    | <u>8,135</u>                   | <u>1,357</u>               | <u>1,719,052</u> |

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(h) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the six months ended June 30, 2024 and 2023 were as follows:

|   | <u>Owned property</u> |                  | <u>Total</u>   |
|---|-----------------------|------------------|----------------|
|   | <u>Land</u>           | <u>Buildings</u> |                |
| Cost:   |                       |                  |                |
| Balance on January 1, 2024                      | \$ 16,017             | 406,284          | 422,301        |
| Disposal  | -                     | (31,871)         | (31,871)       |
| Effect of changes in foreign exchange rates     | 522                   | 20,206           | 20,728         |
| Balance on June 30, 2024                        | <u>\$ 16,539</u>      | <u>394,619</u>   | <u>411,158</u> |
| Balance on January 1, 2023                      | \$ 16,019             | 412,878          | 428,897        |
| Effect of changes in foreign exchange rates     | 128                   | (8,560)          | (8,432)        |
| Balance on June 30, 2023                        | <u>\$ 16,147</u>      | <u>404,318</u>   | <u>420,465</u> |
| Accumulated depreciation and impairment losses: |                       |                  |                |
| Balance on January 1, 2024                      | \$ -                  | 352,152          | 352,152        |
| Depreciation                                    | -                     | 57               | 57             |
| Disposal  | -                     | (14,016)         | (14,016)       |
| Effect of changes in foreign exchange rates     | -                     | 16,317           | 16,317         |
| Balance on June 30, 2024                        | <u>\$ -</u>           | <u>354,510</u>   | <u>354,510</u> |
| Balance on January 1, 2023                      | \$ -                  | 360,218          | 360,218        |
| Depreciation                                    | -                     | 163              | 163            |
| Effect of changes in foreign exchange rates     | -                     | (8,936)          | (8,936)        |
| Balance on June 30, 2023                        | <u>\$ -</u>           | <u>351,445</u>   | <u>351,445</u> |
| Carrying amount:                                |                       |                  |                |
| Balance on January 1, 2024                      | <u>\$ 16,017</u>      | <u>54,132</u>    | <u>70,149</u>  |
| Balance on June 30, 2024                        | <u>\$ 16,539</u>      | <u>40,109</u>    | <u>56,648</u>  |
| Balance on January 1, 2023                      | <u>\$ 16,019</u>      | <u>52,660</u>    | <u>68,679</u>  |
| Balance on June 30, 2023                        | <u>\$ 16,147</u>      | <u>52,873</u>    | <u>69,020</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 to sell Eagle Crest, an American real estate. The sale price was \$42,656 thousand, and the sale has been completed in the month when the sales agreement was signed, and \$24,801 thousand was recognized as proceeds from the disposal.

As of June 30, 2024, December 31, 2023 and June 30, 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 six months ended June 30, 2024 and 2023 were as follows:

|   | <u>Goodwill</u>          | <u>Computer software</u> | <u>Total</u>          |
|---|--------------------------|--------------------------|-----------------------|
| <b>Costs</b>  |                          |                          |                       |
| Balance on January 1, 2024                            | \$ 431,028               | 364,866                  | 795,894               |
| Additions   | -                        | 64,259                   | 64,259                |
| Disposal / Obsolescence                               | -                        | (19,559)                 | (19,559)              |
| Effect of changes in foreign exchange rates           | <u>6,772</u>             | <u>15,931</u>            | <u>22,703</u>         |
| Balance on June 30, 2024                              | <u><u>\$ 437,800</u></u> | <u><u>425,497</u></u>    | <u><u>863,297</u></u> |
| Balance on January 1, 2023                            | \$ 431,047               | 334,591                  | 765,638               |
| Additions   | -                        | 13,731                   | 13,731                |
| Disposal / Obsolescence                               | -                        | (17,119)                 | (17,119)              |
| Effect of changes in foreign exchange rates           | <u>1,668</u>             | <u>1,295</u>             | <u>2,963</u>          |
| Balance on June 30, 2023                              | <u><u>\$ 432,715</u></u> | <u><u>332,498</u></u>    | <u><u>765,213</u></u> |
| <b>Accumulated amortization and impairment losses</b> |                          |                          |                       |
| Balance on January 1, 2024                            | \$ 115,304               | 256,892                  | 372,196               |
| Amortization  | -                        | 36,188                   | 36,188                |
| Disposal / Obsolescence                               | -                        | (19,559)                 | (19,559)              |
| Effect of changes in foreign exchange rates           | <u>6,428</u>             | <u>11,892</u>            | <u>18,320</u>         |
| Balance on June 30, 2024                              | <u><u>\$ 121,732</u></u> | <u><u>285,413</u></u>    | <u><u>407,145</u></u> |
| Balance on January 1, 2023                            | \$ 115,323               | 229,732                  | 345,055               |
| Amortization  | -                        | 26,606                   | 26,606                |
| Disposal / Obsolescence                               | -                        | (17,119)                 | (17,119)              |
| Effect of changes in foreign exchange rates           | <u>1,584</u>             | <u>972</u>               | <u>2,556</u>          |
| Balance on June 30, 2023                              | <u><u>\$ 116,907</u></u> | <u><u>240,191</u></u>    | <u><u>357,098</u></u> |
| <b>Carrying amounts:</b>                              |                          |                          |                       |
| 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 June 30, 2024                              | <u><u>\$ 316,068</u></u> | <u><u>140,084</u></u>    | <u><u>456,152</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 June 30, 2023                              | <u><u>\$ 315,808</u></u> | <u><u>92,307</u></u>     | <u><u>408,115</u></u> |

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of June 30, 2024, December 31, 2023 and June 30, 2023, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

|                         | <u>June 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>June 30,<br/>2023</u> |
|-------------------------|--------------------------|------------------------------|--------------------------|
| Unsecured bank loans    | \$ <u>3,018,344</u>      | <u>2,250,109</u>             | <u>1,575,239</u>         |
| Range of interest rates | <u>1.645%~6.30%</u>      | <u>1.57%~6.50%</u>           | <u>1.57%~6.65%</u>       |

(k) Long-term borrowings

The details were as follows:

|                            | <u>Currency</u> | <u>June 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>June 30,<br/>2023</u> |
|----------------------------|-----------------|--------------------------|------------------------------|--------------------------|
| Unsecured bank loans       | TWD             | \$ -                     | 1,470,000                    | -                        |
| Unsecured bank loans       | USD             | 1,866,888                | 1,923,908                    | 2,050,385                |
| Other long-term borrowings | INR             | <u>64,078</u>            | <u>115,311</u>               | <u>112,555</u>           |
|                            |                 | 1,930,966                | 3,509,219                    | 2,162,940                |
| Less: current portion      |                 | -                        | (57,679)                     | (56,526)                 |
| Total                      |                 | <u>\$ 1,930,966</u>      | <u>3,451,540</u>             | <u>2,106,414</u>         |
| Range of interest rates    |                 | <u>0.10%~6.47%</u>       | <u>0.10%~6.57%</u>           | <u>0.10%~6.45%</u>       |
| Period                     |                 | <u>2025~2026</u>         | <u>2024~2026</u>             | <u>2024~2026</u>         |

Complying with the loan covenant

The Group complied with the covenant at the end of the second quarter of 2024. Accordingly, the loan is classified as a non current liability on June 30, 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>June 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>June 30,<br/>2023</u> |
|-------------|--------------------------|------------------------------|--------------------------|
| Current     | \$ <u>25,668</u>         | <u>31,952</u>                | <u>33,121</u>            |
| Non-current | <u>\$ 524,132</u>        | <u>515,667</u>               | <u>506,325</u>           |

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

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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The amounts recognized in profit or loss were as follows:

|                               | <u>For the three months ended June 30</u> |               | <u>For the six months ended June 30</u> |               |
|-------------------------------|---|---------------|---|---------------|
|                               | <u>2024</u>                               | <u>2023</u>   | <u>2024</u>                             | <u>2023</u>   |
| Interest on lease liabilities | \$ <u>13,099</u>                          | <u>12,521</u> | <u>26,200</u>                           | <u>25,174</u> |

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

|                               | <u>For the six months ended June 30</u> |               |
|-------------------------------|---|---------------|
|                               | <u>2024</u>                             | <u>2023</u>   |
| Total cash outflow for leases | \$ <u>54,355</u>                        | <u>51,972</u> |

(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 \$189,659 thousand, \$202,861 thousand, \$331,031 thousand and \$337,769 thousand for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$271,351 thousand, \$245,977 thousand, \$535,759 thousand and \$496,981 thousand for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, respectively.

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(n) Income taxes

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

|   | <u>For the three months ended June 30</u> |                | <u>For the six months ended June 30</u> |                  |
|---|---|----------------|---|------------------|
|   | <u>2024</u>                               | <u>2023</u>    | <u>2024</u>                             | <u>2023</u>      |
| Current tax expense                               |   |                |   |                  |
| Current period                                    | \$ 758,912                                | 786,467        | 1,550,606                               | 1,331,999        |
| Adjustment for prior periods                      | 20,142                                    | (6,491)        | 19,770                                  | (221,642)        |
|   | <u>779,054</u>                            | <u>779,976</u> | <u>1,570,376</u>                        | <u>1,110,357</u> |
| Deferred tax expense                              |   |                |   |                  |
| Origination and reversal of temporary differences | (53,690)                                  | (346,299)      | (359,303)                               | (637,418)        |
| Income tax expense                                | <u>\$ 725,364</u>                         | <u>433,677</u> | <u>1,211,073</u>                        | <u>472,939</u>   |

The amount of income tax recognized in other comprehensive loss for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were as follows:

|  | <u>For the three months ended June 30</u> |             | <u>For the six months ended June 30</u> |             |
|--|---|-------------|---|-------------|
|  | <u>2024</u>                               | <u>2023</u> | <u>2024</u>                             | <u>2023</u> |
| Items that may be reclassified subsequently to profit or loss:   |   |             |   |             |
| Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income | \$ (1,390)                                | (1,899)     | (5,154)                                 | (1,148)     |

(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 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.

