

**LAI YIH FOOTWEAR CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
MARCH 31, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

LAI YIH FOOTWEAR CO., LTD.  
MARCH 31, 2024 AND 2023 CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of LAI YIH FOOTWEAR CO., LTD.

### ***Introduction***

We have reviewed the accompanying balance sheets of LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES (the "Group") as at March 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our reviews.

### ***Scope of Review***

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of 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 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.

## ***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Group as at March 31, 2024 and 2023, and of its financial performance and its cash flows for the three months then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Wu, Sung-Yuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

May 7, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

| Assets                    | Notes   | March 31, 2024 |                      | December 31, 2023 |                      | March 31, 2023 |                      |            |
|---------------------------|---|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
|                           |   | AMOUNT         | %                    | AMOUNT            | %                    | AMOUNT         | %                    |            |
| <b>Current assets</b>     |   |                |                      |                   |                      |                |                      |            |
| 1100                      | Cash and cash equivalents                         | 6(1)           | \$ 3,598,660         | 13                | \$ 4,418,919         | 17             | \$ 4,160,889         | 17         |
| 1136                      | Current financial assets at<br>amortised cost     | 6(2) and 8     | 4,105                | -                 | 3,334                | -              | 2,947                | -          |
| 1170                      | Accounts receivable, net                          | 6(3)           | 4,676,746            | 16                | 3,483,993            | 13             | 3,003,288            | 12         |
| 1200                      | Other receivables                                 |                | 62,015               | -                 | 97,683               | -              | 101,660              | -          |
| 1220                      | Current tax assets                                |                | 7,743                | -                 | 8,617                | -              | 9,600                | -          |
| 130X                      | Inventories                                       | 6(4)           | 4,763,119            | 17                | 4,085,168            | 15             | 4,654,052            | 18         |
| 1479                      | Other current assets, others                      | 6(5)           | 2,179,029            | 8                 | 1,982,307            | 8              | 1,478,326            | 6          |
| 11XX                      | <b>Current assets</b>                             |                | <u>15,291,417</u>    | <u>54</u>         | <u>14,080,021</u>    | <u>53</u>      | <u>13,410,762</u>    | <u>53</u>  |
| <b>Non-current assets</b> |   |                |                      |                   |                      |                |                      |            |
| 1535                      | Non-current financial assets at<br>amortised cost | 6(2) and 8     | 102,772              | -                 | 14,252               | -              | 190,831              | 1          |
| 1550                      | Investments accounted for<br>under equity method  |                | 54,105               | -                 | 51,915               | -              | 51,484               | -          |
| 1600                      | Property, plant and equipment                     | 6(6) and 8     | 11,494,526           | 41                | 11,000,155           | 42             | 10,140,619           | 40         |
| 1755                      | Right-of-use assets                               | 6(7) and 8     | 1,294,082            | 5                 | 1,258,101            | 5              | 1,309,651            | 5          |
| 1780                      | Intangible assets                                 |                | 9,040                | -                 | 10,046               | -              | 7,343                | -          |
| 1840                      | Deferred income tax assets                        | 6(20)          | 69,232               | -                 | 77,471               | -              | 109,418              | 1          |
| 1990                      | Other non-current assets, others                  |                | 76,821               | -                 | 67,348               | -              | 76,584               | -          |
| 15XX                      | <b>Non-current assets</b>                         |                | <u>13,100,578</u>    | <u>46</u>         | <u>12,479,288</u>    | <u>47</u>      | <u>11,885,930</u>    | <u>47</u>  |
| 1XXX                      | <b>Total assets</b>                               |                | <u>\$ 28,391,995</u> | <u>100</u>        | <u>\$ 26,559,309</u> | <u>100</u>     | <u>\$ 25,296,692</u> | <u>100</u> |

(Continued)

**LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity   | Notes  | March 31, 2024 |                      | December 31, 2023 |                      | March 31, 2023 |                      |            |
|--|--|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
|  |  | AMOUNT         | %                    | AMOUNT            | %                    | AMOUNT         | %                    |            |
| <b>Current liabilities</b>   |  |                |                      |                   |                      |                |                      |            |
| 2100   | Short-term borrowings                          | 6(8)           | \$ 4,016,057         | 14                | \$ 3,759,856         | 14             | \$ 2,205,851         | 9          |
| 2130   | Current contract liabilities                   | 6(15)          | 78,908               | -                 | 58,452               | -              | 46,762               | -          |
| 2150   | Notes payable                                  |                | 29                   | -                 | 20                   | -              | 124                  | -          |
| 2170   | Accounts payable                               |                | 2,229,715            | 8                 | 1,668,073            | 6              | 1,173,219            | 5          |
| 2180   | Accounts payable-related parties               | 7(2)           | 67,656               | -                 | 19,581               | -              | 10,910               | -          |
| 2200   | Other payables                                 | 6(9)           | 1,268,051            | 5                 | 1,582,411            | 6              | 1,028,570            | 4          |
| 2220   | Other payables-related parties                 | 7(2)           | 203                  | -                 | 246                  | -              | 192                  | -          |
| 2230   | Income tax payable                             |                | 179,819              | 1                 | 138,243              | 1              | 514,076              | 2          |
| 2280   | Current lease liabilities                      | 6(23)          | 39,709               | -                 | 34,532               | -              | 31,355               | -          |
| 2320   | Current portion of long-term borrowings        | 6(10)          | -                    | -                 | -                    | -              | 487,200              | 2          |
| 2399   | Other current liabilities, others              |                | 12,482               | -                 | 12,318               | -              | 25,857               | -          |
| 21XX   | <b>Current liabilities</b>                     |                | <u>7,892,629</u>     | <u>28</u>         | <u>7,273,732</u>     | <u>27</u>      | <u>5,524,116</u>     | <u>22</u>  |
| <b>Non-current liabilities</b>   |  |                |                      |                   |                      |                |                      |            |
| 2540   | Long-term borrowings                           | 6(10)          | -                    | -                 | -                    | -              | 365,400              | 1          |
| 2570   | Deferred income tax liabilities                | 6(20)          | 165,530              | 1                 | 166,667              | 1              | 124,080              | -          |
| 2580   | Non-current lease liabilities                  | 6(23)          | 411,600              | 1                 | 392,313              | 1              | 399,022              | 2          |
| 2670   | Other non-current liabilities, others          |                | 13                   | -                 | 22                   | -              | 1,051                | -          |
| 25XX   | <b>Non-current liabilities</b>                 |                | <u>577,143</u>       | <u>2</u>          | <u>559,002</u>       | <u>2</u>       | <u>889,553</u>       | <u>3</u>   |
| 2XXX   | <b>Total Liabilities</b>                       |                | <u>8,469,772</u>     | <u>30</u>         | <u>7,832,734</u>     | <u>29</u>      | <u>6,413,669</u>     | <u>25</u>  |
| <b>Equity</b>  |  |                |                      |                   |                      |                |                      |            |
| <b>Equity attributable to owners of parent</b>                           |  |                |                      |                   |                      |                |                      |            |
| Share capital  |  |                |                      |                   |                      |                |                      |            |
| 3110   | Share capital-common stock                     | 6(12)          | 2,200,000            | 8                 | 2,200,000            | 8              | 2,200,000            | 9          |
| Capital surplus  |  |                |                      |                   |                      |                |                      |            |
| 3200   | Capital surplus                                | 6(13)          | 12,661,753           | 44                | 12,661,753           | 48             | 12,661,753           | 50         |
| Retained earnings  |  |                |                      |                   |                      |                |                      |            |
| 3350   | Unappropriated retained earnings               | 6(14)          | 3,624,355            | 13                | 2,885,712            | 11             | 2,652,726            | 11         |
| Other equity interest  |  |                |                      |                   |                      |                |                      |            |
| 3400   | Other equity interest                          |                | 360,212              | 1                 | (2,280)              | -              | 308,258              | 1          |
| 31XX   | <b>Equity attributable to owners of parent</b> |                | <u>18,846,320</u>    | <u>66</u>         | <u>17,745,185</u>    | <u>67</u>      | <u>17,822,737</u>    | <u>71</u>  |
| 36XX   | <b>Non-controlling interests</b>               | 4(3)           | <u>1,075,903</u>     | <u>4</u>          | <u>981,390</u>       | <u>4</u>       | <u>1,060,286</u>     | <u>4</u>   |
| 3XXX   | <b>Total Equity</b>                            |                | <u>19,922,223</u>    | <u>70</u>         | <u>18,726,575</u>    | <u>71</u>      | <u>18,883,023</u>    | <u>75</u>  |
| Significant contingent liabilities and unrecognised contract commitments |  |                |                      |                   |                      |                |                      |            |
| Significant events after the balance sheet date                          |  |                |                      |                   |                      |                |                      |            |
| 3X2X   | <b>Total liabilities and equity</b>            |                | <u>\$ 28,391,995</u> | <u>100</u>        | <u>\$ 26,559,309</u> | <u>100</u>     | <u>\$ 25,296,692</u> | <u>100</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| Items  | Notes    | Three months ended March 31 |             |                   |              |
|--|----------|-----------------------------|-------------|-------------------|--------------|
|  |          | 2024                        |             | 2023              |              |
|  |          | AMOUNT                      | %           | AMOUNT            | %            |
| 4000 Operating revenue   | 6(15)    | \$ 7,770,937                | 100         | \$ 5,519,810      | 100          |
| 5000 Operating costs   | 6(4)(19) | ( 6,287,555)                | ( 81)       | ( 4,841,817)      | ( 88)        |
| 5950 Gross profit from operations  |          | <u>1,483,382</u>            | <u>19</u>   | <u>677,993</u>    | <u>12</u>    |
| Operating expenses   | 6(19)    |                             |             |                   |              |
| 6100 Selling expenses  |          | ( 111,785)                  | ( 2)        | ( 107,411)        | ( 2)         |
| 6200 Administrative expenses   |          | ( 339,588)                  | ( 4)        | ( 290,484)        | ( 5)         |
| 6300 Research and development expenses   |          | ( 151,617)                  | ( 2)        | ( 153,339)        | ( 3)         |
| 6450 Expected credit impairment gain(loss)   | 12(2)    | 466                         | -           | ( 6,475)          | -            |
| 6000 Total operating expenses  |          | <u>( 602,524)</u>           | <u>( 8)</u> | <u>( 557,709)</u> | <u>( 10)</u> |
| 6900 Net operating income  |          | <u>880,858</u>              | <u>11</u>   | <u>120,284</u>    | <u>2</u>     |
| Total non-operating income and expenses  |          |                             |             |                   |              |
| 7100 Interest income   | 6(16)    | 22,894                      | -           | 15,819            | -            |
| 7010 Other income  |          | 25,773                      | -           | 26,947            | 1            |
| 7020 Other gains and losses  | 6(17)    | 140,680                     | 2           | 31,876            | 1            |
| 7050 Finance costs   | 6(18)    | ( 50,702)                   | -           | ( 43,066)         | ( 1)         |
| 7000 Non-operating income and expenses   |          | <u>138,645</u>              | <u>2</u>    | <u>31,576</u>     | <u>1</u>     |
| 7900 Profit before income tax  |          | <u>1,019,503</u>            | <u>13</u>   | <u>151,860</u>    | <u>3</u>     |
| 7950 Income tax expense  | 6(20)    | ( 217,653)                  | ( 3)        | ( 91,026)         | ( 2)         |
| 8000 Profit from continuing operations   |          | <u>801,850</u>              | <u>10</u>   | <u>60,834</u>     | <u>1</u>     |
| 8200 Profit  |          | <u>\$ 801,850</u>           | <u>10</u>   | <u>\$ 60,834</u>  | <u>1</u>     |
| Other comprehensive income   |          |                             |             |                   |              |
| Total components of other comprehensive income that will be reclassified to profit or loss |          |                             |             |                   |              |
| 8361 Financial statements translation differences of foreign operations                    |          | \$ 393,798                  | 5           | \$ 246,449        | 5            |
| 8360 Components of other comprehensive income that will be reclassified to profit or loss  |          | <u>393,798</u>              | <u>5</u>    | <u>246,449</u>    | <u>5</u>     |
| 8300 Other comprehensive income  |          | <u>\$ 393,798</u>           | <u>5</u>    | <u>\$ 246,449</u> | <u>5</u>     |
| 8500 Total comprehensive income  |          | <u>\$ 1,195,648</u>         | <u>15</u>   | <u>\$ 307,283</u> | <u>6</u>     |
| Profit, attributable to:   |          |                             |             |                   |              |
| 8610 Owners of the parent  |          | \$ 738,643                  | 9           | \$ 38,389         | 1            |
| 8620 Non-controlling interests   |          | \$ 63,207                   | 1           | \$ 22,445         | -            |
| Comprehensive income attributable to:  |          |                             |             |                   |              |
| 8710 Owners of the parent  |          | \$ 1,101,135                | 14          | \$ 264,438        | 5            |
| 8720 Non-controlling interests   |          | \$ 94,513                   | 1           | \$ 42,845         | 1            |
| Basic earnings per share   | 6(21)    |                             |             |                   |              |
| 9750 Basic earnings per share  |          | \$                          | 3.36        | \$                | 0.17         |
| Diluted earnings per share   | 6(21)    |                             |             |                   |              |
| 9850 Diluted earnings per share  |          | \$                          | 3.36        | \$                | 0.17         |

The accompanying notes are an integral part of these consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|   | Equity attributable to owners of the parent |                |   |  |   | Non-controlling interests | Total equity |              |
|---|---|----------------|---|--|---|---------------------------|--------------|--------------|
|   | Notes                                       | Ordinary share | Capital surplus, additional paid-in capital | Unappropriated retained earnings (accumulated deficit) | Exchange differences on translation of foreign financial statements |                           |              | Total        |
| <u>2023</u>                               |   |                |   |  |   |                           |              |              |
| Balance at January 1, 2023                |   | \$ 2,200,000   | \$12,661,753                                | \$ 2,614,337   | \$ 82,209   | \$17,558,299              | \$ 1,017,441 | \$18,575,740 |
| Profit for the period                     |   | -              | -   | 38,389   | -   | 38,389                    | 22,445       | 60,834       |
| Other comprehensive income for the period |   | -              | -   | -  | 226,049   | 226,049                   | 20,400       | 246,449      |
| Total comprehensive income                |   | -              | -   | 38,389   | 226,049   | 264,438                   | 42,845       | 307,283      |
| Balance at March 31, 2023                 |   | \$ 2,200,000   | \$12,661,753                                | \$ 2,652,726   | \$ 308,258  | \$17,822,737              | \$ 1,060,286 | \$18,883,023 |
| <u>2024</u>                               |   |                |   |  |   |                           |              |              |
| Balance at January 1, 2024                |   | \$ 2,200,000   | \$12,661,753                                | \$ 2,885,712   | (\$ 2,280)  | \$17,745,185              | \$ 981,390   | \$18,726,575 |
| Profit for the period                     |   | -              | -   | 738,643  | -   | 738,643                   | 63,207       | 801,850      |
| Other comprehensive income for the period |   | -              | -   | -  | 362,492   | 362,492                   | 31,306       | 393,798      |
| Total comprehensive income                |   | -              | -   | 738,643  | 362,492   | 1,101,135                 | 94,513       | 1,195,648    |
| Balance at March 31, 2024                 |   | \$ 2,200,000   | \$12,661,753                                | \$ 3,624,355   | \$ 360,212  | \$18,846,320              | \$ 1,075,903 | \$19,922,223 |

