

**LAI YIH FOOTWEAR CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
JUNE 30, 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.  
JUNE 30, 2024 AND 2023 CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
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## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the "Group") as at June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six month then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance

with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the six months ended June 30, 2024 is stated as follows:

#### **Assessment of allowance for inventory valuation loss**

##### Description

Refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4(4)), the uncertainty of accounting estimates and assumptions on inventory evaluation (Note 5(2)), and the description of the allowance for inventory valuation losses (Note 6(4)). The Group's inventory amounted to NT\$4,924,577 thousand and allowance for inventory valuation losses amounted to NT\$105,769 thousand on June 30, 2024, respectively.

Inventories of the Group are mainly sports and leisure shoes and are measured at the lower of cost and net realisable value. Inventories aged over a certain period of time and separately recognised as obsolete inventories are measured at the lower of cost and net

realisable value and provided allowance for inventory valuation losses based on individually identified reasonable net realizable value and usable condition of obsolete or slow-moving inventories. Considering that the Group's allowance for inventory valuation losses has a significant impact on the financial statements, we classify the allowance for inventory valuation losses as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on and assessed the reasonableness of the policies and procedures of the Group's subsequent evaluation of inventories and provision for loss on obsolete and slow-moving inventories.
2. Reviewed the physical inventory count plan and participated in the physical inventory count to assess the effectiveness of the management's classification and control over obsolete inventories.
3. Obtained the inventory aging reports, verified the relevant supporting documents of the inventory change date and ascertained the classification of age ranges of inventories was correct and consistent with the policies.
4. Obtained the net realisable value report of each inventory, ascertained the calculation logic was consistently applied, tested the basis information for estimating the net realisable value of inventories, including verifying supporting documents of sales price, purchases price, etc. and recalculated and assessed the reasonableness of the assessment of allowance for inventory valuation loss.

***Responsibilities of management for the financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting

Standards, International Accounting Standards 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

### ***Auditors’ responsibilities for the audit of the financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of



the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Wu, Sung-Yuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

August 22, 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  
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	June 30, 2024		December 31, 2023		June 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 4,103,750	13	\$ 4,418,919	17	\$ 3,548,417	14
1136	Current financial assets at amortised cost	6(2) and 8	4,095	-	3,334	-	3,357	-
1170	Accounts receivable, net	6(3)	6,369,377	21	3,483,993	13	4,846,209	19
1200	Other receivables		38,831	-	97,683	-	56,026	-
1220	Current tax assets		-	-	8,617	-	9,092	-
130X	Inventories	6(4)	4,818,808	16	4,085,168	15	3,512,440	13
1479	Other current assets, others	6(5)	2,317,604	8	1,982,307	8	1,620,555	6
11XX	<b>Current assets</b>		<u>17,652,465</u>	<u>58</u>	<u>14,080,021</u>	<u>53</u>	<u>13,596,096</u>	<u>52</u>
<b>Non-current assets</b>								
1535	Non-current financial assets at amortised cost	6(2) and 8	103,803	1	14,252	-	185,260	1
1550	Investments accounted for under equity method		54,866	-	51,915	-	66,836	-
1600	Property, plant and equipment	6(6) and 8	11,445,310	37	11,000,155	42	10,573,350	41
1755	Right-of-use assets	6(7) and 8	1,277,846	4	1,258,101	5	1,332,367	5
1780	Intangible assets		11,505	-	10,046	-	8,315	-
1840	Deferred income tax assets	6(21)	74,211	-	77,471	-	108,732	1
1990	Other non-current assets, others		73,981	-	67,348	-	70,096	-
15XX	<b>Non-current assets</b>		<u>13,041,522</u>	<u>42</u>	<u>12,479,288</u>	<u>47</u>	<u>12,344,956</u>	<u>48</u>
1XXX	<b>Total Assets</b>		<u>\$ 30,693,987</u>	<u>100</u>	<u>\$ 26,559,309</u>	<u>100</u>	<u>\$ 25,941,052</u>	<u>100</u>

(Continued)

**LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2024		December 31, 2023		June 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(8)	\$ 1,715,424	6	\$ 3,759,856	14	\$ 2,420,688	9
2130	Current contract liabilities	6(16)	53,211	-	58,452	-	77,659	-
2150	Notes payable		50	-	20	-	150	-
2170	Accounts payable		2,013,138	7	1,668,073	6	972,053	4
2180	Accounts payable-related parties	7(2)	63,031	-	19,581	-	16,063	-
2200	Other payables	6(9)	2,602,971	8	1,582,411	6	1,385,211	6
2220	Other payables-related parties	7(2)	443	-	246	-	191	-
2230	Income tax payable		339,225	1	138,243	1	203,499	1
2280	Current lease liabilities	6(24)	42,964	-	34,532	-	31,812	-
2320	Current portion of long-term borrowings	6(10)	-	-	-	-	498,240	2
2399	Other current liabilities, others		9,047	-	12,318	-	14,361	-
21XX	<b>Current liabilities</b>		<u>6,839,504</u>	<u>22</u>	<u>7,273,732</u>	<u>27</u>	<u>5,619,927</u>	<u>22</u>
<b>Non-current liabilities</b>								
2540	Long-term borrowings	6(10)	-	-	-	-	249,120	1
2570	Deferred income tax liabilities	6(21)	172,998	1	166,667	1	158,187	1
2580	Non-current lease liabilities	6(24)	407,789	1	392,313	1	405,234	1
2670	Other non-current liabilities, others		-	-	22	-	636	-
25XX	<b>Non-current liabilities</b>		<u>580,787</u>	<u>2</u>	<u>559,002</u>	<u>2</u>	<u>813,177</u>	<u>3</u>
2XXX	<b>Total Liabilities</b>		<u>7,420,291</u>	<u>24</u>	<u>7,832,734</u>	<u>29</u>	<u>6,433,104</u>	<u>25</u>
<b>Equity</b>								
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Share capital-common stock	6(13)	2,494,000	8	2,200,000	8	2,200,000	8
Capital surplus								
3200	Capital surplus	6(14)	15,322,516	50	12,661,753	48	12,661,753	49
Retained earnings								
3350	Unappropriated retained earnings	6(15)	4,039,195	13	2,885,712	11	2,920,088	11
Other equity interest								
3400	Other equity interest		335,140	1	(2,280)	-	734,884	3
31XX	<b>Equity attributable to owners of parent</b>		<u>22,190,851</u>	<u>72</u>	<u>17,745,185</u>	<u>67</u>	<u>18,516,725</u>	<u>71</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>1,082,845</u>	<u>4</u>	<u>981,390</u>	<u>4</u>	<u>991,223</u>	<u>4</u>
3XXX	<b>Total Equity</b>		<u>23,273,696</u>	<u>76</u>	<u>18,726,575</u>	<u>71</u>	<u>19,507,948</u>	<u>75</u>
Significant contingent liabilities and unrecognised contract commitments								
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 30,693,987</u>	<u>100</u>	<u>\$ 26,559,309</u>	<u>100</u>	<u>\$ 25,941,052</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 AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16)	\$ 9,766,381	100	\$ 7,593,144	100	\$ 17,537,318	100	\$ 13,112,954	100
5000 Operating costs	6(4)(20)	( 7,713,949)	( 79)	( 6,801,148)	( 90)	( 14,001,504)	( 80)	( 11,642,965)	( 89)
5900 Gross profit from operations		<u>2,052,432</u>	<u>21</u>	<u>791,996</u>	<u>10</u>	<u>3,535,814</u>	<u>20</u>	<u>1,469,989</u>	<u>11</u>
5950 Gross profit from operations		<u>2,052,432</u>	<u>21</u>	<u>791,996</u>	<u>10</u>	<u>3,535,814</u>	<u>20</u>	<u>1,469,989</u>	<u>11</u>
Operating expenses	6(20)								
6100 Selling expenses		( 141,965)	( 1)	( 121,199)	( 1)	( 253,750)	( 1)	( 228,610)	( 2)
6200 Administrative expenses		( 463,680)	( 5)	( 290,463)	( 4)	( 803,268)	( 5)	( 580,947)	( 4)
6300 Research and development expenses		( 160,400)	( 2)	( 148,485)	( 2)	( 312,017)	( 2)	( 301,824)	( 2)
6450 Expected credit impairment gain(loss)	12(2)	( 46)	-	9,344	-	420	-	2,869	-
6000 Total operating expenses		( 766,091)	( 8)	( 550,803)	( 7)	( 1,368,615)	( 8)	( 1,108,512)	( 8)
6900 Net operating income		<u>1,286,341</u>	<u>13</u>	<u>241,193</u>	<u>3</u>	<u>2,167,199</u>	<u>12</u>	<u>361,477</u>	<u>3</u>
Total non-operating income and expenses									
7100 Interest income	6(17)	37,903	-	24,121	-	60,797	-	39,940	1
7010 Other income		17,451	-	8,237	-	43,224	-	35,184	-
7020 Other gains and losses	6(18)	166,021	2	138,001	2	306,701	2	169,877	1
7050 Finance costs	6(19)	( 57,995)	-	( 48,625)	-	( 108,697)	-	( 91,691)	( 1)
7000 Non-operating income and expenses		<u>163,380</u>	<u>2</u>	<u>121,734</u>	<u>2</u>	<u>302,025</u>	<u>2</u>	<u>153,310</u>	<u>1</u>
7900 Profit before income tax		<u>1,449,721</u>	<u>15</u>	<u>362,927</u>	<u>5</u>	<u>2,469,224</u>	<u>14</u>	<u>514,787</u>	<u>4</u>
7950 Income tax expense	6(21)	( 295,385)	( 3)	( 157,697)	( 2)	( 513,038)	( 3)	( 248,723)	( 2)
8000 Profit from continuing operations		<u>1,154,336</u>	<u>12</u>	<u>205,230</u>	<u>3</u>	<u>1,956,186</u>	<u>11</u>	<u>266,064</u>	<u>2</u>
8200 Profit		<u>\$ 1,154,336</u>	<u>12</u>	<u>\$ 205,230</u>	<u>3</u>	<u>\$ 1,956,186</u>	<u>11</u>	<u>\$ 266,064</u>	<u>2</u>