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

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(ii) Global Minimum Tax (GMT)

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

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation, since the Income Inclusion Rule (IIR) and the domestic minimum top-up tax have been effective and implemented in Vietnam, where the subsidiaries operate, from January 1, 2024. 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 six months ended June 30, 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 January 1, 2023, were \$497,387 thousand, which is recognized under other current financial assets. For the year, the restricted assets under the regulations on repatriation of funds were recognized under other current financial assets 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 June 30, 2024, December 31, 2023 and June 30, 2023, the Company's total rated share capital amount to \$12,000,000 thousand, with a par value of \$10, and the number of shares all was 1,200,000 thousand ordinary shares. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 987,483 thousand ordinary shares, 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 six months ended June 30, 2024 and 2023 is as follows:

| (Expressed in thousands of shares) | <b>Ordinary shares</b>                  |                |
|------------------------------------|---|----------------|
|                                    | <b>For the six months ended June 30</b> |                |
|                                    | <b>2024</b>                             | <b>2023</b>    |
| Balance on January 1               | 987,483                                 | 881,681        |
| Stock dividend                     | -                                       | 105,802        |
| Balance on June 30                 | <b>987,483</b>                          | <b>987,483</b> |

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(i) Ordinary shares

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

(ii) Capital surplus

The details of capital surplus were as follows:

|   | <u>June 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>June 30,<br/>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                | 6,306                    | 9,747                        | 8,069                    |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | 183                      | 183                          | 183                      |
|   | <u>\$ 50,309</u>         | <u>53,750</u>                | <u>51,145</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.

(iii) Retained earnings

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

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

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

On May 31, 2024, and June 21, 2023, the Company's shareholder's meetings resolved to distribute the 2023 and 2022 earnings, respectively. These earnings were appropriated as follows:

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

(iv) Other equity interest after tax

|  |   |
|--|---|
|  | <b>Exchange<br/>differences on<br/>translation of<br/>foreign financial<br/>statement</b> |
| Balance on January 1, 2024   | \$ (1,127,303)  |
| Exchange differences on translation of foreign financial statement | <u>1,299,486</u>  |
| Balance on June 30, 2024   | <u>\$ 172,183</u>   |

(Continued)

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

|  | <b>Exchange<br/>differences on<br/>translation of<br/>foreign financial<br/>statement</b> |
|--|---|
| Balance on January 1, 2023   | \$ (1,053,529)  |
| Exchange differences on translation of foreign financial statement | <u>243,495</u>  |
| Balance on June 30, 2023   | <u><u>\$ (810,034)</u></u>  |

(v) Non-controlling interests (NCIs)

|   | <b>For the six months ended June 30</b> |                         |
|---|---|-------------------------|
|   | <b>2024</b>                             | <b>2023</b>             |
| Balance on January 1  | \$ 1,894,583                            | 1,880,573               |
| Shares attributed to non-controlling interests                  |   |                         |
| Net profit  | 177,328                                 | 241,181                 |
| Foreign currency translation differences for foreign operations | 100,309                                 | (2,344)                 |
| Changes in ownership interests in subsidiaries                  | 6,586                                   | 2,639                   |
| Earnings distribution to non-controlling interests              | <u>(329,784)</u>                        | <u>(392,029)</u>        |
| Balance on June 30  | <u><u>\$ 1,849,022</u></u>              | <u><u>1,730,020</u></u> |

(p) Earnings per share

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the Company's basic earnings per share were calculated as follows:

|   | <b>For the three months ended June 30</b> |                  | <b>For the six months ended June 30</b> |                  |
|---|---|------------------|---|------------------|
|   | <b>2024</b>                               | <b>2023</b>      | <b>2024</b>                             | <b>2023</b>      |
| <b>Basic earnings per share</b>                                 |   |                  |   |                  |
| Net profit attributable to ordinary shareholders of the Company | <u>\$ 1,585,696</u>                       | <u>1,197,051</u> | <u>2,856,342</u>                        | <u>1,946,410</u> |
| Weighted average number of ordinary shares (basic)              | <u>987,483</u>                            | <u>987,483</u>   | <u>987,483</u>                          | <u>987,483</u>   |
| <b>Basic earnings per share (dollars)</b>                       | <u>\$ 1.60</u>                            | <u>1.21</u>      | <u>2.89</u>                             | <u>1.97</u>      |

The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees and directors for the year ended December 31, 2024, was distributed in cash using the same method for the preceding three years.

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

(q) Revenue from contracts with customer

(i) Disaggregation of revenue

|                                    | <b>For the three months ended June 30, 2024</b>                 |                           |                          |
|------------------------------------|---|---------------------------|--------------------------|
|                                    | <b>Segments of<br/>footwear<br/>manufacturing<br/>and sales</b> | <b>Other<br/>Segments</b> | <b>Total</b>             |
| Primary geographical markets       |   |                           |                          |
| Singapore                          | \$ 16,373,620   | 580,009                   | 16,953,629               |
| America                            | 1,867,119   | 281,372                   | 2,148,491                |
| Mainland China                     | 1,028,203   | 3,150                     | 1,031,353                |
| Switzerland                        | 953,305   | 130                       | 953,435                  |
| Mexico                             | 507,390   | 18,307                    | 525,697                  |
| Other countries                    | <u>406,296</u>  | <u>247,795</u>            | <u>654,091</u>           |
|                                    | <b><u>\$ 21,135,933</u></b>                                     | <b><u>1,130,763</u></b>   | <b><u>22,266,696</u></b> |
| Major products/services lines      |   |                           |                          |
| Manufacturing and sale of footwear | \$ 21,135,933   | -                         | 21,135,933               |
| Other                              | <u>-</u>  | <u>1,130,763</u>          | <u>1,130,763</u>         |
|                                    | <b><u>\$ 21,135,933</u></b>                                     | <b><u>1,130,763</u></b>   | <b><u>22,266,696</u></b> |
|                                    |   |                           |                          |
|                                    | <b>For the three months ended June 30, 2023</b>                 |                           |                          |
|                                    | <b>Segments of<br/>footwear<br/>manufacturing<br/>and sales</b> | <b>Other<br/>Segments</b> | <b>Total</b>             |
| Primary geographical markets       |   |                           |                          |
| Singapore                          | \$ 14,845,493   | 557,258                   | 15,402,751               |
| America                            | 1,833,240   | 255,420                   | 2,088,660                |
| Switzerland                        | 1,047,967   | -                         | 1,047,967                |
| Mainland China                     | 663,660   | 7,234                     | 670,894                  |
| Mexico                             | 429,167   | 12,218                    | 441,385                  |
| Other countries                    | <u>633,541</u>  | <u>371,228</u>            | <u>1,004,769</u>         |
|                                    | <b><u>\$ 19,453,068</u></b>                                     | <b><u>1,203,358</u></b>   | <b><u>20,656,426</u></b> |
| Major products/services lines      |   |                           |                          |
| Manufacturing and sale of footwear | \$ 19,453,068   | -                         | 19,453,068               |
| Other                              | <u>-</u>  | <u>1,203,358</u>          | <u>1,203,358</u>         |
|                                    | <b><u>\$ 19,453,068</u></b>                                     | <b><u>1,203,358</u></b>   | <b><u>20,656,426</u></b> |

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

|                                    | <b>For the six months ended June 30, 2024</b>                   |                           |                          |
|------------------------------------|---|---------------------------|--------------------------|
|                                    | <b>Segments of<br/>footwear<br/>manufacturing<br/>and sales</b> | <b>Other<br/>Segments</b> | <b>Total</b>             |
| Primary geographical markets       |   |                           |                          |
| Singapore                          | \$ 32,166,454   | 1,001,144                 | 33,167,598               |
| America                            | 3,718,456   | 547,025                   | 4,265,481                |
| Switzerland                        | 1,740,562   | 209                       | 1,740,771                |
| Mainland China                     | 1,501,449   | 9,037                     | 1,510,486                |
| Mexico                             | 930,362   | 36,312                    | 966,674                  |
| Other countries                    | <u>752,306</u>  | <u>479,831</u>            | <u>1,232,137</u>         |
|                                    | <b><u>\$ 40,809,589</u></b>                                     | <b><u>2,073,558</u></b>   | <b><u>42,883,147</u></b> |
| Major products/services lines      |   |                           |                          |
| Manufacturing and sale of footwear | \$ 40,809,589   | -                         | 40,809,589               |
| Others                             | <u>-</u>  | <u>2,073,558</u>          | <u>2,073,558</u>         |
|                                    | <b><u>\$ 40,809,589</u></b>                                     | <b><u>2,073,558</u></b>   | <b><u>42,883,147</u></b> |
|                                    |   |                           |                          |
|                                    | <b>For the six months ended June 30, 2023</b>                   |                           |                          |
|                                    | <b>Segments of<br/>footwear<br/>manufacturing<br/>and sales</b> | <b>Other<br/>Segments</b> | <b>Total</b>             |
| Primary geographical markets       |   |                           |                          |
| Singapore                          | \$ 28,242,881   | 986,889                   | 29,229,770               |
| America                            | 3,902,337   | 516,445                   | 4,418,782                |
| Switzerland                        | 2,214,853   | -                         | 2,214,853                |
| Mainland China                     | 1,539,138   | 12,698                    | 1,551,836                |
| Mexico                             | 803,809   | 21,749                    | 825,558                  |
| Other countries                    | <u>1,260,128</u>  | <u>658,249</u>            | <u>1,918,377</u>         |
|                                    | <b><u>\$ 37,963,146</u></b>                                     | <b><u>2,196,030</u></b>   | <b><u>40,159,176</u></b> |
| Major products/services lines      |   |                           |                          |
| Manufacturing and sale of footwear | \$ 37,963,146   | -                         | 37,963,146               |
| Others                             | <u>-</u>  | <u>2,196,030</u>          | <u>2,196,030</u>         |
|                                    | <b><u>\$ 37,963,146</u></b>                                     | <b><u>2,196,030</u></b>   | <b><u>40,159,176</u></b> |

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

(ii) Contract balances

|  | <u>June 30,</u><br><u>2024</u> | <u>December 31,</u><br><u>2023</u> | <u>June 30,</u><br><u>2023</u> |
|--|--------------------------------|------------------------------------|--------------------------------|
| Accounts receivable(including related parties) | \$ 8,808,258                   | 8,146,737                          | 8,548,503                      |
| Less: allowance for credit loss                | <u>(7,972)</u>                 | <u>(7,972)</u>                     | <u>(7,972)</u>                 |
| Total  | <u>\$ 8,800,286</u>            | <u>8,138,765</u>                   | <u>8,540,531</u>               |
| Contract liabilities                           | <u>\$ 965</u>                  | <u>999</u>                         | <u>735</u>                     |

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

(r) Compensation to employees and directors

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

The Company estimated its employee compensation at respectively \$39,770 thousand, \$52,456 thousand, \$77,600 thousand and \$78,856 thousand for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, and estimated its director compensation at \$37,370 thousand, \$28,930 thousand, \$65,899 thousand and \$44,510 thousand for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 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 June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were as follows:

|                                    | <u>For the three months ended June 30</u> |               | <u>For the six months ended June 30</u> |               |
|------------------------------------|---|---------------|---|---------------|
|                                    | <u>2024</u>                               | <u>2023</u>   | <u>2024</u>                             | <u>2023</u>   |
| Interest income from bank deposits | <u>\$ 20,063</u>                          | <u>36,549</u> | <u>32,797</u>                           | <u>62,268</u> |