The accompanying notes are an integral part of these consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|  | Three months ended March 31 |                     |                     |
|--|-----------------------------|---------------------|---------------------|
|  | Notes                       | 2024                | 2023                |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>           |                             |                     |                     |
| Profit before tax  |                             | \$ 1,019,503        | \$ 151,860          |
| Adjustments  |                             |                     |                     |
| Adjustments to reconcile profit (loss)                       |                             |                     |                     |
| Depreciation expense   | 6(19)                       | 348,808             | 370,814             |
| Amortisation expense   | 6(19)                       | 1,426               | 1,240               |
| Expected credit impairment (gain) loss                       | 12(2)                       | ( 466 )             | 6,475               |
| Finance costs  | 6(18)                       | 50,702              | 43,066              |
| Interest income  | 6(16)                       | ( 22,894 )          | ( 15,819 )          |
| (Gain) loss on disposal of property, plant and equipment     | 6(17)                       | 2,458               | ( 2,540 )           |
| Impairment loss  | 6(17)                       | -                   | 13,235              |
| Property, plant and equipment transferred to expense         | 6(22)                       | 25                  | -                   |
| Unrealised foreign exchange loss (gain)                      |                             | ( 591,182 )         | ( 391,576 )         |
| Changes in operating assets and liabilities                  |                             |                     |                     |
| Changes in operating assets                                  |                             |                     |                     |
| Accounts receivable, net                                     |                             | ( 1,321,815 )       | 1,010,708           |
| Inventories  |                             | ( 570,381 )         | ( 814,748 )         |
| Other receivables  |                             | 37,881              | 156                 |
| Other current assets   |                             | ( 158,356 )         | ( 252,430 )         |
| Changes in operating liabilities                             |                             |                     |                     |
| Contract liabilities   |                             | 17,683              | ( 9,126 )           |
| Notes payable  |                             | 8                   | 98                  |
| Accounts payable   |                             | 508,699             | 102,141             |
| Accounts payable-related parties                             |                             | 62,498              | ( 15,258 )          |
| Other payables   |                             | ( 323,997 )         | ( 374,112 )         |
| Other payables-related parties                               |                             | ( 43 )              | ( 124 )             |
| Other current liabilities                                    |                             | ( 292 )             | 8,792               |
| Cash outflow generated from operations                       |                             | ( 939,735 )         | ( 167,148 )         |
| Interest received  |                             | 22,894              | 15,819              |
| Interest paid  |                             | ( 50,702 )          | ( 43,066 )          |
| Income taxes paid  |                             | ( 169,372 )         | ( 27,708 )          |
| Net cash flows used in operating activities                  |                             | ( 1,136,915 )       | ( 222,103 )         |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>           |                             |                     |                     |
| Acquisition of financial assets at amortised cost            |                             | ( 87,183 )          | ( 504 )             |
| Proceeds from disposal of financial assets at amortised cost |                             | -                   | 87,186              |
| Acquisition of property, plant and equipment                 | 6(22)                       | ( 642,431 )         | ( 284,835 )         |
| Proceeds from disposal of property, plant and equipment      |                             | 14,027              | 17,445              |
| (Increase) decrease in guarantee deposits paid               |                             | ( 4,821 )           | 6,733               |
| Acquisition of intangible assets                             | 6(22)                       | ( 2,914 )           | ( 1,125 )           |
| Decrease in other non-current assets                         |                             | 6,447               | 35,451              |
| Acquisition of right-of-use assets                           |                             | ( 378 )             | ( 444 )             |
| Net cash flows used in investing activities                  |                             | ( 717,253 )         | ( 140,093 )         |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>           |                             |                     |                     |
| Increase in short-term borrowings                            | 6(23)                       | 6,969,544           | 2,407,181           |
| Decrease in short-term borrowings                            | 6(23)                       | ( 6,841,678 )       | ( 2,736,477 )       |
| Repayments of long-term borrowings                           | 6(23)                       | -                   | ( 121,726 )         |
| (Decrease) increase in guarantee deposits received           | 6(23)                       | ( 9 )               | 30                  |
| Payments of lease liabilities                                | 6(23)                       | ( 16,207 )          | ( 10,606 )          |
| Net cash flows from (used in) financing activities           |                             | 111,650             | ( 461,598 )         |
| Effect of exchange rate changes on cash and cash equivalents |                             | 922,259             | 330,033             |
| Net decrease in cash and cash equivalents                    |                             | ( 820,259 )         | ( 493,761 )         |
| Cash and cash equivalents at beginning of period             |                             | 4,418,919           | 4,654,650           |
| Cash and cash equivalents at end of period                   |                             | <u>\$ 3,598,660</u> | <u>\$ 4,160,889</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

LAI YIH FOOTWEAR CO., LTD. (the “Company”) was incorporated in the Cayman Islands on June 19, 2021. The Company is an investment holding company established as part of an organisational restructuring as a result of applying for listing on the Taiwan Stock Exchange. The Company issued new shares on June 19, 2021 to acquire 100% equity interest in LAI YIH FOOTWEAR CO., LTD. and became the holding company of all consolidated entities after completing the reorganisation. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the production and sales of sports and leisure shoes.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on May 7, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

| New Standards, Interpretations and Amendments                                  | Effective date by<br>International<br>Accounting<br>Standards Board |
|--|---|
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’               | January 1, 2024   |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’ | January 1, 2024   |
| Amendments to IAS 1, ‘Non-current liabilities with covenants’                  | January 1, 2024   |
| Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’                | January 1, 2024   |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| New Standards, Interpretations and Amendments   | Effective date by<br>International<br>Accounting<br>Standards Board |
|---|---|
| Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’ | To be determined by International Accounting Standards Board        |
| IFRS 17, ‘Insurance contracts’  | January 1, 2023   |
| Amendments to IFRS 17, ‘Insurance contracts’  | January 1, 2023   |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 - comparative information’                               | January 1, 2023   |
| IFRS 18, ‘Presentation and disclosure in financial statements’  | January 1, 2027   |
| Amendments to IAS 21, ‘Lack of exchangeability’   | January 1, 2025   |

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. ;

##### (1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

##### (2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is same as the consolidated financial statements for the year ended December 31, 2023.

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B. Subsidiaries and second-tier subsidiaries included in the consolidated financial statements and movements for the year are as follows:

| <u>Name of investor</u> | <u>Name of subsidiary</u>                           | <u>Main business activities</u>                | <u>Ownership (%)</u>  |                          | <u>Ownership (%)</u>  | <u>Description</u> |
|-------------------------|---|--|-----------------------|--------------------------|-----------------------|--------------------|
|                         |   |  | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |                    |
| The Company             | LAI YIH FOOTWEAR CO., LTD. (LAI YIH SAMOA)          | Holding company                                | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | FLOURISH THRIVE DEVELOPMENTS LIMITED                | Import and export trade                        | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | CHEER ACCESS LTD. (CHEER ACCESS)                    | Investment holding and import and export trade | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | BILLION STAR INTERNATIONAL CO., LTD. (BILLION STAR) | Investment holding and import and export trade | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | PORTRICH TRADING LIMITED (PORTRICH)                 | Holding company                                | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | OVERSEA FAITH CO., LTD. (OVERSEA)                   | Holding company                                | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | MEGA RIVER INVESTMENT CO., LTD. (MEGA RIVER)        | Holding company                                | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | KING GLOBAL DEVELOPMENT CORP (KING GLOBAL)          | Holding company                                | 100%                  | 100%                     | 100%                  |                    |

| <u>Name of investor</u> | <u>Name of subsidiary</u>                           | <u>Main business activities</u>   | <u>Ownership (%)</u>  | <u>Ownership (%)</u>     | <u>Ownership (%)</u>  | <u>Description</u> |
|-------------------------|---|---|-----------------------|--------------------------|-----------------------|--------------------|
|                         |   |   | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |                    |
| LAI YIH SAMOA           | THRIVE FOISON LIMITED<br>(THRIVE FOISON)            | Holding company   | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | BRILLIANT METERO<br>LIMITED (BRILLIANT)             | Holding company   | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | POLO INTERNATIONAL<br>HOLDING LTD. (POLO)           | Investment holding and<br>production and sales of<br>sports and leisure shoes | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | EVERYIELD CO., LTD.<br>(EVERYIELD)                  | Holding company   | 100%                  | 100%                     | 100%                  |                    |
| LAI YIH SAMOA           | LAC TY COMPANY<br>LIMITED (LAC TY)                  | Production and sales of<br>sports and leisure shoes                           | 50%                   | 50%                      | 50%                   | Note 2             |
| LAI YIH SAMOA           | JUMBO POWER<br>ENTERPRISES LIMITED<br>(JUMBO POWER) | Investment holding and<br>sales of sports and<br>leisure shoes                | 50%                   | 50%                      | 50%                   | Note 3             |
| PORTRICH                | LAC TY II COMPANY<br>LIMITED (LAC TY II)            | Production and sales of<br>sports and leisure shoes                           | 100%                  | 100%                     | 100%                  |                    |
| OVERSEA                 | VINH LONG FOOTWEAR<br>CO., LTD (TY XUAN)            | Production and sales of<br>sports and leisure shoes                           | 85%                   | 85%                      | 85%                   |                    |

| <u>Name of investor</u> | <u>Name of subsidiary</u>                                | <u>Main business activities</u>                      | <u>Ownership (%)</u>  | <u>Ownership (%)</u>     | <u>Ownership (%)</u>  | <u>Description</u> |
|-------------------------|--|--|-----------------------|--------------------------|-----------------------|--------------------|
|                         |  |  | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |                    |
| KING GLOBAL             | YIH SHUO FOOTWEAR CO., LTD (TY THAC)                     | Production and sales of sports and leisure shoes     | 85%                   | 85%                      | 85%                   |                    |
| MEGA RIVER              | YIH SHUO FOOTWEAR CO., LTD (TY THAC)                     | Production and sales of sports and leisure shoes     | 15%                   | 15%                      | 15%                   |                    |
| JUMBO POWER             | SUPERB KING INVESTMENTS LIMITED (SUPERB KING)            | Holding company                                      | 100%                  | 100%                     | 100%                  |                    |
| SUPERB KING             | YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD. (BAOYI)     | Production and sales of sports and leisure shoes     | 100%                  | 100%                     | 100%                  |                    |
| THRIVE FOISON           | TY BACH COMPANY LIMITED (TY BACH)                        | Production and sales of sports and leisure shoes     | 100%                  | 100%                     | 100%                  |                    |
| THRIVE FOISON           | GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)              | Production and sales of sports and leisure shoes     | 100%                  | 100%                     | 100%                  |                    |
| BRILLIANT               | ZHONGSHAN YIBO FOOTWEAR COMPANY LIMITED (ZHONGSHAN YIBO) | Research and development of sports and leisure shoes | -                     | -                        | 100%                  | Note 1             |
| POLO                    | TSANG YIH COMPAMY LIMITED (TSANG YIH)                    | Production and sales of sports and leisure shoes     | 73%                   | 73%                      | 73%                   |                    |

| Name of investor | Name of subsidiary                         | Main business activities                         | Ownership (%)  | Ownership (%)     | Ownership (%)  | Description |
|------------------|--|--|----------------|-------------------|----------------|-------------|
|                  |  |  | March 31, 2024 | December 31, 2023 | March 31, 2023 |             |
| EVERYIELD        | TSANG YIH COMPAMY LIMITED (TSANG YIH)      | Production and sales of sports and leisure shoes | 27%            | 27%               | 27%            |             |
| MEGA RIVER       | PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN) | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| THRIVE FOISON    | PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN) | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| OVERSEA          | PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)   | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| PORTRICH         | PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)   | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| OVERSEA          | PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)     | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| KING GLOBAL      | PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)     | Production and sales of sports and leisure shoes | 50%            | 50%               | 50%            |             |
| EVERYIELD        | PT ALNU SPORTING GOODS INDONESIA (ALNU)    | Production and sales of sports and leisure shoes | 51%            | 51%               | -              | Note 4      |

Note 1: ZHONGSHAN YIBO was dissolved and liquidated on March 13, 2023 and remitted back investments on July 4, 2023 but had not changed the investment amount approved by the Investment Commission.

Note 2: LAC TY was included as a consolidated subsidiary as its directors were the same as the Group, key management personnel were all assigned by the Group and brand key technical services were all controlled by the Group.

Note 3: JUMBO POWER was included as a consolidated subsidiary as its executives of its main business activities, investment holding and sales of sports and leisure shoes, were all assigned by the Group and brand key technical services were all controlled by the Group.

Note 4: EVERYIELD CO., LTD. invested US\$1,530 thousand in PT ALNU SPORTING GOODS INDONESIA in December 2023 and completed

the registration in the same month.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

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F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31 2024, December 31, 2023 and March 31 2023, the non-controlling interest amounted to \$1,075,903, \$981,390 and \$1,060,286, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

| Name of subsidiary          | Principal place of business | Non-controlling interest |               |                   |               |
|-----------------------------|-----------------------------|--------------------------|---------------|-------------------|---------------|
|                             |                             | March 31, 2024           |               | December 31, 2023 |               |
|                             |                             | Amount                   | Ownership (%) | Amount            | Ownership (%) |
| VINH LONG FOOTWEAR CO., LTD | Vietnam                     | \$ 651,062               | 15%           | \$ 587,689        | 15%           |

  

| Name of subsidiary          | Principal place of business | Non-controlling interest |               |
|-----------------------------|-----------------------------|--------------------------|---------------|
|                             |                             | March 31, 2023           |               |
|                             |                             | Amount                   | Ownership (%) |
| VINH LONG FOOTWEAR CO., LTD | Vietnam                     | \$ 506,934               | 15%           |

Summarised financial information of the subsidiaries:

Balance sheets

|                         | VINH LONG FOOTWEAR CO., LTD |                   |                |
|-------------------------|-----------------------------|-------------------|----------------|
|                         | March 31, 2024              | December 31, 2023 | March 31, 2023 |
| Current assets          | \$ 3,602,587                | \$ 3,460,504      | \$ 3,036,724   |
| Non-current assets      | 2,006,965                   | 2,043,974         | 2,263,078      |
| Current liabilities     | ( 1,234,016)                | ( 1,549,637)      | ( 1,880,380)   |
| Non-current liabilities | ( 35,123)                   | ( 36,917)         | ( 39,862)      |
| Total net assets        | \$ 4,340,413                | \$ 3,917,924      | \$ 3,379,560   |

Statements of comprehensive income

|   | VINH LONG FOOTWEAR CO., LTD |              |
|---|-----------------------------|--------------|
|   | Three months ended March 31 |              |
|   | 2024                        | 2023         |
| Revenue   | \$ 3,061,998                | \$ 2,497,262 |
| Profit before income tax                                      | 427,855                     | 90,095       |
| Income tax expense  | ( 83,350)                   | ( 21,216)    |
| Profit for the period   | 344,505                     | 68,879       |
| Total comprehensive income for the period                     | \$ 344,505                  | \$ 68,879    |
| Comprehensive income attributable to non-controlling interest | \$ 51,676                   | \$ 10,332    |

Statements of cash flows

|   | VINH LONG FOOTWEAR CO., LTD |          |      |          |
|---|-----------------------------|----------|------|----------|
|   | Three months ended March 31 |          |      |          |
|   | 2024                        |          | 2023 |          |
| Net cash provided by (used in) operating activities   | \$                          | 259,510  | (\$  | 420,532) |
| Net cash used in investing activities                 | (                           | 41,588)  | (    | 41,676)  |
| Net cash (used in) provided by financing activities   | (                           | 211,995) |      | 466,801  |
| Effect of exchange rates on cash and cash equivalents |                             | 116      |      | 63       |
| Increase in cash and cash equivalents                 |                             | 6,043    |      | 4,656    |
| Cash and cash equivalents, beginning of period        |                             | 3,132    |      | 3,626    |
| Cash and cash equivalents, end of period              | \$                          | 9,175    | \$   | 8,282    |

(4) Income Tax

- A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognized the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of December 31, 2023. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

|                                       | March 31, 2024      | December 31, 2023   | March 31, 2023      |
|---------------------------------------|---------------------|---------------------|---------------------|
| Cash on hand and revolving funds      | \$ 9,000            | \$ 2,846            | \$ 16,653           |
| Checking accounts and demand deposits | 3,524,604           | 4,234,852           | 2,797,989           |
| Time deposits                         | 65,056              | 181,221             | 346,247             |
|                                       | <u>\$ 3,598,660</u> | <u>\$ 4,418,919</u> | <u>\$ 3,160,889</u> |

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group classified the time deposits with maturity over three months that did not meet short-

term cash commitments amounting to \$106,877, \$17,586, and \$193,778 on March 31, 2024, December 31, 2023 and March 31, 2023, respectively, as financial assets at amortised cost.

