

**LAI YIH FOOTWEAR CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 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.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the "Group") as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the 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. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

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

## ***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the 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.

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Wu, Sung-Yuan

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Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 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**  
**SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>							
1100	Cash and cash equivalents	\$ 3,496,637	11	\$ 4,418,919	17	\$ 4,428,969	16
1136	Current financial assets at amortised cost	4,944	-	3,334	-	3,340	-
1170	Accounts receivable, net	5,368,661	18	3,483,993	13	3,998,375	15
1200	Other receivables	20,894	-	97,683	-	60,746	-
1220	Current tax assets	-	-	8,617	-	9,042	-
130X	Inventories	5,955,584	19	4,085,168	15	4,282,155	16
1479	Other current assets, others	2,489,020	8	1,982,307	8	1,986,059	7
11XX	<b>Current assets</b>	<u>17,335,740</u>	<u>56</u>	<u>14,080,021</u>	<u>53</u>	<u>14,768,686</u>	<u>54</u>
<b>Non-current assets</b>							
1535	Non-current financial assets at amortised cost	14,704	-	14,252	-	191,392	1
1550	Investments accounted for under equity method	455,678	2	51,915	-	54,562	-
1600	Property, plant and equipment	11,655,362	38	11,000,155	42	10,987,096	40
1755	Right-of-use assets	1,216,815	4	1,258,101	5	1,317,279	5
1780	Intangible assets	11,947	-	10,046	-	9,614	-
1840	Deferred income tax assets	77,873	-	77,471	-	113,515	-
1990	Other non-current assets, others	98,345	-	67,348	-	52,830	-
15XX	<b>Non-current assets</b>	<u>13,530,724</u>	<u>44</u>	<u>12,479,288</u>	<u>47</u>	<u>12,726,288</u>	<u>46</u>
1XXX	<b>Total Assets</b>	<u>\$ 30,866,464</u>	<u>100</u>	<u>\$ 26,559,309</u>	<u>100</u>	<u>\$ 27,494,974</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	September 30, 2024		December 31, 2023		September 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(8)	\$ 2,283,544	8	\$ 3,759,856	14	\$ 2,296,293	9
2130	Current contract liabilities	6(16)	47,418	-	58,452	-	95,798	1
2150	Notes payable		7	-	20	-	10	-
2170	Accounts payable		2,046,998	7	1,668,073	6	1,668,377	6
2180	Accounts payable-related parties	7(2)	7,637	-	19,581	-	40,178	-
2200	Other payables	6(9)	1,538,520	5	1,582,411	6	1,743,074	6
2220	Other payables-related parties	7(2)	-	-	246	-	213	-
2230	Income tax payable		382,119	1	138,243	1	332,690	1
2280	Current lease liabilities	6(7)	44,199	-	34,532	-	31,064	-
2320	Current portion of long-term borrowings	6(10)	-	-	-	-	645,400	2
2399	Other current liabilities, others		5,490	-	12,318	-	22,233	-
21XX	<b>Current liabilities</b>		<u>6,355,932</u>	<u>21</u>	<u>7,273,732</u>	<u>27</u>	<u>6,875,330</u>	<u>25</u>
<b>Non-current liabilities</b>								
2570	Deferred income tax liabilities	6(21)	185,370	1	166,667	1	173,564	1
2580	Non-current lease liabilities	6(7)	409,448	1	392,313	1	402,389	1
2670	Other non-current liabilities, others		-	-	22	-	317	-
25XX	<b>Non-current liabilities</b>		<u>594,818</u>	<u>2</u>	<u>559,002</u>	<u>2</u>	<u>576,270</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>6,950,750</u>	<u>23</u>	<u>7,832,734</u>	<u>29</u>	<u>7,451,600</u>	<u>27</u>
<b>Equity</b>								
<b>Equity attributable to owners of parent</b>								
	Share capital	6(13)						
3110	Share capital-common stock		2,494,000	8	2,200,000	8	2,200,000	8
	Capital surplus	6(14)						
3200	Capital surplus		15,322,516	50	12,661,753	48	12,661,753	46
	Retained earnings	6(15)						
3350	Unappropriated retained earnings		4,837,145	16	2,885,712	11	3,386,636	12
	Other equity interest							
3400	Other equity interest		426,097	1	(2,280)	-	777,148	3
31XX	<b>Equity attributable to owners of parent</b>		<u>23,079,758</u>	<u>75</u>	<u>17,745,185</u>	<u>67</u>	<u>19,025,537</u>	<u>69</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>835,956</u>	<u>2</u>	<u>981,390</u>	<u>4</u>	<u>1,017,837</u>	<u>4</u>
3XXX	<b>Total Equity</b>		<u>23,915,714</u>	<u>77</u>	<u>18,726,575</u>	<u>71</u>	<u>20,043,374</u>	<u>73</u>
	Significant contingent liabilities and unrecongnised contract commitments	9						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 30,866,464</u>	<u>100</u>	<u>\$ 26,559,309</u>	<u>100</u>	<u>\$ 27,494,974</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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2024		2023		2024		2023	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(16)	\$ 9,300,959	100	\$ 6,702,547	100	\$ 26,838,277	100	\$ 19,815,501	100
5000 Operating costs	6(4)(20)	( 7,393,494)	( 80)	( 5,571,507)	( 83)	( 21,394,998)	( 80)	( 17,214,472)	( 87)
5900 Gross profit from operations		<u>1,907,465</u>	<u>20</u>	<u>1,131,040</u>	<u>17</u>	<u>5,443,279</u>	<u>20</u>	<u>2,601,029</u>	<u>13</u>
5950 Gross profit from operations		<u>1,907,465</u>	<u>20</u>	<u>1,131,040</u>	<u>17</u>	<u>5,443,279</u>	<u>20</u>	<u>2,601,029</u>	<u>13</u>
Operating expenses	6(20)								
6100 Selling expenses		( 140,309)	( 1)	( 184,611)	( 3)	( 394,059)	( 1)	( 413,221)	( 2)
6200 Administrative expenses		( 341,047)	( 4)	( 285,266)	( 4)	( 1,144,315)	( 4)	( 866,213)	( 5)
6300 Research and development expenses		( 177,274)	( 2)	( 150,034)	( 2)	( 489,291)	( 2)	( 451,858)	( 2)
6450 Expected credit impairment gain(loss)	12(2)	( 4,484)	-	( 1,334)	-	( 4,064)	-	1,535	-
6000 Total operating expenses		( 663,114)	( 7)	( 621,245)	( 9)	( 2,031,729)	( 7)	( 1,729,757)	( 9)
6900 Net operating income		<u>1,244,351</u>	<u>13</u>	<u>509,795</u>	<u>8</u>	<u>3,411,550</u>	<u>13</u>	<u>871,272</u>	<u>4</u>
Total non-operating income and expenses									
7100 Interest income	6(17)	21,637	-	19,390	-	82,434	-	59,330	1
7010 Other income		9,512	-	16,119	-	52,736	-	51,303	-
7020 Other gains and losses	6(18)	( 22,937)	-	174,804	3	283,764	1	344,681	2
7050 Finance costs	6(19)	( 34,892)	-	( 48,409)	( 1)	( 143,589)	-	( 140,100)	( 1)
7060 Share of loss of associates and joint ventures accounted for using equity method		( 3,880)	-	-	-	( 3,880)	-	-	-
7000 Non-operating income and expenses		( 30,560)	-	161,904	2	271,465	1	315,214	2
7900 Profit before income tax		<u>1,213,791</u>	<u>13</u>	<u>671,699</u>	<u>10</u>	<u>3,683,015</u>	<u>14</u>	<u>1,186,486</u>	<u>6</u>
7950 Income tax expense	6(21)	( 268,484)	( 3)	( 192,307)	( 3)	( 781,522)	( 3)	( 441,030)	( 2)
8000 Profit from continuing operations		<u>945,307</u>	<u>10</u>	<u>479,392</u>	<u>7</u>	<u>2,901,493</u>	<u>11</u>	<u>745,456</u>	<u>4</u>
8200 Profit		<u>\$ 945,307</u>	<u>10</u>	<u>\$ 479,392</u>	<u>7</u>	<u>\$ 2,901,493</u>	<u>11</u>	<u>\$ 745,456</u>	<u>4</u>