(Continued)

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income</b>									
<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>									
8361	Financial statements translation differences of foreign operations	(\$ 97,626)	( 1)	\$ 419,695	5	\$ 296,172	2	\$ 666,144	5
8360	Components of other comprehensive income that will be reclassified to profit or loss	( 97,626)	( 1)	419,695	5	296,172	2	666,144	5
8300	<b>Other comprehensive (loss) income</b>	(\$ 97,626)	( 1)	\$ 419,695	5	\$ 296,172	2	\$ 666,144	5
8500	<b>Total comprehensive income</b>	\$ 1,056,710	11	\$ 624,925	8	\$ 2,252,358	13	\$ 932,208	7
Profit, attributable to:									
8610	Owners of the parent	\$ 1,074,840	11	\$ 267,362	4	\$ 1,813,483	10	\$ 305,751	2
8620	Non-controlling interests	\$ 79,496	1	(\$ 62,132)	( 1)	\$ 142,703	1	(\$ 39,687)	-
Comprehensive income attributable to:									
8710	Owners of the parent	\$ 1,049,768	11	\$ 693,988	9	\$ 2,150,903	12	\$ 958,426	7
8720	Non-controlling interests	\$ 6,942	-	(\$ 69,063)	( 1)	\$ 101,455	1	(\$ 26,218)	-
Basic earnings per share 6(22)									
9750	Basic earnings per share	\$ 4.72		\$ 1.22		\$ 8.10		\$ 1.39	
Diluted earnings per share 6(22)									
9850	Diluted earnings per share	\$ 4.72		\$ 1.22		\$ 8.10		\$ 1.39	

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**  
**SIX MONTHS ENDED JUNE 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent						Non-controlling interests	Total Equity
	Notes	Share capital- common stock	Capital surplus	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total		
<b>2023</b>								
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 (loss) for the period		-	-	305,751	-	305,751	( 39,687)	266,064
Other comprehensive income for the period		-	-	-	652,675	652,675	13,469	666,144
Total comprehensive income (loss)		-	-	305,751	652,675	958,426	( 26,218)	932,208
Balance at June 30, 2023		\$ 2,200,000	\$12,661,753	\$ 2,920,088	\$ 734,884	\$18,516,725	\$ 991,223	\$19,507,948
<b>2024</b>								
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		-	-	1,813,483	-	1,813,483	142,703	1,956,186
Other comprehensive income (loss) for the period		-	-	-	337,420	337,420	( 41,248)	296,172
Total comprehensive income		-	-	1,813,483	337,420	2,150,903	101,455	2,252,358
Appropriation and distribution of 2023 earnings:								
Cash dividends of ordinary share	6(15)	-	-	( 660,000)	-	( 660,000)	-	( 660,000)
Cash dividends from capital surplus	6(14)	-	( 440,000)	-	-	( 440,000)	-	( 440,000)
Cash capital increase	6(13)	294,000	3,010,726	-	-	3,304,726	-	3,304,726
Share-based payments	6(12)	-	90,037	-	-	90,037	-	90,037
Balance at June 30, 2024		\$ 2,494,000	\$15,322,516	\$ 4,039,195	\$ 335,140	\$22,190,851	\$ 1,082,845	\$23,273,696

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,469,224	\$ 514,787
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	695,550	740,115
Amortisation expense	6(20)	2,869	2,560
Expected credit impairment gain	12(2)	( 420 )	( 2,869 )
Finance costs	6(19)	108,697	91,691
Interest income	6(17)	( 60,797 )	( 39,940 )
Share-based payments	6(12)	90,037	-
Loss (gain) on disposal of property, plant and equipment	6(18)	1,937	( 2,483 )
Property, plant and equipment transferred to expense	6(23)	16	4,256
Unrealised foreign exchange (gain) loss		( 612,938 )	2,227
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 3,151,654 )	( 878,213 )
Inventories		( 671,926 )	260,305
Other receivables		61,894	44,978
Other current assets		( 315,331 )	( 400,186 )
Changes in operating liabilities			
Contract liabilities		( 6,264 )	21,289
Notes payable		29	124
Accounts payable		334,864	( 94,056 )
Accounts payable-related parties		354,300	2,178
Other payables		( 97,447 )	142,120
Other payables-related parties		197	( 181 )
Other current liabilities		( 3,714 )	( 2,648 )
Cash (outflow) inflow generated from operations		( 800,877 )	406,054
Interest received		60,797	39,940
Interest paid		( 108,697 )	( 81,692 )
Income taxes paid		( 294,428 )	( 446,001 )
Net cash flows used in operating activities		( 1,143,205 )	( 81,699 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost		( 88,901 )	-
Proceeds from disposal of financial assets at amortised cost		-	108,078
Acquisition of property, plant and equipment	6(23)	( 1,021,706 )	( 938,283 )
Proceeds from disposal of property, plant and equipment		100,922	20,404
Acquisition of intangible assets	6(23)	( 4,704 )	( 2,648 )
Acquisition of right-of-use assets		( 377 )	( 596 )
Decrease in guarantee deposits paid		417	372
Decrease in other non-current assets		5,704	33,691
Net cash flows used in investing activities		( 1,008,645 )	( 778,982 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(24)	7,195,521	5,314,809
Decrease in short-term borrowings	6(24)	( 9,342,750 )	( 5,505,938 )
Repayments of long-term borrowings	6(24)	-	249,120
Decrease in guarantee deposits received	6(24)	( 22 )	( 372 )
Payments of lease liabilities	6(24)	( 26,411 )	( 19,427 )
Cash capital increase	6(13)	3,304,726	-
Net cash flows from (used in) financing activities		1,131,064	( 460,048 )
Effect of exchange rate changes on cash and cash equivalents		705,617	214,496
Net decrease in cash and cash equivalents		( 315,169 )	( 1,106,233 )
Cash and cash equivalents at beginning of period		4,418,919	4,654,650
Cash and cash equivalents at end of period		<u>\$ 4,103,750</u>	<u>\$ 3,548,417</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  
SIX MONTHS ENDED JUNE 30, 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. The Company was listed on the Taiwan Stock Exchange starting from June 12, 2024.

