

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

**Consolidated Financial Statements**

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

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

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## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Feng Tay Enterprises Company Limited and its subsidiaries (“the Group”), as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 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 \$15,300,787 thousand and \$15,361,199 thousand, constituting 29.45% and 29.37% of consolidated total assets as of September 30, 2024 and 2023, respectively; total liabilities amounting to \$4,097,785 thousand and \$4,467,461 thousand, constituting 15.65% and 16.21% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$(452,246) thousand, \$404,559 thousand, \$141,829 thousand and \$368,716 thousand, constituting (49.20)%, 14.98%, 2.65% and 7.19% of consolidated total comprehensive income for the three months and nine months ended September 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 \$1,233,031 thousand and \$1,095,329 thousand as of September 30, 2024 and 2023, respectively, and its equity in net gain on these investee companies of \$65,945 thousand, \$26,707 thousand, \$122,144 thousand and \$37,595 thousand for the three months and nine months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 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)  
November 12, 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****September 30, 2024, December 31, 2023, and September 30, 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets	September 30, 2024		December 31, 2023		September 30, 2023		January 1, 2023 (Restatement)			Liabilities and Equity	September 30, 2024		December 31, 2023		September 30, 2023		January 1, 2023 (Restatement)	
	Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
<b>Current assets:</b>										<b>Current liabilities:</b>								
1100 Cash and cash equivalents (Notes (6)(a) and (n))	\$ 3,309,020	6	3,858,842	8	4,834,998	9	5,573,482	11	2100 Short-term borrowings (Note (6)(j))	\$ 5,485,828	11	2,250,109	5	5,744,803	11	435,372	1	
1170 Accounts receivable (Notes (6)(b) and (q))	8,623,307	17	8,138,765	16	8,216,515	16	8,772,178	17	2130 Current contract liabilities (Note (6)(q))	1,612	-	999	-	760	-	317	-	
1180 Accounts receivable due from related parties, net (Notes (6)(b) and (q))	-	-	-	-	-	-	21,146	-	2170 Notes and accounts payable	4,081,608	8	4,256,055	9	4,456,065	9	3,941,237	8	
1200 Other receivables (Note (7))	915,084	2	772,084	2	763,972	2	442,193	1	2200 Other payables	4,917,791	9	5,250,463	10	4,881,304	9	6,442,332	12	
1220 Current tax assets	217,613	-	309,550	-	21,115	-	187,379	-	2230 Current tax liabilities	822,281	2	1,725,252	3	1,594,339	3	2,593,834	5	
130X Inventories (Note (6)(c))	9,072,874	18	8,578,013	17	9,039,915	17	9,104,194	18	2280 Current lease liabilities (Note (6)(l))	17,661	-	31,952	-	32,455	-	34,934	-	
1476 Other current financial assets (Note (8))	1,398	-	1,362	-	1,391	-	1,364	-	2320 Long-term liabilities, current portion (Note (6)(k))	-	-	57,679	-	59,265	-	14,481	-	
1479 Other current assets, others	1,031,672	2	947,131	2	962,490	2	1,078,973	2	2399 Other current liabilities, others	46,240	-	44,024	-	43,904	-	36,328	-	
<b>Total current assets</b>	<b>23,170,968</b>	<b>45</b>	<b>22,605,747</b>	<b>45</b>	<b>23,840,396</b>	<b>46</b>	<b>25,180,909</b>	<b>49</b>	<b>Total current liabilities</b>	<b>15,373,021</b>	<b>30</b>	<b>13,616,533</b>	<b>27</b>	<b>16,812,895</b>	<b>32</b>	<b>13,498,835</b>	<b>26</b>	
<b>Non-current assets:</b>									<b>Non-current liabilities:</b>									
1550 Investments accounted for using equity method (Note (6)(d))	1,233,031	2	1,080,014	2	1,095,329	2	1,051,389	2	2540 Long-term borrowings (Note (6)(k))	1,914,935	4	3,451,540	7	2,051,126	4	2,511,012	5	
1600 Property, plant and equipment (Note (6)(f))	22,623,256	44	21,952,247	43	22,570,545	43	20,704,257	40	2570 Deferred tax liabilities (Note (6)(n))	3,487,933	7	3,560,853	7	3,516,136	7	3,827,503	8	
1755 Right-of-use assets (Note (6)(g))	1,667,511	3	1,683,217	3	1,757,454	3	1,764,171	4	2580 Non-current lease liabilities (Note (6)(l))	503,500	1	515,667	1	515,101	1	549,238	1	
1760 Investment property, net (Note (6)(h))	56,243	-	70,149	-	72,150	-	68,679	-	2640 Non-current net defined benefit liability (Note (6)(m))	4,668,147	9	4,226,913	9	4,424,438	8	3,839,586	8	
1780 Intangible assets (Note (6)(i))	454,109	1	423,698	1	406,377	1	420,583	1	2670 Other non-current liabilities, others	238,832	-	220,586	-	237,105	-	210,266	-	
1840 Deferred tax assets (Note (6)(n))	1,940,656	4	1,800,863	4	1,791,031	4	1,409,418	3	<b>Total non-current liabilities</b>	<b>10,813,347</b>	<b>21</b>	<b>11,975,559</b>	<b>24</b>	<b>10,743,906</b>	<b>20</b>	<b>10,937,605</b>	<b>22</b>	
1980 Other non-current financial assets (Note (8))	101,668	-	102,622	-	105,545	-	84,422	-	<b>Total liabilities</b>	<b>26,186,368</b>	<b>51</b>	<b>25,592,092</b>	<b>51</b>	<b>27,556,801</b>	<b>52</b>	<b>24,436,440</b>	<b>48</b>	
1990 Other non-current assets, others	707,794	1	928,366	2	669,264	1	626,539	1	<b>Equity attributable to owners of parent (Note (6)(o)):</b>									
<b>Total non-current assets</b>	<b>28,784,268</b>	<b>55</b>	<b>28,041,176</b>	<b>55</b>	<b>28,467,695</b>	<b>54</b>	<b>26,129,458</b>	<b>51</b>	3110 Total capital stock	9,874,828	19	9,874,828	19	9,874,828	19	8,816,811	17	
									3200 Capital surplus	47,854	-	53,750	-	50,730	-	51,160	-	
									Retained earnings:									
									3310 Legal reserve	6,979,145	13	6,476,443	13	6,476,443	12	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	6,289,323	12	6,829,001	13	5,437,272	11	9,042,212	18	
									Other equity interest:									
									3410 Exchange differences on translation of foreign financial statements	(408,358)	(1)	(1,127,303)	(2)	1,076	-	(1,053,529)	(2)	
									<b>Total equity attributable to owners of parent:</b>	<b>23,910,095</b>	<b>45</b>	<b>23,160,248</b>	<b>45</b>	<b>22,893,878</b>	<b>44</b>	<b>24,993,354</b>	<b>49</b>	
									<b>Non-controlling interests</b>	<b>1,858,773</b>	<b>4</b>	<b>1,894,583</b>	<b>4</b>	<b>1,857,412</b>	<b>4</b>	<b>1,880,573</b>	<b>3</b>	
									<b>Total equity</b>	<b>25,768,868</b>	<b>49</b>	<b>25,054,831</b>	<b>49</b>	<b>24,751,290</b>	<b>48</b>	<b>26,873,927</b>	<b>52</b>	
<b>Total assets</b>	<b>\$ 51,955,236</b>	<b>100</b>	<b>50,646,923</b>	<b>100</b>	<b>52,308,091</b>	<b>100</b>	<b>51,310,367</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 51,955,236</b>	<b>100</b>	<b>50,646,923</b>	<b>100</b>	<b>52,308,091</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 nine months ended September 30, 2024 and 2023