C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

| Items   | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|----------------|-------------------|----------------|
| Current items:                                |                |                   |                |
| Time deposits with maturity over three months | \$ 2,301       | \$ 2,257          | \$ 2,689       |
| Restricted time deposits                      | 1,804          | 1,077             | 258            |
|   | \$ 4,105       | \$ 3,334          | \$ 2,947       |
| Non-current items:                            |                |                   |                |
| Restricted time deposits                      | \$ 14,580      | \$ 14,252         | \$ 13,490      |
| Time deposits with maturity over one year     | 88,192         | -                 | 177,341        |
|   | \$ 102,772     | \$ 14,252         | \$ 190,831     |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

|                 | Three months ended<br>March 31, 2024 | Three months ended<br>March 31, 2023 |
|-----------------|--------------------------------------|--------------------------------------|
| Interest income | \$ 132                               | \$ 1,085                             |

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

|  | March 31, 2024 | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|----------------|
| Accounts receivable                        | \$ 4,677,503   | \$ 3,485,216   | \$ 3,013,996   |
| Less: Allowance for uncollectible accounts | ( 757)         | ( 1,223)       | ( 10,708)      |
|  | \$ 4,676,746   | \$ 3,483,993   | \$ 3,003,288   |

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

|               | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---------------|----------------|-------------------|----------------|
| Not past due  | \$ 4,671,585   | \$ 3,481,002      | \$ 2,989,737   |
| Up to 30 days | 5,896          | 3,572             | 23,308         |
| 31 to 90 days | 9              | 142               | 366            |
| Over 90 days  | 13             | 500               | 585            |
|               | \$ 4,677,503   | \$ 3,485,216      | \$ 3,013,996   |

The above ageing analysis was based on past due date.

B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$3,965,133.

C. As at March 31, 2024, December 31, 2023 and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was the carrying amount of the accounts receivable.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

|                      | March 31, 2024      |                                 |                     |
|----------------------|---------------------|---------------------------------|---------------------|
|                      | Cost                | Allowance for<br>valuation loss | Book value          |
| Raw materials        | \$ 1,142,923        | (\$ 92,201)                     | \$ 1,050,722        |
| Work in progress     | 1,360,120           | -                               | 1,360,120           |
| Finished goods       | 2,364,566           | ( 29,238)                       | 2,335,328           |
| Inventory in transit | 16,949              | -                               | 16,949              |
|                      | <u>\$ 4,884,558</u> | <u>(\$ 121,439)</u>             | <u>\$ 4,763,119</u> |
|                      | December 31, 2023   |                                 |                     |
|                      | Cost                | Allowance for<br>valuation loss | Book value          |
| Raw materials        | \$ 908,272          | (\$ 113,922)                    | \$ 794,350          |
| Work in progress     | 969,952             | -                               | 969,952             |
| Finished goods       | 2,327,980           | ( 30,131)                       | 2,297,849           |
| Inventory in transit | 23,017              | -                               | 23,017              |
|                      | <u>\$ 4,229,221</u> | <u>(\$ 144,053)</u>             | <u>\$ 4,085,168</u> |
|                      | March 31, 2023      |                                 |                     |
|                      | Cost                | Allowance for<br>valuation loss | Book value          |
| Raw materials        | \$ 1,267,920        | (\$ 111,072)                    | \$ 1,156,848        |
| Work in progress     | 940,803             | -                               | 940,803             |
| Finished goods       | 2,601,903           | ( 45,502)                       | 2,556,401           |
|                      | <u>\$ 4,810,626</u> | <u>(\$ 156,574)</u>             | <u>\$ 4,654,052</u> |

The cost of inventories recognised as expense for the year:

|   | Three months ended March 31 |                     |
|---|-----------------------------|---------------------|
|   | 2024                        | 2023                |
| Cost of goods sold                          | \$ 6,300,557                | \$ 4,851,990        |
| Gain on reversal of decline in market value | ( 25,408)                   | ( 8,613)            |
| Loss on scrapping inventories               | 15,398                      | 81                  |
| Revenue from sale of scraps                 | ( 2,992)                    | ( 1,641)            |
|   | <u>\$ 6,287,555</u>         | <u>\$ 4,841,817</u> |

The Group reversed a previous inventory write-down because the sales of certain inventories which were previously provided with allowance for the three months ended March 31, 2024 and 2023.

(5) Other current assets

|   | <u>March 31, 2024</u> | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
|---|-----------------------|-----------------------|-----------------------|
| Excess business tax paid (or Net Input VAT) | \$ 1,931,414          | \$ 1,759,403          | \$ 1,298,834          |
| Prepaid expenses                            | 187,142               | 181,976               | 111,296               |
| Prepayments to suppliers                    | 39,891                | 16,181                | 21,306                |
| Temporary debits                            | 2,824                 | 7,626                 | 10,822                |
| Others                                      | 17,758                | 17,121                | 36,068                |
|   | <u>\$ 2,179,029</u>   | <u>\$ 1,982,307</u>   | <u>\$ 1,478,326</u>   |

(6) Property, plant and equipment

Three months ended March 31, 2024

| <u>Cost</u>  | <u>Beginning balance</u> | <u>Addition</u>     | <u>Decrease</u>     | <u>Transfer</u> | <u>Net exchange differences</u> | <u>Ending balance</u> |
|--|--------------------------|---------------------|---------------------|-----------------|---------------------------------|-----------------------|
| Buildings and structures                               | \$ 8,843,696             | \$ 2,746            | (\$ 7,924)          | \$ 20,885       | \$ 228,814                      | \$ 9,088,217          |
| Machinery and equipment                                | 6,722,065                | 107,335             | ( 45,672)           | 791             | 145,548                         | 6,930,067             |
| Transportation equipment                               | 86,544                   | 844                 | -                   | -               | 1,694                           | 89,082                |
| Office equipment                                       | 142,569                  | 753                 | ( 502)              | -               | 2,638                           | 145,458               |
| Miscellaneous equipment                                | 1,074,366                | 21,819              | ( 232,289)          | ( 5)            | 23,966                          | 887,857               |
| Unfinished construction and equipment under acceptance | 2,126,301                | 472,192             | -                   | ( 21,697)       | 11,471                          | 2,588,267             |
|  | <u>18,995,541</u>        | <u>\$ 605,689</u>   | <u>(\$ 286,387)</u> | <u>(\$ 26)</u>  | <u>\$ 414,131</u>               | <u>19,728,948</u>     |
| <u>Accumulated depreciation</u>                        |                          |                     |                     |                 |                                 |                       |
| Buildings and structures                               | (\$ 2,368,089)           | (\$ 92,090)         | \$ 7,924            | \$ -            | (\$ 60,600)                     | (\$ 2,512,855)        |
| Machinery and equipment                                | ( 4,730,929)             | ( 162,399)          | 31,207              | -               | ( 102,030)                      | ( 4,964,151)          |
| Transportation equipment                               | ( 49,649)                | ( 2,202)            | -                   | -               | ( 1,019)                        | ( 52,870)             |
| Office equipment                                       | ( 89,193)                | ( 4,620)            | 438                 | -               | ( 1,726)                        | ( 95,101)             |
| Miscellaneous equipment                                | ( 757,526)               | ( 65,880)           | 230,333             | 1               | ( 16,373)                       | ( 609,445)            |
|  | <u>( 7,995,386)</u>      | <u>(\$ 327,191)</u> | <u>\$ 269,902</u>   | <u>\$ 1</u>     | <u>(\$ 181,748)</u>             | <u>( 8,234,422)</u>   |
| Book value   | <u>\$ 11,000,155</u>     |                     |                     |                 |                                 | <u>\$ 11,494,526</u>  |

Three months ended March 31, 2023

| Cost   | Beginning balance   | Addition            | Decrease            | Transfer           | Net exchange differences | Ending balance       |
|--|---------------------|---------------------|---------------------|--------------------|--------------------------|----------------------|
| Buildings and structures                               | \$ 8,415,648        | \$ 2,504            | (\$ 321)            | \$ 337,374         | \$ 121,137               | \$ 8,876,342         |
| Machinery and equipment                                | 6,681,045           | 51,523              | ( 40,100)           | -                  | 134,095                  | 6,826,563            |
| Transportation equipment                               | 78,466              | 6,892               | ( 1,286)            | -                  | 1,836                    | 85,908               |
| Office equipment                                       | 136,608             | 595                 | -                   | -                  | 3,587                    | 140,790              |
| Miscellaneous equipment                                | 880,631             | 34,365              | ( 184,639)          | 166,728            | 14,361                   | 911,446              |
| Unfinished construction and equipment under acceptance | 650,870             | 311,350             | ( 9,757)            | ( 336,415)         | 13,574                   | 629,622              |
|  | <u>16,843,268</u>   | <u>\$ 407,229</u>   | <u>(\$ 236,103)</u> | <u>\$ 167,687</u>  | <u>\$ 288,590</u>        | <u>17,470,671</u>    |
| <u>Accumulated depreciation</u>                        |                     |                     |                     |                    |                          |                      |
| Buildings and structures                               | (\$ 2,003,560)      | (\$ 97,427)         | \$ 321              | \$ -               | (\$ 29,196)              | (\$ 2,129,862)       |
| Machinery and equipment                                | ( 4,291,652)        | ( 177,982)          | 35,277              | -                  | ( 84,825)                | ( 4,519,182)         |
| Transportation equipment                               | ( 42,988)           | ( 2,109)            | 1,286               | -                  | ( 1,016)                 | ( 44,827)            |
| Office equipment                                       | ( 70,349)           | ( 4,751)            | -                   | -                  | ( 1,809)                 | ( 76,909)            |
| Miscellaneous equipment                                | ( 582,839)          | ( 69,552)           | 184,314             | ( 80,264)          | ( 10,931)                | ( 559,272)           |
|  | <u>( 6,991,388)</u> | <u>(\$ 351,821)</u> | <u>\$ 221,198</u>   | <u>(\$ 80,264)</u> | <u>(\$ 127,777)</u>      | <u>( 7,330,052)</u>  |
| Book value   | <u>\$ 9,851,880</u> |                     |                     |                    |                          | <u>\$ 10,140,619</u> |

A. The significant components of buildings include fire safety equipments , building decoration and Electrical & Plumbing equipments , which are depreciated over 6 years, 7 years and 8 years, respectively.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Lease transactions - lessee

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings. Low-value assets comprise printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

|                          | <u>March 31, 2024</u>  | <u>December 31, 2023</u> | <u>March 31, 2023</u>  |
|--------------------------|------------------------|--------------------------|------------------------|
|                          | <u>Carrying amount</u> | <u>Carrying amount</u>   | <u>Carrying amount</u> |
| Land                     | \$ 968,218             | \$ 956,040               | \$ 983,061             |
| Buildings                | 317,050                | 291,409                  | 312,093                |
| Transportation equipment | 8,814                  | 10,652                   | 14,497                 |
|                          | <u>\$ 1,294,082</u>    | <u>\$ 1,258,101</u>      | <u>\$ 1,309,651</u>    |

|                          | <u>Three months ended December 31</u> |                            |
|--------------------------|---------------------------------------|----------------------------|
|                          | <u>2024</u>                           | <u>2023</u>                |
|                          | <u>Depreciation charge</u>            | <u>Depreciation charge</u> |
| Land                     | \$ 5,771                              | \$ 5,810                   |
| Buildings                | 14,008                                | 11,370                     |
| Transportation equipment | 1,838                                 | 1,813                      |
|                          | <u>\$ 21,617</u>                      | <u>\$ 18,993</u>           |

- D. For the three months ended March 31, 2024 and 2023, the additions to right-of-use assets were \$34,557 and \$17,257, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

|                                       | <u>Three months ended December 31</u> |                 |
|---------------------------------------|---------------------------------------|-----------------|
|                                       | <u>2024</u>                           | <u>2023</u>     |
| <u>Items affecting profit or loss</u> |                                       |                 |
| Interest expense on lease liabilities | <u>\$ 2,165</u>                       | <u>\$ 1,446</u> |
| Expense on short-term lease contracts | <u>\$ 2,105</u>                       | <u>\$ 7,341</u> |

- F. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases were \$20,477 and \$19,393, respectively.
- G. Information about the right-of-use that were pledged to others as collaterals is provided in Note 8.

(8) Short-term borrowings

| <u>Type of borrowings</u> | <u>March 31, 2024</u> | <u>Interest rate range</u> | <u>Collateral</u>                                |
|---------------------------|-----------------------|----------------------------|--|
| Bank borrowings           |                       |                            |  |
| Secured borrowings        | \$ 534,753            | 2.51~6%                    | Land use right and property, plant and equipment |
| Unsecured borrowings      | <u>3,481,304</u>      | 3.3%~6.11%                 | None   |
|                           | <u>\$ 4,016,057</u>   |                            |  |

| <u>Type of borrowings</u> | <u>March 31, 2024</u> | <u>Interest rate range</u> | <u>Collateral</u>                                |
|---------------------------|-----------------------|----------------------------|--|
| Bank borrowings           |                       |                            |  |
| Secured borrowings        | \$ 648,014            | 1.94%~6.3%                 | Land use right and property, plant and equipment |
| Unsecured borrowings      | <u>3,111,842</u>      | 2.5%~6.32%                 | None   |
|                           | <u>\$ 3,759,856</u>   |                            |  |

| <u>Type of borrowings</u> | <u>March 31, 2023</u> | <u>Interest rate range</u> | <u>Collateral</u>                                |
|---------------------------|-----------------------|----------------------------|--|
| Bank borrowings           |                       |                            |  |
| Secured borrowings        | \$ 599,692            | 5.25%~5.5%                 | Land use right and property, plant and equipment |
| Unsecured borrowings      | <u>1,606,159</u>      | 4.71%~5.78%                | None   |
|                           | <u>\$ 2,205,851</u>   |                            |  |

Interest expense recognised in profit or loss amounted to \$48,537 and \$28,843 for the three months ended March 31, 2024 and 2023, respectively.

(9) Other payables

|  | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|--|-----------------------|--------------------------|-----------------------|
| Payable on wages, salaries and bonuses | \$ 971,450            | \$ 1,232,292             | \$ 661,170            |
| Payable on professional service fees   | 75,158                | 78,969                   | 59,859                |
| Payable on machinery and equipment     | 28,256                | 57,553                   | 190,798               |
| Others                                 | <u>193,187</u>        | <u>213,597</u>           | <u>116,743</u>        |
|  | <u>\$ 1,268,051</u>   | <u>\$ 1,582,411</u>      | <u>\$ 1,028,570</u>   |

(10) Long-term borrowings

| <u>Type of borrowings</u>       | <u>Expiry date</u> | <u>Interest rate<br/>range</u> | <u>Collateral</u> | <u>March 31, 2023</u> |
|---------------------------------|--------------------|--------------------------------|-------------------|-----------------------|
| Bank borrowings                 |                    |                                |                   |                       |
| Syndicated unsecured borrowings | July 28, 2024      | 5.74%                          | None              | \$ 852,600            |
| Less: Current portion           |                    |                                |                   | ( 487,200)            |
|                                 |                    |                                |                   | <u>\$ 365,400</u>     |

There were no such transactions as of March 31, 2024 and December 31, 2023.