(Continued)

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

(ii) Other income

The details of the Group's other income for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were as follows:

|                    | <u>For the three months ended June 30</u> |                | <u>For the six months ended June 30</u> |                |
|--------------------|---|----------------|---|----------------|
|                    | <u>2024</u>                               | <u>2023</u>    | <u>2024</u>                             | <u>2023</u>    |
| Rent income        | \$ 5,045                                  | 320            | 6,485                                   | 1,656          |
| Government subsidy | 92,623                                    | 9,380          | 104,748                                 | 18,651         |
| Other income       | <u>57,220</u>                             | <u>107,868</u> | <u>169,885</u>                          | <u>218,233</u> |
|                    | <u>\$ 154,888</u>                         | <u>117,568</u> | <u>281,118</u>                          | <u>238,540</u> |

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were as follows:

|   | <u>For the three months ended June 30</u> |                 | <u>For the six months ended June 30</u> |                 |
|---|---|-----------------|---|-----------------|
|   | <u>2024</u>                               | <u>2023</u>     | <u>2024</u>                             | <u>2023</u>     |
| Foreign exchange gains                              | \$ 282,152                                | 259,788         | 684,610                                 | 160,513         |
| Losses on disposal of property, plant and equipment | (15,755)                                  | (16,767)        | (15,891)                                | (17,704)        |
| Gain on disposal of investment property             | 326                                       | -               | 24,801                                  | -               |
| Impairment loss                                     | (22,491)                                  | (310)           | (22,629)                                | (825)           |
| Profit from lease modification                      | -   | -               | -                                       | 1,226           |
| Others  | <u>(5,354)</u>                            | <u>(17,783)</u> | <u>(6,818)</u>                          | <u>(25,402)</u> |
|   | <u>\$ 238,878</u>                         | <u>224,928</u>  | <u>664,073</u>                          | <u>117,808</u>  |

(iv) Financial costs

The details of the Group's financial costs for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were as follows:

|                  | <u>For the three months ended June 30</u> |               | <u>For the six months ended June 30</u> |                |
|------------------|---|---------------|---|----------------|
|                  | <u>2024</u>                               | <u>2023</u>   | <u>2024</u>                             | <u>2023</u>    |
| Interest expense | <u>\$ 72,749</u>                          | <u>59,003</u> | <u>135,765</u>                          | <u>109,494</u> |

(Continued)

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

(t) Financial instruments

(i) Credit risks

1) Credit risk exposure

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

2) The concentration of credit risk

On June 30, 2024, December 31, 2023 and June 30, 2023, 74%, 85% and 72% of the Group's total receivables were concentrated within a single overseas customer.

(ii) Liquidity risk

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

|                                      | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Less than 6 months</u> | <u>6 to 12 months</u> | <u>1 to 2 years</u> | <u>2 to 5 years</u> | <u>More than 5 years</u> |
|--------------------------------------|------------------------|-------------------------------|---------------------------|-----------------------|---------------------|---------------------|--------------------------|
| <b>June 30, 2024</b>                 |                        |                               |                           |                       |                     |                     |                          |
| Non-derivative financial liabilities |                        |                               |                           |                       |                     |                     |                          |
| Notes and accounts payable           | \$ 4,472,236           | 4,472,236                     | 4,470,891                 | 1,345                 | -                   | -                   | -                        |
| Other payables                       | 4,269,513              | 4,269,513                     | 3,632,521                 | 636,992               | -                   | -                   | -                        |
| Dividends payable                    | 4,246,176              | 4,246,176                     | 4,246,176                 | -                     | -                   | -                   | -                        |
| Unsecured bank loans                 | 4,885,232              | 5,088,179                     | 2,424,877                 | 772,223               | 1,891,079           | -                   | -                        |
| Other long-term borrowings           | 64,078                 | 64,191                        | 32                        | 32                    | 64,127              | -                   | -                        |
| Lease liabilities                    | 549,800                | 1,408,204                     | 31,313                    | 46,066                | 70,672              | 171,993             | 1,088,160                |
|                                      | <u>\$ 18,487,035</u>   | <u>19,548,499</u>             | <u>14,805,810</u>         | <u>1,456,658</u>      | <u>2,025,878</u>    | <u>171,993</u>      | <u>1,088,160</u>         |
| <b>December 31, 2023</b>             |                        |                               |                           |                       |                     |                     |                          |
| 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>         |
| <b>June 30, 2023</b>                 |                        |                               |                           |                       |                     |                     |                          |
| Non-derivative financial liabilities |                        |                               |                           |                       |                     |                     |                          |
| Notes and accounts payable           | \$ 3,974,138           | 3,974,138                     | 3,971,203                 | 2,935                 | -                   | -                   | -                        |
| Other payables                       | 4,039,072              | 4,039,072                     | 3,575,182                 | 463,462               | 428                 | -                   | -                        |
| Dividends payable                    | 6,935,664              | 6,935,664                     | 6,935,664                 | -                     | -                   | -                   | -                        |
| Unsecured bank loans                 | 3,625,624              | 3,817,054                     | 1,366,518                 | 369,389               | 2,081,147           | -                   | -                        |
| Other long-term borrowings           | 112,555                | 112,752                       | 57                        | 56,568                | 56                  | 56,071              | -                        |
| Lease liabilities                    | 539,446                | 1,411,293                     | 34,012                    | 49,137                | 64,815              | 165,761             | 1,097,568                |
|                                      | <u>\$ 19,226,499</u>   | <u>20,289,973</u>             | <u>15,882,636</u>         | <u>941,491</u>        | <u>2,146,446</u>    | <u>221,832</u>      | <u>1,097,568</u>         |

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

(Continued)

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

## (iii) Currency risks

## 1) Exposure to currency risks

| <b>June 30, 2024</b>         |  |               |                      |            |           |
|------------------------------|--|---------------|----------------------|------------|-----------|
| <u>Financial assets</u>      | <b>Foreign currency<br/>(In thousands)</b> |               | <b>Exchange rate</b> | <b>TWD</b> |           |
| <u>Monetary items</u>        |  |               |                      |            |           |
| USD                          | \$   | 278,744       | USD : TWD            | 32.400     | 9,031,289 |
|                              |  | 22,287        | USD : CNY            | 7.1268     | 722,111   |
|                              |  | 364           | USD : VND            | 25,363     | 11,802    |
| VND                          |  | 748,258,318   | VND : USD            | 0.00004    | 972,736   |
| INR                          |  | 2,750,698     | INR : USD            | 0.0120     | 1,067,821 |
| IDR                          |  | 99,642,248    | IDR : USD            | 0.0001     | 199,284   |
| <u>Non-monetary items</u>    |  |               |                      |            |           |
| USD                          |  | 36,943        | USD : TWD            | 32.400     | 1,196,941 |
| <u>Financial liabilities</u> |  |               |                      |            |           |
| <u>Monetary items</u>        |  |               |                      |            |           |
| USD                          |  | 35,480        | USD : TWD            | 32.400     | 1,149,551 |
|                              |  | 12,117        | USD : CNY            | 7.1268     | 392,576   |
|                              |  | 115           | USD : VND            | 25,363     | 3,742     |
| VND                          |  | 1,442,715,942 | VND : USD            | 0.00004    | 1,875,531 |
| INR                          |  | 3,262,781     | INR : USD            | 0.0120     | 1,266,612 |
| IDR                          |  | 1,211,707,464 | IDR : USD            | 0.0001     | 2,423,415 |
| <b>December 31, 2023</b>     |  |               |                      |            |           |
| <u>Financial assets</u>      | <b>Foreign currency<br/>(In thousands)</b> |               | <b>Exchange rate</b> | <b>TWD</b> |           |
| <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 |

(Continued)

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

| <b>December 31, 2023</b>     |                       |                      |            |           |
|------------------------------|-----------------------|----------------------|------------|-----------|
| <b>Foreign currency</b>      |                       |                      |            |           |
| <u>Financial liabilities</u> | <u>(In thousands)</u> | <u>Exchange rate</u> | <u>TWD</u> |           |
| <u>Monetary items</u>        |                       |                      |            |           |
| USD                          | 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 |
| <b>June 30, 2023</b>         |                       |                      |            |           |
| <b>Foreign currency</b>      |                       |                      |            |           |
| <u>Financial assets</u>      | <u>(In thousands)</u> | <u>Exchange rate</u> | <u>TWD</u> |           |
| <u>Monetary items</u>        |                       |                      |            |           |
| USD                          | \$ 279,517            | USD : TWD            | 31.090     | 8,690,194 |
|                              | 32,650                | USD : CNY            | 7.2258     | 1,015,097 |
|                              | 5                     | USD : VND            | 23,580     | 149       |
| VND                          | 479,460,426           | VND : USD            | 0.00004    | 623,299   |
| INR                          | 3,307,261             | INR : USD            | 0.0122     | 1,253,121 |
| IDR                          | 88,379,321            | IDR : USD            | 0.0001     | 185,597   |
| <u>Non-monetary items</u>    |                       |                      |            |           |
| USD                          | 33,167                | USD : TWD            | 31.090     | 1,031,152 |
| <u>Financial liabilities</u> |                       |                      |            |           |
| <u>Monetary items</u>        |                       |                      |            |           |
| USD                          | 33,936                | USD : TWD            | 31.090     | 1,055,075 |
|                              | 11,257                | USD : CNY            | 7.2258     | 349,992   |
|                              | 117                   | USD : VND            | 23,580     | 3,627     |
| VND                          | 1,415,688,669         | VND : USD            | 0.00004    | 1,840,395 |
| INR                          | 3,036,110             | INR : USD            | 0.0122     | 1,150,382 |
| IDR                          | 1,190,208,658         | IDR : USD            | 0.0001     | 2,499,438 |

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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 six months ended June 30, 2024 and 2023, would have increased or decreased the net profit before tax by \$244,681 thousand and \$243,427 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain on monetary items is disclosed by total amount. For the six months ended June 30, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to \$684,610 thousand and \$160,513 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 \$8,804 thousand and \$4,713 thousand for the six months ended June 30, 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:

(Continued)

**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 June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023, amounted to \$15,295,899 thousand, \$13,855,266 thousand and \$14,915,614 thousand, respectively.