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

	For the three months ended September 30				For the nine months ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenues (Notes (6)(q) and (7))</b>							
	\$ 22,719,052	100	23,072,896	100	65,602,199	100	63,232,072	100
5000	<b>Operating costs (Note (6)(c))</b>							
	(17,339,358)	(76)	(18,079,877)	(78)	(50,807,138)	(77)	(50,698,132)	(80)
	<b>Gross profit from operations</b>							
	5,379,694	24	4,993,019	22	14,795,061	23	12,533,940	20
	<b>Operating expenses:</b>							
6100	Selling and administrative expenses							
	(2,414,199)	(11)	(2,333,524)	(10)	(7,048,307)	(11)	(6,297,757)	(10)
6300	Research and development expenses							
	(720,672)	(3)	(710,867)	(3)	(2,155,610)	(3)	(1,947,035)	(3)
	<b>Total operating expenses</b>							
	(3,134,871)	(14)	(3,044,391)	(13)	(9,203,917)	(14)	(8,244,792)	(13)
	<b>Net operating income</b>							
	2,244,823	10	1,948,628	9	5,591,144	9	4,289,148	7
	<b>Non-operating income and expenses:</b>							
7100	Interest income (Note (6)(s))							
	23,277	-	33,053	-	56,074	-	95,321	-
7010	Other income (Notes (6)(s) and (7))							
	85,796	-	119,972	-	366,914	1	358,512	-
7020	Other gains and losses, net (Notes (6)(s) and (7))							
	(340,113)	(1)	350,064	1	323,960	-	467,872	1
7050	Financial costs (Note (6)(s))							
	(77,864)	-	(71,596)	-	(213,629)	-	(181,090)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))							
	65,945	-	26,707	-	122,144	-	37,595	-
	<b>Total non-operating income and expenses</b>							
	(242,959)	(1)	458,200	1	655,463	1	778,210	1
	<b>Profit from continuing operations before tax</b>							
	2,001,864	9	2,406,828	10	6,246,607	10	5,067,358	8
7950	<b>Income tax expenses (Note (6)(n))</b>							
	(471,676)	(2)	(585,195)	(2)	(1,682,749)	(3)	(1,058,134)	(2)
	<b>Net profit</b>							
	1,530,188	7	1,821,633	8	4,563,858	7	4,009,224	6
	<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							
	(613,574)	(3)	881,842	4	791,375	1	1,124,141	2
8399	Income tax related to components of other comprehensive loss that will may be reclassified to profit or loss (Note (6)(n))							
	2,530	-	(3,183)	-	(2,624)	-	(4,331)	-
	<b>Item that may be reclassified subsequently to profit or loss</b>							
	(611,044)	(3)	878,659	4	788,751	1	1,119,810	2
	<b>Other comprehensive (loss) income</b>							
	(611,044)	(3)	878,659	4	788,751	1	1,119,810	2
8500	<b>Total comprehensive (loss) income</b>							
	\$ 919,144	4	2,700,292	12	5,352,609	8	5,129,034	8
	<b>Net profit, attributable to:</b>							
8610	Net profit, attributable to owners of parent							
	\$ 1,426,632	7	1,688,883	7	4,282,974	7	3,635,293	6
8620	Net profit, attributable to non-controlling interests							
	103,556	-	132,750	1	280,884	-	373,931	-
	\$ 1,530,188	7	1,821,633	8	4,563,858	7	4,009,224	6
	<b>Comprehensive income attributable to:</b>							
8710	Comprehensive income, attributable to owners of parent							
	\$ 846,091	4	2,499,993	11	5,001,919	7	4,689,898	7
8720	Comprehensive income, attributable to non-controlling interests							
	73,053	-	200,299	1	350,690	1	439,136	1
	\$ 919,144	4	2,700,292	12	5,352,609	8	5,129,034	8
	<b>Earnings per share (Note (6)(p))</b>							
9750	<b>Basic earnings per share (dollars)</b>							
	\$ 1.45		1.71		4.34		3.68	

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 nine months ended September 30, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital		Retained earnings						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
<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	-	-	-	-	3,635,293	-	3,635,293	373,931	4,009,224
Other comprehensive income (loss)	-	-	-	-	-	1,054,605	1,054,605	65,205	1,119,810
Total comprehensive income	-	-	-	-	3,635,293	1,054,605	4,689,898	439,136	5,129,034
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	-	(606)	-	-	-	-	(606)	9,143	8,537
Changes in non-controlling interests	-	-	-	-	-	-	-	(471,440)	(471,440)
<b>Balance on September 30, 2023</b>	<b>\$ 9,874,828</b>	<b>50,730</b>	<b>6,476,443</b>	<b>1,053,529</b>	<b>5,437,272</b>	<b>1,076</b>	<b>22,893,878</b>	<b>1,857,412</b>	<b>24,751,290</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	-	-	-	-	4,282,974	-	4,282,974	280,884	4,563,858
Other comprehensive income	-	-	-	-	-	718,945	718,945	69,806	788,751
Total comprehensive income	-	-	-	-	4,282,974	718,945	5,001,919	350,690	5,352,609
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	-	(5,896)	-	-	-	-	(5,896)	9,042	3,146
Changes in non-controlling interests	-	-	-	-	-	-	-	(395,542)	(395,542)
<b>Balance on September 30, 2024</b>	<b>\$ 9,874,828</b>	<b>47,854</b>	<b>6,979,145</b>	<b>1,127,303</b>	<b>6,289,323</b>	<b>(408,358)</b>	<b>23,910,095</b>	<b>1,858,773</b>	<b>25,768,868</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 nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u> <u>(Restatement)</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 6,246,607	5,067,358
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	2,310,771	2,065,568
Amortization expense	55,723	40,377
Interest expense	213,629	181,090
Interest income	(56,074)	(95,321)
Share of profit of associates and joint ventures accounted for using equity method	(122,144)	(37,595)
Loss on disposal of property, plant and equipment	19,729	23,122
Loss (profit) from lease modification	920	(1,226)
Gain on disposal of investment properties	(24,827)	-
Impairment losses	22,476	4,754
<b>Total adjustments to reconcile profit</b>	<u>2,420,203</u>	<u>2,180,769</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in accounts receivable	(460,211)	603,078
Decrease (increase) in other receivables	(119,574)	(297,044)
Decrease (increase) in inventories	(222,400)	457,460
Decrease (increase) in other current assets, others	(58,786)	159,708
Decrease (increase) in other current financial assets	20	-
<b>Total changes in operating assets</b>	<u>(860,951)</u>	<u>923,202</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in current contract liabilities	590	410
Increase (decrease) in notes and accounts payable	(258,020)	515,175
Increase (decrease) in other payable	(501,570)	(1,544,608)
Increase (decrease) in other current liabilities, others	5,637	7,440
Increase (decrease) in net defined benefit liability	341,855	419,733
Increase (decrease) in other non-current liabilities, others	11,855	15,759
<b>Total changes in operating liabilities</b>	<u>(399,653)</u>	<u>(586,091)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(1,260,604)</u>	<u>337,111</u>
<b>Total adjustments</b>	<u>1,159,599</u>	<u>2,517,880</u>
Cash inflow generated from operations	7,406,206	7,585,238
Interest received	56,513	97,916
Interest paid	(216,519)	(181,135)
Income taxes paid	(2,650,094)	(2,702,304)
<b>Net cash flows from operating activities</b>	<u>4,596,106</u>	<u>4,799,715</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(2,241,001)	(3,079,386)
Proceeds from disposal of property, plant and equipment	91,320	88,475
Acquisition of intangible assets	(84,620)	(23,110)
Proceeds from disposal of investment properties	42,700	-
Decrease (increase) in other non-current financial assets	3,827	(16,908)
Decrease (increase) in other non-current assets, others	14,268	(54,427)
Dividends received	-	41,340
<b>Net cash flows used in investing activities</b>	<u>(2,173,506)</u>	<u>(3,044,016)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	3,222,086	5,278,668
Proceeds from long-term borrowings	125,224	573,404
Repayments of long-term borrowings	(1,789,676)	(1,087,342)
Payment of lease liabilities	(39,418)	(37,207)
Cash dividends paid	(4,246,176)	(6,788,944)
Change in non-controlling interests	(390,852)	(506,408)
<b>Net cash flows used in financing activities</b>	<u>(3,118,812)</u>	<u>(2,567,829)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	146,390	73,646
<b>Net decrease in cash and cash equivalents</b>	(549,822)	(738,484)
<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>\$ 3,309,020</u>	<u>4,834,998</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**  
**September 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 November 12, 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 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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
			September 30, 2024	December 31, 2023	September 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
			September 30, 2024	December 31, 2023	September 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 SGD1,700,000.(Note 1)
The Company	India Tindivanam Footwear Private Limited	Manufactures athletic shoes, semi-finished footwear and footwear accessories.	95.85 %	93.60 %	96.14 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid in capital of USD58,523,991.(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.

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			September 30, 2024	December 31, 2023	September 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
			September 30, 2024	December 31, 2023	September 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 USD16,370,822 (including share premium of USD16,361,071). (Note 2)
LUH	Fairway Enterprises Company Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	Fairway Enterprises Company Limited was established in British Virgin Islands in 2014, and has paid in capital of USD45,793,307 (including share premium of USD45,763,806). (Note 2)

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

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

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

(Continued)

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

(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.

(Continued)

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and 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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash	\$ 1,005	907	1,008
Demand deposits and check deposit	1,152,029	1,438,215	2,364,885
Time deposits	2,155,986	2,419,720	2,469,105
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 3,309,020</u>	<u>3,858,842</u>	<u>4,834,998</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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Accounts receivable—measured at amortized cost	\$ 8,623,307	8,146,737	8,224,487
Less: Allowance for credit loss	-	(7,972)	(7,972)
	<u>\$ 8,623,307</u>	<u>8,138,765</u>	<u>8,216,515</u>

(Continued)



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

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss provision</b>
Current	\$ 7,545,362	0.00%	-
1 to 60 days past due	1,057,117	0.00%	-
61 days to 1 year past due	20,828	0.00%	-
	<b>\$ 8,623,307</b>		<b>-</b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss 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	7,972	100.00%	7,972
	<b>\$ 8,146,737</b>		<b>7,972</b>
	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Allowance for credit loss provision</b>
Current	\$ 7,342,168	0.00%	-
1 to 60 days past due	864,573	0.00%	-
61 days to 1 year past due	9,774	0.00%	-
More than 1 year past due	7,972	100.00%	7,972
	<b>\$ 8,224,487</b>		<b>7,972</b>

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 7,972	7,972
Impairment losses reversed	(7,972)	-
Balance on September 30	<b>\$ -</b>	<b>7,972</b>

(Continued)

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

As of September 30, 2024, December 31, 2023 and September 30, 2023, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Raw materials	\$ 3,864,300	3,199,060	3,434,588
Work in process	1,237,235	1,246,496	1,246,434
Finished goods	2,663,946	3,143,251	3,125,778
Merchandise inventory	164,091	33,781	109,379
Inventory in transit	1,141,136	953,520	1,119,837
Others	2,166	1,905	3,899
	<u>\$ 9,072,874</u>	<u>8,578,013</u>	<u>9,039,915</u>

The details of operating cost were as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 17,202,590	17,994,950	50,303,991	50,419,525
Unallocated production overheads	130,816	-	456,308	-
Net losses (gains) on inventories	279	650	(456)	258
Inventory scrap loss	20,815	99,095	101,324	247,319
Revenue from sale of scraps	(13,582)	(27,953)	(43,669)	(72,044)
(Gains) losses on obsolescence and inventory valuation	(1,560)	13,135	(10,360)	103,074
Total	<u>\$ 17,339,358</u>	<u>18,079,877</u>	<u>50,807,138</u>	<u>50,698,132</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 September 30, 2024, December 31, 2023 and September 30, 2023, the inventory of the Group was not pledged as collateral for its loan.