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 August 22, 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
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
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

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 the 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>Ownership (%)</u>	<u>Description</u>
			June 30, 2024	December 31, 2024	June 30, 2023	
The Company	LAI YIH FOOTWEAR CO., LTD. (LAI YIH SAMOA)	Holding company	100%	100%	100%	
LAI YIH SAMOA	FLOURISH THRIVE DEVELOPMENTS LIMITED(FLOURISH THRIVE)	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>June 30, 2024</u>	<u>December 31, 2024</u>	<u>June 30, 2023</u>	
LAI YIH SAMOA	THRIVE FOISON LIMITED (THRIVE FOISON)	Holding company	100%	100%	100%	
LAI YIH SAMOA	BRILLIANT METERO LIMITED (BRILLIANT)	Holding company	100%	100%	100%	
LAI YIH SAMOA	POLO INTERNATIONAL HOLDING LTD. (POLO)	Investment holding and production and sales of sports and leisure shoes	100%	100%	100%	
LAI YIH SAMOA	EVERYIELD CO., LTD. (EVERYIELD)	Holding company	100%	100%	100%	
LAI YIH SAMOA	LAC TY COMPANY LIMITED (LAC TY)	Production and sales of sports and leisure shoes	50%	50%	50%	Note 2
LAI YIH SAMOA	JUMBO POWER ENTERPRISES LIMITED (JUMBO POWER)	Investment holding and sales of sports and leisure shoes	50%	50%	50%	Note 3
PORTRICH	LAC TY II COMPANY LIMITED (LAC TY II)	Production and sales of sports and leisure shoes	100%	100%	100%	
OVERSEA	VINH LONG FOOTWEAR CO., LTD (TY XUAN)	Production and sales of sports and leisure shoes	85%	85%	85%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	Ownership (%)	Ownership (%)	Description
			June 30, 2024	December 31, 2024	June 30, 2023	
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	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
			June 30, 2024	December 31, 2024	June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023, the non-controlling interest amounted to \$1,082,845, \$981,390 and \$991,223, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		June 30, 2024		December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 704,016	15%	\$ 587,689	15%

  

Name of subsidiary	Principal place of business	Non-controlling interest	
		June 30, 2023	
		Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 543,096	15%

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 3,910,541	\$ 3,460,504	\$ 3,042,620
Non-current assets	1,969,088	2,043,974	2,254,150
Current liabilities	( 1,154,094)	( 1,549,637)	( 1,644,782)
Non-current liabilities	( 32,095)	( 36,917)	( 31,345)
Total net assets	\$ 4,693,440	\$ 3,917,924	\$ 3,620,643

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Three months ended June 30	
	2024	2023
Revenue	\$ 3,445,788	\$ 2,719,263
Profit before income tax	489,352	156,755
Income tax expense	( 101,293)	( 24,168)
Profit for the period	388,059	132,587
Total comprehensive income for the period	\$ 388,059	\$ 132,587
Comprehensive income attributable to non-controlling interest	\$ 58,209	\$ 19,888

VINH LONG FOOTWEAR CO., LTD		
Six months ended June 30		
	2024	2023
Revenue	\$ 6,507,786	\$ 5,216,525
Profit before income tax	917,207	246,850
Income tax expense	( 184,643)	( 45,384)
Profit for the period	732,564	201,466
Total comprehensive income for the period	\$ 732,564	\$ 201,466
Comprehensive income attributable to non-controlling interest	\$ 109,885	\$ 30,220

Statements of cash flows

VINH LONG FOOTWEAR CO., LTD		
Six months ended June 30		
	2024	2023
Net cash provided by (used in) operating activities	\$ 502,998	(\$ 111,411)
Net cash used in investing activities	( 103,295)	( 81,719)
Net cash (used in) provided by financing activities	( 394,351)	195,566
Effect of exchange rates on cash and cash equivalents	43	274
Increase in cash and cash equivalents	5,395	2,710
Cash and cash equivalents, beginning of period	3,132	3,626
Cash and cash equivalents, end of period	\$ 8,527	\$ 6,336

(4) Key audit matters relating to the Group's accounting policies

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of reporting period to defer settlement of the liabilities at least twelve months after the reporting period.

(6) Employee benefits

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(7) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(8) 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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

### (1) Critical judgements in applying the Group's accounting policies

None.

### (2) Critical accounting estimates and assumptions

#### Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2024, the carrying amount of inventories was \$4,818,808.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and revolving funds	\$ 8,320	\$ 2,846	\$ 8,520
Checking accounts and demand deposits	3,971,796	4,234,852	3,384,029
Time deposits	123,634	181,221	155,868
	<u>\$ 4,103,750</u>	<u>\$ 4,418,919</u>	<u>\$ 3,548,417</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 and be pledged to others as collateral amounting to \$107,898, \$17,586, and \$188,617 on June 30, 2024, December 31, 2023 and June 30, 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	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposits with maturity over three months	\$ 2,281	\$ 2,257	\$ 3,357
Restricted time deposits	1,814	1,077	-
	\$ 4,095	\$ 3,334	\$ 3,357
Non-current items:			
Time deposits with maturity over one year	\$ 88,913	\$ -	\$ 171,395
Restricted time deposits	14,890	14,252	13,865
	\$ 103,803	\$ 14,252	\$ 185,260

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

	Three months ended June 30	
	2024	2023
Interest income	\$ 778	\$ 3,511

	Six months ended June 30	
	2024	2023
Interest income	\$ 910	\$ 4,596

B. As at June 30, 2024, December 31, 2023 and June 30, 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 financial assets at amortised cost held by the Group was \$107,898, \$17,586 and \$188,617, respectively.

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

D. 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 deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 6,370,180	\$ 3,485,216	\$ 4,847,611
Less: Allowance for uncollectible accounts	( 803)	( 1,223)	( 1,402)
	\$ 6,369,377	\$ 3,483,993	\$ 4,846,209

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

	June 30, 2024	December 31, 2023	June 30, 2023
Not past due	\$ 6,368,429	\$ 3,481,002	\$ 4,845,824
Up to 30 days	877	3,572	655
31 to 90 days	617	142	1,077
Over 90 days	257	500	55
	<u>\$ 6,370,180</u>	<u>\$ 3,485,216</u>	<u>\$ 4,847,611</u>

The above ageing analysis was based on past due date.

B. As of June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 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

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,266,346	(\$ 67,168)	\$ 1,199,178
Work in progress	1,406,010	-	1,406,010
Finished goods	2,195,746	( 38,601)	2,157,145
Inventory in transit	56,475	-	56,475
	<u>\$ 4,924,577</u>	<u>(\$ 105,769)</u>	<u>\$ 4,818,808</u>
	December 31, 2023		
	Cost	Allowance for 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>

	June 30, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,018,470	(\$ 121,717)	\$ 896,753
Work in progress	945,699	-	945,699
Finished goods	1,702,958	( 32,970)	1,669,988
	<u>\$ 3,667,127</u>	<u>(\$ 154,687)</u>	<u>\$ 3,512,440</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2024	2023
Cost of goods sold	\$ 7,730,745	\$ 6,777,699
(Gain on reversal of) loss on decline in market value	( 15,071)	456
Loss on scrapping inventories	1,598	24,926
Revenue from sale of scraps	( 3,323)	( 1,933)
	<u>\$ 7,713,949</u>	<u>\$ 6,801,148</u>

	Six months ended June 30	
	2024	2023
Cost of goods sold	\$ 14,031,302	\$ 11,629,689
Gain on reversal of decline in market value	( 40,479)	( 8,157)
Loss on scrapping inventories	16,996	25,007
Revenue from sale of scraps	( 6,315)	( 3,574)
	<u>\$ 14,001,504</u>	<u>\$ 11,642,965</u>

The Group reversed a previous inventory write-down because of the sales of certain inventories which were previously provided with allowance for the three months ended June 30, 2024 and for the six months ended June 30, 2024 and 2023.

(5) Other current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Excess business tax paid (or Net Input VAT)	\$ 2,031,523	\$ 1,759,403	\$ 1,427,045
Prepaid expenses	179,955	181,976	64,846
Prepayments to suppliers	79,121	16,181	37,465
Others	27,005	24,747	91,199
	<u>\$ 2,317,604</u>	<u>\$ 1,982,307</u>	<u>\$ 1,620,555</u>

(6) Property, plant and equipment

Six months ended June 30, 2024

Cost	Six months ended June 30, 2024					Ending balance
	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	
Buildings and structures	\$ 8,843,696	\$ 12,394	(\$ 9,940)	\$ 43,557	\$ 219,263	\$ 9,108,970
Machinery and equipment	6,722,065	318,214	( 360,327)	99,380	107,724	6,887,056
Transportation equipment	86,544	3,830	( 2,172)	-	1,074	89,276
Office equipment	142,569	7,426	( 522)	619	1,477	151,569
Miscellaneous equipment	1,074,366	81,971	( 240,237)	79,038	24,262	1,019,400
Unfinished construction and equipment under acceptance	2,126,301	568,108	-	( 222,678)	7,339	2,479,070
	<u>18,995,541</u>	<u>\$ 991,943</u>	<u>(\$ 613,198)</u>	<u>(\$ 84)</u>	<u>\$ 361,139</u>	<u>19,735,341</u>
<u>Accumulated depreciation</u>						
Buildings and structures	(\$ 2,368,089)	(\$ 184,809)	\$ 9,940	\$ -	(\$ 58,682)	(\$ 2,601,640)
Machinery and equipment	( 4,730,929)	( 327,492)	260,403	-	( 77,130)	( 4,875,148)
Transportation equipment	( 49,649)	( 4,743)	2,080	-	( 652)	( 52,964)
Office equipment	( 89,193)	( 9,288)	458	-	( 963)	( 98,986)
Miscellaneous equipment	( 757,526)	( 125,779)	237,458	12	( 15,458)	( 661,293)
	<u>( 7,995,386)</u>	<u>(\$ 652,111)</u>	<u>\$ 510,339</u>	<u>\$ 12</u>	<u>(\$ 152,885)</u>	<u>( 8,290,031)</u>
Book value	<u>\$ 11,000,155</u>					<u>\$ 11,445,310</u>