(v) Market risk

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

1) Currency risk

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

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

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

2) Interest rate risk

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

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**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>June 30,<br/>2024</u> | <u>December 31,<br/>2023</u> | <u>June 30,<br/>2023</u> |
|------------------------------------|--------------------------|------------------------------|--------------------------|
| Total liabilities                  | \$ 27,930,303            | 25,592,092                   | 28,545,367               |
| Less: cash and cash equivalents    | (3,258,059)              | (3,858,842)                  | (4,316,448)              |
| Net debt                           | 24,672,244               | 21,733,250                   | 24,228,919               |
| Total equity                       | 24,915,481               | 25,054,831                   | 22,124,320               |
| Total capital                      | <u>\$ 49,587,725</u>     | <u>46,788,081</u>            | <u>46,353,239</u>        |
| Debt-to-equity ratio on period end | <u>49.75 %</u>           | <u>46.45 %</u>               | <u>52.27 %</u>           |

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

The Group's investing and financing activities which did not affect the current cash flow for the six months ended June 30, 2024 and 2023.

Reconciliation of liabilities arising from financing activities was as follows:

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

  

|   | <u>January 1,<br/>2023</u> | <u>Cash flows</u> | <u>Non-cash changes</u> |  | <u>June 30,<br/>2023</u> |
|---|----------------------------|-------------------|-------------------------|--|--------------------------|
|   |                            |                   | <u>Others</u>           | <u>Foreign<br/>exchange<br/>movement</u> |                          |
| Long-term borrowings                        | \$ 2,525,493               | (394,129)         | -                       | 31,576                                   | 2,162,940                |
| Short-term borrowings                       | 435,372                    | 1,118,388         | -                       | 21,479                                   | 1,575,239                |
| Lease liabilities                           | 584,172                    | (26,798)          | (24,155)                | 6,227                                    | 539,446                  |
| Total liabilities from financing activities | <u>\$ 3,545,037</u>        | <u>697,461</u>    | <u>(24,155)</u>         | <u>59,282</u>                            | <u>4,277,625</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:

|  | <u>For the three months ended June 30</u> |              | <u>For the six months ended June 30</u> |              |
|--|---|--------------|---|--------------|
|  | <u>2024</u>                               | <u>2023</u>  | <u>2024</u>                             | <u>2023</u>  |
| The Group is a joint venture under the joint agreement | \$ <u>-</u>                               | <u>1,057</u> | <u>-</u>                                | <u>1,718</u> |

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

(ii) Other revenue

|  | <u>For the three months ended June 30</u> |              | <u>For the six months ended June 30</u> |              |
|--|---|--------------|---|--------------|
|  | <u>2024</u>                               | <u>2023</u>  | <u>2024</u>                             | <u>2023</u>  |
| The Group is a joint venture under the joint agreement | \$ <u>2,576</u>                           | <u>2,107</u> | <u>4,931</u>                            | <u>4,604</u> |

(iii) Other expense

|  | <u>For the three months ended June 30</u> |             | <u>For the six months ended June 30</u> |             |
|--|---|-------------|---|-------------|
|  | <u>2024</u>                               | <u>2023</u> | <u>2024</u>                             | <u>2023</u> |
| The Group is a joint venture under the joint agreement | \$ <u>-</u>                               | <u>158</u>  | <u>-</u>                                | <u>158</u>  |

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

(iv) Receivables due from Related Parties

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

| <u>Account item</u> | <u>Category of related party</u>                       | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|---------------------|--|----------------------|--------------------------|----------------------|
| Accounts receivable | The Group is a joint venture under the joint agreement | \$ -                 | -                        | 1,171                |
| Other receivables   | The Group is a joint venture under the joint agreement | 815                  | 761                      | 765                  |
|                     |  | <u>\$ 815</u>        | <u>761</u>               | <u>1,936</u>         |

(c) Key management personnel transactions

Key management personnel compensation comprised:

|                              | <u>For the three months ended June 30</u> |               | <u>For the six months ended June 30</u> |                |
|------------------------------|---|---------------|---|----------------|
|                              | <u>2024</u>                               | <u>2023</u>   | <u>2024</u>                             | <u>2023</u>    |
| Short-term employee benefits | \$ 91,669                                 | 90,558        | 173,317                                 | 154,029        |
| Post-employment benefits     | 1,241                                     | 1,200         | 2,510                                   | 2,503          |
|                              | <u>\$ 92,910</u>                          | <u>91,758</u> | <u>175,827</u>                          | <u>156,532</u> |

(8) Pledged assets:

The book values of pledged assets were as follows:

| <u>Pledged assets</u>              | <u>Object</u>                     | <u>June 30, 2024</u> | <u>December 31, 2023</u> | <u>June 30, 2023</u> |
|------------------------------------|-----------------------------------|----------------------|--------------------------|----------------------|
| Other current financial assets     | Customs deposit and lease deposit | \$ 955               | 1,362                    | 1,334                |
| Other non-current financial assets | Customs deposit and lease deposit | 109,550              | 102,622                  | 97,178               |
|                                    |                                   | <u>\$ 110,505</u>    | <u>103,984</u>           | <u>98,512</u>        |

(9) Commitments and contingencies:

- (a) As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group has issued promissory notes for short-term and long-term borrowings of \$9,416,000 thousand, \$9,258,950 thousand and \$9,298,100 thousand, respectively.
- (b) As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had payables in respect of important construction contracts, amounting to \$1,777,010 thousand, \$2,013,356 thousand and \$1,691,214 thousand, respectively.

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

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

**(11) Subsequent Events: None**

**(12) Others:**

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

| By item                    | By function | For the three months ended<br>June 30, 2024 |                      |           | For the three months ended<br>June 30, 2023 |                      |           |
|----------------------------|-------------|---|----------------------|-----------|---|----------------------|-----------|
|                            |             | Cost of Sale                                | Operating<br>Expense | Total     | Cost of Sale                                | Operating<br>Expense | Total     |
| Employee benefits          |             |   |                      |           |   |                      |           |
| Salary                     |             | \$ 4,906,247                                | 1,745,342            | 6,651,589 | 4,998,316                                   | 1,420,275            | 6,418,591 |
| Labor and health insurance |             | 540,978                                     | 147,173              | 688,151   | 576,551                                     | 145,186              | 721,737   |
| Pension                    |             | 360,981                                     | 100,029              | 461,010   | 362,357                                     | 86,481               | 448,838   |
| Other employee benefits    |             | 608,090                                     | 176,578              | 784,668   | 655,424                                     | 166,593              | 822,017   |
| Depreciation               |             | 534,655                                     | 249,272              | 783,927   | 493,570                                     | 192,521              | 686,091   |
| Amortization               |             | 1,326                                       | 17,841               | 19,167    | 1,232                                       | 12,053               | 13,285    |

| By item                    | By function | For the six months ended<br>June 30, 2024 |                      |            | For the six months ended<br>June 30, 2023 |                      |            |
|----------------------------|-------------|---|----------------------|------------|---|----------------------|------------|
|                            |             | Cost of Sale                              | Operating<br>Expense | Total      | Cost of Sale                              | Operating<br>Expense | Total      |
| Employee benefits          |             |   |                      |            |   |                      |            |
| Salary                     |             | \$ 9,798,727                              | 3,379,581            | 13,178,308 | 9,845,508                                 | 2,866,689            | 12,712,197 |
| Labor and health insurance |             | 1,101,818                                 | 298,569              | 1,400,387  | 1,101,056                                 | 288,347              | 1,389,403  |
| Pension                    |             | 680,691                                   | 186,099              | 866,790    | 671,091                                   | 163,659              | 834,750    |
| Other employee benefits    |             | 1,208,899                                 | 336,704              | 1,545,603  | 1,318,820                                 | 285,477              | 1,604,297  |
| Depreciation               |             | 1,058,350                                 | 473,260              | 1,531,610  | 995,039                                   | 365,263              | 1,360,302  |
| Amortization               |             | 2,739                                     | 33,449               | 36,188     | 2,469                                     | 24,137               | 26,606     |

- (b) Seasonality of operation

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

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

**(13) Other disclosures**

(a) Information on significant transactions

The followings is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2024:

- i. Loans to other parties: None
- ii. Guarantees and endorsements for other parties: None
- iii. Securities held as of June 30, 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:

(In Thousands of New Taiwan Dollar)

| Company Name                   | Marketable Securities Type and Name                | Financial Statement Account                   | Counterparty | Nature of Relationship | Beginning Balance |         | Acquisition |         | Disposal |        |                |                       | Ending Balance |                       |
|--------------------------------|--|---|--------------|------------------------|-------------------|---------|-------------|---------|----------|--------|----------------|-----------------------|----------------|-----------------------|
|                                |  |   |              |                        | Shares            | Amount  | Shares      | Amount  | Shares   | Amount | Carrying Value | Gain/Loss on Disposal | Shares         | Amount (Note 1 and 3) |
| Feng Tay Enterprises Co., Ltd. | Stock<br>India Tindivanam Footwear Private Limited | Investments accounted for using equity method | -            | Subsidiary             | 280,328,078       | 927,522 | 102,795,952 | 391,285 | -        | -      | -              | -                     | 383,124,030    | 1,203,823             |

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

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

Note 3: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot exchange rate at the reporting date.

(On June 30, 2024, the USD closing exchange rate of 32.40)

- 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                | 825,439   | 2%                                  | 60 days       | Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare. | -             | 371,508                              | 3%  | -    |
| "                              | "                                 | "                      | Purchase            | 2,970,419 | 6%                                  | 20 days       | "  | -             | (296,647)                            | (4%)  | -    |
| "                              | Dona Pacific (Vietnam) Co., Ltd.  | "                      | Sale                | 853,554   | 2%                                  | 30 days       | "  | -             | 138,931                              | 1%  | -    |