(Continued)

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

Items	Notes	Three months ended September 30				Nine months ended September 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	\$ 101,603	1	\$ 56,034	1	\$ 397,775	1	\$ 722,178	3
8360	Components of other comprehensive income that will be reclassified to profit or loss	101,603	1	56,034	1	397,775	1	722,178	3
8300	<b>Other comprehensive income</b>	<u>\$ 101,603</u>	<u>1</u>	<u>\$ 56,034</u>	<u>1</u>	<u>\$ 397,775</u>	<u>1</u>	<u>\$ 722,178</u>	<u>3</u>
8500	<b>Total comprehensive income</b>	<u>\$ 1,046,910</u>	<u>11</u>	<u>\$ 535,426</u>	<u>8</u>	<u>\$ 3,299,268</u>	<u>12</u>	<u>\$ 1,467,634</u>	<u>7</u>
Profit(loss), attributable to:									
8610	Owners of parent	\$ 797,950	8	\$ 466,548	7	\$ 2,611,433	10	\$ 772,299	4
8620	Non-controlling interests	\$ 147,357	2	\$ 12,844	-	\$ 290,060	1	(\$ 26,843)	-
Comprehensive income attributable to:									
8710	Owners of parent	\$ 888,907	9	\$ 508,812	8	\$ 3,039,810	11	\$ 1,467,238	7
8720	Non-controlling interests	\$ 158,003	2	\$ 26,614	-	\$ 259,458	1	\$ 396	-
Basic earnings per share 6(22)									
9750	Basic earnings per share	\$ 3.20		\$ 2.12		\$ 11.23		\$ 3.51	
Diluted earnings per share 6(22)									
9850	Diluted earnings per share	\$ 3.20		\$ 2.12		\$ 11.23		\$ 3.51	

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  
NINE MONTHS ENDED SEPTEMBER 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		
<u>2023</u>								
Balance at January 1, 2023		\$ 2,200,000	\$12,661,753	\$ 2,614,337	\$ 82,209	\$17,558,299	\$ 1,017,441	\$18,575,740
Profit (loss) for the period		-	-	772,299	-	772,299	( 26,843)	745,456
Other comprehensive income for the period		-	-	-	694,939	694,939	27,239	722,178
Total comprehensive income		-	-	772,299	694,939	1,467,238	396	1,467,634
Balance at September 30, 2023		<u>\$ 2,200,000</u>	<u>\$12,661,753</u>	<u>\$ 3,386,636</u>	<u>\$ 777,148</u>	<u>\$19,025,537</u>	<u>\$ 1,017,837</u>	<u>\$20,043,374</u>
<u>2024</u>								
Balance at January 1, 2024		\$ 2,200,000	\$12,661,753	\$ 2,885,712	(\$ 2,280)	\$17,745,185	\$ 981,390	\$18,726,575
Profit for the period		-	-	2,611,433	-	2,611,433	290,060	2,901,493
Other comprehensive income (loss) for the period		-	-	-	428,377	428,377	( 30,602)	397,775
Total comprehensive income		-	-	2,611,433	428,377	3,039,810	259,458	3,299,268
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
Non-controlling interests decrease	4(3)	-	-	-	-	-	( 404,892)	( 404,892)
Balance at September 30, 2024		<u>\$ 2,494,000</u>	<u>\$15,322,516</u>	<u>\$ 4,837,145</u>	<u>\$ 426,097</u>	<u>\$23,079,758</u>	<u>\$ 835,956</u>	<u>\$23,915,714</u>