Six months ended June 30, 2023

Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Buildings and structures	\$ 8,415,648	\$ 2,760	(\$ 323)	\$ 347,789	\$ 366,990	\$ 9,132,864
Machinery and equipment	6,681,045	104,102	( 76,104)	19,870	335,776	7,064,689
Transportation equipment	78,466	10,268	( 1,295)	-	4,576	92,015
Office equipment	136,608	2,148	( 52)	-	8,391	147,095
Miscellaneous equipment	880,631	120,301	( 175,617)	179,842	43,269	1,048,426
Unfinished construction and equipment under acceptance	650,870	675,025	( 11,615)	( 404,065)	28,146	938,361
	<u>16,843,268</u>	<u>\$ 914,604</u>	<u>(\$ 265,006)</u>	<u>\$ 143,436</u>	<u>\$ 787,148</u>	<u>18,423,450</u>
<u>Accumulated depreciation</u>						
Buildings and structures	(\$ 2,003,560)	(\$ 190,974)	\$ -	\$ -	(\$ 78,843)	(\$ 2,273,377)
Machinery and equipment	( 4,291,652)	( 354,109)	63,245	-	( 217,489)	( 4,800,005)
Transportation equipment	( 42,988)	( 4,354)	8,389	-	( 2,375)	( 41,328)
Office equipment	( 70,349)	( 9,598)	34	-	( 4,485)	( 84,398)
Miscellaneous equipment	( 582,839)	( 142,745)	175,417	( 71,751)	( 29,074)	( 650,992)
	<u>( 6,991,388)</u>	<u>(\$ 701,780)</u>	<u>\$ 247,085</u>	<u>(\$ 71,751)</u>	<u>(\$ 332,266)</u>	<u>( 7,850,100)</u>
Book value	<u>\$ 9,851,880</u>					<u>\$ 10,573,350</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, buildings and transportation equipment. 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.
- 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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 961,157	\$ 956,040	\$ 1,008,529
Buildings	307,797	291,409	311,154
Transportation equipment	8,892	10,652	12,684
	<u>\$ 1,277,846</u>	<u>\$ 1,258,101</u>	<u>\$ 1,332,367</u>

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,726	\$ 5,953
Buildings	14,462	11,577
Transportation equipment	1,634	1,812
	<u>\$ 21,822</u>	<u>\$ 19,342</u>

	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 11,497	\$ 11,763
Buildings	28,470	22,947
Transportation equipment	3,472	3,625
	<u>\$ 43,439</u>	<u>\$ 38,335</u>

- D. For the three months and six months ended June 30, 2024 and 2023, the additions to right-of-use assets were \$7,251, \$584, \$41,808 and \$17,841, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,181	\$ 1,427
Expense on short-term lease contracts	<u>\$ 2,767</u>	<u>\$ 1,767</u>

	Six months ended June 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,346	\$ 2,873
Expense on short-term lease contracts	\$ 4,872	\$ 9,108

F. For the six months ended June 30, 2024 and 2023, the Group's total cash outflow for leases were \$35,629 and \$31,408, respectively.

G. Information about the right-of-use that were pledged to others as collaterals is provided in Note 8.

(8) Short-term borrowings

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 864,443	4.73%~6.00%	Land use right and property, plant and equipment
Unsecured borrowings	850,981	5.20%~6.16%	None
	<u>\$ 1,715,424</u>		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 648,014	1.94%~6.30%	Land use right and property, plant and equipment
Unsecured borrowings	3,111,842	2.50%~6.32%	None
	<u>\$ 3,759,856</u>		

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 458,065	5.30%~5.90%	Land use right and property, plant and equipment
Unsecured borrowings	1,962,623	4.64%~6.15%	None
	<u>\$ 2,420,688</u>		

Interest expense recognised in profit or loss amounted to \$55,814, \$35,338, \$104,351 and \$64,181 for the three months and six months ended June 30, 2024 and 2023, respectively.

(9) Other payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Payable on dividends	\$ 1,100,000	\$ -	\$ -
Payable on wages, salaries and bonuses	1,014,902	1,232,292	796,405
Payable on professional service fees	119,541	78,969	69,485
Payable on employees' compensation	47,226	-	-
Payable on machinery and equipment	39,672	57,553	43,774
Payable on directors' and supervisors' remuneration	28,336	-	-
Payable on resignation reserve (Note)	-	-	271,355
Others	253,294	213,597	204,192
	<u>\$ 2,602,971</u>	<u>\$ 1,582,411</u>	<u>\$ 1,385,211</u>

Note: Yangzhou Baoyi Shoes Manufacturing Co., Ltd. intended to lease the land and the plants after completing the production of the last order in December 2023 as resolved by the Board of Directors during their meeting on June 7, 2023. Accordingly, the Group accrued payable on resignation reserve in accordance with Article 28 of Chapter 3, the provisions of Labor Contract Law of the People's Republic of China.

(10) Long-term borrowings

<u>Type of borrowings</u>	<u>Expiry date</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 30, 2023</u>
Bank borrowings				
Syndicated unsecured borrowings	July 28, 2024	6.12%	None	\$ 747,360
Less: Current portion				<u>( 498,240)</u>
				<u>\$ 249,120</u>

There were no such transactions as of June 30, 2024 and December 31, 2023.

- A. Interest expense recognised in profit or loss amounted to \$11,860 and \$24,637 for the three months and six months ended June 30, 2023.
- B. The Group entered into a syndicated borrowings contract with total facilities amounting to US\$72,000 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 June 30, 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 and six months ended June 30, 2024 and 2023, were \$2,135, \$2,132, \$4,226 and \$4,155, 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 and six months ended June 30, 2024 and 2023 was \$187, \$19,573, \$3,116 and \$34,345, 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 and six months ended June 30, 2024 and 2023, were \$179,945, \$166,758, \$355,459 and \$338,536, respectively.

(12) Share-based payment

- A. For the six months ended June 30, 2024, the share-based payment arrangements of the Group's subsidiaries were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	May 28, 2024	3,590	NA	Vested immediately

The above share-based payment arrangements are settled by equity.

- B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note)	Expected option life	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	May 28, 2024	110.05	85	25.21%	0.0247 year	1.28%	25.08

Note: Expected price volatility rate was estimated by using the average of the annualised standard deviation by using the stock prices of comparable companies in the same industry during a certain period in previous year.

- C. Expenses incurred on share-based payment transactions are shown below:

	Six months ended June 30	
	2024	2023
Equity-settled	\$ 90,037	\$ -

(13) Share capital

- A. As of June 30, 2024, the Company's authorised capital was \$8,000,000, consisting of 800,000 thousand shares of ordinary stock, and the paid-in capital was \$2,494,000 with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2024	2023
At January 1	\$ 220,000	\$ 220,000
Cash capital increase	29,400	-
At June 30	\$ 249,400	\$ 220,000

- B. The Board of Directors during its meeting on March 12, 2024 adopted a resolution to increase the Company's capital by issuing 29,400 thousand ordinary shares with a par value of \$10 (in

dollars) per share with the effective date set on June 7, 2024.

(14) 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. 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.
- C. The shareholders resolved the appropriation of 2023 earnings on May 30, 2024. Cash dividends from capital surplus amounted to \$440,000 at \$2 (in dollars) per share. However, the Company increased its capital before selling the shares in the market on June 7, 2024. As a result, the outstanding amount of the Company's ordinary stocks increased and the distributed amount was adjusted to \$1.76 (in dollars) per share.

(15) 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 shareholders resolved the appropriation of 2022 earnings on November 8, 2023. Cash dividends from retained earnings amounted to \$1,100,000 at \$5 (in dollars) per share.
- D. The shareholders resolved the appropriation of 2023 earnings on May 30, 2024. Cash dividends from retained earnings amounted to \$660,000 at \$3 (in dollars) per share. However, the Company increased its capital before selling the shares in the market on June 7, 2024. As a result, the outstanding amount of the Company's ordinary stocks increased and the distributed amount was

adjusted to \$2.65 (in dollars) per share.