(Continued)

**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:

	September 30, 2024	December 31, 2023	September 30, 2023	
Individually insignificant joint venture	\$ 1,233,031	1,080,014	1,095,329	
	<b>For the three months ended September 30</b>	<b>For the nine months ended September 30</b>		
	2024	2023	2024	2023
Attributable to the Group:				
Profit from continuing operation	\$ 65,945	26,707	122,144	37,595
Other comprehensive (loss) income	(27,858)	35,041	28,880	47,685
Comprehensive income	\$ 38,087	61,748	151,024	85,280

(ii) Collateral

As of September 30, 2024, December 31, 2023 and September 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:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		September 30, 2024	December 31, 2023	September 30, 2023
Da Feng Holdings Co., Ltd.	China	30.00 %	30.00 %	30.00 %

(Continued)

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

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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current assets	\$ 44,489	511,204	47,524
Non-current assets	2,486,390	2,107,616	2,647,013
Current liabilities	(38,730)	(40,487)	(35,780)
Net assets	<u>\$ 2,492,149</u>	<u>2,578,333</u>	<u>2,658,757</u>
Non-controlling interests	<u>\$ 747,645</u>	<u>773,500</u>	<u>797,627</u>
	<b>For the three months ended September 30</b>	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>
	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income	\$ 123,334	153,673	316,845
Other comprehensive (loss) income	(28,650)	111,627	101,928
Comprehensive income	<u>\$ 94,684</u>	<u>265,300</u>	<u>418,773</u>
Profit, attributable to non-controlling interests	<u>\$ 37,001</u>	<u>46,102</u>	<u>95,054</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 28,405</u>	<u>79,590</u>	<u>125,632</u>
Net cash flows from operating activities	\$ 15,136	14,197	18,446
Net cash flows from investing activities	8,442	272,292	477,264
Net cash flows used in financing activities	(9,087)	(382,464)	(511,886)
Net increase (decrease) in cash and cash equivalents	<u>\$ 14,491</u>	<u>(95,975)</u>	<u>(16,176)</u>
Cash dividends to non-controlling interests	<u>\$ -</u>	<u>114,739</u>	<u>153,566</u>
	<u>222,548</u>		

(Continued)

**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 nine months ended September 30, 2024 and 2023 were as follows:

	Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:										
Balance on January 1, 2024	\$ 1,626,928	16,367,909	23,143,581	524,743	121,169	712,250	674,087	104,760	2,512,956	45,788,383
Additions	-	23,891	484,609	30,312	3,214	14,586	20,695	1,977	2,338,983	2,918,267
Disposals	-	(9,445)	(471,291)	(26,231)	(10,133)	(15,093)	(12,021)	(825)	-	(545,039)
Reclassifications	-	443,998	1,936,019	26,441	853	(126,321)	89,433	887	(2,371,310)	-
Effect of changes in foreign exchange rates	12,836	427,837	730,360	12,190	-	23,348	17,717	809	74,168	1,299,265
Balance on September 30, 2024	<u>\$ 1,639,764</u>	<u>17,254,190</u>	<u>25,823,278</u>	<u>567,455</u>	<u>115,103</u>	<u>608,770</u>	<u>789,911</u>	<u>107,608</u>	<u>2,554,797</u>	<u>49,460,876</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	-	9,622	102,243	18,545	2,523	23,500	19,153	4,620	2,927,786	3,107,992
Disposals	(132)	(190,560)	(621,460)	(13,483)	(3,748)	(12,725)	(20,512)	(6,769)	-	(869,389)
Reclassifications	-	494,585	802,674	13,106	3,692	123,110	16,924	3,037	(1,454,911)	2,217
Effect of changes in foreign exchange rates	21,191	563,936	1,027,614	17,090	-	29,834	33,689	1,388	155,398	1,850,140
Balance on September 30, 2023	<u>\$ 1,648,186</u>	<u>15,645,827</u>	<u>23,666,375</u>	<u>538,406</u>	<u>119,309</u>	<u>728,019</u>	<u>673,063</u>	<u>105,771</u>	<u>3,797,577</u>	<u>46,922,533</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	-	506,433	1,539,235	39,751	7,101	94,685	55,413	4,928	-	2,247,546
Impairment loss	-	-	22,438	-	-	-	38	-	-	22,476
Disposals	-	(3,005)	(371,272)	(25,459)	(9,591)	(12,505)	(11,435)	(723)	-	(433,990)
Reclassifications	-	25,410	67,282	72	-	(92,764)	-	-	-	-
Effect of changes in foreign exchange rates	-	214,748	917,735	9,177	-	10,237	12,974	581	-	1,165,452
Balance on September 30, 2024	<u>\$ -</u>	<u>8,521,817</u>	<u>16,798,566</u>	<u>431,315</u>	<u>100,298</u>	<u>331,528</u>	<u>568,100</u>	<u>85,996</u>	<u>-</u>	<u>26,837,620</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	-	434,610	1,422,085	37,747	6,429	56,064	42,172	4,999	-	2,004,106
Impairment loss	-	-	4,754	-	-	-	-	-	-	4,754
Disposals	-	(174,259)	(531,606)	(13,050)	(3,630)	(10,613)	(18,730)	(5,904)	-	(757,792)
Reclassifications	-	-	-	-	-	-	-	2,169	-	2,169
Effect of changes in foreign exchange rates	-	277,531	645,880	12,746	-	12,860	21,433	985	-	971,435
Balance on September 30, 2023	<u>\$ -</u>	<u>7,963,340</u>	<u>14,939,839</u>	<u>417,331</u>	<u>101,090</u>	<u>327,446</u>	<u>521,999</u>	<u>80,943</u>	<u>-</u>	<u>24,351,988</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 September 30, 2024	<u>\$ 1,639,764</u>	<u>8,732,373</u>	<u>9,024,712</u>	<u>136,140</u>	<u>14,805</u>	<u>277,242</u>	<u>221,811</u>	<u>21,612</u>	<u>2,554,797</u>	<u>22,623,256</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 September 30, 2023	<u>\$ 1,648,186</u>	<u>7,682,487</u>	<u>8,726,536</u>	<u>121,075</u>	<u>18,219</u>	<u>400,573</u>	<u>151,064</u>	<u>24,828</u>	<u>3,797,577</u>	<u>22,570,545</u>

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

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

As of September 30, 2024, December 31, 2023 and September 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 equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2024	\$ 1,842,485	92,511	15,240	2,443	1,952,679
Disposal/Write-off	-	-	(15,921)	-	(15,921)
Effect of changes in foreign exchange rates	57,097	3,756	681	75	61,609
Balance on September 30, 2024	<u>\$ 1,899,582</u>	<u>96,267</u>	<u>-</u>	<u>2,518</u>	<u>1,998,367</u>
Balance on January 1, 2023	\$ 1,895,108	80,766	15,242	4,660	1,995,776
Additions	-	9,669	-	-	9,669
Disposal/Write-off	(46,570)	-	-	-	(46,570)
Reclassification	-	-	-	(2,217)	(2,217)
Effect of changes in foreign exchange rates	84,822	2,581	775	125	88,303
Balance on September 30, 2023	<u>\$ 1,933,360</u>	<u>93,016</u>	<u>16,017</u>	<u>2,568</u>	<u>2,044,961</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2024	\$ 215,441	44,302	8,422	1,297	269,462
Depreciation	36,891	24,093	1,885	299	63,168
Disposal/Write-off	-	-	(10,684)	-	(10,684)
Effect of changes in foreign exchange rates	6,604	1,893	377	36	8,910
Balance on September 30, 2024	<u>\$ 258,936</u>	<u>70,288</u>	<u>-</u>	<u>1,632</u>	<u>330,856</u>
Balance on January 1, 2023	\$ 182,603	39,925	6,017	3,060	231,605
Depreciation	36,409	22,671	1,823	312	61,215
Disposal/Write-off	(14,126)	-	-	-	(14,126)
Reclassification	-	-	-	(2,169)	(2,169)
Effect of changes in foreign exchange rates	8,659	1,884	379	60	10,982
Balance on September 30, 2023	<u>\$ 213,545</u>	<u>64,480</u>	<u>8,219</u>	<u>1,263</u>	<u>287,507</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 September 30, 2024	<u>\$ 1,640,646</u>	<u>25,979</u>	<u>-</u>	<u>886</u>	<u>1,667,511</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 September 30, 2023	<u>\$ 1,719,815</u>	<u>28,536</u>	<u>7,798</u>	<u>1,305</u>	<u>1,757,454</u>

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

(h) Investment property

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

	Owned property		Total
	Land	Buildings	
Cost:			
Balance on January 1, 2024	\$ 16,017	406,284	422,301
Disposal	-	(31,903)	(31,903)
Effect of changes in foreign exchange rates	283	17,213	17,496
Balance on September 30, 2024	<u>\$ 16,300</u>	<u>391,594</u>	<u>407,894</u>
Balance on January 1, 2023	\$ 16,019	412,878	428,897
Effect of changes in foreign exchange rates	466	8,676	9,142
Balance on September 30, 2023	<u>\$ 16,485</u>	<u>421,554</u>	<u>438,039</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2024	\$ -	352,152	352,152
Depreciation	-	57	57
Disposal	-	(14,030)	(14,030)
Effect of changes in foreign exchange rates	-	13,472	13,472
Balance on September 30, 2024	<u>\$ -</u>	<u>351,651</u>	<u>351,651</u>
Balance on January 1, 2023	\$ -	360,218	360,218
Depreciation	-	247	247
Effect of changes in foreign exchange rates	-	5,424	5,424
Balance on September 30, 2023	<u>\$ -</u>	<u>365,889</u>	<u>365,889</u>
Carrying amount:			
Balance on January 1, 2024	<u>\$ 16,017</u>	<u>54,132</u>	<u>70,149</u>
Balance on September 30, 2024	<u>\$ 16,300</u>	<u>39,943</u>	<u>56,243</u>
Balance on January 1, 2023	<u>\$ 16,019</u>	<u>52,660</u>	<u>68,679</u>
Balance on September 30, 2023	<u>\$ 16,485</u>	<u>55,665</u>	<u>72,150</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 \$42,700 thousand, and the sale has been completed in the month when the sales agreement was signed, and \$24,827 thousand was recognized as proceeds from the disposal.