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



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

	Notes	Nine months ended September 30	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 3,683,015	\$ 1,186,486
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	1,037,341	1,102,135
Amortisation expense	6(20)	4,654	3,958
Expected credit impairment loss(gain)	12(2)	4,064	( 1,535 )
Finance costs	6(19)	143,589	140,100
Interest income	6(17)	( 82,434 )	( 59,330 )
Share-based payments	6(12)	90,037	-
Share of loss of associates accounted for using the equity method		3,880	-
Gain on disposal of property, plant and equipment	6(18)	( 1,602 )	( 3,227 )
Property, plant and equipment transferred to expense	6(23)	26	-
Impairment loss	6(18)	-	13,456
Unrealised foreign exchange gain		( 709,001 )	( 161,530 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 1,886,176 )	150,466
Other receivables		72,815	43,918
Inventories		( 1,799,995 )	( 290,453 )
Other current assets		( 465,965 )	( 704,002 )
Changes in operating liabilities			
Contract liabilities		( 12,171 )	35,057
Notes payable		( 14 )	( 17 )
Accounts payable		366,188	539,483
Accounts payable-related parties		( 12,361 )	26,625
Other payables		( 58,398 )	441,685
Other payables-related parties		( 204 )	( 9 )
Other current liabilities		( 6,207 )	4,055
Cash inflow generated from operations		371,081	2,467,321
Interest received		82,434	59,330
Interest paid		( 143,589 )	( 140,100 )
Income taxes paid		( 512,268 )	( 510,674 )
Net cash flows (used in) from operating activities		( 202,342 )	1,875,877
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at amortised cost		( 90,887 )	( 106,810 )
Proceeds from disposal of financial assets at amortised cost		-	204,933
Acquisition of property, plant and equipment	6(23)	( 1,585,399 )	( 1,634,147 )
Proceeds from disposal of property, plant and equipment		126,466	17,587
Acquisition of intangible assets	6(23)	( 8,103 )	( 7,642 )
Acquisition of right-of-use assets		( 377 )	( 947 )
Decrease in guarantee deposits paid		228	7,280
(Increase) decrease in other non-current assets		( 1,516 )	55,246
Consolidated cash impact of individual changes		( 536,594 )	-
Net cash flows used in investing activities		( 2,096,182 )	( 1,464,500 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(24)	8,711,208	8,640,638
Decrease in short-term borrowings	6(24)	( 10,294,920 )	( 9,002,890 )
Repayments of long-term borrowings	6(24)	-	371,280
Decrease in guarantee deposits received	6(24)	22	734
Payments of lease liabilities	6(24)	( 34,817 )	( 25,298 )
Cash dividend	6(14)(15)(24)	( 1,100,000 )	-
Cash capital increase	6(13)	3,304,726	-
Net cash flows from (used in) financing activities		586,175	( 759,564 )
Effect of exchange rate changes on cash and cash equivalents		790,067	122,506
Net decrease in cash and cash equivalents		( 922,282 )	( 225,681 )
Cash and cash equivalents at beginning of period		4,418,919	4,654,650
Cash and cash equivalents at end of period		\$ 3,496,637	\$ 4,428,969

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 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 and its subsidiaries (collectively referred herein as the “Group”) are 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 Group is 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 November 11, 2024.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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>
			September 30, 2024	December 31, 2024	September 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>
			September 30, 2024	December 31, 2024	September 30, 2023	
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%	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%	

<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>
			September 30, 2024	December 31, 2024	September 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%	Note 3
SUPERB KING	YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD. (BAOYI)	Production and sales of sports and leisure shoes	-	100%	100%	Note 3
THRIVE FOISON	TY BACH COMPANY LIMITED (TY BACH)	Production and sales of sports and leisure shoes	100%	100%	100%	
THRIVE FOISON	GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)	Production and sales of sports and leisure shoes	100%	100%	100%	
BRILLIANT	ZHONGSHAN YIBO FOOTWEAR COMPANY LIMITED (ZHONGSHAN YIBO)	Research and development of sports and leisure shoes	-	-	-	Note 1
POLO	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	73%	73%	73%	

<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>
			September 30, 2024	December 31, 2024	September 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. However, since September 2024, Jumbo Power has changed its main business activities to investment holding and non-residential premises lease. As the Group was no longer in charge of the relevant business activities, the Group lost control over Jumbo Power. Therefore, Jumbo Power was no longer included in the consolidated financial statements and was transferred to investments accounted for using equity method from the date when the control was lost.

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 September 30, 2024, December 31, 2023 and September 30, 2023, the non-controlling interest amounted to \$835,956, \$981,390 and \$1,017,837, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		September 30, 2024		December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 736,717	15%	\$ 587,689	15%

Name of subsidiary	Principal place of business	Non-controlling interest	
		September 30, 2023	
		Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 571,799	15%

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD		
	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 3,997,367	\$ 3,460,504	\$ 3,170,560
Non-current assets	1,957,898	2,043,974	2,171,869
Current liabilities	( 1,011,009)	( 1,549,637)	( 1,491,969)
Non-current liabilities	( 32,809)	( 36,917)	( 38,467)
Total net assets	\$ 4,911,447	\$ 3,917,924	\$ 3,811,993

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Three months ended September 30	
	2024	2023
Revenue	\$ 3,446,884	\$ 2,840,418
Profit before income tax	249,200	266,630
Income tax expense	( 53,475)	( 67,440)
Profit for the period	195,725	199,190
Total comprehensive income for the period	\$ 195,725	\$ 199,190
Comprehensive income attributable to non-controlling interest	\$ 29,358	\$ 29,878

	VINH LONG FOOTWEAR CO., LTD	
	Nine months ended September 30	
	2024	2023
Revenue	\$ 9,954,670	\$ 8,056,943
Profit before income tax	1,166,407	513,480
Income tax expense	( 238,118)	( 112,824)
Profit for the period	928,289	400,656
Total comprehensive income for the period	\$ 928,289	\$ 400,656
Comprehensive income attributable to non-controlling interest	\$ 139,243	\$ 60,098
Statements of cash flows		

	VINH LONG FOOTWEAR CO., LTD	
	Nine months ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 662,694	\$ 319,140
Net cash used in investing activities	( 167,004)	( 103,790)
Net cash used in financing activities	( 490,772)	( 204,390)
Effect of exchange rates on cash and cash equivalents	62	336
Increase in cash and cash equivalents	4,980	11,296
Cash and cash equivalents, beginning of period	3,132	3,626
Cash and cash equivalents, end of period	\$ 8,112	\$ 14,922

(4) 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 the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) 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.