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**Notes to the Consolidated Financial Statements**

| Name of company                                | Related party   | Nature of relationship | Transaction details |           |                                      |                        | Transactions with terms different from others  |               | Notes/ Accounts receivable (payable) |  | Note |
|--|---|------------------------|---------------------|-----------|--------------------------------------|------------------------|--|---------------|--------------------------------------|--|------|
|  |   |                        | Purchase/ Sale      | Amount    | Percentage of total purchases/ sales | Payment terms          | Unit price   | Payment terms | Ending balance                       | Percentage of total notes/ accounts receivable (payable) |      |
| Feng Tay Enterprises Co., Ltd.                 | Dona Pacific (Vietnam) Co., Ltd.                              | Parent and subsidiary  | Purchase            | 3,661,261 | 8%                                   | 15 days                | Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare. | -             | (420,280)                            | (5%)   | -    |
| "  | Vietnam Dona Orient Co., Ltd.                                 | "                      | Sale                | 1,352,423 | 3%                                   | 45 days                | "  | -             | 458,928                              | 4%   | -    |
| "  | "   | "                      | Purchase            | 3,296,439 | 7%                                   | 30 days                | "  | -             | (652,425)                            | (8%)   | -    |
| "  | Vietnam Dona Standard Footwear Co., Ltd.                      | "                      | Sale                | 2,077,124 | 4%                                   | 90 days                | "  | -             | 1,167,013                            | 9%   | -    |
| "  | "   | "                      | Purchase            | 8,525,747 | 18%                                  | 25 days                | "  | -             | (1,116,300)                          | (14%)  | -    |
| "  | Vung Tau Orient Co., Ltd.                                     | "                      | Sale                | 665,676   | 1%                                   | 120 days               | "  | -             | 445,867                              | 4%   | -    |
| "  | "   | "                      | Purchase            | 1,521,774 | 3%                                   | 10 days                | "  | -             | (140,616)                            | (2%)   | -    |
| "  | Vietnam Nam Ha Footwear Company Limited                       | "                      | "                   | 116,623   | -                                    | 10 days                | "  | -             | (11,476)                             | -  | -    |
| "  | Dona Victor Footwear Co., Ltd.                                | "                      | Sale                | 585,460   | 1%                                   | 30 days                | "  | -             | 127,562                              | 1%   | -    |
| "  | "   | "                      | Purchase            | 3,466,087 | 7%                                   | 30 days                | "  | -             | (738,451)                            | (9%)   | -    |
| "  | Fujian Xiefeng Footwear Company Limited                       | "                      | Sale                | 669,068   | 1%                                   | 15 days                | "  | -             | 59,451                               | -  | -    |
| "  | "   | "                      | Purchase            | 2,040,077 | 4%                                   | 15 days                | "  | -             | (109,908)                            | (1%)   | -    |
| "  | Fujian San Feng Footwear Company Limited                      | "                      | Sale                | 388,464   | 1%                                   | 15 days                | "  | -             | 38,149                               | -  | -    |
| "  | "   | "                      | Purchase            | 1,626,124 | 3%                                   | 15 days                | "  | -             | (129,829)                            | (2%)   | -    |
| "  | Fujian Great Hope Footwear Company Limited                    | "                      | "                   | 518,698   | 1%                                   | 60 days                | "  | -             | (185,251)                            | (2%)   | -    |
| "  | Fujian Lifeng Footwear Industrial Development Company Limited | "                      | Sale                | 419,863   | 1%                                   | 15 days                | "  | -             | 51,908                               | -  | -    |
| "  | "   | "                      | Purchase            | 1,627,744 | 3%                                   | 15 days                | "  | -             | (103,017)                            | (1%)   | -    |
| "  | Suzhou Yufeng Plastics Technology Co., Ltd.                   | "                      | Sale                | 172,376   | -                                    | 15 days                | "  | -             | 57,457                               | -  | -    |
| "  | Lotus Footwear Enterprises Limited (India Branch)             | "                      | "                   | 1,119,601 | 2%                                   | 60/90 days             | "  | -             | 583,192                              | 5%   | -    |
| "  | "   | "                      | Purchase            | 2,545,313 | 5%                                   | 30 days                | "  | -             | (669,621)                            | (8%)   | -    |
| "  | East Wind Footwear Company Limited (India Branch)             | "                      | Sale                | 703,155   | 1%                                   | 60 days                | "  | -             | 333,698                              | 3%   | -    |
| "  | "   | "                      | Purchase            | 1,860,637 | 4%                                   | 30 days                | "  | -             | (706,647)                            | (9%)   | -    |
| "  | Fairway Enterprises Company Limited (India Branch)            | "                      | Sale                | 1,156,532 | 2%                                   | 30/60 days             | "  | -             | 419,345                              | 3%   | -    |
| "  | "   | "                      | Purchase            | 2,543,118 | 5%                                   | 30 days                | "  | -             | (574,404)                            | (7%)   | -    |
| "  | India Tindivanam Footwear Private Limited                     | "                      | Sale                | 338,158   | 1%                                   | 90 days                | "  | -             | 269,100                              | 2%   | -    |
| Great Eastern Industries Limited               | Fujian Xiefeng Footwear Company Limited                       | Associate              | Sale                | 113,928   | 100%                                 | 20 days                | "  | -             | 9,398                                | 53%  | -    |
| PT Feng Tay Indonesia Enterprises              | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 2,970,419 | 100%                                 | 20 days                | "  | -             | 296,647                              | 99%  | -    |
| "  | "   | "                      | Purchase            | 825,439   | 36%                                  | 60 days                | "  | -             | (371,508)                            | (62%)  | -    |
| Hong Kong Shoe Majesty Trading Company Limited | Vietnam Shoe Majesty Co., Ltd.                                | Associate              | Purchase            | 2,639,856 | 100%                                 | Payment after Delivery | "  | -             | (1,442,180)                          | (97%)  | -    |
| Vietnam Shoe Majesty Co., Ltd.                 | Hong Kong Shoe Majesty Trading Company Limited                | Associate              | Sale                | 2,639,856 | 100%                                 | Payment after Delivery | "  | -             | 1,442,180                            | 100%   | -    |
| Dona Victor Footwear Co., Ltd.                 | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 3,466,087 | 100%                                 | 30 days                | "  | -             | 738,451                              | 100%   | -    |



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

| Name of company                             | Related party   | Nature of relationship | Transaction details |           |                                     |               | Transactions with terms different from others  |               | Notes/ Accounts receivable (payable) |   | Note |
|---|---|------------------------|---------------------|-----------|-------------------------------------|---------------|--|---------------|--------------------------------------|---|------|
|   |   |                        | Purchase/Sale       | Amount    | Percentage of total purchases/sales | Payment terms | Unit price   | Payment terms | Ending balance                       | Percentage of total notes/accounts receivable (payable) |      |
| Dona Victor Footwear Co., Ltd.              | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Purchase            | 585,460   | 64%                                 | 30 days       | Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare. | -             | (127,562)                            | (30%)   | -    |
| "   | Dona Victor Molds Mfg Co., Ltd.                               | Associate              | "                   | 136,524   | 15%                                 | 30 days       | "  | -             | (23,211)                             | (5%)  | -    |
| Vietnam Dona Orient Co., Ltd.               | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 3,296,439 | 72%                                 | 30 days       | "  | -             | 652,425                              | 69%   | -    |
| "   | "   | "                      | Purchase            | 1,352,423 | 63%                                 | 45 days       | "  | -             | (458,928)                            | (69%)   | -    |
| "   | Dona Pacific (Vietnam) Co., Ltd.                              | Associate              | "                   | 129,004   | 6%                                  | 60 days       | "  | -             | (21,809)                             | (3%)  | -    |
| Vietnam Dona Standard Footwear Co., Ltd.    | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 8,525,747 | 97%                                 | 25 days       | "  | -             | 1,116,300                            | 95%   | -    |
| "   | "   | "                      | Purchase            | 2,077,124 | 85%                                 | 90 days       | "  | -             | (1,167,013)                          | (69%)   | -    |
| "   | Dona Victor Molds Mfg. Co., Ltd.                              | Associate              | "                   | 235,245   | 10%                                 | 30 days       | "  | -             | (32,648)                             | (2%)  | -    |
| Vung Tau Orient Co., Ltd.                   | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 1,521,774 | 99%                                 | 10 days       | "  | -             | 140,616                              | 98%   | -    |
| "   | "   | "                      | Purchase            | 665,676   | 92%                                 | 120 days      | "  | -             | (445,867)                            | (87%)   | -    |
| Vietnam Nam Ha Footwear Company Limited     | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 116,623   | 95%                                 | 10 days       | "  | -             | 11,476                               | 93%   | -    |
| Dona Victor Molds Mfg Co., Ltd.             | Dona Victor Footwear Co., Ltd.                                | Associate              | Sale                | 136,524   | 30%                                 | 30 days       | "  | -             | 23,211                               | 34%   | -    |
| "   | Vietnam Dona Standard Footwear Co., Ltd.                      | "                      | "                   | 235,245   | 51%                                 | 30 days       | "  | -             | 32,648                               | 47%   | -    |
| Dona Pacific (Vietnam) Co., Ltd.            | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 3,661,261 | 93%                                 | 15 days       | "  | -             | 420,280                              | 90%   | -    |
| "   | "   | "                      | Purchase            | 853,554   | 73%                                 | 30 days       | "  | -             | (138,931)                            | (31%)   | -    |
| "   | Vietnam Dona Orient Co., Ltd.                                 | Associate              | Sale                | 129,004   | 3%                                  | 60 days       | "  | -             | 21,809                               | 5%  | -    |
| Fujian Putian Xie Feng Mold Company Limited | Fujian Xiefeng Footwear Company Limited                       | Associate              | Sale                | 121,119   | 24%                                 | 10-15 days    | "  | -             | 9,826                                | 10%   | -    |
| Fujian Xiefeng Footwear Company Limited     | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 2,040,077 | 73%                                 | 15 days       | "  | -             | 109,908                              | 32%   | -    |
| "   | "   | "                      | Purchase            | 669,068   | 43%                                 | 15 days       | "  | -             | (59,451)                             | (25%)   | -    |
| "   | Great Eastern Industries Limited                              | Associate              | "                   | 113,928   | 7%                                  | 20 days       | "  | -             | (9,398)                              | (4%)  | -    |
| "   | Fujian Putian Xie Feng Mold Company Limited                   | "                      | "                   | 121,119   | 8%                                  | 10-15 days    | "  | -             | (9,826)                              | (4%)  | -    |
| "   | Fujian San Feng Footwear Company Limited                      | "                      | Sale                | 120,835   | 4%                                  | 15-20 days    | "  | -             | 36,423                               | 9%  | -    |
| "   | Fujian Lifeng Footwear Industrial Development Company Limited | "                      | "                   | 121,308   | 4%                                  | 10-15 days    | "  | -             | 28,496                               | 7%  | -    |
| Fujian San Feng Footwear Company Limited    | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 1,626,124 | 77%                                 | 15 days       | "  | -             | 129,829                              | 49%   | -    |
| "   | "   | "                      | Purchase            | 388,464   | 32%                                 | 15 days       | "  | -             | (38,149)                             | (17%)   | -    |
| "   | Fujian Xiefeng Footwear Company Limited                       | Associate              | "                   | 120,835   | 10%                                 | 15-20 days    | "  | -             | (36,423)                             | (16%)   | -    |
| Fujian Great Hope Footwear Company Limited  | Feng Tay Enterprises Co., Ltd.                                | Subsidiary and parent  | Sale                | 518,698   | 98%                                 | 60 days       | "  | -             | 185,251                              | 98%   | -    |