As of September 30, 2024, December 31, 2023 and September 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 nine months ended September 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	-	84,026	84,026
Disposal / Obsolescence	-	(32,964)	(32,964)
Effect of changes in foreign exchange rates	<u>3,666</u>	<u>9,084</u>	<u>12,750</u>
Balance on September 30, 2024	<u><b>\$ 434,694</b></u>	<u><b>425,012</b></u>	<u><b>859,706</b></u>
Balance on January 1, 2023	\$ 431,047	334,591	765,638
Additions	-	23,157	23,157
Disposal / Obsolescence	-	(20,001)	(20,001)
Effect of changes in foreign exchange rates	<u>6,053</u>	<u>11,444</u>	<u>17,497</u>
Balance on September 30, 2023	<u><b>\$ 437,100</b></u>	<u><b>349,191</b></u>	<u><b>786,291</b></u>
<b>Accumulated amortization and impairment losses</b>			
Balance on January 1, 2024	\$ 115,304	256,892	372,196
Amortization	-	55,723	55,723
Disposal / Obsolescence	-	(32,964)	(32,964)
Effect of changes in foreign exchange rates	<u>3,482</u>	<u>7,160</u>	<u>10,642</u>
Balance on September 30, 2024	<u><b>\$ 118,786</b></u>	<u><b>286,811</b></u>	<u><b>405,597</b></u>
Balance on January 1, 2023	\$ 115,323	229,732	345,055
Amortization	-	40,377	40,377
Disposal / Obsolescence	-	(20,001)	(20,001)
Effect of changes in foreign exchange rates	<u>5,746</u>	<u>8,737</u>	<u>14,483</u>
Balance on September 30, 2023	<u><b>\$ 121,069</b></u>	<u><b>258,845</b></u>	<u><b>379,914</b></u>
<b>Carrying amounts:</b>			
Balance on January 1, 2024	<u><b>\$ 315,724</b></u>	<u><b>107,974</b></u>	<u><b>423,698</b></u>
Balance on September 30, 2024	<u><b>\$ 315,908</b></u>	<u><b>138,201</b></u>	<u><b>454,109</b></u>
Balance on January 1, 2023	<u><b>\$ 315,724</b></u>	<u><b>104,859</b></u>	<u><b>420,583</b></u>
Balance on September 30, 2023	<u><b>\$ 316,031</b></u>	<u><b>90,346</b></u>	<u><b>406,377</b></u>

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

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of September 30, 2024, December 31, 2023 and September 30, 2023, no impairment loss has been recognized.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured bank loans	\$ <u>5,485,828</u>	<u>2,250,109</u>	<u>5,744,803</u>
Range of interest rates	<u>1.685%~6.30%</u>	<u>1.57%~6.50%</u>	<u>1.53%~6.37%</u>

(k) Long-term borrowings

The details were as follows:

	<b>Currency</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured bank loans	TWD	\$ -	1,470,000	-
Unsecured bank loans	USD	1,850,812	1,923,908	1,992,162
Other long-term borrowings	INR	<u>64,123</u>	<u>115,311</u>	<u>118,229</u>
		1,914,935	3,509,219	2,110,391
Less: current portion		-	(57,679)	(59,265)
Total		<u>\$ 1,914,935</u>	<u>3,451,540</u>	<u>2,051,126</u>
Range of interest rates		<u>0.10%~6.47%</u>	<u>0.10%~6.57%</u>	<u>0.10%~6.72%</u>
Period		<u>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 September 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	\$ <u>17,661</u>	<u>31,952</u>	<u>32,455</u>
Non-current	<u>\$ 503,500</u>	<u>515,667</u>	<u>515,101</u>

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>12,956</u>	<u>12,935</u>	<u>39,156</u>	<u>38,109</u>

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

	For the nine months ended September 30	
	2024	2023
Total cash outflow for leases	\$ <u>78,574</u>	<u>75,316</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 \$173,637 thousand, \$198,619 thousand, \$504,668 thousand and \$536,388 thousand for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$270,449 thousand, \$268,586 thousand, \$806,208 thousand and \$765,567 thousand for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, respectively.

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

(n) Income taxes

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ 336,177	559,236	1,886,783	1,891,235
Adjustment for prior periods	(11,091)	81,521	8,679	(140,121)
	<u>325,086</u>	<u>640,757</u>	<u>1,895,462</u>	<u>1,751,114</u>
Deferred tax expense				
Origination and reversal of temporary differences	146,590	(55,562)	(212,713)	(692,980)
Income tax expense	<u>\$ 471,676</u>	<u>585,195</u>	<u>1,682,749</u>	<u>1,058,134</u>

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income	\$ <u>2,530</u>	<u>(3,183)</u>	<u>(2,624)</u>	<u>(4,331)</u>

(i) Income Tax approval

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

For the 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.

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

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.

(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 nine months ended September 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 September 30, 2024, December 31, 2023 and September 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 987,483 thousand ordinary shares, respectively, all the consideration for issued shares has been received.

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Reconciliations of shares outstanding for the nine months ended September 30, 2024 and 2023 is as follows:

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

(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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Treasury share transactions	\$ 4,143	4,143	4,143
Gain on disposal of assets	32,980	32,980	32,980
Capital surplus-premium from merger	2,160	2,160	2,160
Donation from shareholders	4,537	4,537	3,610
Issued shares of subsidiaries not recognized in proportion to shareholding	3,851	9,747	7,654
Difference between consideration and carrying amount of subsidiaries acquired or disposed	183	183	183
	<b>\$ 47,854</b>	<b>53,750</b>	<b>50,730</b>

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

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(iii) Retained earnings

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

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

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

On 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 (dollar)</u>	<u>Total</u>	<u>Amount (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>

(Continued)

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(iv) Other equity interest after tax

	<b>Exchange differences on translation of foreign financial statement</b>
Balance on January 1, 2024	\$ (1,127,303)
Exchange differences on translation of foreign financial statement	<u>718,945</u>
Balance on September 30, 2024	<u><b>\$ (408,358)</b></u>
Balance on January 1, 2023	\$ (1,053,529)
Exchange differences on translation of foreign financial statement	<u>1,054,605</u>
Balance on September 30, 2023	<u><b>\$ 1,076</b></u>

(v) Non-controlling interests (NCIs)

	<b>For the nine months ended September 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	280,884	373,931
Foreign currency translation differences for foreign operations	69,806	65,205
Changes in ownership interests in subsidiaries	9,042	9,143
Earnings distribution to non-controlling interests	<u>(395,542)</u>	<u>(471,440)</u>
Balance on September 30	<u><b>\$ 1,858,773</b></u>	<u><b>1,857,412</b></u>

(p) Earnings per share

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 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><b>\$ 1,426,632</b></u>	<u><b>1,688,883</b></u>	<u><b>4,282,974</b></u>	<u><b>3,635,293</b></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><b>\$ 1.45</b></u>	<u><b>1.71</b></u>	<u><b>4.34</b></u>	<u><b>3.68</b></u>

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

(q) Revenue from contracts with customer

(i) Disaggregation of revenue

	<b>For the three months ended September 30, 2024</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 16,967,735	445,329	17,413,064
America	1,731,011	274,645	2,005,656
Switzerland	1,044,986	-	1,044,986
Mainland China	948,045	1,510	949,555
Mexico	533,851	16,739	550,590
Other countries	<u>511,058</u>	<u>244,143</u>	<u>755,201</u>
	<b><u>\$ 21,736,686</u></b>	<b><u>982,366</u></b>	<b><u>22,719,052</u></b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 21,736,686	-	21,736,686
Other	-	<u>982,366</u>	<u>982,366</u>
	<b><u>\$ 21,736,686</u></b>	<b><u>982,366</u></b>	<b><u>22,719,052</u></b>
	<b>For the three months ended September 30, 2023</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 17,144,623	525,229	17,669,852
America	1,808,873	262,217	2,071,090
Switzerland	1,028,387	258	1,028,645
Mainland China	1,027,140	5,065	1,032,205
Mexico	522,784	11,657	534,441
Other countries	<u>499,194</u>	<u>237,469</u>	<u>736,663</u>
	<b><u>\$ 22,031,001</u></b>	<b><u>1,041,895</u></b>	<b><u>23,072,896</u></b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 22,031,001	-	22,031,001
Other	-	<u>1,041,895</u>	<u>1,041,895</u>
	<b><u>\$ 22,031,001</u></b>	<b><u>1,041,895</u></b>	<b><u>23,072,896</u></b>