(6) 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.

(7) Income Tax

A. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognized the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

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

There have been no significant changes as of September 30, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 7,413	\$ 2,846	\$ 8,343
Checking accounts and demand deposits	3,489,224	4,234,852	4,372,982
Time deposits	-	181,221	47,644
	<u>\$ 3,496,637</u>	<u>\$ 4,418,919</u>	<u>\$ 4,428,969</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse



(3) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable	\$ 5,373,948	\$ 3,485,216	\$ 4,001,255
Less: Allowance for uncollectible accounts	( 5,287)	( 1,223)	( 2,880)
	<u>\$ 5,368,661</u>	<u>\$ 3,483,993</u>	<u>\$ 3,998,375</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Not past due	\$ 5,340,344	\$ 3,481,002	\$ 3,984,038
Up to 30 days	31,154	3,572	16,625
31 to 90 days	654	142	22
Over 90 days	1,796	500	570
	<u>\$ 5,373,948</u>	<u>\$ 3,485,216</u>	<u>\$ 4,001,255</u>

The above ageing analysis was based on past due date.

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

	<u>September 30, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 1,449,192	(\$ 67,532)	\$ 1,381,660
Work in progress	1,758,672	-	1,758,672
Finished goods	2,743,618	( 38,866)	2,704,752
Inventory in transit	110,500	-	110,500
	<u>\$ 6,061,982</u>	<u>(\$ 106,398)</u>	<u>\$ 5,955,584</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
<b>\$ 4,229,221</b>	<b>(\$ 144,053)</b>	<b>\$ 4,085,168</b>

  

September 30, 2023		
Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,076,497 (\$ 124,610)	\$ 951,887
Work in progress	996,259 -	996,259
Finished goods	2,383,776 ( 49,767)	2,334,009
<b>\$ 4,456,532</b>	<b>(\$ 174,377)</b>	<b>\$ 4,282,155</b>

The cost of inventories recognised as expense for the period:

	Three months ended September 30	
	2024	2023
Cost of goods sold	\$ 7,396,006	\$ 5,545,161
Loss on decline in market value	322	13,256
Loss on scrapping inventories	193	15,026
Revenue from sale of scraps	( 3,027)	( 1,936)
<b>\$ 7,393,494</b>	<b>\$ 5,571,507</b>	

  

	Nine months ended September 30	
	2024	2023
Cost of goods sold	\$ 21,427,308	\$ 17,174,850
(Gain on reversal of) loss on decline in market value	( 40,157)	5,099
Loss on scrapping inventories	17,189	40,033
Revenue from sale of scraps	( 9,342)	( 5,510)
<b>\$ 21,394,998</b>	<b>\$ 17,214,472</b>	

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

(5) Other current assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Excess business tax paid (or Net Input VAT)	\$ 2,168,498	\$ 1,759,403	\$ 1,754,700
Prepaid expenses	212,051	181,976	140,848
Prepayments to suppliers	45,549	16,181	43,875
Others	62,922	24,747	46,636
	<u>\$ 2,489,020</u>	<u>\$ 1,982,307</u>	<u>\$ 1,986,059</u>

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(6) Property, plant and equipment

Nine months ended September 30, 2024

Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Effect from changes of consolidated entities	Ending balance
Buildings and structures	\$ 8,843,696	\$ 21,408	(\$ 9,983)	\$ 52,131	\$ 192,800	(\$ 422,130)	\$ 8,677,922
Machinery and equipment	6,722,065	565,970	( 418,848)	101,052	141,533	( 26,691)	7,085,081
Transportation equipment	86,544	9,323	( 3,539)	-	1,691	-	94,019
Office equipment	142,569	15,112	( 725)	616	2,997	-	160,569
Miscellaneous equipment	1,074,366	136,450	( 241,961)	90,373	21,352	( 1,811)	1,078,769
Unfinished construction and equipment under acceptance	2,126,301	793,203	-	( 244,268)	125,298	-	2,800,534
	<u>18,995,541</u>	<u>\$ 1,541,466</u>	<u>(\$ 675,056)</u>	<u>(\$ 96)</u>	<u>\$ 485,671</u>	<u>(\$ 450,632)</u>	<u>19,896,894</u>
<u>Accumulated depreciation</u>							
Buildings and structures	(\$ 2,368,089)	(\$ 277,264)	\$ 9,983	\$ -	(\$ 55,416)	\$ 306,736	(\$ 2,384,050)
Machinery and equipment	( 4,730,929)	( 484,852)	298,167	-	( 86,436)	24,022	( 4,980,028)
Transportation equipment	( 49,649)	( 7,012)	2,796	-	( 880)	-	( 54,745)
Office equipment	( 89,193)	( 14,539)	645	1	( 1,543)	-	( 104,629)
Miscellaneous equipment	( 757,526)	( 186,444)	238,601	13	( 14,025)	1,301	( 718,080)
	<u>( 7,995,386)</u>	<u>(\$ 970,111)</u>	<u>\$ 550,192</u>	<u>\$ 14</u>	<u>(\$ 158,300)</u>	<u>\$ 332,059</u>	<u>( 8,241,532)</u>
Book value	<u>\$ 11,000,155</u>						<u>\$11,655,362</u>