- A. Interest expense recognised in profit or loss amounted to \$12,777 for the three months ended March 31, 2024.
- B. The Group entered into a syndicated borrowings contract with total facilities of tranche A amounting to US\$40,000 with the syndicate bank composed of 7 banks including CTBC Bank as the management bank on May 7, 2021 to repay borrowings from financial institutions and increase working capital. The Group had repaid the syndicated unsecured borrowings in advance on October 30, 2023.
- C. In addition to other relevant regulations, the abovementioned syndicated unsecured borrowings contract also includes the following restrictions: During the credit term, the following financial ratios shall be maintained and be reviewed once annually as per the annual financial statements:
- (a) Current ratio shall not be less than 130%.
  - (b) Leverage ratio shall not be higher than 70%.
  - (c) Net tangible assets shall not be less than NT\$14,000,000.
  - (d) Interest coverage ratio shall not be less than 200%.
- D. In accordance with the regulations of the borrowings contract, during the contract period, the Company shall comply with certain financial ratios such as current ratio, debt ratio, net tangible assets and interest coverage ratio at the end of the year, if there is any breach of contract, the management bank may require all payments to be terminated and interest to be paid immediately. The abovementioned restrictions had not been violated based on the review and calculation of financial ratios on March 31, 2023.

(11) Pensions

- A. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2024 and 2023, were \$2,091 and \$2,023, respectively.
- B. The mainland China subsidiaries, BAOYI and ZHONGSHAN YIBO, have a defined

contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The amount that the Group contributed to the competent authority designated by the Government for the three months ended March 31, 2024 and 2023 was \$2,929 and \$14,772, respectively.

- C. The Group's subsidiaries, LAC TY, LAC TY II, TY XUAN, TY THAC, TY BACH and GRAND WISDOM, are subject to relevant regulations in Vietnam and contribute labor pension fund based on certain percentage of employees' monthly salaries and wages to relevant competent authority monthly according to the regulations in Vietnam. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2024 and 2023, were \$175,514 and \$171,778, respectively.

(12) Share capital

- A. As of March 31, 2024, the Company's authorised capital was \$8,000,000 thousand, consisting of 800,000 thousand shares of ordinary stock, and the paid-in capital was \$2,200,000 thousand with a par value of NT\$10 (in dollars) per share.
- B. The Board of Directors during its meeting on March 12, 2024 adopted a resolution to increase the Company's capital by issuing \$29,000 thousand ordinary shares with a par value of \$10 (in dollars) per share. As at April 26, 2024, the shares had been registered with the competent authority and has been approved by the competent authority. The Chairman of the Board was authorized to determine the base date for capital increase.

(13) Capital surplus

- A. Unless otherwise provided in the Companies Law of the Cayman Islands, listed companies' regulations, and the Company's Articles of Incorporation, neither the legal reserve nor the capital surplus shall be used except for offsetting the losses of the Company. The Company shall not use the capital surplus to offset its capital losses unless the legal reserve and special reserve set aside for purposes of loss offset is insufficient to offset such losses.
- B. At any time other than during the listing period, subject to the Companies Law of the Cayman Islands, the Board of Directors can set aside all or certain share premium, other reserves, earnings or distributable profit as capital, which will be distributed to shareholders in the form of new shares based on their shareholding ratio.
- C. During the listing period, subject to the Companies Law of the Cayman Islands, where the Company incurs no loss, it may, by a special resolution, distribute its statutory reserve, the share premium account and/or the income from endowments received by the Company, which are in the capital surplus which are available for distribution, in whole or in part, by issuing new, fully paid shares and/or by cash to its shareholders.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, if there is current year's earnings, before distribution, the Company shall:

- (a) Pay all taxes;
- (b) Offset prior years' operating losses;
- (c) Set aside 10% of the remaining amount as legal reserve until the legal reserve equals the paid-in capital;
- (d) Set aside special reserve according to the regulations of the competent authority. The remainder is the distributable earnings for the period.

Dividends can be distributed from the distributable earnings for the period or the unappropriated retained earnings for the prior period.

B. All directors are entitled to obtain year-end remuneration not higher than 2% of 'profit of the current year' only in the form of cash every year. All employees of the Company and its subsidiaries are entitled to obtain year-end compensation not lower than 2% of 'profit of the current year' in the form of cash, stocks or any combination of the two every year.

C. The first and second items above are only applicable if the Company is listed on any securities exchange market in the Republic of China.

D. The shareholders resolved the appropriation of 2022 earnings on November 8, 2023. Cash dividends from retained earnings amounted to \$1,100,000 thousand at \$5 (in dollars) per share.

E. The shareholders resolved the appropriation of 2023 earnings on March 12, 2024. Cash dividends from capital surplus amounted to \$440,000 thousand at \$2 (in dollars) per share and cash dividends from retained earnings amounted to \$660,000 thousand at \$3 (in dollars) per share.

F. As of May 7, 2024, the appropriation of 2023 earnings has not been resolved by the shareholders at the meeting.

(15) Operating revenue

|                                       | <u>Three months ended March 31</u> |                     |
|---------------------------------------|------------------------------------|---------------------|
|                                       | <u>2024</u>                        | <u>2023</u>         |
| Revenue from contracts with customers | <u>\$ 7,770,937</u>                | <u>\$ 5,519,810</u> |

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of control at a point in time. Revenue can be disaggregated according to geographical regions. Refer to Note 14(5) for relevant information.

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

|                          | <u>March 31, 2024</u> | <u>December 31, 2024</u> | <u>March 31, 2023</u> | <u>January 1, 2023</u> |
|--------------------------|-----------------------|--------------------------|-----------------------|------------------------|
| Contract liabilities:    |                       |                          |                       |                        |
| - Advance sales receipts | <u>\$ 78,908</u>      | <u>\$ 58,452</u>         | <u>\$ 46,762</u>      | <u>\$ 56,370</u>       |

Revenue recognised that was included in the contract liability balance at the beginning of the period

|   | Three months ended March 31 |           |
|---|-----------------------------|-----------|
|   | 2024                        | 2023      |
| Revenue recognised that was included in the contract liability balance at the beginning of the period |                             |           |
| - Advance sales receipts  | \$ 58,452                   | \$ 56,370 |

(16) Interest income

|  | Three months ended March 31 |           |
|--|-----------------------------|-----------|
|  | 2024                        | 2023      |
| Interest income from bank deposits                               | \$ 22,762                   | \$ 14,734 |
| Interest income from financial assets measured at amortised cost | 132                         | 1,085     |
|  | \$ 22,894                   | \$ 15,819 |

(17) Other gains and losses

|   | Three months ended March 31 |           |
|---|-----------------------------|-----------|
|   | 2024                        | 2023      |
| Foreign exchange gains                                    | \$ 145,029                  | \$ 48,719 |
| (Loss)gains on disposals of property, plant and equipment | ( 2,458)                    | 2,540     |
| Gains arising from lease modifications                    | -                           | ( 13,235) |
| Other gains and losses                                    | ( 1,891)                    | ( 6,148)  |
|   | \$ 140,680                  | \$ 31,876 |

(18) Finance costs

|                   | Three months ended March 31 |           |
|-------------------|-----------------------------|-----------|
|                   | 2024                        | 2023      |
| Interest expense  |                             |           |
| Bank borrowings   | \$ 48,537                   | \$ 41,620 |
| Lease liabilities | 2,165                       | 1,446     |
|                   | \$ 50,702                   | \$ 43,066 |

(19) Expenses by nature

|   | Three months ended March 31 |                     |
|---|-----------------------------|---------------------|
|   | 2024                        | 2023                |
| Employee benefit expense                              |                             |                     |
| Wages and salaries                                    | \$ 1,731,659                | \$ 1,705,977        |
| Labour and health insurance fees                      | 46,175                      | 56,470              |
| Pension costs   | 180,534                     | 188,573             |
| Other personnel expenses                              | 80,792                      | 96,906              |
|   | <u>\$ 2,039,160</u>         | <u>\$ 2,047,926</u> |
| Depreciation charges on property, plant and equipment | <u>\$ 327,191</u>           | <u>\$ 351,821</u>   |
| Depreciation charges on right-of-use assets           | <u>\$ 21,617</u>            | <u>\$ 18,903</u>    |
| Amortisation charges                                  | <u>\$ 1,426</u>             | <u>\$ 1,240</u>     |

(20) Income tax

A. Income tax expense

Components of income tax expense:

|   | Three months ended March 31 |                    |
|---|-----------------------------|--------------------|
|   | 2024                        | 2023               |
| Current tax:                                      |                             |                    |
| Current tax on profits for the period             | <u>\$ 214,764</u>           | <u>\$ 121,112</u>  |
| Total current tax                                 | <u>214,764</u>              | <u>121,112</u>     |
| Deferred tax:                                     |                             |                    |
| Origination and reversal of temporary differences | <u>\$ 2,889</u>             | <u>(\$ 30,086)</u> |
| Total deferred tax                                | <u>2,889</u>                | <u>(30,086)</u>    |
| Income tax expense                                | <u>\$ 217,653</u>           | <u>\$ 91,026</u>   |

B. The income tax returns of (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH through 2022 have been assessed and approved by the Tax Authority.

(21) Earnings per share

|   | Three months ended March 31, 2024 |  |                                    |
|---|-----------------------------------|--|------------------------------------|
|   | Amount after tax                  | Weighted average<br>number of ordinary<br>shares outstanding<br>(share in thousands) | Earnings per<br>share (in dollars) |
| <u>Basic and diluted earnings per share</u> |                                   |  |                                    |
| Profit attributable to the parent           | <u>\$ 738,643</u>                 | <u>220,000</u>   | <u>\$ 3.36</u>                     |

  

|   | Three months ended March 31, 2023 |  |                                    |
|---|-----------------------------------|--|------------------------------------|
|   | Amount after tax                  | Weighted average<br>number of ordinary<br>shares outstanding<br>(share in thousands) | Earnings per<br>share (in dollars) |
| <u>Basic and diluted earnings per share</u> |                                   |  |                                    |
| Profit attributable to the parent           | <u>\$ 38,389</u>                  | <u>220,000</u>   | <u>\$ 0.17</u>                     |

(22) Supplemental cash flow information

Investing activities with partial cash payments:

|  | Three months ended March 31 |                   |
|--|-----------------------------|-------------------|
|  | 2024                        | 2023              |
| Purchase of property, plant and equipment                                      | \$ 605,664                  | \$ 494,652        |
| Add: Opening balance of payable on equipment                                   | 57,553                      | 73,695            |
| Add: Ending balance of prepayments for equipment                               | 24,623                      | 1,493             |
| Less: Ending balance of payable on equipment                                   | ( 28,256)                   | ( 190,798)        |
| Less: Opening balance of prepayments for equipment                             | ( 17,178)                   | ( 6,784)          |
| Less: property, plant and equipment transferred to<br>expense                  | 25                          | -                 |
| Less: Other current assets transferred to property, plant<br>and equipment     | - (                         | 8,174)            |
| Less: Other non-current assets transferred to property,<br>plant and equipment | - (                         | 79,249)           |
| Cash paid during the period  | <u>\$ 642,431</u>           | <u>\$ 284,835</u> |

  

|                                      | Three months ended March 31 |                 |
|--------------------------------------|-----------------------------|-----------------|
|                                      | 2024                        | 2023            |
| Purchase of intangible assets        | \$ 315                      | \$ 783          |
| Add: Ending balance of prepayments   | 5,952                       | 342             |
| Less: Opening balance of prepayments | ( 3,353)                    | -               |
| Cash paid during the period          | <u>\$ 2,914</u>             | <u>\$ 1,125</u> |

(23) Changes in liabilities from financing activities

|  | 2024                  |  |                             |                   |   |
|--|-----------------------|--|-----------------------------|-------------------|---|
|  | Short-term borrowings | Long-term borrowings (including current portion) | Guarantee deposits received | Lease liabilities | Liabilities from financing activities-gross |
| At January 1                                   | \$ 3,759,856          | \$ -   | \$ 22                       | \$ 426,845        | \$ 4,186,723                                |
| Changes in cash flow from financing activities | 127,866               | -  | ( 9)                        | ( 18,372)         | 109,485                                     |
| Impact of changes in foreign exchange rate     | 128,335               | -  | -                           | 6,492             | 134,827                                     |
| Interest expense                               | -                     | -  | -                           | 2,165             | 2,165                                       |
| Changes in other non-cash items                | -                     | -  | -                           | 34,179            | 34,179                                      |
| At March 31                                    | <u>\$ 4,016,057</u>   | <u>\$ -</u>                                      | <u>\$ 13</u>                | <u>\$ 451,309</u> | <u>\$ 4,467,379</u>                         |
|  | 2023                  |  |                             |                   |   |
|  | Short-term borrowings | Long-term borrowings (including current portion) | Guarantee deposits received | Lease liabilities | Liabilities from financing activities-gross |
| At January 1                                   | \$ 2,543,731          | \$ 982,720                                       | \$ 1,032                    | \$ 420,703        | \$ 3,948,186                                |
| Changes in cash flow from financing activities | ( 329,296)            | ( 121,726)                                       | 30                          | ( 12,052)         | ( 463,044)                                  |
| Impact of changes in foreign exchange rate     | ( 8,584)              | ( 8,394)   | ( 11)                       | 3,467             | ( 13,522)                                   |
| Interest expense                               | -                     | -  | -                           | 1,446             | 1,446                                       |
| Changes in other non-cash items                | -                     | -  | -                           | 16,813            | 16,813                                      |
| At December 31                                 | <u>\$ 2,205,851</u>   | <u>\$ 852,600</u>                                | <u>\$ 1,051</u>             | <u>\$ 430,377</u> | <u>\$ 3,489,879</u>                         |

## 7. Related Party Transactions

### (1) Names of related parties and relationship

| Names of related parties                        | Relationship with the Group  |
|---|--|
| VINH TY COMPANY LIMITED (VINH TY)               | Associate (associate accounted for using the equity method of the Company) |
| ZHUO YIH FOOTWEAR CO., LTD (ZHUO YIH)           | Other related party (representative is the same as the Company)            |
| TIENHUNG CO., LTD (TIENHUNG)                    | Other related party (related party of the Company's subsidiary)            |
| IDEA (MACAO COMMERCIAL OFFSHORE) LIMITED (IDEA) | Other related party (related party of the Company's subsidiary)            |
| AN LAC COMPANY LTD (AN LAC)                     | Other related party (related party of the Company's subsidiary)            |
| PRIME ASIA LEATHER CORPORATION (PRIME ASIA)     | Other related party (related party of the Company's subsidiary)            |
| CHUNG TE LI                                     | Key management personnel of the Group (Chairman of the Group)              |
| LIN CHANG YUNG                                  | Key management personnel of the Group (director of the Group)              |

### (2) Significant related party transactions

#### A. Purchases

|                        | Three months ended March 31 |                  |
|------------------------|-----------------------------|------------------|
|                        | 2024                        | 2023             |
| Purchases of goods:    |                             |                  |
| Other related parties  | \$ 226,517                  | \$ 56,194        |
|                        | <u>226,517</u>              | <u>56,194</u>    |
| Purchases of services: |                             |                  |
| Other related parties  | \$ 2,633                    | \$ 7,449         |
| Associate              | -                           | 940              |
|                        | <u>2,633</u>                | <u>8,389</u>     |
|                        | <u>\$ 229,150</u>           | <u>\$ 64,583</u> |

Raw materials are purchased based on the price lists in force and terms that would be available to third parties. The payment terms are 45 days after monthly billings.

Processing is purchased based on the price lists in force and terms that would be available to third parties. The payment terms are 30 days after monthly billings.