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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	<b>For the nine months ended September 30, 2024</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 49,134,189	1,446,473	50,580,662
America	5,449,467	821,670	6,271,137
Switzerland	2,785,548	209	2,785,757
Mainland China	2,449,494	10,547	2,460,041
Mexico	1,464,213	53,051	1,517,264
Other countries	<u>1,263,364</u>	<u>723,974</u>	<u>1,987,338</u>
	<b><u>\$ 62,546,275</u></b>	<b><u>3,055,924</u></b>	<b><u>65,602,199</u></b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 62,546,275	-	62,546,275
Others	<u>-</u>	<u>3,055,924</u>	<u>3,055,924</u>
	<b><u>\$ 62,546,275</u></b>	<b><u>3,055,924</u></b>	<b><u>65,602,199</u></b>
	<b>For the nine months ended September 30, 2023</b>		
	<b>Segments of footwear manufacturing and sales</b>	<b>Other Segments</b>	<b>Total</b>
Primary geographical markets			
Singapore	\$ 45,387,504	1,512,118	46,899,622
America	5,711,210	778,662	6,489,872
Switzerland	3,243,240	258	3,243,498
Mainland China	2,566,278	17,763	2,584,041
Mexico	1,326,593	33,406	1,359,999
Other countries	<u>1,759,322</u>	<u>895,718</u>	<u>2,655,040</u>
	<b><u>\$ 59,994,147</u></b>	<b><u>3,237,925</u></b>	<b><u>63,232,072</u></b>
Major products/services lines			
Manufacturing and sale of footwear	\$ 59,994,147	-	59,994,147
Others	<u>-</u>	<u>3,237,925</u>	<u>3,237,925</u>
	<b><u>\$ 59,994,147</u></b>	<b><u>3,237,925</u></b>	<b><u>63,232,072</u></b>

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(ii) Contract balances

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Accounts receivable(including related parties)	\$ 8,623,307	8,146,737	8,224,487
Less: allowance for credit loss	-	(7,972)	(7,972)
Total	<u>\$ 8,623,307</u>	<u>8,138,765</u>	<u>8,216,515</u>
Contract liabilities	<u>\$ 1,612</u>	<u>999</u>	<u>760</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 \$38,800 thousand, \$40,942 thousand, \$116,400 thousand and \$119,798 thousand for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023, and estimated its director compensation at \$32,318 thousand, \$39,785 thousand, \$98,217 thousand and \$84,295 thousand for the three months ended September 30, 2024 and 2023 and the nine months ended September 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 September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023 were as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	<u>\$ 23,277</u>	<u>33,053</u>	<u>56,074</u>	<u>95,321</u>

(Continued)

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(ii) Other income

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Rent income	\$ 6,170	804	12,655	2,460
Government subsidy	8,952	7,113	113,700	25,764
Other income	70,674	112,055	240,559	330,288
	<u>\$ 85,796</u>	<u>119,972</u>	<u>366,914</u>	<u>358,512</u>

(iii) Other gains and losses

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Foreign exchange (losses) gains	\$ (321,904)	406,310	362,706	566,823
Losses on disposal of property, plant and equipment	(3,838)	(5,418)	(19,729)	(23,122)
Gain on disposal of investment property	26	-	24,827	-
Impairment profit	153	(3,929)	(22,476)	(4,754)
(Loss) profit from lease modification	(920)	-	(920)	1,226
Others	(13,630)	(46,899)	(20,448)	(72,301)
	<u>\$ (340,113)</u>	<u>350,064</u>	<u>323,960</u>	<u>467,872</u>

(iv) Financial costs

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Interest expense	\$ 77,864	71,596	213,629	181,090

(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 September 30, 2024, December 31, 2023 and September 30, 2023, 72%, 85% and 73% 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>September 30, 2024</b>							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,081,608	4,081,608	4,080,274	1,334	-	-	-
Other payables	4,917,791	4,917,791	4,802,467	115,324	-	-	-
Unsecured bank loans	7,336,640	7,573,376	5,330,182	294,197	1,948,997	-	-
Other long-term borrowings	64,123	64,219	32	32	64,155	-	-
Lease liabilities	521,161	1,345,092	48,166	19,064	64,707	164,098	1,049,057
	<u>\$ 16,921,323</u>	<u>17,982,086</u>	<u>14,261,121</u>	<u>429,951</u>	<u>2,077,859</u>	<u>164,098</u>	<u>1,049,057</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>September 30, 2023</b>							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,456,065	4,456,065	4,453,123	2,942	-	-	-
Other payables	4,881,304	4,881,304	4,704,076	123,573	52,703	952	-
Unsecured bank loans	7,736,965	8,004,052	5,692,934	197,558	2,113,560	-	-
Other long-term borrowings	118,229	118,406	59	59,295	59	58,993	-
Lease liabilities	547,556	1,437,989	55,798	28,050	62,971	166,511	1,124,659
	<u>\$ 17,740,119</u>	<u>18,897,816</u>	<u>14,905,990</u>	<u>411,418</u>	<u>2,229,293</u>	<u>226,456</u>	<u>1,124,659</u>

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

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## (iii) Currency risks

## 1) Exposure to currency risks

<b>September 30, 2024</b>					
<u>Financial assets</u>	<b>Foreign currency (In thousands)</b>		<b>Exchange rate</b>	<b>TWD</b>	
<u>Monetary items</u>					
USD	\$	271,030	USD : TWD	31.600	8,564,547
		34,615	USD : CNY	7.0074	1,093,823
		262	USD : VND	24,570	8,272
VND		716,728,210	VND : USD	0.00004	931,747
INR		1,773,798	INR : USD	0.0120	670,318
IDR		96,950,386	IDR : USD	0.0001	203,596
<u>Non-monetary items</u>					
USD		39,020	USD : TWD	31.600	1,233,031
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		30,341	USD : TWD	31.600	958,787
		10,936	USD : CNY	7.0074	345,578
		120	USD : VND	24,570	3,786
VND		1,567,815,885	VND : USD	0.00004	2,038,161
INR		3,380,665	INR : USD	0.0120	1,277,553
IDR		1,182,465,003	IDR : USD	0.0001	2,483,177
<b>December 31, 2023</b>					
<u>Financial assets</u>	<b>Foreign currency (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

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

<b>December 31, 2023</b>				
		<b>Foreign currency (In thousands)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		32,373	USD : TWD 30.655	992,407
		13,505	USD : CNY 7.0827	414,003
		151	USD : VND 24,250	4,622
VND		1,850,403,222	VND : USD 0.00004	2,405,524
INR		2,964,866	INR : USD 0.0120	1,093,443
IDR		1,308,295,348	IDR : USD 0.0001	2,616,591
<b>September 30, 2023</b>				
		<b>Foreign currency (In thousands)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	261,357	USD : TWD 32.220	8,420,933
		33,923	USD : CNY 7.1798	1,093,013
		0.13	USD : VND 24,290	4
VND		593,529,702	VND : USD 0.00004	771,589
INR		2,104,022	INR : USD 0.0120	816,150
IDR		57,424,189	IDR : USD 0.0001	120,591
<u>Non-monetary items</u>				
USD		33,995	USD : TWD 32.220	1,095,329
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		33,300	USD : TWD 32.220	1,072,922
		9,531	USD : CNY 7.1798	307,079
		130	USD : VND 24,290	4,176
VND		1,541,340,952	VND : USD 0.00004	2,003,743
INR		3,402,733	INR : USD 0.0120	1,319,920
IDR		1,260,049,909	IDR : USD 0.0001	2,646,105

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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 nine months ended September 30, 2024 and 2023, would have increased or decreased the net profit before tax by \$218,263 thousand and \$193,417 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 nine months ended September 30, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to \$362,706 thousand and \$566,823 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 \$23,192 thousand and \$20,145 thousand for the nine months ended September 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:

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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- 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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(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 September 30, 2024, December 31, 2023 and September 30, 2023, there was no guarantee outstanding.

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(iv) Liquidity risk

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

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of September 30, 2024, December 31, 2023 and September 30, 2023, amounted to \$12,202,928 thousand, \$13,855,266 thousand and \$12,188,544 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**  
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(v) Capital management

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

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total liabilities	\$ 26,186,368	25,592,092	27,556,801
Less: cash and cash equivalents	(3,309,020)	(3,858,842)	(4,834,998)
Net debt	22,877,348	21,733,250	22,721,803
Total equity	25,768,868	25,054,831	24,751,290
Total capital	<u>\$ 48,646,216</u>	<u>46,788,081</u>	<u>47,473,093</u>
Debt-to-equity ratio on period end	<u>47.03 %</u>	<u>46.45 %</u>	<u>47.86 %</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 nine months ended September 30, 2024 and 2023.

Reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>September 30, 2024</u>
			<u>Others</u>	<u>Foreign exchange movement</u>	
Long-term borrowings	\$ 3,509,219	(1,664,452)	-	70,168	1,914,935
Short-term borrowings	2,250,109	3,222,086	-	13,633	5,485,828
Lease liabilities	547,619	(39,418)	(4,317)	17,277	521,161
Total liabilities from financing activities	<u>\$ 6,306,947</u>	<u>1,518,216</u>	<u>(4,317)</u>	<u>101,078</u>	<u>7,921,924</u>
	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>September 30, 2023</u>
			<u>Others</u>	<u>Foreign exchange movement</u>	
Long-term borrowings	\$ 2,525,493	(513,938)	-	98,836	2,110,391
Short-term borrowings	435,372	5,278,668	-	30,763	5,744,803
Lease liabilities	584,172	(37,207)	(24,049)	24,640	547,556
Total liabilities from financing activities	<u>\$ 3,545,037</u>	<u>4,727,523</u>	<u>(24,049)</u>	<u>154,239</u>	<u>8,402,750</u>

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**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**(7) Related-party transactions:**

(a) Name of related parties and relationship

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

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

(b) Significant transactions with related parties

(i) Operating income

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

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
The Group is a joint venture under the joint agreement	\$ -	2,261	-	3,979

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

(ii) Other revenue

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
The Group is a joint venture under the joint agreement	\$ 2,525	2,402	7,456	7,006

(iii) Other expense

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
The Group is a joint venture under the joint agreement	\$ -	2	-	160

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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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other receivables	The Group is a joint venture under the joint agreement	\$ <u>838</u>	<u>761</u>	<u>860</u>

(c) Key management personnel transactions

Key management personnel compensation comprised:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 84,443	95,472	257,760	249,501
Post-employment benefits	<u>1,299</u>	<u>1,185</u>	<u>3,809</u>	<u>3,688</u>
	<u>\$ 85,742</u>	<u>96,657</u>	<u>261,569</u>	<u>253,189</u>

(8) Pledged assets:

The book values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other current financial assets	Customs deposit and lease deposit	\$ 1,398	1,362	1,391
Other non-current financial assets	Customs deposit and lease deposit	<u>101,668</u>	<u>102,622</u>	<u>105,545</u>
		<u>\$ 103,066</u>	<u>103,984</u>	<u>106,936</u>

(9) Commitments and contingencies:

- (a) As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group has issued promissory notes for short-term and long-term borrowings of \$9,344,000 thousand, \$9,258,950 thousand and \$9,399,800 thousand, respectively.
- (b) As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group had payables in respect of important construction contracts, amounting to \$1,535,499 thousand, \$2,013,356 thousand and \$2,530,170 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 September 30, 2024			For the three months ended September 30, 2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 4,947,923	1,703,593	6,651,516	5,138,268	1,671,360	6,809,628
Labor and health insurance		570,066	152,855	722,921	587,044	141,893	728,937
Pension		349,787	94,299	444,086	362,617	104,588	467,205
Other employee benefits		659,539	180,096	839,635	715,279	168,238	883,517
Depreciation		540,136	239,025	779,161	493,907	211,359	705,266
Amortization		1,651	17,884	19,535	1,286	12,485	13,771

By item	By function	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 14,746,650	5,083,174	19,829,824	14,983,776	4,538,049	19,521,825
Labor and health insurance		1,671,884	451,424	2,123,308	1,688,100	430,240	2,118,340
Pension		1,030,478	280,398	1,310,876	1,033,708	268,247	1,301,955
Other employee benefits		1,868,438	516,800	2,385,238	2,034,099	453,715	2,487,814
Depreciation		1,598,486	712,285	2,310,771	1,488,946	576,622	2,065,568
Amortization		4,390	51,333	55,723	3,755	36,622	40,377

- (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**  
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**(13) Other disclosures**

(a) Information on significant transactions

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

- i. Loans to other parties: None
- ii. Guarantees and endorsements for other parties: None
- iii. Securities held as of September 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 India Tindivanam Footwear Private Limited	Investments accounted for using equity method	-	Subsidiary	280,328,078	927,522	181,679,889	695,835	-	-	-	-	462,007,967	1,405,957

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 September 30, 2024, the USD closing exchange rate of 31.60)

- 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	1,390,810	2%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	588,785	5%	-
"	"	"	Purchase	4,940,597	7%	20 days	"	-	(437,424)	(6%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	India Tindivanam Footwear Private Limited	Parent and subsidiary	Sale	566,340	1%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	259,299	2%	-
"	"	"	Purchase	220,219	-	30 days	"	-	(72,380)	(1%)	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	Sale	1,701,641	2%	60/90 days	"	-	550,609	5%	-
"	"	"	Purchase	3,906,493	5%	30 days	"	-	(644,547)	(8%)	-
"	East Wind Footwear Company Limited (India Branch)	"	Sale	1,125,369	1%	60 days	"	-	350,198	3%	-
"	"	"	Purchase	2,775,627	4%	30 days	"	-	(500,873)	(6%)	-
"	Fairway Enterprises Company Limited (India Branch)	"	Sale	1,590,255	2%	30/60 days	"	-	175,118	1%	-
"	"	"	Purchase	3,727,558	5%	30 days	"	-	(453,032)	(6%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sale	593,994	1%	15 days	"	-	34,818	-	-
"	"	"	Purchase	2,530,597	4%	15 days	"	-	(204,615)	(3%)	-
"	Fujian San Feng Footwear Company Limited	"	Sale	546,464	1%	15 days	"	-	41,636	-	-
"	"	"	Purchase	2,220,007	3%	15 days	"	-	(116,464)	(1%)	-
"	Fujian Xiefeng Footwear Company Limited	"	Sale	933,588	1%	15 days	"	-	34,717	-	-
"	"	"	Purchase	2,918,107	4%	15 days	"	-	(155,194)	(2%)	-
"	Fujian Great Hope Footwear Company Limited	"	"	855,501	1%	60 days	"	-	(203,305)	(3%)	-
"	Fujian Putian Xie Feng Mold Company Limited	"	"	138,883	-	30 days	"	-	(8,041)	-	-
"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sale	245,436	-	15 days	"	-	55,013	-	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	"	1,208,361	2%	30 days	"	-	126,332	1%	-
"	"	"	Purchase	5,338,958	7%	15 days	"	-	(234,627)	(3%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	1,967,266	3%	30 days	"	-	240,749	2%	-
"	"	"	Purchase	4,844,579	7%	30 days	"	-	(602,250)	(8%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	881,466	1%	30 days	"	-	79,072	1%	-
"	"	"	Purchase	5,405,340	8%	30 days	"	-	(608,779)	(8%)	-
"	Vietnam Dona Standard Footwear Co., Ltd	"	Sale	3,010,701	4%	90 days	"	-	922,185	8%	-
"	"	"	Purchase	13,260,083	19%	30 days	"	-	(1,547,462)	(20%)	-
"	Vung Tau Orient Co., Ltd	"	Sale	883,729	1%	120 days	"	-	298,867	2%	-
"	"	"	Purchase	2,250,808	3%	10 days	"	-	(86,819)	(1%)	-
"	Vietnam Nam Ha Footwear Company Limited	"	Sale	109,921	-	90 days	"	-	104,150	1%	-
"	"	"	Purchase	330,402	-	10 days	"	-	(29,709)	-	-
Great Eastern Industries Limited	Fujian Xiefeng Footwear Company Limited	Associate	Sale	155,906	100%	20 days	"	-	3,397	28%	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	4,940,597	100%	20 days	"	-	437,424	100%	-
"	"	"	Purchase	1,390,810	37%	90 days	"	-	(588,785)	(73%)	-



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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,530,597	78%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	204,615	86%	-
"	"	"	Purchase	593,994	33%	15 days	"	-	(34,818)	(17%)	-
"	Fujian Xiefeng Footwear Company Limited	Associate	"	176,456	10%	10-15 days	"	-	(10,486)	(5%)	-
"	Fujian Putian Xie Feng Mold Company Limited	"	"	139,816	8%	10-15 days	"	-	(7,029)	(3%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,918,107	70%	15 days	"	-	155,194	63%	-
"	"	"	Purchase	933,588	41%	15 days	"	-	(34,717)	(16%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	Associate	Sale	176,456	4%	10-15 days	"	-	10,486	4%	-
"	Fujian San Feng Footwear Company Limited	"	"	168,660	4%	15-20 days	"	-	7,381	3%	-
"	Great Eastern Industries Limited	"	Purchase	155,906	7%	20 days	"	-	(3,397)	(2%)	-
"	Fujian Putian Xie Feng Mold Company Limited	"	"	183,624	8%	10-15 days	"	-	(4,901)	(2%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,220,007	73%	15 days	"	-	116,464	60%	-
"	"	"	Purchase	546,464	32%	15 days	"	-	(41,636)	(23%)	-
"	Fujian Xiefeng Footwear Company Limited	Associate	"	168,660	10%	15-20 days	"	-	(7,381)	(4%)	-
"	Fujian Putian Xie Feng Mold Company Limited	"	"	118,267	7%	10-15 days	"	-	(4,979)	(3%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	855,501	98%	60 days	"	-	203,305	100%	-
Fujian Putian Xie Feng Mold Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	138,883	17%	30 days	"	-	8,041	14%	-
"	Fujian Xiefeng Footwear Company Limited	Associate	"	183,624	22%	10-15 days	"	-	4,901	8%	-
"	Fujian Lifeng Footwear Industrial Development	"	"	139,816	17%	"	"	-	7,029	12%	-
"	Fujian San Feng Footwear Company Limited	"	"	118,267	14%	"	"	-	4,979	9%	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Purchase	245,436	80%	15 days	"	-	(55,013)	(85%)	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	Sale	4,730,488	100%	Payment after Delivery	"	-	1,579,832	100%	-
Hong Kong Shoe Majesty Trading Company Limited	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	4,730,488	100%	Payment after Delivery	"	-	(1,579,832)	(99%)	-