(16) Operating revenue

	Three months ended June 30	
	2024	2023
Revenue from contracts with customers	\$ 9,766,381	\$ 7,593,144
	Six months ended June 30	
	2024	2023
Revenue from contracts with customers	\$ 17,537,318	\$ 13,112,954

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:

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract liabilities:				
- Advance sales receipts	\$ 53,211	\$ 58,452	\$ 77,659	\$ 56,370

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

	Three months ended June 30	
	2024	2023
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Advance sales receipts	\$ -	\$ -

	Six months ended June 30	
	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

(17) Interest income

	Three months ended June 30	
	2024	2023
Interest income from bank deposits	\$ 37,125	\$ 20,610
Interest income from financial assets measured at amortised cost	778	3,511
	\$ 37,903	\$ 24,121



	Six months ended June 30	
	2024	2023
Interest income from bank deposits	\$ 59,887	\$ 35,344
Interest income from financial assets measured at amortised cost	910	4,596
	<u>\$ 60,797</u>	<u>\$ 39,940</u>

(18) Other gains and losses

	Three months ended June 30	
	2024	2023
Foreign exchange gains	\$ 174,160	\$ 144,558
Impairment loss	- (	60)
Gains (loss) on disposals of property, plant and equipment	521 (	57)
Other gains and losses	( 8,660)	( 6,440)
	<u>\$ 166,021</u>	<u>\$ 138,001</u>

	Six months ended June 30	
	2024	2023
Foreign exchange gains	\$ 319,189	\$ 193,277
Impairment loss	- (	13,295)
(Loss) gains on disposals of property, plant and equipment	( 1,937)	2,483
Other gains and losses	( 10,551)	( 12,588)
	<u>\$ 306,701</u>	<u>\$ 169,877</u>

(19) Finance costs

	Three months ended June 30	
	2024	2023
Interest expense		
Bank borrowings	\$ 55,814	\$ 47,198
Lease liabilities	2,181	1,427
	<u>\$ 57,995</u>	<u>\$ 48,625</u>

	Six months ended June 30	
	2024	2023
Interest expense		
Bank borrowings	\$ 104,351	\$ 88,818
Lease liabilities	4,346	2,873
	<u>\$ 108,697</u>	<u>\$ 91,691</u>

(20) Expenses by nature

	Three months ended June 30	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 2,024,874	\$ 1,945,525
Labour and health insurance fees	49,690	48,661
Pension costs	182,267	188,463
Other personnel expenses	104,096	53,464
	<u>\$ 2,360,927</u>	<u>\$ 2,236,113</u>
Depreciation charges on property, plant and equipment	<u>\$ 324,920</u>	<u>\$ 349,959</u>
Depreciation charges on right-of-use assets	<u>\$ 21,822</u>	<u>\$ 19,342</u>
Amortisation charges	<u>\$ 1,443</u>	<u>\$ 1,320</u>
	Six months ended June 30	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 3,756,533	\$ 3,651,502
Labour and health insurance fees	95,865	105,131
Pension costs	362,801	377,036
Other personnel expenses	184,888	150,370
	<u>\$ 4,400,087</u>	<u>\$ 4,284,039</u>
Depreciation charges on property, plant and equipment	<u>\$ 652,111</u>	<u>\$ 701,780</u>
Depreciation charges on right-of-use assets	<u>\$ 43,439</u>	<u>\$ 38,335</u>
Amortisation charges	<u>\$ 2,869</u>	<u>\$ 2,560</u>

For the six months ended June 30, 2024, employees' compensation was accrued at \$47,226; directors' remuneration was accrued at \$28,336. The aforementioned amounts were recognised in salary expenses.

There is no such circumstance for the six months ended June 30, 2023.

The employees' compensation and directors' remuneration were estimated and accrued based on 2.5% and 1.5% of distributable profit of current period for the six months ended June 30, 2024.

(21) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended June 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 291,601	\$ 124,678
Prior year income tax underestimation	<u>3,005</u>	<u>-</u>
Total current tax	<u>294,606</u>	<u>124,678</u>
Deferred tax:		
Origination and reversal of temporary differences	\$ <u>779</u>	\$ <u>33,019</u>
Total deferred tax	<u>779</u>	<u>33,019</u>
Income tax expense	<u>\$ 295,385</u>	<u>\$ 157,697</u>
	Six months ended June 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 506,365	\$ 245,790
Prior year income tax underestimation	<u>3,005</u>	<u>-</u>
Total current tax	<u>509,370</u>	<u>245,790</u>
Deferred tax:		
Origination and reversal of temporary differences	\$ <u>3,668</u>	\$ <u>2,933</u>
Total deferred tax	<u>3,668</u>	<u>2,933</u>
Income tax expense	<u>\$ 513,038</u>	<u>\$ 248,723</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.

(22) Earnings per share

	<u>Three months ended June 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 1,074,840</u>	<u>227,754</u>	<u>\$ 4.72</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	1,074,840	227,754	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>86</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,074,840</u>	<u>227,840</u>	<u>\$ 4.72</u>
	<u>Three months ended June 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic and diluted earnings per share</u>			
Profit attributable to the parent	<u>\$ 267,362</u>	<u>220,000</u>	<u>\$ 1.22</u>
	<u>Six months ended June 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 1,813,483</u>	<u>223,877</u>	<u>\$ 8.10</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	1,813,483	223,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>143</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,813,483</u>	<u>224,020</u>	<u>\$ 8.10</u>

Six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to the parent	\$ 305,751	220,000	\$ 1.39

The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be all distributed in the form of shares during this period.

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2024	2023
Purchase of property, plant and equipment	\$ 991,871	\$ 914,604
Add: Opening balance of payable on equipment	57,553	73,695
Add: Ending balance of prepayments for equipment	29,060	542
Less: Ending balance of payable on equipment	( 39,672)	( 43,774)
Less: Opening balance of prepayments for equipment	( 17,178)	( 6,784)
Add: Property, plant and equipment transferred to expense	16	-
Add: Property, plant and equipment transferred to current assets	56	-
Cash paid during the period	<u>\$ 1,021,706</u>	<u>\$ 938,283</u>

	Six months ended June 30	
	2024	2023
Purchase of intangible assets	\$ 4,246	\$ 2,648
Add: Ending balance of prepayments	3,811	-
Less: Opening balance of prepayments	( 3,353)	-
Cash paid during the period	<u>\$ 4,704</u>	<u>\$ 2,648</u>

B. Financing activities with no cash flow effects

	Six months ended June 30	
	2024	2023
Payable on dividends	<u>\$ 1,100,000</u>	<u>\$ -</u>

(24) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2024	\$ 3,759,856	\$ -	\$ 22	\$ 426,845	\$ 4,186,723
Changes in cash flow from financing activities	( 2,147,229)	-	( 22)	( 30,757)	( 2,178,008)
Impact of changes in foreign exchange rate	102,797	-	-	7,263	110,060
Interest expense	-	-	-	4,346	4,346
Changes in other non-cash items	-	-	-	43,056	43,056
At June 30, 2024	<u>\$ 1,715,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,753</u>	<u>\$ 2,166,177</u>

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2023	\$ 2,543,731	\$ 982,720	\$ 1,032	\$ 420,703	\$ 3,948,186
Changes in cash flow from financing activities	( 191,129)	( 249,120)	( 372)	( 22,300)	( 462,921)
Impact of changes in foreign exchange rate	68,086	13,760	( 25)	18,690	100,511
Interest expense	-	-	-	2,873	2,873
Changes in other non-cash items	-	-	-	17,080	17,080
At June 30, 2023	<u>\$ 2,420,688</u>	<u>\$ 747,360</u>	<u>\$ 635</u>	<u>\$ 437,046</u>	<u>\$ 3,605,729</u>

## 7. Related Party Transactions

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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
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

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Purchases of goods:		
Other related parties	\$ 204,218	\$ 108,435
	<u>204,218</u>	<u>108,435</u>
Purchases of services:		
Other related parties	\$ 10,677	\$ 5,233
Associate	-	4,226
	<u>10,677</u>	<u>9,459</u>
	<u>\$ 214,895</u>	<u>\$ 117,894</u>

	Six months ended June 30	
	2024	2023
Purchases of goods:		
Other related parties	\$ 430,735	\$ 164,629
	<u>430,735</u>	<u>164,629</u>
Purchases of services:		
Other related parties	\$ 13,310	\$ 12,682
Associate	-	5,166
	<u>13,310</u>	<u>17,848</u>
	<u>\$ 444,045</u>	<u>\$ 182,477</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. Payables to related parties

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable:			
Other related parties	\$ 63,031	\$ 19,581	\$ 16,063
	<u>63,031</u>	<u>19,581</u>	<u>16,063</u>
Other payables:			
Other related parties	443	246	191
	<u>443</u>	<u>246</u>	<u>191</u>
	<u>\$ 63,474</u>	<u>\$ 19,827</u>	<u>\$ 16,254</u>

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

C. Lease transactions - lessee

(a) The Group leases buildings from AN LAC. Rental contracts are made for periods from 2018 to 2030, 2021 to 2030, and 2024 to 2027, respectively. Rents are paid in a lump sum, monthly 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.