B. Receivables from related parties:

|                       | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-----------------------|-----------------------|--------------------------|-----------------------|
| Other receivables     |                       |                          |                       |
| Other related parties | \$ 22                 | \$ -                     | \$ -                  |
|                       | <u>\$ 22</u>          | <u>\$ -</u>              | <u>\$ -</u>           |

Other receivables mainly from overpayment for sample purchases.

C. Payables to related parties

|                       | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-----------------------|-----------------------|--------------------------|-----------------------|
| Accounts payable:     |                       |                          |                       |
| Other related parties | \$ 67,656             | \$ 19,581                | \$ 10,910             |
|                       | <u>67,656</u>         | <u>19,581</u>            | <u>10,910</u>         |
| Other payables:       |                       |                          |                       |
| Other related parties | 203                   | 246                      | 192                   |
|                       | <u>203</u>            | <u>246</u>               | <u>192</u>            |
|                       | <u>\$ 67,859</u>      | <u>\$ 19,827</u>         | <u>\$ 11,102</u>      |

Accounts payable arise mainly from purchase transactions. Other payables arise mainly from expense on purchasing samples.

D. Lease transactions - lessee

(a) The Group leases buildings from AN LAC. Rental contracts are made for periods from 2018 to 2030 and 2021 to 2030, respectively. Rents are paid in a lump sum and monthly at commencement of the contracts, respectively.

(b) The Group leases buildings from ZHUO YIH. Rental contracts are made for a period from 2024 to 2028. Rents are paid monthly at commencement of the contracts.

|          | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|----------|-----------------------|--------------------------|-----------------------|
| ZHUO YIH | \$ 34,179             | \$ -                     | \$ -                  |

(c) Lease liabilities

i. Outstanding balance

|          | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|----------|-----------------------|--------------------------|-----------------------|
| AN LAC   | \$ 101,261            | \$ 103,289               | \$ 117,262            |
| ZHUO YIH | 32,714                | -                        | -                     |
|          | <u>\$ 133,975</u>     | <u>\$ 103,289</u>        | <u>\$ 117,262</u>     |

ii. Interest expense

|          | <u>Three months ended<br/>March 31, 2024</u> | <u>Three months ended<br/>March 31, 2023</u> |
|----------|--|--|
| AN LAC   | \$ 325                                       | \$ 381                                       |
| ZHUO YIH | 533  | -  |
|          | <u>\$ 858</u>                                | <u>\$ 381</u>                                |

E. Endorsements and guarantees provided to related parties

|                                | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|--------------------------------|-----------------------|--------------------------|-----------------------|
| CHUNG TE LI/<br>LIN CHANG YUNG | \$ <u>4,016,057</u>   | \$ <u>3,759,857</u>      | \$ <u>3,055,834</u>   |

The Chairman and directors of the Company serve as the guarantors for the borrowings contracts and syndicated borrowings contracts of the Company with CTBC Bank, Mega Commercial Bank, E.SUN Commercial Bank, Fubon Commercial Bank, Cathay United Bank, First Commercial Bank and Bank SinoPac.

F. Rent expense

|          | <u>Three months ended March 31</u> |                 |
|----------|------------------------------------|-----------------|
|          | <u>2024</u>                        | <u>2023</u>     |
| ZHUO YIH | \$ <u>-</u>                        | \$ <u>1,896</u> |

The Group leases offices from ZHUO YIH. Rental contracts are for the year ended December 31, 2023. Monthly rent is \$632 thousand.

(3) Key management compensation

|                              | <u>Three months ended March 31</u> |                  |
|------------------------------|------------------------------------|------------------|
|                              | <u>2024</u>                        | <u>2023</u>      |
| Short-term employee benefits | \$ 9,831                           | \$ 12,696        |
| Post-employment benefits     | 160                                | 167              |
|                              | <u>\$ 9,991</u>                    | <u>\$ 12,863</u> |

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

| <u>Pledged asset</u>  | <u>Book value</u>     |                          |                       | <u>Purpose</u>                                   |
|---|-----------------------|--------------------------|-----------------------|--|
|   | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |  |
| Time deposits (shown as financial assets at amortised cost) | \$ 16,384             | \$ 15,329                | \$ 13,748             | Creation of pledge                               |
| Right-of-use assets   | 210,733               | 208,342                  | 217,225               | Short-term, medium-term and long-term borrowings |
| Property, plant and equipment                               | 792,851               | 788,616                  | 836,442               | Short-term, medium-term and long-term borrowings |
|   | <u>\$ 1,019,968</u>   | <u>\$ 1,012,287</u>      | <u>\$ 1,067,415</u>   |  |

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

## (2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

|                               | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-------------------------------|-----------------------|--------------------------|-----------------------|
| Property, plant and equipment | \$ 455,663            | \$ 931,172               | \$ 1,076,210          |
|                               | <u>\$ 455,663</u>     | <u>\$ 931,172</u>        | <u>\$ 1,076,210</u>   |

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

The Company was approved by the Taiwan Stock Exchange to become a public company on April 26, 2024. The Company will issue new shares for cash capital increase before the initial public offering in May 2024. Refer to Note 6(12) for details.

## 12. Others

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders 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 amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total capital.

The Group monitors capital by reviewing the debt ratios periodically. The debt ratios at March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:

|                   | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-------------------|-----------------------|--------------------------|-----------------------|
| Total liabilities | \$ 8,469,772          | \$ 7,832,734             | \$ 6,413,669          |
| Total assets      | \$ 28,391,995         | \$ 26,559,309            | \$ 25,296,692         |
| Debt ratio        | <u>30%</u>            | <u>29%</u>               | <u>25%</u>            |

### (2) Financial instruments

#### A. Financial instruments by category

|   | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Financial assets</u>                         |                       |                          |                       |
| Financial assets at amortised cost              |                       |                          |                       |
| Cash and cash equivalents                       | \$ 3,598,660          | \$ 4,418,919             | \$ 4,160,889          |
| Financial assets at amortised cost              | 106,877               | 17,586                   | 193,778               |
| Accounts receivable (including related parties) | 4,676,746             | 3,483,993                | 3,003,288             |
| Other receivables (including related parties)   | 62,015                | 97,683                   | 101,660               |
| Guarantee deposits paid                         | 35,333                | 29,740                   | 28,334                |
|   | <u>\$ 8,479,631</u>   | <u>\$ 8,047,921</u>      | <u>\$ 7,487,949</u>   |

|   | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Financial liabilities</u>                          |                       |                          |                       |
| Financial liabilities at amortised cost               |                       |                          |                       |
| Short-term borrowings                                 | \$ 4,016,057          | \$ 3,759,856             | \$ 2,205,851          |
| Notes payable   | 29                    | 20                       | 124                   |
| Accounts payable<br>(including related parties)       | 2,297,371             | 1,687,654                | 1,184,129             |
| Other accounts payable<br>(including related parties) | 1,268,254             | 1,582,657                | 1,028,762             |
| Long-term borrowings<br>(including current portion)   | -                     | -                        | 852,600               |
| Guarantee deposits received                           | 13                    | 22                       | 1,051                 |
|   | <u>\$ 7,581,724</u>   | <u>\$ 7,030,209</u>      | <u>\$ 5,272,517</u>   |
| Lease liability                                       | <u>\$ 451,309</u>     | <u>\$ 426,845</u>        | <u>\$ 430,377</u>     |

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and VND expenditures. Natural hedges are adopted by group companies to minimise the foreign exchange risk exposure with the Group treasury.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD, NTD, VND, RMB and IDR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| March 31, 2024                          |               |                  |    |           |
|---|---------------|------------------|----|-----------|
| Foreign currency                        |               |                  |    |           |
| amount                                  |               |                  |    |           |
| (in thousands)                          |               |                  |    |           |
|   | Exchange rate | Book value (NTD) |    |           |
| (Foreign currency: functional currency) |               |                  |    |           |
| <u>Financial assets</u>                 |               |                  |    |           |
| <u>Monetary items</u>                   |               |                  |    |           |
| USD:NTD                                 | \$ 214,528    | 32               | \$ | 6,864,896 |
| USD:VND                                 | 141,843       | 24,790           |    | 4,538,976 |
| USD:RMB                                 | 13,067        | 7.2569           |    | 418,144   |
| USD:IDR                                 | 14,448        | 16,000           |    | 462,336   |
| <u>Financial liabilities</u>            |               |                  |    |           |
| <u>Monetary items</u>                   |               |                  |    |           |
| USD:NTD                                 | \$ 213,958    | 32               | \$ | 6,846,656 |
| USD:VND                                 | 73,573        | 24,790           |    | 2,354,336 |
| USD:RMB                                 | 4,562         | 7.2569           |    | 145,984   |
| December 31, 2023                       |               |                  |    |           |
| Foreign currency                        |               |                  |    |           |
| amount                                  |               |                  |    |           |
| (in thousands)                          |               |                  |    |           |
|   | Exchange rate | Book value (NTD) |    |           |
| (Foreign currency: functional currency) |               |                  |    |           |
| <u>Financial assets</u>                 |               |                  |    |           |
| <u>Monetary items</u>                   |               |                  |    |           |
| USD:NTD                                 | \$ 203,418    | 30.705           | \$ | 6,245,950 |
| USD:VND                                 | 145,547       | 24,240           |    | 4,469,021 |
| USD:RMB                                 | 14,186        | 7.0972           |    | 435,581   |
| USD:IDR                                 | 21,781        | 15,361           |    | 668,786   |
| <u>Financial liabilities</u>            |               |                  |    |           |
| <u>Monetary items</u>                   |               |                  |    |           |
| USD:NTD                                 | \$ 164,925    | 30.705           | \$ | 5,064,022 |
| USD:VND                                 | 54,375        | 24,240           |    | 1,669,584 |
| USD:RMB                                 | 1,104         | 7.0972           |    | 33,898    |

March 31, 2023

|  | Foreign currency<br>amount |               |        |    | Book value (NTD) |
|--|----------------------------|---------------|--------|----|------------------|
|  | (in thousands)             | Exchange rate |        |    |                  |
| (Foreign currency:<br>functional currency) |                            |               |        |    |                  |
| <u>Financial assets</u>                    |                            |               |        |    |                  |
| <u>Monetary items</u>                      |                            |               |        |    |                  |
| USD:NTD                                    | \$                         | 220,559       | 30.45  | \$ | 6,716,022        |
| USD:VND                                    |                            | 98,735        | 23,570 |    | 3,006,481        |
| USD:RMB                                    |                            | 14,846        | 6.8729 |    | 452,061          |
| USD:IDR                                    |                            | 30,620        | 15,225 |    | 932,379          |
| <u>Financial liabilities</u>               |                            |               |        |    |                  |
| <u>Monetary items</u>                      |                            |               |        |    |                  |
| USD:NTD                                    | \$                         | 111,216       | 30.45  | \$ | 3,386,527        |
| USD:VND                                    |                            | 180,864       | 23,570 |    | 5,507,309        |
| USD:RMB                                    |                            | 788           | 6.8729 |    | 23,995           |

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2024 and 2023, amounted to \$145,029 and \$48,719, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2024

|  | Sensitivity analysis |                             |  |
|--|----------------------|-----------------------------|--|
|  | Degree of variation  | Effect on profit<br>or loss | Effect on other<br>comprehensive<br>income |
| (Foreign currency:<br>functional currency) |                      |                             |  |
| <u>Financial assets</u>                    |                      |                             |  |
| <u>Monetary items</u>                      |                      |                             |  |
| USD:NTD                                    | 5%                   | \$ 343,245                  | \$ -                                       |
| USD:VND                                    | 5%                   | 226,949                     | -  |
| USD:RMB                                    | 5%                   | 20,907                      | -  |
| USD:IDR                                    | 5%                   | 23,117                      |  |
| <u>Financial liabilities</u>               |                      |                             |  |
| <u>Monetary items</u>                      |                      |                             |  |
| USD:NTD                                    | 5%                   | \$ 342,333                  | \$ -                                       |
| USD:VND                                    | 5%                   | 117,717                     | -  |
| USD:RMB                                    | 5%                   | 7,299                       | -  |

Three months ended March 31, 2023

| Sensitivity analysis                       |    |                             |    |  |
|--|----|-----------------------------|----|--|
| Degree of variation                        |    | Effect on profit<br>or loss |    | Effect on other<br>comprehensive<br>income |
| (Foreign currency:<br>functional currency) |    |                             |    |  |
| <u>Financial assets</u>                    |    |                             |    |  |
| <u>Monetary items</u>                      |    |                             |    |  |
| USD:NTD                                    | 5% | \$ 335,801                  | \$ | -  |
| USD:VND                                    | 5% | 150,324                     |    | -  |
| USD:RMB                                    | 5% | 22,603                      |    | -  |
| USD:IDR                                    | 5% | 46,619                      |    |  |
| <u>Financial liabilities</u>               |    |                             |    |  |
| <u>Monetary items</u>                      |    |                             |    |  |
| USD:NTD                                    | 5% | \$ 169,326                  | \$ | -  |
| USD:VND                                    | 5% | 275,365                     |    | -  |
| USD:RMB                                    | 5% | 1,200                       |    | -  |

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During three months ended March 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
  - ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the three months ended March 31, 2024 and 2023 would have increased/decreased by \$9,584 and \$7,282, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
  - ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
  - iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix is as follows:

|                          | Not past due | Up to 30 days past due | 31~90 days past due | Over 90 days past due | Total        |
|--------------------------|--------------|------------------------|---------------------|-----------------------|--------------|
| <u>March 31, 2024</u>    |              |                        |                     |                       |              |
| Expected loss rate       | 0.0105%      | 4.24%                  | 33.33%              | 100%                  |              |
| Total book value         | \$ 4,671,585 | \$ 5,896               | \$ 9                | \$ 13                 | \$ 4,677,503 |
| Loss allowance           | \$ 491       | \$ 250                 | \$ 3                | \$ 13                 | \$ 757       |
| <u>December 31, 2023</u> |              |                        |                     |                       |              |
| Expected loss rate       | 0.0131%      | 6.27%                  | 30.28%              | 100%                  |              |
| Total book value         | \$ 3,481,002 | \$ 3,572               | \$ 142              | \$ 500                | \$ 3,485,216 |
| Loss allowance           | \$ 456       | \$ 224                 | \$ 43               | \$ 500                | \$ 1,223     |
| <u>March 31, 2023</u>    |              |                        |                     |                       |              |
| Expected loss rate       | 0.0333%      | 38.23%                 | 59.56%              | 100%                  |              |
| Total book value         | \$ 2,989,737 | \$ 23,308              | \$ 366              | \$ 585                | \$ 3,013,996 |
| Loss allowance           | \$ 994       | \$ 8,911               | \$ 218              | \$ 585                | \$ 10,708    |

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

|                             | <u>2024</u>                |
|-----------------------------|----------------------------|
|                             | <u>Accounts receivable</u> |
| At January 1                | \$ 1,223                   |
| Reversal of impairment loss | ( 466)                     |
| At March 31                 | <u>\$ 757</u>              |
|                             | <u>2023</u>                |
|                             | <u>Accounts receivable</u> |
| At January 1                | \$ 4,266                   |
| Provision for impairment    | 6,475                      |
| Effect of foreign exchange  | ( 33)                      |
| At March 31                 | <u>\$ 10,708</u>           |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.
- ii. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group has the following undrawn borrowing facilities:

|                          | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|--------------------------|-----------------------|--------------------------|-----------------------|
| Expiring within one year | \$ 4,111,943          | \$ 3,612,553             | \$ 4,632,791          |
| Expiring beyond one year | -                     | 5,834                    | 974,400               |
|                          | <u>\$ 4,111,943</u>   | <u>\$ 3,618,387</u>      | <u>\$ 5,607,191</u>   |

- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

|   | Less than<br>6 months | Between 6<br>months and<br>1 year | Between 1<br>and 2 year(s) | Between 2<br>and 5 years | Over 5<br>years |
|---|-----------------------|-----------------------------------|----------------------------|--------------------------|-----------------|
| March 31, 2024                                      |                       |                                   |                            |                          |                 |
| <u>Non-derivative financial liabilities:</u>        |                       |                                   |                            |                          |                 |
| Short-term borrowings                               | \$ 4,313,912          | \$ -                              | \$ -                       | \$ -                     | \$ -            |
| Notes payable                                       | 29                    | -                                 | -                          | -                        | -               |
| Accounts payable<br>(including related parties)     | 2,297,371             | -                                 | -                          | -                        | -               |
| Other payables<br>(including related parties)       | 1,268,254             | -                                 | -                          | -                        | -               |
| Lease liability                                     | 20,222                | 27,308                            | 45,049                     | 273,489                  | 177,551         |
| Long-term borrowings<br>(including current portion) | -                     | -                                 | -                          | -                        | -               |
| December 31, 2023                                   |                       |                                   |                            |                          |                 |
| <u>Non-derivative financial liabilities:</u>        |                       |                                   |                            |                          |                 |
| Short-term borrowings                               | \$ 3,790,046          | \$ -                              | \$ -                       | \$ -                     | \$ -            |
| Notes payable                                       | 20                    | -                                 | -                          | -                        | -               |
| Accounts payable<br>(including related parties)     | 1,687,654             | -                                 | -                          | -                        | -               |
| Other payables<br>(including related parties)       | 1,582,657             | -                                 | -                          | -                        | -               |
| Lease liability                                     | 25,821                | 14,756                            | 37,576                     | 255,272                  | 179,204         |
| March 31, 2023                                      |                       |                                   |                            |                          |                 |
| <u>Non-derivative financial liabilities:</u>        |                       |                                   |                            |                          |                 |
| Short-term borrowings                               | \$ 2,176,465          | \$ 54,745                         | \$ -                       | \$ -                     | \$ -            |
| Notes payable                                       | 124                   | -                                 | -                          | -                        | -               |
| Accounts payable<br>(including related parties)     | 1,184,129             | -                                 | -                          | -                        | -               |
| Other payables<br>(including related parties)       | 1,028,762             | -                                 | -                          | -                        | -               |
| Lease liability                                     | 17,201                | 19,449                            | 34,320                     | 249,089                  | 196,736         |
| Long-term borrowings<br>(including current portion) | 917,629               | -                                 | -                          | -                        | -               |

### (3) Fair value information

The Group did not engage in trading in financial instruments measured at fair value.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 9.

### 14. Segment Information

#### (1) General information

The Company and its subsidiaries are primarily engaged in the production and sales of sports and leisure shoes. Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions and has identified that the Group has only one reportable operating segment.

#### (2) Measurement of segment information

The Board of Directors evaluates the performance of the operating segments based on a measure of income/(loss) before tax.

#### (3) Reconciliation for segment revenue and income (loss)

The Group has only one reportable operating segment. Segment revenue and income (loss) in the financial statements are used to evaluate the performance of the operating segments.

(4) Information on products and services

The Group is primarily engaged in the production and sales of sports and leisure shoes. The Group operates business only in a single industry since the operating revenue, operating profit and identifiable assets used of the segment account for more than 90% of the total operating revenue, total operating profit and total assets.

(5) Geographical information

Geographical information for the three months March 31, 2024 and 2023 is as follows:

|             | Three months ended March 31 |                      |                     |                      |
|-------------|-----------------------------|----------------------|---------------------|----------------------|
|             | 2024                        |                      | 2023                |                      |
|             | Revenue                     | Non-current assets   | Revenue             | Non-current assets   |
| US          | \$ 2,271,887                | \$ -                 | \$ 1,622,062        | \$ -                 |
| Netherlands | 1,404,969                   | -                    | 35,990              | -                    |
| Americas    | 836,543                     | -                    | 622,280             | -                    |
| Asia        | 834,827                     | 144,942              | 727,834             | 18,707               |
| Germany     | 557,578                     | -                    | 757,884             | -                    |
| China       | 541,184                     | 257,800              | 903,683             | 309,374              |
| UK          | 450,230                     | -                    | 186,084             | -                    |
| Belgium     | 425,284                     | -                    | 297,016             | -                    |
| Europe      | 320,264                     | -                    | 194,890             | -                    |
| Indonesia   | 70,393                      | 2,350,659            | 50,193              | 543,010              |
| Vietnam     | 855                         | 7,491,089            | 4,984               | 7,901,626            |
| Myanmar     | -                           | 2,594,646            | -                   | 2,733,151            |
| Others      | 56,923                      | -                    | 116,910             | -                    |
|             | <u>\$ 7,770,937</u>         | <u>\$ 12,839,136</u> | <u>\$ 5,519,810</u> | <u>\$ 11,505,868</u> |

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Loans to others

Three months ended March 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No. (Note 1) | Creditor                             | Borrower                             | General ledger account (Note 2) | Is a related party | Maximum outstanding balance during the three months ended March 31, 2024 | Balance at March 31, 2024 (Note 6) | Actual amount drawn down | Interest rate | Nature of loan (Note 3) | Amount of transactions with the borrower (Note 4) | Reason for short-term financing | Collateral |       | Allowance for doubtful accounts | Limit on loans granted to a single party (Note 5) | Footnote   |
|--------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------|--|------------------------------------|--------------------------|---------------|-------------------------|---|---------------------------------|------------|-------|---------------------------------|---|------------|
|              |                                      |                                      |                                 |                    |  |                                    |                          |               |                         |   |                                 | Item       | Value |                                 |   |            |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | FLOURISH THRIVE DEVELOPMENTS LIMITED | Other receivables (financing)   | Yes                | \$ 960,000   | \$ 960,000                         | -                        | 0             | 2                       | \$ -  | Operating capital               | \$ -       | None  | \$ -                            | 17,592,215  | 17,592,215 |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | THRIVE FOISON LIMITED                | Other receivables (financing)   | Yes                | 1,280,000  | 1,280,000                          | 32,000                   | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 17,592,215  | 17,592,215 |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | PORTRICH TRADING LIMITED             | Other receivables (financing)   | Yes                | 2,240,000  | 2,240,000                          | 41,600                   | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 17,592,215  | 17,592,215 |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | POLO INTERNATIONAL HOLDING LTD.      | Other receivables (financing)   | Yes                | 1,440,000  | 1,440,000                          | 406,400                  | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 17,592,215  | 17,592,215 |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | LAC TY COMPANY LIMITED               | Other receivables (financing)   | Yes                | 1,920,000  | 1,280,000                          | 154,880                  | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 3,518,443   | 7,036,886  |
| 1            | LAI YIH FOOTWEAR CO., LTD.           | VINH LONG FOOTWEAR CO., LTD.         | Other receivables (financing)   | Yes                | 2,080,000  | 2,080,000                          | -                        | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 3,518,443   | 7,036,886  |
| 2            | THRIVE FOISON LIMITED                | TY BACH COMPANY LIMMITED             | Other receivables (financing)   | Yes                | 1,920,000  | 1,920,000                          | 564,800                  | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 4,812,201   | 4,812,201  |
| 2            | THRIVE FOISON LIMITED                | GRAND WISDOM COMPANY LIMITED         | Other receivables (financing)   | Yes                | 800,000  | 160,000                            | -                        | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 4,812,201   | 4,812,201  |
| 2            | THRIVE FOISON LIMITED                | PT. YIH QUAN FOOTWEAR INDONESIA      | Other receivables (financing)   | Yes                | 160,000  | 160,000                            | -                        | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 4,812,201   | 4,812,201  |
| 3            | PORTRICH TRADING LIMITED             | LAC TY II COMPANY LIMITED            | Other receivables (financing)   | Yes                | 2,560,000  | 1,280,000                          | 480,000                  | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 4,090,676   | 4,090,676  |
| 4            | KING GLOBAL DEVELOPMENT CORP         | YIH SHUO FOOTWEAR CO., LTD.          | Other receivables (financing)   | Yes                | 704,000  | 704,000                            | 51,200                   | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 1,906,736   | 1,906,736  |
| 4            | KING GLOBAL DEVELOPMENT CORP         | LAI YIH FOOTWEAR CO., LTD.           | Other receivables (financing)   | Yes                | 832,000  | 832,000                            | 598,400                  | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 1,906,736   | 1,906,736  |
| 5            | MEGA RIVER INVESTMENT CO., LTD.      | PT. YIH QUAN FOOTWEAR INDONESIA      | Other receivables (financing)   | Yes                | 313,600  | 313,600                            | 73,600                   | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 1,545,532   | 1,545,532  |
| 5            | MEGA RIVER INVESTMENT CO., LTD.      | LAI YIH FOOTWEAR CO., LTD.           | Other receivables (financing)   | Yes                | 160,000  | 160,000                            | -                        | 1.5           | 2                       | -   | Operating capital               | -          | None  | -                               | 1,545,532   | 1,545,532  |
| 6            | FLOURISH THRIVE DEVELOPMENTS LIMITED | LAI YIH FOOTWEAR CO., LTD.           | Other receivables (financing)   | Yes                | 3,040,000  | 2,976,000                          | 1,136,000                | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 1,491,634   | 1,491,634  |
| 7            | OVERSEA FAITH CO., LTD.              | LAI YIH FOOTWEAR CO., LTD.           | Other receivables (financing)   | Yes                | 320,000  | 320,000                            | 275,200                  | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 4,127,033   | 4,127,033  |
| 8            | POLO INTERNATIONAL HOLDING LTD.      | TSANG YIH COMPANY LIMMITED           | Other receivables (financing)   | Yes                | 320,000  | 320,000                            | -                        | 0             | 2                       | -   | Operating capital               | -          | None  | -                               | 1,938,711   | 1,938,711  |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the six-month period ended June 30, 2015.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction' or 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

(1) FLOURISH THRIVE DEVELOPMENTS LIMITED, THRIVE FOISON LIMITED, PORTRICH TRADING LIMITED and POLO INTERNATIONAL HOLDING LTD are subsidiaries which 100% directly and indirectly invested by the Company.

Ceiling on total loans granted and limit on loans granted to a single party are 100% of the Company's net assets in the financial statements.

(2) LAC TY COMPANY LIMITED is a subsidiary which 50% directly and indirectly invested by the Group. Limit on loans granted to a single party is 20% of the Company's net assets in the financial statements and ceiling on total loans granted is 40% of the Company's net assets in the financial statements.

(3) VINH LONG FOOTWEAR CO., LTD. is a subsidiary which 85% directly and indirectly invested by the Group. Limit on loans granted to a single party is 20% of the Company's net assets in the financial statements and ceiling on total loans granted is 40% of the Company's net assets in the financial statements.

(4) TY BACH COMPANY LIMMITED, GRAND WISDOM COMPANY LIMITED and PT. YIH QUAN FOOTWEAR INDONESIA are subsidiaries which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of THRIVE FOISON LIMITED's net assets in the financial statements.

(5) LAC TY II COMPANY LIMITED is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of PORTRICH TRADING LIMITED's net assets in the financial statements.

(6) YIH SHUO FOOTWEAR CO., LTD. is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of KING GLOBAL DEVELOPMENT CORP's net assets in the financial statements.

(7) LAI YIH FOOTWEAR CO., LTD. is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of KING GLOBAL DEVELOPMENT CORP's net assets in the financial statements.

(8) LAI YIH FOOTWEAR CO., LTD. is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of MEGA RIVER INVESTMENT CO., LTD.'s net assets in the financial statements.

(9) PT. YIH QUAN FOOTWEAR INDONESIA is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of MEGA RIVER INVESTMENT CO., LTD.'s net assets in the financial statements.

(10) LAI YIH FOOTWEAR CO., LTD. is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of FLOURISH THRIVE DEVELOPMENTS LIMITED's net assets in the financial statements.

(11) LAI YIH FOOTWEAR CO., LTD. is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of OVERSEA FAITH CO., LTD.'s net assets in the financial statements.

(12) TSANG YIH COMPANY LIMMITED is a subsidiary which 100% directly and indirectly invested by the Group. Ceiling on total loans granted and limit on loans granted to a single party are 100% of POLO INTERNATIONAL HOLDING LTD.'s net assets in the financial statements.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of

Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet

been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman

to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public

Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance

even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9: Since May 1, 2024, a new loan quota of USD18 million has been added to Samoa Shangwanglong Development Co., Ltd. and Laiyi Industrial Co., Ltd. to replace the old quota.

(Based on the principle of conservatism and from the perspective of reporting, this limit will only take effect on May 1, 2024. However, because the board of directors was convened in advance on March 12, 2024, the closing balance was double-calculated, and the company did not actually exceed the limit.)

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Provision of endorsements and guarantees to others

Three months ended March 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| (Note 1) | Endorser/guarantor                   | Company name                         | Relationship with the endorser/guarantor (Note 2) | Party being endorsed/ guaranteed                                       |   |  |                                   |   |  |   |  |  |   | Footnote |
|----------|--------------------------------------|--------------------------------------|---|--|---|--|-----------------------------------|---|--|---|--|--|---|----------|
|          |                                      |                                      |   | Limit on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2024 (Note 4) | Outstanding endorsement/ guarantee amount at March 31, 2024 (Note 5) | Actual amount drawn down (Note 6) | Amount of endorsements/guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary (Note 7) | Provision of endorsements/ guarantees by subsidiary to parent company (Note 7) | Provision of endorsements/ guarantees to the party in Mainland China (Note 7) |          |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | FLOURISH THRIVE DEVELOPMENTS LIMITED | 4   | \$ 17,592,215  | \$ 800,000  | \$ 800,000   | \$ 560,000                        | \$ -  | 4.55%  | \$ 17,592,215   | N  | N  | N   | Note 8   |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | LAC TY II COMPANY LIMITED            | 4   | 17,592,215   | 320,000   | 320,000  | 311,093                           | -   | 1.82%  | 17,592,215  | N  | N  | N   | Note 9   |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | YIH SHUO FOOTWEAR CO., LTD.          | 4   | 17,592,215   | 960,000   | 480,000  | 410,617                           | -   | 2.73%  | 17,592,215  | N  | N  | N   |          |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | TY BACH COMPANY LIMMITED             | 4   | 17,592,215   | 1,280,000   | 640,000  | 124,136                           | -   | 3.64%  | 17,592,215  | N  | N  | N   |          |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | VINH LONG FOOTWEAR CO., LTD.         | 2   | 8,796,107  | 480,000   | 480,000  | 91,004                            | -   | 2.73%  | 8,796,107   | N  | N  | N   | Note 10  |
| 1        | LAI YIH FOOTWEAR CO., LTD.           | PT. YIH QUAN FOOTWEAR INDONESIA      | 4   | 17,592,215   | 192,000   | 192,000  | -                                 | -   | 1.09%  | 17,592,215  | N  | N  | N   |          |
| 2        | FLOURISH THRIVE DEVELOPMENTS LIMITED | LAC TY COMPANY LIMITED               | 1   | 938,533  | 480,000   | 480,000  | 256,623                           | -   | 32.18%   | 2,237,451   | N  | N  | N   | Note 11  |
| 2        | FLOURISH THRIVE DEVELOPMENTS LIMITED | YIH SHUO FOOTWEAR CO., LTD.          | 4   | 1,491,634  | 320   | 320  | 320                               | -   | 0.02%  | 1,491,634   | N  | N  | N   |          |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.  
(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.  
(2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.  
(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.  
(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with the Company's Regulations Governing the Provision of Endorsements and Guarantees, ceiling on total amount of endorsements/guarantees provided by the Company to other companies is 50% of the current net assets, and limit on endorsements/guarantees provided for a single party is 50% of the current net assets.