Nine months ended September 30, 2023

Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Buildings and structures	\$ 8,415,648	\$ 5,735	(\$ 324)	\$ 371,367	\$ 438,155	\$ 9,230,581
Machinery and equipment	6,681,045	176,122	( 81,862)	1,653	350,702	7,127,660
Transportation equipment	78,466	10,289	( 1,298)	-	4,322	91,779
Office equipment	136,608	3,742	( 52)	-	7,605	147,903
Miscellaneous equipment	880,631	128,906	( 188,173)	205,204	49,208	1,075,776
Unfinished construction and equipment under acceptance	650,870	1,268,479	( 9,848)	( 401,355)	32,407	1,540,553
	<u>16,843,268</u>	<u>\$ 1,593,273</u>	<u>(\$ 281,557)</u>	<u>\$ 176,869</u>	<u>\$ 882,399</u>	<u>19,214,252</u>
<u>Accumulated depreciation</u>						
Buildings and structures	(\$ 2,003,560)	(\$ 286,068)	\$ 324	\$ -	(\$ 99,545)	(\$ 2,388,849)
Machinery and equipment	( 4,291,652)	( 524,463)	77,565	-	( 230,344)	( 4,968,894)
Transportation equipment	( 42,988)	( 6,711)	1,298	-	( 2,407)	( 50,808)
Office equipment	( 70,349)	( 14,407)	34	-	( 4,069)	( 88,791)
Miscellaneous equipment	( 582,839)	( 212,860)	187,976	( 88,969)	( 33,122)	( 729,814)
	<u>( 6,991,388)</u>	<u>(\$ 1,044,509)</u>	<u>\$ 267,197</u>	<u>(\$ 88,969)</u>	<u>(\$ 369,487)</u>	<u>( 8,227,156)</u>
Book value	<u>\$ 9,851,880</u>					<u>\$ 10,987,096</u>

- A. The significant components of buildings include fire safety equipment, building decoration and electrical & plumbing equipment, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 911,104	\$ 956,040	\$ 1,008,417
Buildings	298,350	291,409	297,986
Transportation equipment	7,361	10,652	10,876
	<u>\$ 1,216,815</u>	<u>\$ 1,258,101</u>	<u>\$ 1,317,279</u>

	<u>Three months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,672	\$ 5,898
Buildings	16,588	11,577
Transportation equipment	1,531	1,816
	<u>\$ 23,791</u>	<u>\$ 19,291</u>

	<u>Nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 17,169	\$ 17,661
Buildings	45,058	34,524
Transportation equipment	5,003	5,441
	<u>\$ 67,230</u>	<u>\$ 57,626</u>

- D. For the nine months ended September 30, 2024 and 2023, the additions to right-of-use assets were \$53,975 and \$17,941, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,609	\$ 1,417
Expense on short-term lease contracts	\$ 4,385	\$ 12,879

	Nine months ended September 30	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 7,955	\$ 4,290
Expense on short-term lease contracts	\$ 9,257	\$ 21,987

F. For the nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$52,029 and \$51,575, respectively.

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

(8) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 790,120	5.05%~5.90%	Land use right and property, plant and equipment
Unsecured borrowings	1,493,424	4.50%~5.95%	None
	<u>\$ 2,283,544</u>		

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
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>		

<u>Type of borrowings</u>	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 807,849	2.42%~6.10%	Land use right and property, plant and equipment
Unsecured borrowings	1,488,444	4.70%~6.24%	None
	<u>\$ 2,296,293</u>		

Interest expense recognised in profit or loss amounted to \$31,283, \$36,043, \$135,634 and \$100,224 for the three months and nine months ended September 30, 2024 and 2023, respectively.

(9) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Payable on wages, salaries and bonuses	\$ 1,004,028	\$ 1,232,292	\$ 994,153
Payable on professional service fees	88,983	78,969	87,958
Payable on employees' compensation	68,009	-	-
Payable on directors' and supervisors' remuneration	39,125	57,553	27,071
Payable on machinery and equipment	40,805	-	-
Payable on resignation reserve (Note)	-	-	382,620
Others	<u>297,570</u>	<u>213,597</u>	<u>251,272</u>
	<u>\$ 1,538,520</u>	<u>\$ 1,582,411</u>	<u>\$ 1,743,074</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>September 30, 2023</u>
Bank borrowings				
Syndicated unsecured borrowings	July 28, 2024	6.48%	None	\$ 645,400
Less: Current portion				( 645,400)
				<u>\$ -</u>

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

- A. Interest expense recognised in profit or loss amounted to \$10,949 and \$35,586 for the three months and nine months ended September 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 Group 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 September 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 nine months ended September 30, 2024 and 2023, were \$2,192, \$2,051, \$6,418 and \$6,206, respectively.
- B. The mainland China subsidiaries, BAOYI and ZHONGSHAN YIBO (transferred to investments accounted for using equity method since September 2024), 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 nine months ended September 30, 2024 and 2023 was \$96, \$5,788, \$3,212 and \$40,133, 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 nine months ended September 30, 2024 and 2023, were \$203,591, \$170,905, \$559,050 and \$509,441, respectively.