(c) Acquisition of right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
AN LAC	\$ 4,389	\$ -	\$ -
ZHUO YIH	34,179	-	-
	<u>\$ 38,568</u>	<u>\$ -</u>	<u>\$ -</u>



(d) Lease liabilities

i. Outstanding balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
AN LAC	\$ 102,778	\$ 103,289	\$ 117,212
ZHUO YIH	31,226	-	-
	<u>\$ 134,004</u>	<u>\$ 103,289</u>	<u>\$ 117,212</u>

ii. Interest expense

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
AN LAC	\$ 368	\$ 374
ZHUO YIH	510	-
	<u>\$ 878</u>	<u>\$ 374</u>

	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
AN LAC	\$ 693	\$ 755
ZHUO YIH	1,043	-
	<u>\$ 1,736</u>	<u>\$ 755</u>

D. Endorsements and guarantees provided to related parties

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
CHUNG TE LI/ LIN CHANG YUNG	<u>\$ 1,715,424</u>	<u>\$ 3,759,857</u>	<u>\$ 3,141,048</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.

E. Rent expense

	<u>Three months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
ZHUO YIH	\$ -	\$ 1,895

  

	<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>
ZHUO YIH	\$ -	\$ 3,791

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

	Three months ended June 30	
	2024	2023
Short-term employee benefits	\$ 31,585	\$ 31,035
Post-employment benefits	159	178
	<u>\$ 31,744</u>	<u>\$ 31,213</u>

  

	Six months ended June 30	
	2024	2023
Short-term employee benefits	\$ 41,416	\$ 43,731
Post-employment benefits	319	345
	<u>\$ 41,735</u>	<u>\$ 44,076</u>

### 8. Pledged Assets

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

Pledged asset	Book value			Purpose
	June 30, 2024	December 31, 2023	June 30, 2023	
Time deposits (shown as financial assets at amortised cost)	\$ 16,704	\$ 15,329	\$ 13,865	Creation of pledge
Right-of-use assets	207,426	208,342	233,087	Short-term borrowings
Property, plant and equipment	<u>775,456</u>	<u>788,616</u>	<u>683,909</u>	Short-term borrowings
	<u>\$ 999,586</u>	<u>\$ 1,012,287</u>	<u>\$ 930,861</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:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ 406,352	\$ 931,172	\$ 1,491,973
Intangible assets	-	-	239
	<u>\$ 406,352</u>	<u>\$ 931,172</u>	<u>\$ 1,492,212</u>

### 10. Significant Disaster Loss

None.

### 11. Significant Events after the Balance Sheet Date

None.

### 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 June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Total liabilities	\$ 7,420,291	\$ 7,832,734	\$ 6,433,104
Total assets	\$ 30,693,987	\$ 26,559,309	\$ 25,941,052
Debt ratio	<u>24%</u>	<u>29%</u>	<u>25%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,103,750	\$ 4,418,919	\$ 3,548,417
Financial assets at amortised cost	107,898	17,586	188,617
Accounts receivable (including related parties)	6,369,377	3,483,993	4,846,209
Other receivables (including related parties)	38,831	97,683	56,026
Guarantee deposits paid	29,539	29,740	29,219
	<u>\$ 10,649,395</u>	<u>\$ 8,047,921</u>	<u>\$ 8,668,488</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 1,715,424	\$ 3,759,856	\$ 2,420,688
Notes payable	50	20	150
Accounts payable (including related parties)	2,076,169	1,687,654	988,116
Other accounts payable (including related parties)	2,603,414	1,582,657	1,385,402
Long-term borrowings (including current portion)	-	-	747,360
Guarantee deposits received	-	22	635
	<u>\$ 6,395,057</u>	<u>\$ 7,030,209</u>	<u>\$ 5,542,351</u>
Lease liability	<u>\$ 450,753</u>	<u>\$ 426,845</u>	<u>\$ 437,046</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:

June 30, 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	\$ 265,716	32.45	\$ 8,622,484
USD:VND	184,362	25,348	5,982,547
USD:RMB	15,086	7.2993	489,541
USD:IDR	10,210	16,234	331,315
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 250,463	32.45	\$ 8,127,524
USD:VND	78,115	25,348	2,534,832

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

June 30, 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	\$	259,602	31.14	\$	8,084,006
USD:VND		130,100	23,300		4,051,322
USD:RMB		15,427	7.2727		480,387
USD:IDR		45,176	14,837		1,406,782
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$	145,740	31.14	\$	4,538,344
USD:VND		170,407	23,300		5,306,486
USD:RMB		380	7.2727		11,843

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 and six months ended June 30, 2024 and 2023, amounted to \$174,160, \$144,558, \$319,189, \$193,277, respectively.

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

	Six months ended June 30, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 431,124	\$ -
USD:VND	5%	299,127	-
USD:RMB	5%	24,477	-
USD:IDR	5%	16,566	
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 406,376	\$ -
USD:VND	5%	126,742	-

Six months ended June 30, 2023

Sensitivity analysis				
Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 404,200	\$	-
USD:VND	5%	202,566		-
USD:RMB	5%	24,019		-
USD:IDR	5%	70,339		
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 226,917	\$	-
USD:VND	5%	265,324		-
USD:RMB	5%	592		-

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 the six months ended June 30, 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 six months ended June 30, 2024 and 2023 would have increased/decreased by \$7,717 and \$12,473, 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 June 30, 2024, December 31, 2023 and June 30, 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>June 30, 2024</u>					
Expected loss rate	0.0048%	1.25%	36.79%	100.00%	
Total book value	\$ 6,368,429	\$ 877	\$ 617	\$ 257	\$ 6,370,180
Loss allowance	\$ 308	\$ 11	\$ 227	\$ 257	\$ 803
<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>June 30, 2023</u>					
Expected loss rate	0.0150%	18.47%	46.33%	100.00%	
Total book value	\$ 4,845,824	\$ 655	\$ 1,077	\$ 55	\$ 4,847,611
Loss allowance	\$ 727	\$ 121	\$ 499	\$ 55	\$ 1,402



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	( 420)
At June 30	<u>\$ 803</u>
	<u>2023</u>
	<u>Accounts receivable</u>
At January 1	\$ 4,266
Reversal of impairment loss	( 2,869)
Effect of foreign exchange	5
At June 30	<u>\$ 1,402</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>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Expiring within one year	\$ 6,786,476	\$ 3,612,553	\$ 5,967,715
Expiring beyond one year	<u>-</u>	<u>5,834</u>	<u>-</u>
	<u>\$ 6,786,476</u>	<u>\$ 3,618,387</u>	<u>\$ 5,967,715</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.

June 30, 2024	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 1,491,614	\$ 257,669	\$ -	\$ -	\$ -
Notes payable	50	-	-	-	-
Accounts payable (including related parties)	2,076,169	-	-	-	-
Other payables (including related parties)	2,603,414	-	-	-	-
Lease liability	20,785	30,087	47,280	272,503	171,721

December 31, 2023	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 3,790,046	\$ -	\$ -	\$ -	\$ -
Notes payable	20	-	-	-	-
Accounts payable (including related parties)	1,687,654	-	-	-	-
Other payables (including related parties)	1,582,657	-	-	-	-
Lease liability	25,821	14,756	37,576	255,272	179,204

June 30, 2023	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 2,361,106	\$ 77,722	\$ -	\$ -	\$ -
Notes payable	150	-	-	-	-
Accounts payable (including related parties)	988,116	-	-	-	-
Other payables (including related parties)	1,385,402	-	-	-	-
Lease liability	16,211	20,845	34,943	63,683	351,698
Long-term borrowings (including current portion)	270,130	272,115	252,921	-	-