Ceiling on total amount of endorsements/guarantees provided by LAI YIH FOOTWEAR CO., LTD. to other companies is 50% of the current net assets, and limit on endorsements/guarantees provided for a single party is 50% of the current net assets.

However, the amount of endorsements/guarantees between the companies which the Company holds 100% of the voting rights directly and indirectly is the Company's current net assets.

Ceiling on total endorsements/guarantees provided by FLOURISH THRIVE DEVELOPMENTS LIMITED to other companies is 150% of the current net assets, and limit on endorsements/guarantees provided for a single party is 150% of the current net assets.

However, the amount of endorsements/guarantees between the companies which the Company holds 100% of the voting rights directly and indirectly is the Company's current net assets.

For the companies having business relationship with the Company, in addition to the aforementioned rules, the limit on endorsements/guarantees provided for a single party is limited to the total transaction amount in the most recent year (transaction amount represents the higher amount of purchase or sales).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing

Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to FLOURISH THRIVE DEVELOPMENTS LIMITED (FLOURISH THRIVE). The credit contract matured in August 2023 with the amount of USD 50,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount for the above endorsements/guarantees amounting to USD 25,000 thousand as resolved by the Board of Directors on June 26, 2023 in advance.

In order to meet the reporting requirements, the balance of endorsements/guarantees shall be presented as double counting starting from the date of the event. After FLOURISH THRIVE completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (FLOURISH THRIVE) at March 31, 2024 will be decreased to USD 25,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 4.55%.

Note 9: LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to LAC TY II COMPANY LIMITED (LAC TY II). The credit contract matured in September 2023 with the amount of USD 10,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount for the above endorsements/guarantees amounting to USD 10,000 thousand as resolved by the Board of Directors on June 26, 2023 in advance.

In order to meet the reporting requirements, the balance of endorsements/guarantees shall be presented as double counting starting from the date of the event. After LAC TY II completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (LAC TY II) at March 31, 2024 will be decreased to USD 10,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 1.82%.

Note 10: LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to VINH LONG FOOTWEAR CO., LTD. (TY XUAN). The credit contract matured in November 2023 with the amount of USD 10,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount for the above endorsements/guarantees amounting to USD 15,000 thousand as resolved by the Board of Directors on June 26, 2023 in advance.

In order to meet the reporting requirements, the balance of endorsements/guarantees shall be presented as double counting starting from the date of the event. After TY XUAN completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (TY XUAN) at March 31, 2024 will be decreased to USD 15,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 2.73%.

Note 11: FLOURISH THRIVE DEVELOPMENTS LIMITED provided financing endorsements/guarantees to LAC TY COMPANY LIMITED (LAC TY). The credit contract matured in September 2023 with the amount of USD 15,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount for the above endorsements/guarantees amounting to USD 15,000 thousand as resolved by the Board of Directors on June 26, 2023 in advance.

In order to meet the reporting requirements, the balance of endorsements/guarantees shall be presented as double counting starting from the date of the event. After LAC TY completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (LAC TY) at March 31, 2024 will be decreased to USD 15,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 32.18%.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Real estate acquired by         | Real estate acquired     | Date of the event | Transaction amount | Status of payment | Counterparty                          | If the counterparty is a related party, information as to the last transaction of the real |   |  |                                  |        | Basis or reference used in setting the price | Reason for acquisition of real estate and status of the real estate | Other commitments |
|---------------------------------|--------------------------|-------------------|--------------------|-------------------|---------------------------------------|--|---|--|----------------------------------|--------|--|---|-------------------|
|                                 |                          |                   |                    |                   |                                       | Relationship with the counterparty   | Original owner who sold the real estate to the counterparty | Relationship between the original owner and the acquirer | Date of the original transaction | Amount |  |   |                   |
| PT. YIH QUAN FOOTWEAR INDONESIA | Buildings and structures | 2022/8/25         | \$ 1,221,067       | \$ 1,154,067      | PT. TAKENAKA INDONESIA                | None   | -   | -  | -                                | -      | Inquiry and negotiation                      | Production factory  | -                 |
| PT. YIH QUAN FOOTWEAR INDONESIA | Buildings and structures | 2023/2/1          | 610,680            | 469,139           | PT. INDONESIA XIN HAI STEEL STRUCTURE | None   | -   | -  | -                                | -      | Inquiry and negotiation                      | Production factory  | -                 |

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: It was translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet.

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Purchaser/seller   | Counterparty   | Relationship with the counterparty | Transaction       |            |                                       |                                | Differences in transaction terms compared to third party transactions |             | Notes/accounts receivable (payable) |   | Footnote   |
|--|--|------------------------------------|-------------------|------------|---------------------------------------|--------------------------------|---|-------------|-------------------------------------|---|------------|
|  |  |                                    | Purchases (sales) | Amount     | Percentage of total purchases (sales) | Credit term                    | Unit price  | Credit term | Balance                             | Percentage of total notes/accounts receivable (payable) |            |
| (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | CHEER ACCESS LTD.  | Same ultimate parent company       | Sales             | \$ 712,153 | 9.16%                                 | 60 days after receipt of goods | -   | -           | \$ 479,519                          | 10.25%  | Notes 1, 3 |
| (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | BILLION STAR INTERNATIONAL CO., LTD.                       | Same ultimate parent company       | Sales             | 251,468    | 3.24%                                 | 60 days after receipt of goods | -   | -           | 191,290                             | 4.09%   | Notes 1, 3 |
| CHEER ACCESS LTD.  | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company       | Sales             | 244,322    | 3.14%                                 | 60 days after receipt of goods | -   | -           | 115,921                             | 2.48%   | Note 1     |
| CHEER ACCESS LTD.  | YIH SHUO FOOTWEAR CO., LTD.                                | Same ultimate parent company       | Sales             | 235,872    | 3.04%                                 | 60 days after receipt of goods | -   | -           | 201,109                             | 4.30%   | Note 1     |
| CHEER ACCESS LTD.  | TY BACH COMPANY LIMMITED                                   | Same ultimate parent company       | Sales             | 144,052    | 1.85%                                 | 60 days after receipt of goods | -   | -           | 80,953                              | 1.73%   | Note 1     |
| BILLION STAR INTERNATIONAL CO., LTD.                       | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company       | Sales             | 118,008    | 1.52%                                 | 60 days after receipt of goods | -   | -           | 96,816                              | 2.07%   | Note 1     |
| BILLION STAR INTERNATIONAL CO., LTD.                       | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company       | Sales             | 107,918    | 1.39%                                 | 60 days after receipt of goods | -   | -           | 68,674                              | 1.47%   | Note 1     |
| POLO INTERNATIONAL HOLDING LTD.                            | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 333,996    | 4.30%                                 | 75 days after receipt of goods | -   | -           | 161,917                             | 3.46%   | Notes 1, 3 |
| LAC TY COMPANY LIMITED                                     | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 122,716    | 1.58%                                 | 75 days after receipt of goods | -   | -           | 99,067                              | 2.12%   | Notes 1, 3 |
| LAC TY COMPANY LIMITED                                     | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company       | Sales             | 131,285    | 1.69%                                 | Colleted based on the contract | -   | -           | 54,117                              | 1.16%   | Notes 1, 2 |
| LAC TY II COMPANY LIMITED                                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 2,381,666  | 30.65%                                | 75 days after receipt of goods | -   | -           | 2,079,821                           | 44.47%  | Notes 1, 3 |
| VINH LONG FOOTWEAR CO., LTD.                               | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 3,056,503  | 39.33%                                | 45 days after receipt of goods | -   | -           | 1,443,504                           | 30.87%  | Notes 1, 3 |
| YIH SHUO FOOTWEAR CO., LTD.                                | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 973,930    | 12.53%                                | 60 days after receipt of goods | -   | -           | 588,920                             | 12.59%  | Notes 1, 3 |
| TY BACH COMPANY LIMMITED                                   | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Sales             | 495,176    | 6.37%                                 | 60 days after receipt of goods | -   | -           | 276,976                             | 5.92%   | Notes 1, 3 |
| GRAND WISDOM COMPANY LIMITED                               | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company       | Sales             | 101,003    | 1.30%                                 | 60 days after receipt of goods | -   | -           | 2,604                               | 0.06%   | Note 1     |
| TSANG YIH COMPANY LIMMITED                                 | POLO INTERNATIONAL HOLDING LTD.                            | Same ultimate parent company       | Sales             | 142,121    | 1.83%                                 | 60 days per month              | -   | -           | 2,072                               | 0.04%   | Note 1     |

Note 1: The transactions were eliminated when preparing the consolidated financial statements.

Note 2: Advance receipts for service revenue is collected based on the transaction terms in the contract, and is transferred to revenue monthly based on the actual amount incurred.

Note 3: (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH is a branch of FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Creditor   | Counterparty   | Relationship with the counterparty | Balance as at March 31, 2024 |            | Turnover rate | Overdue receivables |              | Amount collected subsequent to the balance sheet date (Note 3) | Allowance for doubtful accounts | Footnote   |
|--|--|------------------------------------|------------------------------|------------|---------------|---------------------|--------------|--|---------------------------------|------------|
|  |  |                                    | Accounts                     | Amount     |               | Amount              | Action taken |  |                                 |            |
| (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | CHEER ACCESS LTD.  | Same ultimate parent company       | Accounts receivable          | \$ 479,519 | 1.51          | \$ -                | -            | \$ 315,452   | -                               | Notes 1, 4 |
| (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | BILLION STAR INTERNATIONAL CO., LTD.                       | Same ultimate parent company       | Accounts receivable          | 191,290    | 1.42          | -                   | -            | 51,712   | -                               | Notes 1, 4 |
| CHEER ACCESS LTD.  | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company       | Accounts receivable          | 115,921    | 2.15          | -                   | -            | 67,779   | -                               | Note 1     |
| CHEER ACCESS LTD.  | YIH SHUO FOOTWEAR CO., LTD.                                | Same ultimate parent company       | Accounts receivable          | 201,109    | 1.32          | -                   | -            | 79,693   | -                               | Note 1     |
| POLO INTERNATIONAL HOLDING LTD.                            | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Accounts receivable          | 161,917    | 1.98          | -                   | -            | 161,917  | -                               | Notes 1, 4 |
| LAC TY II COMPANY LIMITED                                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Accounts receivable          | 2,079,821  | 1.30          | -                   | -            | 634,277  | -                               | Notes 1, 4 |
| VINH LONG FOOTWEAR CO., LTD.                               | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Accounts receivable          | 1,443,504  | 2.13          | -                   | -            | 1,055,897  | -                               | Notes 1, 4 |
| YIH SHUO FOOTWEAR CO., LTD.                                | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Accounts receivable          | 588,920    | 1.49          | -                   | -            | 251,277  | -                               | Notes 1, 4 |
| TY BACH COMPANY LIMMITED                                   | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Accounts receivable          | 276,976    | 1.28          | -                   | -            | 145,199  | -                               | Notes 1, 4 |
| LAI YIH FOOTWEAR CO., LTD.                                 | LAI YIH FOOTWEAR CO., LTD.                                 | Same ultimate parent company       | Other receivables            | 1,184,000  | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| LAI YIH FOOTWEAR CO., LTD.                                 | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company       | Other receivables            | 1,184,000  | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| LAI YIH FOOTWEAR CO., LTD.                                 | POLO INTERNATIONAL HOLDING LTD.                            | Same ultimate parent company       | Other receivables            | 406,400    | -             | -                   | -            | 38,400   | -                               | Notes 1, 2 |
| LAI YIH FOOTWEAR CO., LTD.                                 | LAC TY COMPANY LIMITED                                     | Same ultimate parent company       | Other receivables            | 155,080    | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| FLOURISH THRIVE DEVELOPMENTS LIMITED                       | LAI YIH FOOTWEAR CO., LTD.                                 | Same ultimate parent company       | Other receivables            | 1,136,000  | -             | -                   | -            | 646,400  | -                               | Notes 1, 2 |
| PORTRICH TRADING LIMITED                                   | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company       | Other receivables            | 480,000    | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| OVERSEA FAITH CO., LTD.                                    | LAI YIH FOOTWEAR CO., LTD.                                 | Same ultimate parent company       | Other receivables            | 275,200    | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| KING GLOBAL DEVELOPMENT CORP                               | LAI YIH FOOTWEAR CO., LTD.                                 | Same ultimate parent company       | Other receivables            | 598,400    | -             | -                   | -            | -  | -                               | Notes 1, 2 |
| THRIVE FOISON LIMITED                                      | TY BACH COMPANY LIMMITED                                   | Same ultimate parent company       | Other receivables            | 564,800    | -             | -                   | -            | 73,600   | -                               | Notes 1, 2 |

Note 1: The transactions were eliminated when preparing the consolidated financial statements.

Note 2: The amount was composed of other receivables and thus the turnover rate was not not calculated.

Note 3: As of April 30, 2024.

Note 4: (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH is a branch of FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Number<br>(Note 1) | Company name   | Counterparty   | Relationship (Note 2)        | Transaction            |           |                   | Percentage of<br>consolidated total operating<br>revenues or total assets<br>(Note 3) | Footnote |
|--------------------|--|--|------------------------------|------------------------|-----------|-------------------|---|----------|
|                    |  |  |                              | General ledger account | Amount    | Transaction terms |   |          |
| 1                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | CHEER ACCESS LTD.  | Same ultimate parent company | Sales                  | 712,153   | Note 4            | 9.16%   | Note 5   |
| 1                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | BILLION STAR INTERNATIONAL CO., LTD                        | Same ultimate parent company | Sales                  | 251,468   | Note 4            | 3.24%   | Note 5   |
| 1                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | CHEER ACCESS LTD.  | Same ultimate parent company | Accounts receivable    | 479,519   | Note 4            | 1.69%   | Note 5   |
| 1                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | BILLION STAR INTERNATIONAL CO., LTD.                       | Same ultimate parent company | Accounts receivable    | 191,290   | Note 4            | 0.67%   | Note 5   |
| 2                  | CHEER ACCESS LTD.  | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company | Sales                  | 244,322   | Note 4            | 3.14%   |          |
| 2                  | CHEER ACCESS LTD.  | YIH SHUO FOOTWEAR CO., LTD.                                | Same ultimate parent company | Sales                  | 235,872   | Note 4            | 3.04%   |          |
| 2                  | CHEER ACCESS LTD.  | TY BACH COMPANY LIMMITED                                   | Same ultimate parent company | Sales                  | 144,052   | Note 4            | 1.85%   |          |
| 2                  | CHEER ACCESS LTD.  | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company | Accounts receivable    | 115,921   | Note 4            | 0.41%   |          |
| 2                  | CHEER ACCESS LTD.  | YIH SHUO FOOTWEAR CO., LTD.                                | Same ultimate parent company | Accounts receivable    | 201,109   | Note 4            | 0.71%   |          |
| 3                  | BILLION STAR INTERNATIONAL CO., LTD.                       | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company | Sales                  | 118,008   | Note 4            | 1.52%   |          |
| 3                  | BILLION STAR INTERNATIONAL CO., LTD.                       | VINH LONG FOOTWEAR CO., LTD.                               | Same ultimate parent company | Sales                  | 107,918   | Note 4            | 1.39%   |          |
| 4                  | POLO INTERNATIONAL HOLDING LTD.                            | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 333,996   | Note 4            | 4.30%   | Note 5   |
| 4                  | POLO INTERNATIONAL HOLDING LTD.                            | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Accounts receivable    | 161,917   | Note 4            | 0.57%   | Note 5   |
| 5                  | LAC TY COMPANY LIMITED                                     | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 122,716   | Note 4            | 1.58%   | Note 5   |
| 5                  | LAC TY COMPANY LIMITED                                     | LAC TY II COMPANY LIMITED                                  |                              | Sales                  | 131,285   | Note 4            | 1.69%   |          |
| 6                  | LAC TY II COMPANY LIMITED                                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 2,381,666 | Note 4            | 30.65%  | Note 5   |
| 6                  | LAC TY II COMPANY LIMITED                                  | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Accounts receivable    | 2,079,821 | Note 4            | 7.33%   | Note 5   |
| 7                  | VINH LONG FOOTWEAR CO., LTD.                               | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 3,056,503 | Note 4            | 39.33%  | Note 5   |
| 7                  | VINH LONG FOOTWEAR CO., LTD.                               | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Accounts receivable    | 1,443,504 | Note 4            | 5.08%   | Note 5   |
| 8                  | YIH SHUO FOOTWEAR CO., LTD.                                | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 973,930   | Note 4            | 12.53%  | Note 5   |
| 8                  | YIH SHUO FOOTWEAR CO., LTD.                                | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Accounts receivable    | 588,920   | Note 4            | 2.07%   | Note 5   |
| 9                  | TY BACH COMPANY LIMMITED                                   | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Sales                  | 495,176   | Note 4            | 6.37%   | Note 5   |
| 9                  | TY BACH COMPANY LIMMITED                                   | (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH | Same ultimate parent company | Accounts receivable    | 276,976   | Note 4            | 0.98%   | Note 5   |
| 10                 | GRAND WISDOM COMPANY LIMITED                               | LAC TY II COMPANY LIMITED                                  | Same ultimate parent company | Sales                  | 101,003   | Note 4            | 1.30%   |          |
| 11                 | TSANG YIH COMPANY LIMMITED                                 | POLO INTERNATIONAL HOLDING LTD.                            | Same ultimate parent company | Sales                  | 142,121   | Note 4            | 1.83%   |          |