**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	Sale	5,405,340	100%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	608,779	100%	-
"	"	"	Purchase	881,466	64%	30 days	"	-	(79,072)	(24%)	-
"	Dona Pacific (Vietnam) Co., Ltd.	Associate	"	118,567	9%	60 days	"	-	(13,253)	(4%)	-
"	Dona Victor Molds Mfg Co., Ltd.	"	"	193,425	14%	60 days	"	-	(19,414)	(6%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	"	135,476	10%	60 days	"	-	(17,386)	(5%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	5,338,958	93%	15 days	"	-	234,627	84%	-
"	"	"	Purchase	1,208,361	78%	30 days	"	-	(126,332)	(32%)	-
"	Vietnam Dona Orient Co., Ltd.	Associate	Sale	180,529	3%	60 days	"	-	15,995	6%	-
"	Dona Victor Footwear Co., Ltd.	"	"	118,567	2%	60 days	"	-	13,253	5%	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	4,844,579	71%	30 days	"	-	602,250	71%	-
"	"	"	Purchase	1,967,266	68%	30 days	"	-	(240,749)	(54%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	Associate	"	103,914	4%	60 days	"	-	(9,184)	(2%)	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	"	180,529	6%	60 days	"	-	(15,995)	(4%)	-
Dona Victor Molds Mfg Co., Ltd.	Dona Victor Footwear Co., Ltd.	Associate	Sale	193,425	31%	60 days	"	-	19,414	35%	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	"	298,648	48%	60 days	"	-	22,486	40%	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,250,808	99%	10 days	"	-	86,819	98%	-
"	"	"	Purchase	883,729	91%	120 days	"	-	(298,867)	(81%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	13,260,083	97%	30 days	"	-	1,547,462	96%	-
"	"	"	Purchase	3,010,701	85%	90 days	"	-	(922,185)	(63%)	-
"	Dona Victor Footwear Co., Ltd.	Associate	Sale	135,476	1%	60 days	"	-	17,386	1%	-
"	Vietnam Dona Orient Co., Ltd.	"	"	103,914	1%	60 days	"	-	9,184	1%	-
"	Dona Victor Molds Mfg. Co., Ltd.	"	Purchase	298,648	8%	60 days	"	-	(22,486)	(2%)	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	330,402	98%	10 days	"	-	29,709	100%	-
"	"	"	Purchase	109,921	78%	90 days	"	-	(104,150)	(46%)	-
India Tindivanam Footwear Private Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	220,219	78%	30 days	"	-	72,380	72%	-
"	"	"	Purchase	566,340	95%	90 days	"	-	(259,299)	(80%)	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,775,627	99%	30 days	"	-	500,873	100%	-
"	"	"	Purchase	1,125,369	95%	60 days	"	-	(350,198)	(87%)	-

**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)	
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,906,493	97%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	644,547	96%	-
"	"	"	Purchase	1,701,641	99%	60/90 days	"	-	(550,609)	(94%)	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,727,558	100%	30 days	"	-	453,032	100%	-
"	"	"	Purchase	1,590,255	98%	30/60 days	"	-	(175,118)	(79%)	-

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	588,785	3.62	-	-	102,627	-
"	India Tindivanam Footwear Private Limited	"	259,299	4.21	3,843	-	31,578	-
"	Lotus Footwear Enterprises Limited (India Branch)	"	550,609	4.54	-	-	63,177	-
"	East Wind Footwear Company Limited (India Branch)	"	350,198	4.85	-	-	76,832	-
"	Fairway Enterprises Company Limited (India Branch)	"	175,118	9.41	65	-	39,712	-
"	Dona Pacific (Vietnam) Co., Ltd.	"	126,332	12.53	-	-	65,422	-
"	Vietnam Dona Orient Co., Ltd.	"	240,749	5.81	-	-	100,395	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	922,185	4.85	-	-	117,745	-
"	Vung Tau Orient Co., Ltd.	"	298,867	3.92	4,889	-	34,124	-
"	Vietnam Nam Ha Footwear Company Limited	"	104,150	2.20	41,954	-	-	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	437,424	15.08	-	-	388,262	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	204,615	20.32	-	-	204,615	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	155,194	24.46	-	-	155,194	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	116,464	32.64	-	-	116,464	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	203,305	5.77	-	-	46,148	-

**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		
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Associate	1,579,832	5.02	-	-	315,991	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	608,779	10.30	-	-	371,392	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	234,627	23.91	-	-	234,627	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	602,250	9.76	-	-	361,037	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	1,547,462	17.53	-	-	722,864	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	500,873	7.14	-	-	210,078	-
Lotus Footwear Enterprises Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	644,547	7.89	-	-	296,406	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	453,032	10.86	-	-	214,599	-

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			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	1	Sales revenue	1,390,810	Note 3	2.1201%
"	"	"	"	Cost of sales	4,940,597	Note 3	7.5311%
"	"	"	"	Accounts receivable due from related parties	588,785	90 days	1.1333%
"	"	"	"	Accounts payable to related parties	437,424	20 days	0.8419%
"	"	India Tindivanam Footwear Private Limited	"	Sales revenue	566,340	Note 3	0.8633%
"	"	"	"	Cost of sales	220,219	Note 3	0.3357%
"	"	"	"	Accounts receivable due from related parties	259,299	90 days	0.4991%
"	"	"	"	Accounts payable to related parties	72,380	30 days	0.1393%
"	"	Lotus Footwear Enterprises Limited (India Branch)	"	Sales revenue	1,701,641	Note 3	2.5939%
"	"	"	"	Cost of sales	3,906,493	Note 3	5.9548%
"	"	Lotus Footwear Enterprises Limited (India Branch)	"	Accounts receivable due from related parties	550,609	60/90 days	1.0598%
"	"	"	"	Accounts payable to related parties	644,547	30 days	1.2406%
"	"	East Wind Footwear Company Limited (India Branch)	"	Sales revenue	1,125,369	Note 3	1.7154%
"	"	"	"	Cost of sales	2,775,627	Note 3	4.2310%

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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	East Wind Footwear Company Limited (India Branch)	1	Accounts receivable due from related parties	350,198	60 days	0.6740%
"	"	"	"	Accounts payable to related parties	500,873	30 days	0.9640%
"	"	Fairway Enterprises Company Limited (India Branch)	"	Sales revenue	1,590,255	Note 3	2.4241%
"	"	"	"	Cost of sales	3,727,558	Note 3	5.6821%
"	"	"	"	Accounts receivable due from related parties	175,118	30/60 days	0.3371%
"	"	"	"	Accounts payable to related parties	453,032	30 days	0.8720%
"	"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sales revenue	593,994	Note 3	0.9054%
"	"	"	"	Cost of sales	2,530,597	Note 3	3.8575%
"	"	"	"	Accounts receivable due from related parties	34,818	15 days	0.0670%
"	"	"	"	Accounts payable to related parties	204,615	15 days	0.3938%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	546,464	Note 3	0.8330%
"	"	"	"	Cost of sales	2,220,007	Note 3	3.3840%
"	"	"	"	Accounts receivable due from related parties	41,636	15 days	0.0801%
"	"	"	"	Accounts payable to related parties	116,464	15 days	0.2242%
"	"	Fujian Xiefeng Footwear Company Limited	"	Sales revenue	933,588	Note 3	1.4231%
"	"	"	"	Cost of sales	2,918,107	Note 3	4.4482%
"	"	"	"	Accounts receivable due from related parties	34,717	15 days	0.0668%
"	"	"	"	Accounts payable to related parties	155,194	15 days	0.2987%
"	"	Fujian Great Hope Footwear Company Limited	"	Cost of sales	855,501	Note 3	1.3041%
"	"	"	"	Accounts payable to related parties	203,305	60 days	0.3913%
"	"	Fujian Putian Xie Feng Mold Company Limited	"	Cost of sales	138,883	Note 3	0.2117%
"	"	"	"	Accounts payable to related parties	8,041	30 days	0.0155%
"	"	Suzhou Yufeng Plastics Technology Co., Ltd.	"	Sales revenue	245,436	Note 3	0.3741%
"	"	"	"	Accounts receivable due from related parties	55,013	15 days	0.1059%
"	"	Dona Pacific (Vietnam) Co., Ltd.	"	Sales revenue	1,208,361	Note 3	1.8420%
"	"	"	"	Cost of sales	5,338,958	Note 3	8.1384%
"	"	"	"	Accounts receivable due from related parties	126,332	30 days	0.2432%
"	"	"	"	Accounts payable to related parties	234,627	15 days	0.4516%

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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Vietnam Dona Orient Co., Ltd.	1	Sales revenue	1,967,266	Note 3	2.9988%
"	"	"	"	Technical service income	132,215	Note 4	0.2015%
"	"	"	"	Cost of sales	4,844,579	Note 3	7.3848%
"	"	"	"	Accounts receivable due from related parties	240,749	30 days	0.4634%
"	"	"	"	Accounts payable to related parties	602,250	30 days	1.1592%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	881,466	Note 3	1.3437%
"	"	"	"	Cost of sales	5,405,340	Note 3	8.2396%
"	"	"	"	Accounts receivable due from related parties	79,072	30 days	0.1522%
"	"	"	"	Accounts payable to related parties	608,779	30 days	1.1717%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	3,010,701	Note 3	4.5893%
"	"	"	"	Cost of sales	13,260,083	Note 3	20.2129%
"	"	"	"	Accounts receivable due from related parties	922,185	90 days	1.7750%
"	"	"	"	Accounts payable to related parties	1,547,462	30 days	2.9785%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	883,729	Note 3	1.3471%
"	"	"	"	Cost of sales	2,250,808	Note 3	3.4310%
"	"	"	"	Accounts receivable due from related parties	298,867	120 days	0.5752%
"	"	"	"	Accounts payable to related parties	86,819	10 days	0.1671%
"	"	Vietnam Nam Ha Footwear Company Limited	"	Sales revenue	109,921	Note 3	0.1676%
"	"	"	"	Cost of sales	330,402	Note 3	0.5036%
"	"	"	"	Accounts receivable due from related parties	104,150	90 days	0.2005%
"	"	"	"	Accounts payable to related parties	29,709	10 days	0.0572%
1	Great Eastern Industries Limited.	Fujian Xiefeng Footwear Company Limited	3	Sales revenue	155,906	Note 3	0.2377%
"	"	"	"	Accounts receivable due from related parties	3,397	20 days	0.0065%
2	Fujian Xiefeng Footwear Company Limited	Fujian Lifeng Footwear Industrial Development Company Limited	3	Sales revenue	176,456	Note 3	0.2690%
"	"	"	"	Accounts receivable due from related parties	10,486	10~15 days	0.0202%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	168,660	Note 3	0.2571%
"	"	"	"	Accounts receivable due from related parties	7,381	15~20 days	0.0142%
3	Fujian Putian Xie Feng Mold Company Limited	Fujian Xiefeng Footwear Company Limited	3	Sales revenue	183,624	Note 3	0.2799%
"	"	"	"	Accounts receivable due from related parties	4,901	10~15 days	0.0094%