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

| Name of company   | Related party                           | Nature of relationship | Transaction details |           |                                      |               | Transactions with terms different from others  |               | Notes/ Accounts receivable (payable) |  | Note |
|---|---|------------------------|---------------------|-----------|--------------------------------------|---------------|--|---------------|--------------------------------------|--|------|
|   |   |                        | Purchase/ Sale      | Amount    | Percentage of total purchases/ sales | Payment terms | Unit price   | Payment terms | Ending balance                       | Percentage of total notes/ accounts receivable (payable) |      |
| Fujian Lifeng Footwear Industrial Development Company Limited | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Sale                | 1,627,744 | 77%                                  | 15 days       | Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare. | -             | 103,017                              | 62%  | -    |
| "   | "                                       | "                      | Purchase            | 419,863   | 36%                                  | 15 days       | "  | -             | (51,908)                             | (23%)  | -    |
| "   | Fujian Xiefeng Footwear Company Limited | Associate              | "                   | 121,308   | 10%                                  | 10-15 days    | "  | -             | (28,496)                             | (13%)  | -    |
| Suzhou Yufeng Plastics Technology Co., Ltd.                   | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Purchase            | 172,376   | 78%                                  | 15 days       | "  | -             | (57,457)                             | (83%)  | -    |
| East Wind Footwear Company Limited (India Branch)             | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Sale                | 1,860,637 | 99%                                  | 30 days       | "  | -             | 706,647                              | 100%   | -    |
| "   | "                                       | "                      | Purchase            | 703,155   | 96%                                  | 60 days       | "  | -             | (333,698)                            | (89%)  | -    |
| Lotus Footwear Enterprises Limited (India Branch)             | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Sale                | 2,543,313 | 97%                                  | 30 days       | "  | -             | 669,621                              | 96%  | -    |
| "   | "                                       | "                      | Purchase            | 1,119,601 | 99%                                  | 60/90 days    | "  | -             | (583,192)                            | (92%)  | -    |
| Fairway Enterprises Company Limited (India Branch)            | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Sale                | 2,543,118 | 100%                                 | 30 days       | "  | -             | 574,404                              | 100%   | -    |
| "   | "                                       | "                      | Purchase            | 1,156,532 | 98%                                  | 30/60 days    | "  | -             | (419,345)                            | (87%)  | -    |
| India Tindivanam Footwear Private Limited                     | Feng Tay Enterprises Co., Ltd.          | Subsidiary and parent  | Purchase            | 338,158   | 94%                                  | 90 days       | "  | -             | (269,100)                            | (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  | 371,508                 | 4.09     | -       | -            | 89,133                                | -                         |
| "                              | Dona Victor Footwear Co., Ltd.                    | "                      | 127,562                 | 10.88    | -       | -            | 50,682                                | -                         |
| "                              | Vietnam Dona Orient Co., Ltd.                     | "                      | 458,928                 | 4.87     | -       | -            | 160,815                               | -                         |
| "                              | Vietnam Dona Standard Footwear Co., Ltd.          | "                      | 1,167,013               | 4.37     | -       | -            | 132,746                               | -                         |
| "                              | Vung Tau Orient Co., Ltd.                         | "                      | 445,867                 | 3.56     | 109,485 | -            | 71,371                                | -                         |
| "                              | Dona Pacific (Vietnam) Co., Ltd.                  | "                      | 138,931                 | 12.65    | -       | -            | 63,268                                | -                         |
| "                              | Lotus Footwear Enterprises Limited (India Branch) | "                      | 583,192                 | 4.34     | 1,447   | -            | 34,430                                | -                         |
| "                              | East Wind Footwear Company Limited (India Branch) | "                      | 333,698                 | 4.67     | -       | -            | 46,263                                | -                         |

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

| Name of company   | Related party                                      | Nature of relationship | Ending balance (Note 1) | Turnover | Overdue |              | Amounts received in subsequent period | Allowance for credit loss |
|---|--|------------------------|-------------------------|----------|---------|--------------|---------------------------------------|---------------------------|
|   |  |                        |                         |          | Amount  | Action taken |                                       |                           |
| Feng Tay Enterprises Co., Ltd.                                | Fairway Enterprises Company Limited (India Branch) | Parent and subsidiary  | 419,345                 | 6.66     | 9,448   | -            | 106,385                               | -                         |
| "   | India Tindivanam Footwear Private Limited          | "                      | 269,100                 | 3.67     | -       | -            | 12,398                                | -                         |
| PT Feng Tay Indonesia Enterprises                             | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 296,647                 | 16.51    | -       | -            | 296,647                               | -                         |
| Vietnam Shoe Majesty Co., Ltd.                                | Hong Kong Shoe Majesty Trading Company Limited     | Associate              | 1,442,180               | 4.53     | -       | -            | 146,216                               | -                         |
| Dona Victor Footwear Co., Ltd.                                | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 738,451                 | 9.21     | -       | -            | 579,977                               | -                         |
| Vietnam Dona Orient Co., Ltd.                                 | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 652,425                 | 9.74     | -       | -            | 605,651                               | -                         |
| Vietnam Dona Standard Footwear Co., Ltd.                      | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 1,116,300               | 22.06    | -       | -            | 1,105,847                             | -                         |
| Vung Tau Orient Co., Ltd.                                     | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 140,616                 | 22.64    | -       | -            | 140,567                               | -                         |
| Dona Pacific (Vietnam) Co., Ltd.                              | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 420,280                 | 19.01    | -       | -            | 420,280                               | -                         |
| Fujian Xiefeng Footwear Company Limited                       | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 109,908                 | 30.37    | -       | -            | 109,199                               | -                         |
| Fujian San Feng Footwear Company Limited                      | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 129,829                 | 34.07    | -       | -            | 129,829                               | -                         |
| Fujian Great Hope Footwear Company Limited                    | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 185,251                 | 5.60     | -       | -            | 83,406                                | -                         |
| Fujian Lifeng Footwear Industrial Development Company Limited | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 103,017                 | 28.86    | -       | -            | 103,017                               | -                         |
| Lotus Footwear Enterprises Limited (India Branch)             | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 669,621                 | 7.69     | -       | -            | 407,017                               | -                         |
| East Wind Footwear Company Limited (India Branch)             | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 706,647                 | 6.08     | -       | -            | 267,099                               | -                         |
| Fairway Enterprises Company Limited (India Branch)            | Feng Tay Enterprises Co., Ltd.                     | Subsidiary and parent  | 574,404                 | 9.99     | -       | -            | 446,312                               | -                         |

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

- ix. Trading in derivative instruments: None
- x. Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollar)

| No. (Note1) | Name of company                | Name of counter-party             | Nature of relationship (Note 2) | Intercompany transactions                    |           |               | Percentage of the consolidated net revenue or total assets |
|-------------|--------------------------------|-----------------------------------|---------------------------------|--|-----------|---------------|--|
|             |                                |                                   |                                 | Account name                                 | Amount    | Trading terms |  |
| 0           | Feng Tay Enterprises Co., Ltd. | PT Feng Tay Indonesia Enterprises | 1                               | Sales revenue                                | 825,439   | Note 3        | 1.9249%  |
| "           | "                              | "                                 | "                               | Cost of sales                                | 2,970,419 | Note 3        | 6.9268%  |
| "           | "                              | "                                 | "                               | Accounts receivable due from related parties | 371,508   | 60 days       | 0.7030%  |
| "           | "                              | "                                 | "                               | Accounts payable to related parties          | 296,647   | 20 days       | 0.5613%  |

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

| No.<br>(Note1) | Name of company                | Name of counter-party                     | Nature of relationship<br>(Note 2) | Intercompany transactions                    |           |               |  |
|----------------|--------------------------------|---|------------------------------------|--|-----------|---------------|--|
|                |                                |   |                                    | Account name                                 | Amount    | Trading terms | Percentage of the consolidated net revenue or total assets |
| 0              | Feng Tay Enterprises Co., Ltd. | India Tindivanam Footwear Private Limited | 1                                  | Sales revenue                                | 338,158   | Note 3        | 0.7886%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 269,100   | 90 days       | 0.5092%  |
| "              | "                              | Dona Victor Footwear Co., Ltd.            | "                                  | Sales revenue                                | 585,460   | Note 3        | 1.3652%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 3,466,087 | Note 3        | 8.0826%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 127,562   | 30 days       | 0.2414%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 738,451   | 30 days       | 1.3974%  |
| "              | "                              | Vietnam Dona Orient Co., Ltd.             | "                                  | Sales revenue                                | 1,352,423 | Note 3        | 3.1537%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 3,296,439 | Note 3        | 7.6870%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 458,928   | 45 days       | 0.8684%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 652,425   | 30 days       | 1.2346%  |
| "              | "                              | Vietnam Dona Standard Footwear Co., Ltd.  | "                                  | Sales revenue                                | 2,077,124 | Note 3        | 4.8437%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 8,525,747 | Note 3        | 19.8813%   |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 1,167,013 | 90 days       | 2.2083%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 1,116,300 | 25 days       | 2.1124%  |
| "              | "                              | Vung Tau Orient Co., Ltd.                 | "                                  | Sales revenue                                | 665,676   | Note 3        | 1.5523%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 1,521,774 | Note 3        | 3.5487%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 445,867   | 120 days      | 0.8437%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 140,616   | 10 days       | 0.2661%  |
| "              | "                              | Vietnam Nam Ha Footwear Company Limited   | "                                  | Cost of sales                                | 116,623   | Note 3        | 0.2720%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 11,476    | 10 days       | 0.0217%  |
| "              | "                              | Dona Pacific (Vietnam) Co., Ltd.          | "                                  | Sales revenue                                | 853,554   | Note 3        | 1.9904%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 3,661,261 | Note 3        | 8.5378%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 138,931   | 30 days       | 0.2629%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 420,280   | 15 days       | 0.7953%  |
| "              | "                              | Fujian Xiefeng Footwear Company Limited   | "                                  | Sales revenue                                | 669,068   | Note 3        | 1.5602%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 2,040,077 | Note 3        | 4.7573%  |
| "              | "                              | "   | "                                  | Accounts receivable due from related parties | 59,451    | 15 days       | 0.1125%  |
| "              | "                              | "   | "                                  | Accounts payable to related parties          | 109,908   | 15 days       | 0.2080%  |
| "              | "                              | Fujian San Feng Footwear Company Limited  | "                                  | Sales revenue                                | 388,464   | Note 3        | 0.9059%  |
| "              | "                              | "   | "                                  | Cost of sales                                | 1,626,124 | Note 3        | 3.7920%  |