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Number<br>(Note 1) | Company name                         | Counterparty                         | Relationship (Note 2)        | Transaction                   |           |                   | Footnote |
|--------------------|--------------------------------------|--------------------------------------|------------------------------|-------------------------------|-----------|-------------------|----------|
|                    |                                      |                                      |                              | General ledger account        | Amount    | Transaction terms |          |
| 12                 | LAI YIH FOOTWEAR CO., LTD.           | LAI YIH FOOTWEAR CO., LTD.           | Same ultimate parent company | Accounts receivable           | 1,184,000 | Note 4            | 4.17%    |
| 13                 | LAI YIH FOOTWEAR CO., LTD.           | FLOURISH THRIVE DEVELOPMENTS LIMITED | Same ultimate parent company | Accounts receivable           | 1,184,000 | Note 4            | 4.17%    |
| 13                 | LAI YIH FOOTWEAR CO., LTD.           | POLO INTERNATIONAL HOLDING LTD.      | Same ultimate parent company | Other receivables (financing) | 406,400   | Note 4            | 1.43%    |
| 13                 | LAI YIH FOOTWEAR CO., LTD.           | LAC TY COMPANY LIMITED               | Same ultimate parent company | Other receivables (financing) | 155,080   | Note 4            | 0.55%    |
| 14                 | FLOURISH THRIVE DEVELOPMENTS LIMITED | LAI YIH FOOTWEAR CO., LTD.           | Same ultimate parent company | Other receivables (financing) | 1,136,000 | Note 4            | 4.00%    |
| 15                 | PORTRICH TRADING LIMITED             | LAC TY II COMPANY LIMITED            | Same ultimate parent company | Other receivables (financing) | 480,000   | Note 4            | 1.69%    |
| 16                 | OVERSEA FAITH CO., LTD.              | LAI YIH FOOTWEAR CO., LTD.           | Same ultimate parent company | Other receivables (financing) | 275,200   | Note 4            | 0.97%    |
| 17                 | KING GLOBAL DEVELOPMENT CORP         | LAI YIH FOOTWEAR CO., LTD.           | Same ultimate parent company | Other receivables (financing) | 598,400   | Note 4            | 2.10%    |
| 18                 | THRIVE FOISON LIMITED                | TY BACH COMPANY LIMMITED             | Same ultimate parent company | Other receivables (financing) | 564,800   | Note 4            | 1.99%    |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the

Note 4: It is determined by reference to market prices and based on mutual agreements.

Note 5: (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH is a branch of FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

Note 6: Transaction amount exceeds \$100 million.

Note 7: The transactions were eliminated when preparing the consolidated financial statements.

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Information on investees

Three months ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor                        | Investee                             | Location               | Main business activities  | Initial investment amount    |                                 | Shares held as at March 31, 2024 |               |               | Net profit (loss) of the investee for the three months ended March 31, 2024 | Investment income (loss) recognised by the Company for the three months ended March 31, 2024 | Footnote |
|---------------------------------|--------------------------------------|------------------------|---|------------------------------|---------------------------------|----------------------------------|---------------|---------------|---|--|----------|
|                                 |                                      |                        |   | Balance as at March 31, 2024 | Balance as at December 31, 2023 | Number of shares (Note 1)        | Ownership (%) | Book value    |   |  |          |
| LAI YIH FOOTWEAR CO., LTD.      | LAI YIH FOOTWEAR CO., LTD.           | Samoa                  | Holding company   | \$ 5,033,600                 | \$ 4,829,897                    | 157,300                          | 100%          | \$ 17,592,215 | \$ 743,015  | \$ 743,015   |          |
| LAI YIH FOOTWEAR CO., LTD.      | FLOURISH THRIVE DEVELOPMENTS LIMITED | Samoa                  | Holding company   | 32,000                       | 30,705                          | 1,000                            | 100%          | 1,491,634     | 274,067   | -  |          |
| LAI YIH FOOTWEAR CO., LTD.      | CHEER ACCESS LTD.                    | Seychelles             | Investment holdings and import and export trade                         | 32,000                       | 30,705                          | 1,000                            | 100%          | 36,247        | 781   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | BILLION STAR INTERNATIONAL CO., LTD. | Seychelles             | Investment holdings and import and export trade                         | 32,000                       | 30,705                          | 1,000                            | 100%          | 35,765        | 665   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | PORTRICH TRADING LIMITED             | Samoa                  | Holding company   | 3,680,000                    | 3,531,075                       | 115,000                          | 100%          | 4,090,676     | 237,686   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | OVERSEA FAITH CO., LTD.              | Seychelles             | Holding company   | 2,480,640                    | 2,380,252                       | 77,520                           | 100%          | 4,127,033     | 298,363   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | MEGA RIVER INVESTMENT CO., LTD.      | Seychelles             | Holding company   | 1,779,200                    | 1,553,673                       | 50,600                           | 100%          | 1,545,532     | (6,747)   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | KING GLOBAL DEVELOPMENT CORP         | Samoa                  | Holding company   | 1,944,304                    | 1,865,620                       | 60,760                           | 100%          | 1,906,736     | 102,705   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | THRIVE FOISON LIMITED                | Samoa                  | Holding company   | 5,328,000                    | 4,958,858                       | 161,500                          | 100%          | 4,812,201     | (20,296)  | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | BRILLIANT METERO LIMITED             | Samoa                  | Holding company   | 35,040                       | 33,622                          | 1,095                            | 100%          | 580           | -   | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | POLO INTERNATIONAL HOLDING LTD.      | Samoa                  | Investment holdings and production and sales of sports and casual shoes | 2,235,200                    | 2,144,744                       | 69,850                           | 100%          | 1,938,711     | (33,981)  | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | EVERYIELD CO., LTD.                  | Anguilla               | Holding company   | 1,136,960                    | 1,090,949                       | 35,530                           | 100%          | 630,081       | (24,807)  | -  | Note2    |
| LAI YIH FOOTWEAR CO., LTD.      | LAC TY COMPANY LIMITED               | Vietnam                | Production and sales of sports and casual shoes                         | 47,117                       | 45,210                          | -                                | 50%           | 24,404        | 48,124  | -  | Note2    |
| LAC TY COMPANY LIMITED          | JUMBO POWER ENTERPRISES LIMITED      | British Virgin Islands | Investment holdings and sales of sports and casual shoes                | 256,000                      | 245,640                         | 8,000                            | 50%           | 365,084       | (10,920)  | -  | Note2    |
| PORTRICH TRADING LIMITED        | LAC TY II COMPANY LIMITED            | Vietnam                | Production and sales of sports and casual shoes                         | 3,301,202                    | 3,167,606                       | -                                | 100%          | 3,489,639     | 230,169   | -  | Note2    |
| OVERSEA FAITH CO., LTD.         | VINH LONG FOOTWEAR CO., LTD.         | Vietnam                | Production and sales of sports and casual shoes                         | 2,312,000                    | 2,218,436                       | -                                | 85%           | 3,689,352     | 344,505   | -  | Note2    |
| KING GLOBAL DEVELOPMENT CORP    | VINH LONG FOOTWEAR CO., LTD.         | Vietnam                | Production and sales of sports and casual shoes                         | 1,606,704                    | 1,541,683                       | -                                | 85%           | 998,726       | 118,433   | -  | Note2    |
| MEGA RIVER INVESTMENT CO., LTD. | VINH LONG FOOTWEAR CO., LTD.         | Vietnam                | Production and sales of sports and casual shoes                         | 283,536                      | 272,062                         | -                                | 15%           | 176,246       | 118,433   | -  | Note2    |
| MEGA RIVER INVESTMENT CO., LTD. | VINH TY COMPANY LIMITED              | Vietnam                | Production and sales of sports and casual shoes                         | 96,000                       | 92,115                          | -                                | 24%           | 54,105        | -   | -  | Note2    |
| JUMBO POWER ENTERPRISES LIMITED | SUPERB KING INVESTMENTS LIMITED      | Hong Kong              | Holding company   | 512,000                      | 491,280                         | -                                | 100%          | 476,789       | 125,854   | -  | Note2    |
| THRIVE FOISON LIMITED           | TY BACH COMPANY LIMMITED             | Vietnam                | Production and sales of sports and casual shoes                         | 3,200,000                    | 3,070,500                       | -                                | 100%          | 2,285,680     | (8,465)   | -  | Note2    |
| THRIVE FOISON LIMITED           | GRAND WISDOM COMPANY LIMITED         | Vietnam                | Production and sales of sports and casual shoes                         | 800,000                      | 767,625                         | -                                | 100%          | 748,867       | 10,637  | -  | Note2    |
| POLO INTERNATIONAL HOLDING LTD. | TSANG YIH COMPANY LIMMITED           | Myanmar                | Production and sales of sports and casual shoes                         | 3,073,949                    | 2,949,550                       | 96,061                           | 73%           | 1,566,559     | (82,321)  | -  | Note2    |

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Information on investees

Three months ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor                        | Investee                         | Location  | Main business activities                        | Initial investment amount    |                                 | Shares held as at March 31, 2024 |               |                    | Net profit (loss) of the investee for the three months ended March 31, 2024 | Investment income (loss) recognised by the Company for the three months ended March 31, 2024 | Footnote |
|---------------------------------|----------------------------------|-----------|---|------------------------------|---------------------------------|----------------------------------|---------------|--------------------|---|--|----------|
|                                 |                                  |           |   | Balance as at March 31, 2024 | Balance as at December 31, 2023 | Number of shares (Note 1)        | Ownership (%) | Book value         |   |  |          |
| EVERYIELD CO., LTD.             | TSANG YIH COMPANY LIMMITED       | Myanmar   | Production and sales of sports and casual shoes | 1,150,843                    | 1,104,269                       | 35,964                           | 27%           | 586,497 (82,321)   | -   | Note2  |          |
| MEGA RIVER INVESTMENT CO., LTD. | PT. YIH QUAN FOOTWEAR INDONESIA  | Indonesia | Production and sales of sports and casual shoes | 1,328,000                    | 1,120,733                       | -                                | 50%           | 1,231,571 (49,145) | -   | Note2  |          |
| THRIVE FOISON LIMITED           | PT. YIH QUAN FOOTWEAR INDONESIA  | Indonesia | Production and sales of sports and casual shoes | 1,328,000                    | 1,120,733                       | -                                | 50%           | 1,231,571 (49,145) | -   | Note2  |          |
| OVERSEA FAITH CO., LTD.         | PT. YIHFULL FOOTWEAR INDONESIA   | Indonesia | Production and sales of sports and casual shoes | 160,000                      | 153,525                         | -                                | 50%           | 155,262 11,010     | -   | Note2  |          |
| PORTRICH TRADING LIMITED        | PT. YIHFULL FOOTWEAR INDONESIA   | Indonesia | Production and sales of sports and casual shoes | 160,000                      | 153,525                         | -                                | 50%           | 155,262 11,010     | -   | Note2  |          |
| OVERSEA FAITH CO., LTD.         | PT. YIHXIN FOOTWEAR INDONESIA    | Indonesia | Production and sales of sports and casual shoes | 1,600                        | 1,535                           | -                                | 50%           | 1,099 33           | -   | Note2  |          |
| KING GLOBAL DEVELOPMENT CORP    | PT. YIHXIN FOOTWEAR INDONESIA    | Indonesia | Production and sales of sports and casual shoes | 1,600                        | 1,535                           | -                                | 50%           | 1,099 33           | -   | Note2  |          |
| EVERYIELD CO., LTD.             | PT ALNU SPORTING GOODS INDONESIA | Indonesia | Production and sales of sports and casual shoes | 48,960                       | 46,979                          | -                                | 51%           | 41,862 (4,669)     | -   | Note2  |          |

Note 1: The companies with "-" in the blank had no shares issued.

Note 2: It pertained to the second-tier subsidiary and its reinvested company, which were not presented in the investment income (loss).

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Information on investments in Mainland China

Three months ended March 31, 2024

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Investee in Mainland China                   | Main business activities                        | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 | Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2024 |                         | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024 | Net income of investee as of March 31, 2024 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2) | Book value of investments in Mainland China as of March 31, 2024 | Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024 | Footnote |
|--|---|-----------------|----------------------------|--|---|-------------------------|---|---|--|---|--|--|----------|
|  |   |                 |                            |  | Remitted to Mainland China  | Remitted back to Taiwan |   |   |  |   |  |  |          |
| YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD. | Production and sales of sports and casual shoes | \$ 359,309      | (2)                        | \$ 359,309   | \$ -  | \$ -                    | \$ 359,309  | (\$ 3,464)                                  | 50%  | (\$ 1,732)  | 294,542  | \$ 870,721   | Note 3   |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Indirectly investment in mainland China through companies registered in a third region (JUMBO POEWR ENTERPRISES LIMITED).
- (3) Indirectly investment in mainland China through companies registered in a third region (BRILLIANT METERO LIMITED).

Note 2: The investment income (loss) for the three months ended March 31, 2024 was calculated based on the financial statements which were reviewed by R.O.C. parent company's CPA.

Note 3: Paid-in capital was converted at the exchange rate of NTD 32:USD 1 prevailing on March 31, 2024.

## LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

## Major shareholders information

March 31, 2024

Table 9

| Name of major shareholders | Shares                |               |
|----------------------------|-----------------------|---------------|
|                            | Number of shares held | Ownership (%) |
| WIDE SOURCE CO., LTD.      | 38,500,000            | 17.50%        |
| FAITH CONNECT CO., LTD.    | 23,474,000            | 10.67%        |
| TOP GATHER CO., LTD.       | 21,860,140            | 9.94%         |
| SAVE WEALTH CO., LTD.      | 20,988,000            | 9.54%         |
| GAIN SMART LTD.            | 17,600,000            | 8.00%         |
| KEEN HUGE LTD.             | 17,600,000            | 8.00%         |
| AMPLE SMART LTD.           | 17,600,000            | 8.00%         |
| HARVEST LINK LTD.          | 11,000,000            | 5.00%         |
| RISING STEP LTD.           | 11,000,000            | 5.00%         |

Note: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5%.