(12) Share-based payment

- A. For the nine months ended September 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:

	Nine months ended September 30	
	2024	2023
Equity-settled	\$ 90,037	\$ -

(13) Share capital

- A. As of September 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 September 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 September 30	
	2024	2023
Revenue from contracts with customers	\$ 9,300,959	\$ 6,702,547
	Nine months ended September 30	
	2024	2023
Revenue from contracts with customers	\$ 26,838,277	\$ 19,815,501

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:

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Contract liabilities:				
- Advance sales receipts	\$ 47,418	\$ 58,452	\$ 95,798	\$ 56,370

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

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

	Nine months ended September 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 September 30	
	2024	2023
Interest income from bank deposits	\$ 21,093	\$ 16,891
Interest income from financial assets measured at amortised cost	544	2,499
	\$ 21,637	\$ 19,390

	Nine months ended September 30	
	2024	2023
Interest income from bank deposits	\$ 80,980	\$ 52,235
Interest income from financial assets measured at amortised cost	1,454	7,095
	<u>\$ 82,434</u>	<u>\$ 59,330</u>

(18) Other gains and losses

	Three months ended September 30	
	2024	2023
Foreign exchange (loss) gains	(\$ 17,536)	\$ 175,228
Gains on disposals of property, plant and equipment	3,539	744
Impairment loss	- (	161)
Other gains and losses	( 8,940)	( 1,007)
	<u>(\$ 22,937)</u>	<u>\$ 174,804</u>

	Nine months ended September 30	
	2024	2023
Foreign exchange gains	\$ 301,653	\$ 368,505
Gains on disposals of property, plant and equipment	1,602	3,227
Impairment loss	- (	13,456)
Other gains and losses	( 19,491)	( 13,595)
	<u>\$ 283,764</u>	<u>\$ 344,681</u>

(19) Finance costs

	Three months ended September 30	
	2024	2023
Interest expense		
Bank borrowings	\$ 31,283	\$ 46,992
Lease liabilities	3,609	1,417
	<u>\$ 34,892</u>	<u>\$ 48,409</u>

	Nine months ended September 30	
	2024	2023
Interest expense		
Bank borrowings	\$ 135,634	\$ 135,810
Lease liabilities	7,955	4,290
	<u>\$ 143,589</u>	<u>\$ 140,100</u>

(20) Expenses by nature

	Three months ended September 30	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 1,866,725	\$ 1,780,350
Labour and health insurance fees	58,564	60,443
Pension costs	205,879	178,744
Other personnel expenses	105,742	210,121
	<u>\$ 2,236,910</u>	<u>\$ 2,229,658</u>
Depreciation charges on property, plant and equipment	<u>\$ 318,000</u>	<u>\$ 342,729</u>
Depreciation charges on right-of-use assets	<u>\$ 23,791</u>	<u>\$ 19,291</u>
Amortisation charges	<u>\$ 1,785</u>	<u>\$ 1,398</u>
	Nine months ended September 30	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 5,623,258	\$ 5,431,852
Labour and health insurance fees	154,429	165,574
Pension costs	568,680	555,780
Other personnel expenses	290,630	360,491
	<u>\$ 6,636,997</u>	<u>\$ 6,513,697</u>
Depreciation charges on property, plant and equipment	<u>\$ 970,111</u>	<u>\$ 1,044,509</u>
Depreciation charges on right-of-use assets	<u>\$ 67,230</u>	<u>\$ 57,626</u>
Amortisation charges	<u>\$ 4,654</u>	<u>\$ 3,958</u>

For the three months and nine months ended September 30, 2024, employees' compensation was accrued at \$20,783 and \$68,009, respectively; directors' remuneration was accrued at \$12,469 and \$40,805, respectively. The aforementioned amounts were recognised in salary expenses.

There is no such circumstance for the nine months ended September 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 nine months ended September 30, 2024.

(21) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 262,712	\$ 184,206
Prior year income tax underestimation	<u>11,273</u>	<u>6,721</u>
Total current tax	<u>273,985</u>	<u>190,927</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ <u>5,501</u> )	\$ <u>1,380</u>
Total deferred tax	( <u>5,501</u> )	<u>1,380</u>
Income tax expense	<u>\$ 268,484</u>	<u>\$ 192,307</u>
	Nine months ended September 30	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 769,077	\$ 429,996
Prior year income tax underestimation	<u>14,278</u>	<u>6,721</u>
Total current tax	<u>783,355</u>	<u>436,717</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ <u>1,833</u> )	\$ <u>4,313</u>
Total deferred tax	( <u>1,833</u> )	<u>4,313</u>
Income tax expense	<u>\$ 781,522</u>	<u>\$ 441,030</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 September 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>\$ 797,950</u>	<u>249,400</u>	<u>\$ 3.20</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	797,950	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>59</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 797,950</u>	<u>249,459</u>	<u>\$ 3.20</u>
	<u>Three months ended September 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>\$ 466,548</u>	<u>220,000</u>	<u>\$ 2.12</u>
	<u>Nine months ended September 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>\$ 2,611,433</u>	<u>232,447</u>	<u>\$ 11.23</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	2,611,433	232,447	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>195</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,611,433</u>	<u>232,642</u>	<u>\$ 11.23</u>

Nine months ended September 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	\$ 772,299	220,000	\$ 3.51

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

Investing activities with partial cash payments:

	Nine months ended September 30,	
	2024	2023
Purchase of property, plant and equipment	\$ 1,541,384	\$ 1,593,273
Add: Opening balance of payable on equipment	57,553	73,695
Add: Ending balance of prepayments for equipment	42,683	1,034
Less: Ending balance of payable on equipment	( 39,125)	( 27,071)
Less: Opening balance of prepayments for equipment	( 17,178)	( 6,784)
Add: Property, plant and equipment transferred to expense	26	-
Add: Property, plant and equipment transferred to current assets	56	-
Cash paid during the period	\$ 1,585,399	\$ 1,634,147

	Nine months ended September 30,	
	2024	2023
Purchase of intangible assets	\$ 6,406	\$ 5,312
Add: Ending balance of prepayments	5,050	2,330
Less: Opening balance of prepayments	( 3,353)	-
Cash paid during the period	\$ 8,103	\$ 7,642