### (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 six months June 30, 2024 and 2023 is as follows:

	Six months ended June 30,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
US	\$ 5,178,463	\$ -	\$ 3,982,678	\$ -
Netherlands	3,173,271	-	162,883	-
Asia	2,162,510	143,399	1,803,461	20,474
Americas	1,794,856	-	1,560,697	-
Belgium	986,408	-	672,168	-
China	971,128	175,412	1,811,738	286,671
UK	965,042	-	361,597	-
Germany	920,436	-	1,701,077	-
Europe	875,603	-	615,123	-
Indonesia	145,004	2,534,367	95,816	831,678
Vietnam	3,875	7,357,471	4,981	8,083,143
Myanmar	-	2,568,454	-	2,732,943
Others	360,722	-	340,735	-
	<u>\$ 17,537,318</u>	<u>\$ 12,779,103</u>	<u>\$ 13,112,954</u>	<u>\$ 11,954,909</u>

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LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Loans to others

Six months ended June 30, 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 six months ended June 30, 2024 (Note 3)	Balance at June 30, 2024 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted to a single party (Note 7)	Footnote	
												Allowance for doubtful accounts	Item Value				
0	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	\$ 2,758,250	\$ 2,758,250	\$ 2,758,250	0	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 22,190,851	\$ 22,190,851	
1	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Other receivables (financing)	Yes	973,500	973,500	-	0	2	-	Operating capital	-	None	-	18,746,822	18,746,822	
1	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Other receivables (financing)	Yes	1,622,500	1,622,500	-	0	2	-	Operating capital	-	None	-	18,746,822	18,746,822	
1	LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Other receivables (financing)	Yes	2,271,500	649,000	37,318	0	2	-	Operating capital	-	None	-	18,746,822	18,746,822	
1	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Other receivables (financing)	Yes	1,784,750	1,622,500	464,684	0	2	-	Operating capital	-	None	-	18,746,822	18,746,822	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Other receivables (financing)	Yes	1,947,000	1,298,000	171,985	1.5	2	-	Operating capital	-	None	-	3,749,364	7,498,729	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	2,271,500	162,250	-	1.5	2	-	Operating capital	-	None	-	3,749,364	7,498,729	
2	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Other receivables (financing)	Yes	1,947,000	1,379,125	519,200	1.5	2	-	Operating capital	-	None	-	4,963,965	4,963,965	
2	THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Other receivables (financing)	Yes	811,250	162,250	-	1.5	2	-	Operating capital	-	None	-	4,963,965	4,963,965	
2	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	162,250	162,250	-	1.5	2	-	Operating capital	-	None	-	4,963,965	4,963,965	
3	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Other receivables (financing)	Yes	2,596,000	1,298,000	486,750	1.5	2	-	Operating capital	-	None	-	4,262,624	4,262,624	
4	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	713,900	713,900	194,700	1.5	2	-	Operating capital	-	None	-	2,122,563	2,122,563	
4	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	843,700	356,950	356,950	0	2	-	Operating capital	-	None	-	2,122,563	2,122,563	
5	MEGA RIVER INVESTMENT CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	318,010	318,010	16,255	0	2	-	Operating capital	-	None	-	1,605,669	1,605,669	
5	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	162,250	162,250	-	1.5	2	-	Operating capital	-	None	-	1,605,669	1,605,669	
6	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	3,082,750	1,233,100	808,005	0	2	-	Operating capital	-	None	-	2,022,875	2,022,875	Note 9
7	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	324,500	324,500	279,070	0	2	-	Operating capital	-	None	-	4,431,579	4,431,579	
8	POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Other receivables (financing)	Yes	324,500	324,500	-	0	2	-	Operating capital	-	None	-	1,863,455	1,863,455	

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 year-to-date maximum outstanding balance of loans to others as of the reporting period.

Note 4: The column of 'Nature of loan' shall fill in '(1)Business transaction or '(2)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) The Company is a subsidiary which 100% directly and indirectly invested by LAI YIH FOOTWEAR CO., LTD. Ceiling on total loans granted and limit on loans granted to a single party are 100% of its net assets in the financial statements.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (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 KING GLOBAL DEVELOPMENT CORP's net assets in the financial statements.
- (9) 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.
- (10) 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.
- (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 FLOURISH THRIVE DEVELOPMENTS LIMITED's net assets in the financial statements.
- (12) 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.
- (13) 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 FLOURISH THRIVE DEVELOPMENTS LIMITED and LAI YIH FOOTWEAR 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 maximum outstanding balance during the six months ended June 30, 2024 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

Six months ended June 30, 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 June 30, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/guarant ees 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	\$ 18,746,822	\$ 1,622,500	\$ 1,622,500	\$ -	\$ -	8.65%	\$ 18,746,822	N	N	N	Note 8	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	18,746,822	811,250	811,250	258,596	-	4.33%	18,746,822	N	N	N	Note 9	
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD.	4	18,746,822	973,500	486,750	405,817	-	2.60%	18,746,822	N	N	N		
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMMITED	4	18,746,822	1,298,000	649,000	458,626	-	3.46%	18,746,822	N	N	N		
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	2	9,373,411	811,250	811,250	90,253	-	4.33%	9,373,411	N	N	N	Note 10	
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	18,746,822	194,700	194,700	-	-	1.04%	18,746,822	N	N	N		
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	960,743	876,150	876,150	185,928	-	43.31%	3,034,312	N	N	N	Note 11	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD.	4	2,022,875	325	325	325	-	0.02%	2,022,875	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 four 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 September 2024 with the amount of USD 25,000 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 May 7, 2024 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 June 30, 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 8.65%.

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 2024 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 May 7, 2024 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 June 30, 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 4.33%.

Note 10: LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to VINH LONG FOOTWEAR CO., LTD. (TY XUAN). The credit contract matured in September 2024 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 10,000 thousand as resolved by the Board of Directors on May 7, 2024 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 June 30, 2024 will be USD 10,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 4.33%.

Note 11: FLOURISH THRIVE DEVELOPMENTS LIMITED provided financing endorsements/guarantees to LAC TY COMPANY LIMITED (LAC TY). The credit contract matured in September 2024 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 12,000 thousand as resolved by the Board of Directors on May 7, 2024 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 June 30, 2024 will be decreased to USD 12,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 43.31%.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Six months ended June 30, 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	\$ 1,220,408	\$ 1,153,444	PT. TAKENAKA INDONESIA	None	-	-	-	-	Inquiry and negotiation	Production factory	-
PT. YIH QUAN FOOTWEAR INDONESIA	Buildings and structures	2023/2/1	610,350	509,280	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

Six months ended June 30, 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 (Note 1)		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)	
FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	\$ 1,630,597	9.30%	60 days after receipt of goods	-	-	\$ 585,077	9.19%	Notes 1, 3
FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	576,609	3.29%	60 days after receipt of goods	-	-	224,462	3.52%	Notes 1, 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	573,778	3.27%	60 days after receipt of goods	-	-	134,116	2.11%	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	465,369	2.65%	60 days after receipt of goods	-	-	190,379	2.99%	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	373,083	2.13%	60 days after receipt of goods	-	-	121,766	1.91%	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	222,098	1.27%	60 days after receipt of goods	-	-	138,816	2.18%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	249,334	1.42%	60 days after receipt of goods	-	-	117,423	1.84%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	288,517	1.65%	60 days after receipt of goods	-	-	87,996	1.38%	Note 1
POLO INTERNATIONAL HOLDING LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	745,393	4.25%	75 days after receipt of goods	-	-	161,895	2.54%	Notes 1, 3
LAC TY COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	272,734	1.56%	75 days after receipt of goods	-	-	123,442	1.94%	Notes 1, 3
LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	269,682	1.54%	Colleted based on the contract	-	-	62,284	0.98%	Notes 1, 2
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	123,751	0.71%	Colleted based on the contract	-	-	24,918	0.39%	Notes 1, 2
LAC TY II COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	4,995,195	28.48%	75 days after receipt of goods	-	-	2,259,153	35.47%	Notes 1, 3
VINH LONG FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	6,496,700	37.05%	45 days after receipt of goods	-	-	1,744,037	27.38%	Notes 1, 3
YIH SHUO FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,343,594	13.36%	60 days after receipt of goods	-	-	1,012,406	15.89%	Notes 1, 3
TY BACH COMPANY LIMMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,573,437	8.97%	60 days after receipt of goods	-	-	793,322	12.46%	Notes 1, 3
TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	120,212	0.69%	60 days after receipt of goods	-	-	22,692	0.36%	Note 1
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	212,337	1.21%	60 days after receipt of goods	-	-	41,850	0.66%	Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	314,013	1.79%	60 days per month	-	-	-	0.00%	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: 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.