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

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
3	Fujian Putian Xie Feng Mold Company Limited	Fujian Lifeng Footwear Industrial Development Company Limited	3	Sales revenue	139,816	Note 3	0.2131%
"	"	"	"	Accounts receivable due from related parties	7,029	10~15 days	0.0135%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	118,267	Note 3	0.1803%
"	"	"	"	Accounts receivable due from related parties	4,979	10~15 days	0.0096%
4	Dona Pacific (Vietnam) Co., Ltd.	Vietnam Dona Orient Co., Ltd.	3	Sales revenue	180,529	Note 3	0.2752%
"	"	"	"	Accounts receivable due from related parties	15,995	60 days	0.0308%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	118,567	Note 3	0.1807%
"	"	"	"	Accounts receivable due from related parties	13,253	60 days	0.0255%
5	Dona Victor Molds Mfg Co., Ltd.	Dona Victor Footwear Co., Ltd.	3	Sales revenue	193,425	Note 3	0.2948%
"	"	"	"	Accounts receivable due from related parties	19,414	60 days	0.0374%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	298,648	Note 3	0.4552%
"	"	"	"	Accounts receivable due from related parties	22,486	60 days	0.0433%
6	Vietnam Dona Standard Footwear Co.,	Dona Victor Footwear Co., Ltd.	3	Sales revenue	135,476	Note 3	0.2065%
"	"	"	"	Accounts receivable due from related parties	17,386	60 days	0.0335%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	103,914	Note 3	0.1584%
"	"	"	"	Accounts receivable due from related parties	9,184	60 days	0.0177%

Note 1: The numbers filled in as follows:

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

Note 2: Transactions labeled as follows:

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

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

Note 4: Revenue is calculated based on a certain ratio determined by the contract, and there are no other transactions with non-related party to compare with.

(b) Information on investment

The following is the information on investment for the nine months ended September 30, 2024 (excluding information on investment in Mainland China):

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				September 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%	686,648	(203,730)	(203,726)	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%	1,142,399	(1,232)	(1,232)	"
"	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	16,107,184	1,858,291	1,858,291	"
"	VX Holdings Limited	British Virgin Islands	Investment holding	446,117	446,117	38,280	47.26%	765,430	16,110	7,614	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	500,267	249,273	50,852	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,529,928	1,529,928	44,753	40.97%	4,079,125	962,626	394,388	Subsidiary (Note 5)
"	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	35,258	3,476	3,476	"
"	Great South Private Limited	Singapore	Investment holding	37,946	35,517	1,700	100.00%	16,914	1,013	1,013	"
"	India Tindivandam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	1,748,180	1,052,345	462,007,967	95.85%	1,405,957	(238,391)	(224,369)	"
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	15,825	15,825	372,000	93.00%	336,136	181,625	168,911	Subsidiary (Note 5)
"	VX Holdings Limited	"	Investment holding	300,446	300,446	36,342	44.87%	746,740	16,110	7,228	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Limited	"	Investment holding	394,184	394,184	23,000	92.00%	1,491,967	349,993	321,994	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	254,231	254,231	8,580	28.60%	732,764	249,273	71,292	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	2,080,785	2,080,785	64,483	59.03%	6,139,975	962,626	568,238	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Limited	"	Investment holding business, and manufacturing and selling of finished shoes	2,150,064	2,150,064	34,020	88.00%	4,202,685	371,675	327,075	"
"	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	23	23	10	0.01%	22	(1,232)	-	Investee under the equity method (Note 5)
"	PT Feng Tay Indonesia Enterprises	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	22	22	1	0.01%	13	(203,730)	(4)	"
"	Cheyyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	64,831	-	"



**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 September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note (Note 6)
				September 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,042,301	1,042,301	Note 4	100.00%	1,661,954	16,758	16,758	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Company Limited	Hong Kong	International trade services	6,320	6,320	200	100.00%	148,350	40,132	40,132	Subsidiary
"	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,169,200	1,169,200	Note 4	100.00%	2,355,082	212,662	212,662	"
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,390,400	1,390,400	Note 4	100.00%	2,712,496	775,317	775,317	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,392,120	2,392,120	"	100.00%	5,150,147	592,203	592,203	"
"	Vung Tau Orient Co., Ltd.	"	Producing golf balls, soccer balls, and backpack, bags	1,144,654	891,854	"	100.00%	1,031,188	(77,915)	(77,915)	"
"	Vietnam Nam Ha Footwear Company Limited	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,959,200	1,959,200	"	100.00%	1,504,401	(326,445)	(326,445)	"
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	97,960	97,960	Note 4	100.00%	358,586	182,168	182,168	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	632,000	632,000	Note 4	100.00%	1,620,364	350,542	350,542	Subsidiary (Note 5)
Lotus Footwear Enterprises Limited	Cheyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,788,636	3,788,636	117,999,999	99.99%	3,015,215	64,831	64,831	Subsidiary (Note 5)
"	East Wind Footwear Company Limited	British Virgin Islands	Investment holding and production of athletic shoes	517,318	522,418	9,751	100.00%	881,434	133,119	133,119	"
"	Fairway Enterprises Company Limited	"	Investment holding and production of athletic shoes	1,447,069	1,447,069	29,501	100.00%	1,821,664	173,238	173,238	"

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 September 30, 2024, reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of September 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

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(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 September 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.	142,200	Note 1	173,154	-	-	173,154	4,559	50.00%	2,280	28,209	108,286
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	94,800	"	151,783	-	-	151,783	181,823	50.34%	91,520	170,587	1,280,243
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	474,000	"	179,243	-	-	179,243	118,538	77.50%	91,867	712,563	1,099,419
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	474,000	"	286,794	-	-	286,794	102,654	68.00%	69,805	429,230	1,130,443
Fujian Da Feng Holdings Company Limited	Investment holding.	853,200	"	885,158	-	-	885,158	316,845	70.00%	221,792	1,744,504	6,765,796
Fujian Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	251,220	"	422,950	-	-	422,950	79,957	84.73%	67,751	406,336	674,849
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	474,000	Note 2	-	-	-	-	155,316	70.00%	108,721	544,800	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	80,983	"	-	-	-	-	49,171	66.07%	32,485	161,293	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of September 30, 2024 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
2,099,082	2,861,461	15,461,320

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 nine months ended September 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 31.60 on September 30, 2024.

Note 8: Calculated based on the average closing exchange rate of 32.0267 between January and the end of September 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".

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## (d) Major shareholders

Shareholding Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	106,873,822	10.82 %
CHEN, HUI-LING	63,890,013	6.46 %
WANG, CHOU-HSIONG	52,241,476	5.29 %

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

## (14) Segment information

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

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

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
<b>For the three months ended</b>				
<b>September 30, 2024</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 21,736,686	982,366	-	22,719,052
Intersegment revenues	23,158,069	1,735,828	(24,893,897)	-
<b>Total revenue</b>	<b>\$ 44,894,755</b>	<b>2,718,194</b>	<b>(24,893,897)</b>	<b>22,719,052</b>
<b>Reportable segment profit or loss</b>	<b>\$ 2,048,753</b>	<b>(19,209)</b>	<b>(27,680)</b>	<b>2,001,684</b>
	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
<b>For the three months ended</b>				
<b>September 30, 2023</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 22,031,001	1,041,895	-	23,072,896
Intersegment revenues	25,338,155	1,074,834	(26,412,989)	-
<b>Total revenue</b>	<b>\$ 47,369,156</b>	<b>2,116,729</b>	<b>(26,412,989)</b>	<b>23,072,896</b>
<b>Reportable segment profit or loss</b>	<b>\$ 2,470,274</b>	<b>(21,065)</b>	<b>(42,381)</b>	<b>2,406,828</b>

**FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES**  
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	<b>Department of manufacturing and selling shoes</b>	<b>Other Departments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
<b>For the nine months ended September 30, 2024</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 62,546,275	3,055,924	-	65,602,199
Intersegment revenues	71,395,654	3,631,688	(75,027,342)	-
<b>Total revenue</b>	<b>\$ 133,941,929</b>	<b>6,687,612</b>	<b>(75,027,342)</b>	<b>65,602,199</b>
<b>Reportable segment profit or loss</b>	<b>\$ 6,282,052</b>	<b>(25,220)</b>	<b>(10,225)</b>	<b>6,246,607</b>

	<b>Department of manufacturing and selling shoes</b>	<b>Other Departments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
<b>For the nine months ended September 30, 2023</b>				
<b>Revenue</b>				
Revenue from external customers	\$ 59,994,147	3,237,925	-	63,232,072
Intersegment revenues	68,991,635	3,189,445	(72,181,080)	-
<b>Total revenue</b>	<b>\$ 128,985,782</b>	<b>6,427,370</b>	<b>(72,181,080)</b>	<b>63,232,072</b>
<b>Reportable segment profit or loss</b>	<b>\$ 5,046,186</b>	<b>(42,699)</b>	<b>63,871</b>	<b>5,067,358</b>