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

| No.<br>(Note1) | Name of company                   | Name of counter-party   | Nature of relationship<br>(Note 2) | Intercompany transactions                    |           |               |  |
|----------------|-----------------------------------|---|------------------------------------|--|-----------|---------------|--|
|                |                                   |   |                                    | Account name                                 | Amount    | Trading terms | Percentage of the consolidated net revenue or total assets |
| 0              | Feng Tay Enterprises Co., Ltd.    | Fujian San Feng Footwear Company Limited                      | 1                                  | Accounts receivable due from related parties | 38,149    | 15 days       | 0.0722%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 129,829   | 15 days       | 0.2457%  |
| "              | "                                 | Fujian Great Hope Footwear Company Limited                    | "                                  | Cost of sales                                | 518,698   | Note 3        | 1.2096%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 185,251   | 60 days       | 0.3506%  |
| "              | "                                 | Fujian Lifeng Footwear Industrial Development Company Limited | "                                  | Sales revenue                                | 419,863   | Note 3        | 0.9791%  |
| "              | "                                 | "   | "                                  | Cost of sales                                | 1,627,744 | Note 3        | 3.7958%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 51,908    | 15 days       | 0.0982%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 103,017   | 15 days       | 0.1949%  |
| "              | "                                 | Suzhou Yufeng Plastics Technology Co., Ltd.                   | "                                  | Sales revenue                                | 172,376   | Note 3        | 0.4020%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 57,457    | 15 days       | 0.1087%  |
| "              | "                                 | Lotus Footwear Enterprises Limited (India Branch)             | "                                  | Sales revenue                                | 1,119,601 | Note 3        | 2.6108%  |
| "              | "                                 | "   | "                                  | Cost of sales                                | 2,545,313 | Note 3        | 5.9355%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 583,192   | 60/90 days    | 1.1036%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 669,621   | 30 days       | 1.2671%  |
| "              | "                                 | East Wind Footwear Company Limited (India Branch)             | "                                  | Sales revenue                                | 703,155   | Note 3        | 1.6397%  |
| "              | "                                 | "   | "                                  | Cost of sales                                | 1,860,637 | Note 3        | 4.3389%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 333,698   | 60 days       | 0.6315%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 706,647   | 30 days       | 1.3372%  |
| "              | "                                 | Fairway Enterprises Company Limited (India Branch)            | "                                  | Sales revenue                                | 1,156,532 | Note 3        | 2.6969%  |
| "              | "                                 | "   | "                                  | Cost of sales                                | 2,543,118 | Note 3        | 5.9303%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 419,345   | 30/60 days    | 0.7935%  |
| "              | "                                 | "   | "                                  | Accounts payable to related parties          | 574,404   | 30 days       | 1.0869%  |
| 1              | Great Eastern Industries Limited. | Fujian Xiefeng Footwear Company Limited                       | 3                                  | Sales revenue                                | 113,928   | Note 3        | 0.2657%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 9,398     | 20 days       | 0.0178%  |
| 2              | Dona Victor Molds Mfg Co., Ltd.   | Dona Victor Footwear Co., Ltd.                                | 3                                  | Sales revenue                                | 136,524   | Note 3        | 0.3184%  |
| "              | "                                 | "   | "                                  | Accounts receivable due from related parties | 23,211    | 30 days       | 0.0439%  |
| "              | "                                 | Vietnam Dona Standard Footwear Co., Ltd.                      | "                                  | Sales revenue                                | 235,245   | Note 3        | 0.5486%  |

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

| No.<br>(Note1) | Name of company                             | Name of counter-party   | Nature of relationship<br>(Note 2) | Intercompany transactions                    |         |               |  |
|----------------|---|---|------------------------------------|--|---------|---------------|--|
|                |   |   |                                    | Account name                                 | Amount  | Trading terms | Percentage of the consolidated net revenue or total assets |
| 2              | Dona Victor Molds Mfg Co., Ltd.             | Vietnam Dona Standard Footwear Co., Ltd.                      | 3                                  | Accounts receivable due from related parties | 32,648  | 30 days       | 0.0618%  |
| 3              | Dona Pacific (Vietnam) Co., Ltd.            | Vietnam Dona Orient Co., Ltd.                                 | 3                                  | Sales revenue                                | 129,004 | Note 3        | 0.3008%  |
| "              | "   | "   | "                                  | Accounts receivable due from related parties | 21,809  | 60 days       | 0.0413%  |
| 4              | Fujian Putian Xie Feng Mold Company Limited | Fujian Xiefeng Footwear Company Limited                       | 3                                  | Sales revenue                                | 121,119 | Note 3        | 0.2824%  |
| "              | "   | "   | "                                  | Accounts receivable due from related parties | 9,826   | 10~15 days    | 0.0186%  |
| 5              | Fujian Xiefeng Footwear Company Limited     | Fujian San Feng Footwear Company Limited                      | 3                                  | Sales revenue                                | 120,835 | Note 3        | 0.2818%  |
| "              | "   | "   | "                                  | Accounts receivable due from related parties | 36,423  | 15~20 days    | 0.0689%  |
| "              | "   | Fujian Lifeng Footwear Industrial Development Company Limited | "                                  | Sales revenue                                | 121,308 | Note 3        | 0.2829%  |
| "              | "   | "   | "                                  | Accounts receivable due from related parties | 28,496  | 10~15 days    | 0.0539%  |

Note 1: The numbers filled in as follows:

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

Note 2: Transactions labeled as follows:

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

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

(b) Information on investment

The following is the information on investment for the six months ended June 30, 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 June 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note (Note 6)                    |
|--------------------------------|--------------------------------------|------------------------|--|----------------------------|-------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|----------------------------------|
|                                |                                      |                        |  | June 30, 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%                  | 802,230        | (108,364)                       | (108,362)                           | 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%                  | 1,171,307      | (1,244)                         | (1,244)                             | "                                |
| "                              | Growth-Link Overseas Company Limited | Bermuda                | Investment holding   | 5,521,531                  | 5,521,531         | 6,000,000                   | 100.00%                 | 16,245,522     | 1,189,715                       | 1,189,715                           | "                                |
| "                              | VX Holdings Limited                  | British Virgin Islands | Investment holding   | 446,117                    | 446,117           | 38,280                      | 47.26%                  | 763,357        | (15,916)                        | (7,522)                             | "                                |
| "                              | Shoe Majesty Co., Ltd.               | "                      | Investment holding   | 203,466                    | 203,466           | 6,120                       | 20.40%                  | 485,464        | 114,693                         | 23,397                              | Investee under the equity method |
| "                              | Dona Orient Holdings Limited         | "                      | Investment holding   | 1,529,928                  | 1,529,928         | 44,753                      | 40.97%                  | 3,976,626      | 541,371                         | 221,800                             | Subsidiary (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 June 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note (Note 6)                             |
|--------------------------------------|--|------------------------|--|----------------------------|-------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|---|
|                                      |  |                        |  | June 30, 2024              | December 31, 2023 | Shares                      | Percentage of ownership | Carrying value |                                 |                                     |   |
| Feng Tay Enterprises Co., Ltd.       | Great Eastern Industries Limited               | Hong Kong              | International trade services   | 30,358                     | 30,358            | 1,000                       | 100.00%                 | 35,022         | 2,358                           | 2,358                               | Subsidiary (Note 5)                       |
| "                                    | Great South Private Limited                    | Singapore              | Investment holding   | 35,517                     | 35,517            | 1,600                       | 100.00%                 | 12,999         | 45                              | 45                                  | "   |
| "                                    | India Tindivandam Footwear Private Limited     | India                  | Manufacturing of athletic shoes, semi-finished footwear and footwear accessories               | 1,443,630                  | 1,052,345         | 383,124,030                 | 95.04%                  | 1,203,823      | (180,446)                       | (169,301)                           | "   |
| Growth-Link Overseas Company Limited | VX Mold Company Limited                        | British Virgin Islands | Investment holding   | 16,226                     | 16,226            | 372,000                     | 93.00%                  | 298,827        | 143,351                         | 133,317                             | Subsidiary (Note 5)                       |
| "                                    | VX Holdings Limited                            | "                      | Investment holding   | 308,052                    | 308,052           | 36,342                      | 44.87%                  | 751,101        | (15,916)                        | (7,141)                             | Investee under the equity method (Note 5) |
| "                                    | Dona Pacific Holdings Limited                  | "                      | Investment holding   | 404,164                    | 404,164           | 23,000                      | 92.00%                  | 1,431,581      | 244,281                         | 224,739                             | Subsidiary (Note 5)                       |
| "                                    | Shoe Majesty Co., Ltd.                         | "                      | Investment holding   | 260,667                    | 260,667           | 8,580                       | 28.60%                  | 711,477        | 114,693                         | 32,802                              | Investee under the equity method          |
| "                                    | Dona Orient Holdings Limited                   | "                      | Investment holding   | 2,133,463                  | 2,133,463         | 64,483                      | 59.03%                  | 6,044,177      | 541,371                         | 319,571                             | Subsidiary (Note 5)                       |
| "                                    | Lotus Footwear Enterprises Limited             | "                      | Investment holding business, and manufacturing and selling of finished shoes                   | 2,204,496                  | 2,204,496         | 34,020                      | 88.00%                  | 4,728,330      | 291,869                         | 256,845                             | "   |
| "                                    | PT Rich Valley Indonesia                       | Indonesia              | Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories | 23                         | 23                | 10                          | 0.01%                   | 23             | (1,244)                         | -                                   | Investee under the equity method (Note 5) |
| "                                    | PT Feng Tay Indonesia Enterprises              | "                      | Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories | 23                         | 23                | 1                           | 0.01%                   | 15             | (108,364)                       | (2)                                 | "   |
| "                                    | Cheyyar SEZ Developers Private Ltd.            | India                  | Development in India's Industrial Park   | -                          | -                 | 1                           | 0.01%                   | -              | 35,473                          | -                                   | "   |
| VX Holdings Limited                  | Dona Victor Footwear Co., Ltd.                 | Vietnam                | Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories              | 1,068,688                  | 1,068,688         | Note 4                      | 100.00%                 | 1,671,446      | (15,434)                        | (15,434)                            | Subsidiary (Note 5)                       |
| Shoe Majesty Co., Ltd.               | Hong Kong Shoe Majesty Trading Company Limited | Hong Kong              | International trade services   | 6,480                      | 6,480             | 200                         | 100.00%                 | 130,814        | 19,066                          | 19,066                              | Subsidiary                                |
| "                                    | Vietnam Shoe Majesty Co., Ltd.                 | Vietnam                | Manufacturing footwear products  | 1,198,800                  | 1,198,800         | Note 4                      | 100.00%                 | 2,299,856      | 99,036                          | 99,036                              | "   |
| Dona Orient Holdings Limited         | Vietnam Dona Orient Co., Ltd.                  | Vietnam                | Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories              | 1,425,600                  | 1,425,600         | Note 4                      | 100.00%                 | 2,527,043      | 523,589                         | 523,589                             | Subsidiary (Note 5)                       |
| "                                    | Vietnam Dona Standard Footwear Co., Ltd.       | "                      | Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories              | 2,452,680                  | 2,452,680         | "                           | 100.00%                 | 4,998,022      | 312,632                         | 312,632                             | "   |
| "                                    | Vung Tau Orient Co., Ltd.                      | "                      | Producing golf balls, soccer balls, and backpack, bags   | 1,173,632                  | 914,432           | "                           | 100.00%                 | 1,062,003      | (73,186)                        | (73,186)                            | "   |