Table 4



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

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

June 30, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts receivable	Amount		Amount	Action taken			
FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	\$ 585,077	6.22	\$ -	-	\$ 265,947	\$ -	Notes 1, 4
FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	224,462	5.96	-	-	112,754	-	Notes 1, 4
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	134,116	9.34	-	-	92,506	-	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	190,379	5.38	-	-	54,912	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	121,766	7.07	-	-	107,173	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	138,816	3.61	-	-	18,781	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	117,423	4.94	-	-	42,873	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	161,895	8.83	-	-	161,895	-	Notes 1, 4
LAC TY COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	123,442	4.11	-	-	52,301	-	Notes 1, 4
LAC TY II COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,259,153	5.19	-	-	792,616	-	Notes 1, 4
VINH LONG FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,744,037	8.21	-	-	1,171,980	-	Notes 1, 4
YIH SHUO FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,012,406	5.41	-	-	464,177	-	Notes 1, 4
TY BACH COMPANY LIMMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	793,322	4.87	-	-	527,969	-	Notes 1, 4
LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	3,958,900	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Other receivables	1,200,650	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	464,684	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables	171,985	-	-	-	94,105	-	Notes 1, 2
FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	808,005	-	-	-	162,250	-	Notes 1, 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables	486,750	-	-	-	-	-	Notes 1, 2
OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	279,070	-	-	-	-	-	Notes 1, 2
KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	356,950	-	-	-	194,700	-	Notes 1, 2
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	194,700	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables	519,200	-	-	-	-	-	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 calculated.

Note 3: As of July 31, 2024.

Note 4: 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.

Table 5

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Six months ended June 30, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Footnote
				General ledger account	Amount	Transaction terms	
							Percentage of consolidated total operating revenues or total assets (Note 3)
1	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	1,630,597	Note 4	9.30% Note 5, 7
1	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Sales	576,609	Note 4	3.29% Note 5, 7
1	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	585,077	Note 4	1.91% Note 5, 7
1	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	224,462	Note 4	0.73% Note 5, 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	573,778	Note 4	3.27% Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	465,369	Note 4	2.65% Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	373,083	Note 4	2.13% Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	222,098	Note 4	1.27% Note 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	134,116	Note 4	0.44% Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	190,379	Note 4	0.62% Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	121,766	Note 4	0.40% Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	138,816	Note 4	0.45% Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	249,334	Note 4	1.42% Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	288,517	Note 4	1.65% Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	117,423	Note 4	0.38% Note 7
4	POLO INTERNATIONAL HOLDING LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	745,393	Note 4	4.25% Note 5, 7
4	POLO INTERNATIONAL HOLDING LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	161,895	Note 4	0.53% Note 5, 7
5	LAC TY COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	272,734	Note 4	1.56% Note 5, 7
5	LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	269,682	Note 4	1.54% Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	123,751	Note 4	0.71% Note 7
5	LAC TY COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	123,442	Note 4	0.40% Note 5, 7
6	LAC TY II COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	4,995,195	Note 4	28.48% Note 5, 7
6	LAC TY II COMPANY LIMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,259,153	Note 4	7.36% Note 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	6,496,700	Note 4	37.05% Note 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,744,037	Note 4	5.68% Note 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,343,594	Note 4	13.36% Note 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,012,406	Note 4	3.30% Note 5, 7
9	TY BACH COMPANY LIMMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,573,437	Note 4	8.97% Note 5, 7
9	TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	120,212	Note 4	0.69% Note 7
9	TY BACH COMPANY LIMMITED	FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	793,322	Note 4	2.58% Note 5, 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	212,337	Note 4	1.21% Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	314,013	Note 4	1.79% Note 7

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
Six months ended June 30, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Transaction	
							Percentage of consolidated total operating revenues or total assets (Note 3)	
12	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	3,958,900	Note 4	12.90%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Same ultimate parent company	Other receivables (financing)	1,200,650	Note 4	3.91%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	464,684	Note 4	1.51%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	171,985	Note 4	0.56%	Note 7
14	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	808,005	Note 4	2.63%	Note 7
15	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	486,750	Note 4	1.59%	Note 7
16	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	279,070	Note 4	0.91%	Note 7
17	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	356,950	Note 4	1.16%	Note 7
17	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	194,700	Note 4	0.63%	Note 7
18	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables (financing)	519,200	Note 4	1.69%	Note 7

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 transaction, it is not required to disclose twice. 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 not required to disclose the transaction.):

- (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 period to consolidated total operating revenues for income statement accounts.

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

Note 5: 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

Six months ended June 30, 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 June 30, 2024			Net profit (loss) of the investee for the six months ended June 30, 2024	Investment income (loss) recognised by the Company for the six months ended June 30, 2024	Footnote
				Balance as at June 30, 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	\$ 5,104,385	\$ 4,829,897	\$ 157,300	100%	\$ 18,746,822	\$ 1,957,503	\$ 1,957,503	
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	32,450	30,705	1,000	100%	2,022,875	794,155	-	
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	32,450	30,705	1,000	100%	37,362	1,388	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	32,450	30,705	1,000	100%	36,754	1,153	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	3,731,750	3,531,075	115,000	100%	4,262,624	431,842	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	2,515,524	2,380,252	77,520	100%	4,431,579	628,809	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	1,869,120	1,553,673	57,600	100%	1,605,669 (	10,659)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,971,646	1,865,620	60,760	100%	2,122,563	313,598	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,467,825	4,958,858	168,500	100%	4,963,965	85,098	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BRILLIANT METERO LIMITED	Samoa	Holding company	35,533	33,622	1,095	100%	588	-	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,266,633	2,144,744	69,850	100%	1,863,455 (	135,256)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,152,949	1,090,949	35,530	100%	625,921 (	37,369)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	47,779	45,210	-	50%	45,765	91,153	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Investment holdings and sales of sports and casual shoes	259,600	245,640	8,000	50%	301,989 (	2,922)	-	Note 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	3,347,625	3,167,606	-	100%	3,652,797	421,722	-	Note 2
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	2,344,513	2,218,436	-	85%	3,989,424	732,564	-	Note 2
KING GLOBAL DEVELOPMENT CORP	VIH SHUO FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	1,629,298	1,541,683	-	85%	1,199,083	363,374	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	VIH SHUO FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	287,523	272,062	-	15%	211,603	363,374	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	97,350	92,115	-	24%	54,866	-	-	Note 2
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	519,200	491,280	-	100%	623,258 (	46,367)	-	Note 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Vietnam	Production and sales of sports and casual shoes	3,245,000	3,070,500	-	100%	2,397,357	121,869	-	Note 2
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	811,250	767,625	-	100%	756,194	24,123	-	Note 2

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

## Information on investees

Six months ended June 30, 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 June 30, 2024			Net profit (loss) of the investee for the six months ended June 30, 2024	Investment income (loss) recognised by the Company for the six months ended June 30, 2024	Footnote
				Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares (Note 1)	Ownership (%)	Book value			
POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	3,117,176	2,949,550	96,061	73%	1,561,501 (	120,108)	-	Note 2
EVERYIELD CO., LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	1,167,026	1,104,269	35,964	27%	584,601 (	120,108)	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,411,575	1,120,733	-	50%	1,254,277 (	130,726)	-	Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,411,575	1,120,733	-	50%	1,254,277 (	130,726)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	162,250	153,525	-	50%	155,858	12,370	-	Note 2
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	162,250	153,525	-	50%	155,858	12,370	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,136	1,535	-	50%	515 (	173)	-	Note 2
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,136	1,535	-	50%	515 (	173)	-	Note 2
EVERYIELD CO., LTD.	PT ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	49,649	46,979	-	51%	39,569 (	9,126)		Note 2

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

Six months ended June 30, 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)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2024	Net income of investee as of June 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2024 (Note 2)	Book value of investments in Mainland China as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2024	Footnote
YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD.	Production and sales of sports and casual shoes	\$ 364,362	(2)	\$ 364,362	\$ -	\$ -	\$ -	\$ 364,362	(\$ 37,898)	50%	(\$ 18,949)	279,349	\$ 941,636	Note 3	

Note 1: Investment methods are classified into the following two 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).

Note 2: The investment income (loss) for the six months ended June 30, 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 32.45:USD 1 prevailing on June 30, 2024.

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

## Major shareholders information

June 30, 2024

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
WIDE SOURCE CO., LTD.	38,500,000	15.43%
FAITH CONNECT CO., LTD.	23,474,000	9.41%
TOP GATHER CO., LTD.	21,860,140	8.76%
SAVE WEALTH CO., LTD.	20,988,000	8.41%
GAIN SMART LTD.	17,600,000	7.05%
KEEN HUGE LTD.	17,600,000	7.05%
AMPLE SMART LTD.	17,600,000	7.05%

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%.