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| Name of investor                   | Name of investee                        | Location               | Main businesses and products  | Original investment amount |                   | Balance as of June 30, 2024 |                         |                | Net income (losses) of investee | Share of profits/losses of investee | Note (Note 6)       |
|------------------------------------|---|------------------------|---|----------------------------|-------------------|-----------------------------|-------------------------|----------------|---------------------------------|-------------------------------------|---------------------|
|                                    |   |                        |   | June 30, 2024              | December 31, 2023 | Shares                      | Percentage of ownership | Carrying value |                                 |                                     |                     |
| Dona Orient Holdings Limited       | Vietnam Nam Ha Footwear Company Limited | Vietnam                | Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories | 2,008,800                  | 2,008,800         | Note 4                      | 100.00%                 | 1,648,598      | (221,331)                       | (221,331)                           | Subsidiary (Note 5) |
| VX Mold Company Limited            | Dona Victor Molds Mfg. Co., Ltd.        | Vietnam                | Manufacturing and repair of molds, cutting dies, and processing of metal parts    | 100,440                    | 100,440           | Note 4                      | 100.00%                 | 318,241        | 143,741                         | 143,741                             | Subsidiary (Note 5) |
| Dona Pacific Holdings Limited      | Dona Pacific (Vietnam) Co., Ltd.        | Vietnam                | Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories | 648,000                    | 648,000           | Note 4                      | 100.00%                 | 1,554,528      | 244,668                         | 244,668                             | Subsidiary (Note 5) |
| Lotus Footwear Enterprises Limited | Cheyar SEZ Developers Private Limited   | India                  | Development in India's Industrial Park  | 3,884,551                  | 3,884,551         | 117,999,999                 | 99.99%                  | 3,067,938      | 35,473                          | 35,473                              | Subsidiary (Note 5) |
| "                                  | East Wind Footwear Company Limited      | British Virgin Islands | Investment holding and production of athletic shoes                               | 535,644                    | 535,644           | 9,751                       | 100.00%                 | 1,090,625      | 48,769                          | 48,769                              | "                   |
| "                                  | Fairway Enterprises Company Limited     | "                      | Investment holding and production of athletic shoes                               | 1,483,703                  | 1,483,703         | 29,501                      | 100.00%                 | 2,106,276      | 149,416                         | 149,416                             | "                   |

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

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

Note 3: The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of June 30, 2024, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of June 30, 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.

(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 June 30, 2024 (Note 7) | Net income (losses) of the investee (Note 8) | Percentage of ownership | Investment income (losses) (Note 3 and 8) | Book value (Note 7) | Accumulated remittance of earnings in current period (Note 8) |
|---|---|--|----------------------|--|------------------|--------|--|--|-------------------------|---|---------------------|---|
|   |   |  |                      |  | Outflow          | Inflow |  |  |                         |   |                     |   |
| Fujian Wu Feng Department Store Co., Ltd.   | Wholesale and retail of general merchandise, and related services.                                      | 145,800                                  | Note 1               | 177,538  | -                | -      | 177,538  | 1,543  | 50.00%                  | 772                                       | 26,920              | 108,176   |
| Fujian Putian Xie Feng Mold Company Limited | Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts. | 97,200                                   | "                    | 155,626  | -                | -      | 155,626  | 117,890                                      | 50.34%                  | 59,340                                    | 143,520             | 1,278,944   |
| Fujian Xiefeng Footwear Company Limited     | Producing athletic shoes, semi-finished footwear, and footwear accessories.                             | 486,000                                  | "                    | 183,780  | -                | -      | 183,780  | 86,649                                       | 77.50%                  | 67,153                                    | 693,595             | 1,098,303   |
| Fujian San Feng Footwear Company Limited    | Producing athletic shoes, semi-finished footwear, and footwear accessories.                             | 486,000                                  | "                    | 294,054  | -                | -      | 294,054  | 64,764                                       | 68.00%                  | 44,040                                    | 406,848             | 1,129,296   |



**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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| Name of investee  | Main businesses and products  | Total amount of capital surplus (Note 7) | Method of investment | Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 7) | Investment flows |        | Accumulated outflow of investment from Taiwan as of June 30, 2024 (Note 7) | Net income (losses) of the investee (Note 8) | Percentage of ownership | Investment income (losses) (Note 3 and 8) | Book value (Note 7) | Accumulated remittance of earnings in current period (Note 8) |
|---|---|--|----------------------|--|------------------|--------|--|--|-------------------------|---|---------------------|---|
|   |   |  |                      |  | Outflow          | Inflow |  |  |                         |   |                     |   |
| Fujian Da Feng Holdings Company Limited                       | Investment holding.   | 874,800                                  | Note 1               | 907,567  | -                | -      | 907,567  | 193,511                                      | 70.00%                  | 135,458                                   | 1,678,587           | 6,758,930   |
| Fujian Great Hope Footwear Company Limited                    | Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products. | 257,580                                  | "                    | 433,658  | -                | -      | 433,658  | 67,233                                       | 84.73%                  | 56,969                                    | 401,989             | 674,165   |
| Fujian Lifeng Footwear Industrial Development Company Limited | Producing athletic shoes, semi-finished footwear, and footwear accessories.   | 486,000                                  | Note 2               | -  | -                | -      | -  | 80,223                                       | 70.00%                  | 56,156                                    | 503,937             | -   |
| Suzhou Yufeng Plastics Technology Co., Ltd.                   | Manufacturing and processing of plastic products.   | 83,033                                   | "                    | -  | -                | -      | -  | 30,994                                       | 66.07%                  | 20,476                                    | 150,546             | -   |

ii. Upper limit on investment in Mainland China

| Accumulated Investment in Mainland China as of June 30, 2024 (Note 4 and 7) | Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7) | Upper Limit on Investment (Note 6) |
|---|---|------------------------------------|
| 2,152,223   | 2,933,903   | 14,949,288                         |

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

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

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

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

(2) Based on unreviewed financial statements for the six months ended June 30, 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 32.40 on June 30, 2024.

Note 8: Calculated based on the average closing exchange rate of 31.9942 between January and the end of June 2024.

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.

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

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

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

|   | <b>Department of<br/>manufacturing<br/>and selling shoes</b> | <b>Other<br/>Departments</b> | <b>Reconciliation<br/>and elimination</b> | <b>Total</b>      |
|---|--|------------------------------|---|-------------------|
| <b>For the three months ended<br/>June 30, 2024</b> |  |                              |   |                   |
| <b>Revenue</b>                                      |  |                              |   |                   |
| Revenue from external customers                     | \$ 21,135,933  | 1,130,763                    | -   | 22,266,696        |
| Intersegment revenues                               | 25,762,612   | 663,383                      | (26,425,995)                              | -                 |
| <b>Total revenue</b>                                | <b>\$ 46,898,545</b>   | <b>1,794,146</b>             | <b>(26,425,995)</b>                       | <b>22,266,696</b> |
| <b>Reportable segment profit or loss</b>            | <b>\$ 2,379,529</b>  | <b>33,239</b>                | <b>6,646</b>                              | <b>2,419,414</b>  |
| <br>  |  |                              |   |                   |
|   | <b>Department of<br/>manufacturing<br/>and selling shoes</b> | <b>Other<br/>Departments</b> | <b>Reconciliation<br/>and elimination</b> | <b>Total</b>      |
| <b>For the three months ended<br/>June 30, 2023</b> |  |                              |   |                   |
| <b>Revenue</b>                                      |  |                              |   |                   |
| Revenue from external customers                     | \$ 19,453,068  | 1,203,358                    | -   | 20,656,426        |
| Intersegment revenues                               | 22,817,474   | 1,122,464                    | (23,939,938)                              | -                 |
| <b>Total revenue</b>                                | <b>\$ 42,270,542</b>   | <b>2,325,822</b>             | <b>(23,939,938)</b>                       | <b>20,656,426</b> |
| <b>Reportable segment profit or loss</b>            | <b>\$ 1,689,928</b>  | <b>16,553</b>                | <b>58,319</b>                             | <b>1,764,800</b>  |

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|  | <u>Department of<br/>manufacturing<br/>and selling shoes</u> | <u>Other<br/>Departments</u> | <u>Reconciliation<br/>and elimination</u> | <u>Total</u>      |
|--|--|------------------------------|---|-------------------|
| <b>For the six months ended</b>          |  |                              |   |                   |
| <b>June 30, 2024</b>                     |  |                              |   |                   |
| <b>Revenue</b>                           |  |                              |   |                   |
| Revenue from external customers          | \$ 40,809,589  | 2,073,558                    | -   | 42,883,147        |
| Intersegment revenues                    | 48,237,585   | 1,895,860                    | (50,133,445)                              | -                 |
| <b>Total revenue</b>                     | <b>\$ 89,047,174</b>   | <b>3,969,418</b>             | <b>(50,133,445)</b>                       | <b>42,883,147</b> |
| <b>Reportable segment profit or loss</b> | <b>\$ 4,233,299</b>  | <b>(6,011)</b>               | <b>17,455</b>                             | <b>4,244,743</b>  |
| <br>                                     |  |                              |   |                   |
|  | <u>Department of<br/>manufacturing<br/>and selling shoes</u> | <u>Other<br/>Departments</u> | <u>Reconciliation<br/>and elimination</u> | <u>Total</u>      |
| <b>For the six months ended</b>          |  |                              |   |                   |
| <b>June 30, 2023</b>                     |  |                              |   |                   |
| <b>Revenue</b>                           |  |                              |   |                   |
| Revenue from external customers          | \$ 37,963,146  | 2,196,030                    | -   | 40,159,176        |
| Intersegment revenues                    | 43,653,480   | 2,114,611                    | (45,768,091)                              | -                 |
| <b>Total revenue</b>                     | <b>\$ 81,616,626</b>   | <b>4,310,641</b>             | <b>(45,768,091)</b>                       | <b>40,159,176</b> |
| <b>Reportable segment profit or loss</b> | <b>\$ 2,575,912</b>  | <b>(21,634)</b>              | <b>106,252</b>                            | <b>2,660,530</b>  |