(24) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Payable on dividends	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	( 1,583,712)	-	( 22)	( 42,772)	(1,100,000)	( 2,726,506)
Impact of changes in foreign exchange rate	107,400	-	-	13,638	-	121,038
Interest expense	-	-	-	7,955	-	7,955
Changes in other non-cash items	-	-	-	47,981	1,100,000	1,147,981
At September 30, 2024	<u>\$2,283,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,647</u>	<u>\$ -</u>	<u>\$ 2,737,191</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	( 362,252)	( 371,280)	( 734)	( 29,588)	( 763,854)
Impact of changes in foreign exchange rate	114,814	33,960	19	21,240	170,033
Interest expense	-	-	-	4,290	4,290
Changes in other non-cash items	-	-	-	16,808	16,808
At September 30, 2023	<u>\$ 2,296,293</u>	<u>\$ 645,400</u>	<u>\$ 317</u>	<u>\$ 433,453</u>	<u>\$ 3,375,463</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 of the entity is the same as the Company's)
TIENHUNG CO., LTD (TIENHUNG)	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)
IDEA (MACAO COMMERCIAL OFFSHORE) LIMITED (IDEA)	Other related party (related party of the Company's subsidiary) (Note)
PRIME ASIA LEATHER CORPORATION (PRIME ASIA)	Other related party (related party of the Company's subsidiary) (Note)
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)

Note: It was no longer a related party since September 2024. Please refer to Note 4(3).

### (2) Significant related party transactions

#### A. Purchases

	<u>Three months ended September 30</u>	
	<u>2024</u>	<u>2023</u>
Purchases of goods:		
Other related parties	\$ 110,309	\$ 108,346
Associate	6,551	22,669
	<u>116,860</u>	<u>131,015</u>
Purchases of services:		
Other related parties	\$ 4,330	\$ 3,016
Associate	-	13
	<u>4,330</u>	<u>3,029</u>
	<u>\$ 121,190</u>	<u>\$ 134,044</u>



	Nine months ended September 30	
	2024	2023
Purchases of goods:		
Other related parties	\$ 541,044	\$ 272,975
Associate	<u>6,551</u>	<u>22,669</u>
	<u>547,595</u>	<u>295,644</u>
Purchases of services:		
Other related parties	\$ 17,640	\$ 15,698
Associate	<u>-</u>	<u>5,179</u>
	<u>17,640</u>	<u>20,877</u>
	<u>\$ 565,235</u>	<u>\$ 316,521</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**

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts payable:			
Other related parties	\$ 546	\$ 19,581	\$ 40,178
Associate	<u>7,091</u>	<u>-</u>	<u>-</u>
	<u>7,637</u>	<u>19,581</u>	<u>40,178</u>
Other payables:			
Other related parties	<u>-</u>	<u>246</u>	<u>213</u>
	<u>-</u>	<u>246</u>	<u>213</u>
	<u>\$ 7,637</u>	<u>\$ 19,827</u>	<u>\$ 40,391</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

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

(d) Lease liabilities

i. Outstanding balance

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
AN LAC	\$ 98,768	\$ 103,289	\$ 112,475
ZHUO YIH	29,714	-	-
	<u>\$ 128,482</u>	<u>\$ 103,289</u>	<u>\$ 112,475</u>

ii. Interest expense

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
AN LAC	\$ 348	\$ 361
ZHUO YIH	486	-
	<u>\$ 834</u>	<u>\$ 361</u>

	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
AN LAC	\$ 1,041	\$ 1,116
ZHUO YIH	1,529	-
	<u>\$ 2,570</u>	<u>\$ 1,116</u>

D. Endorsements and guarantees provided to related parties

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
CHUNG TE LI/ LIN CHANG YUNG	<u>\$ 2,283,544</u>	<u>\$ 3,759,857</u>	<u>\$ 2,930,077</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 September 30,</u>	
	<u>2024</u>	<u>2023</u>
ZHUO YIH	\$ -	\$ 1,896

  

	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
ZHUO YIH	\$ -	\$ 5,687

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 September 30,	
	2024	2023
Short-term employee benefits	\$ 36,376	\$ 10,435
Post-employment benefits	160	159
	<u>\$ 36,536</u>	<u>\$ 10,594</u>

  

	Nine months ended September 30,	
	2024	2023
Short-term employee benefits	\$ 77,792	\$ 54,166
Post-employment benefits	479	504
	<u>\$ 78,271</u>	<u>\$ 54,670</u>

### 8. Pledged Assets

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

Pledged asset	Book value			Purpose
	September 30, 2024	December 31, 2023	September 30, 2023	
Time deposits (shown as financial assets at amortised cost)	\$ 17,354	\$ 15,329	\$ 14,423	Creation of pledge
Right-of-use assets	206,975	208,342	220,225	Short-term borrowings
Property, plant and equipment	<u>768,793</u>	<u>788,616</u>	<u>838,424</u>	Short-term borrowings
	<u>\$ 993,122</u>	<u>\$ 1,012,287</u>	<u>\$ 1,073,072</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Property, plant and equipment	\$ 325,998	\$ 931,172	\$ 1,386,450
Intangible assets	278	-	-
	<u>\$ 326,276</u>	<u>\$ 931,172</u>	<u>\$ 1,386,450</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 September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total liabilities	\$ 6,950,750	\$ 7,832,734	\$ 7,451,600
Total assets	\$ 30,866,464	\$ 26,559,309	\$ 27,494,974
Debt ratio	<u>23%</u>	<u>29%</u>	<u>27%</u>

## (2) Financial instruments

### A. Financial instruments by category

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 3,496,637	\$ 4,418,919	\$ 4,428,969
Financial assets at amortised cost	19,648	17,586	194,732
Accounts receivable	5,368,661	3,483,993	3,998,375
Other receivables (including related parties)	20,894	97,683	60,746
Guarantee deposits paid	68,251	29,740	28,945
	<u>\$ 8,974,091</u>	<u>\$ 8,047,921</u>	<u>\$ 8,711,767</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,283,544	\$ 3,759,856	\$ 2,296,293
Notes payable	7	20	10
Accounts payable (including related parties)	2,054,635	1,687,654	1,708,555
Other accounts payable (including related parties)	1,538,520	1,582,657	1,743,287
Long-term borrowings (including current portion)	-	-	645,400
Guarantee deposits received	-	22	317
	<u>\$ 5,876,706</u>	<u>\$ 7,030,209</u>	<u>\$ 6,393,862</u>
Lease liability	<u>\$ 453,647</u>	<u>\$ 426,845</u>	<u>\$ 433,453</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 and VND. 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:

September 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	\$ 268,494	31.65	\$ 8,497,843
USD:VND	160,928	24,590	5,093,373
USD:IDR	12,707	15,071	402,161
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 222,501	31.65	\$ 7,042,157
USD:VND	73,139	24,590	2,314,860
USD:IDR	10,510	15,071	332,633

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

September 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	\$	252,609	32.27	\$	8,151,692
USD:VND		114,075	24,280		3,681,200
USD:RMB		10,169	7.31		328,154
USD:IDR		17,055	15,361		550,365
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$	133,911	32.27	\$	4,321,308
USD:VND		138,480	24,280		4,468,750
USD:RMB		1,491	7.31		48,115

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 nine months ended September 30, 2024 and 2023, amounted to (\$17,536), \$175,228, \$301,653 and \$368,505, respectively.

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

Nine months ended September 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%	\$	424,892	\$	-
USD:VND	5%		254,669		-
USD:IDR	5%		20,108		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	5%	\$	352,108	\$	-
USD:VND	5%		115,743		-
USD:IDR	5%		16,632		-

Nine months ended September 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%	\$ 407,585	\$	-
USD:VND	5%	184,060		-
USD:RMB	5%	16,408		-
USD:IDR	5%	27,518		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 216,065	\$	-
USD:VND	5%	223,438		-
USD:RMB	5%	2,406		-

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 nine months ended September 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by \$16,067 and \$20,207, 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 September 30, 2024, December 31, 2023 and September 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>September 30, 2024</u>					
Expected loss rate	0.0196%	7.00%	40.06%	100.00%	
Total book value	\$ 5,340,344	\$ 31,154	\$ 654	\$ 1,796	\$ 5,373,948
Loss allowance	\$ 1,047	\$ 2,182	\$ 262	\$ 1,796	\$ 5,287
<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>September 30, 2023</u>					
Expected loss rate	0.0120%	10.97%	36.36%	100.00%	
Total book value	\$ 3,984,038	\$ 16,625	\$ 22	\$ 570	\$ 4,001,255
Loss allowance	\$ 479	\$ 1,823	\$ 8	\$ 570	\$ 2,880

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
Provision for impairment	4,064
At September 30	<u>\$ 5,287</u>
	<u>2023</u>
	<u>Accounts receivable</u>
At January 1	\$ 4,266
Reversal of impairment loss	( 1,535)
Effect of foreign exchange	149
At September 30	<u>\$ 2,880</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Expiring within one year	\$ 5,692,256	\$ 3,612,553	\$ 6,848,056
Expiring beyond one year	<u>-</u>	<u>5,834</u>	<u>6,131</u>
	<u>\$ 5,692,256</u>	<u>\$ 3,618,387</u>	<u>\$ 6,854,187</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.

September 30, 2024	Less than 6 months	Between 6	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
		months and 1 year			
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 2,007,969	\$ 304,161	\$ -	\$ -	\$ -
Notes payable	7	-	-	-	-
Accounts payable (including related parties)	2,054,635	-	-	-	-
Other payables (including related parties)	1,538,520	-	-	-	-
Lease liability	30,966	23,392	49,790	280,057	164,256

December 31, 2023	Less than 6 months	Between 6	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
		months and 1 year			
<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

September 30, 2023	Less than 6 months	Between 6	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
		months and 1 year			
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 1,855,791	\$ 473,730	\$ -	\$ -	\$ -
Notes payable	10	-	-	-	-
Accounts payable (including related parties)	1,708,555	-	-	-	-
Other payables (including related parties)	1,736,110	7,177	-	-	-
Lease liability	19,917	16,328	35,016	255,789	194,707
Long-term borrowings (including current portion)	20,968	659,035	-	-	-

### (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 nine months September 30, 2024 and 2023 is as follows:

	Nine months ended September 30,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
US	\$ 8,124,778	\$ -	\$ 6,019,499	\$ -
Netherlands	4,988,227	-	217,705	-
Asia	3,358,100	143,827	2,762,710	21,946
Americas	2,861,366	-	2,251,301	-
UK	1,379,255	-	589,034	-
China	1,356,127	-	2,775,737	285,763
Europe	1,279,979	-	823,006	-
Belgium	1,273,916	-	1,019,172	-
Germany	1,081,658	-	2,738,877	-
Indonesia	199,120	2,908,774	154,234	1,339,011
Vietnam	11,207	7,460,397	5,148	7,932,385
Myanmar	-	2,439,526	-	2,758,769
Others	924,544	-	459,078	-
	<u>\$ 26,838,277</u>	<u>\$ 12,952,524</u>	<u>\$ 19,815,501</u>	<u>\$ 12,337,874</u>

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

## Loans to others

Nine months ended September 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 nine months ended		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	
					September 30, 2024 (Note 3)	Balance at September 30, 2024 (Note 8)						Allowance for doubtful accounts	Item Value				
0	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	\$ 2,690,250	\$ 2,690,250	\$ 2,690,250	0	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 23,079,758	\$ 23,079,758	
1	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Other receivables (financing)	Yes	949,500	949,500	-	0	2	-	Operating capital	-	None	-	19,734,403	19,734,403	
1	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Other receivables (financing)	Yes	1,899,000	1,899,000	47,475	0	2	-	Operating capital	-	None	-	19,734,403	19,734,403	
1	LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Other receivables (financing)	Yes	2,215,500	1,107,750	-	0	2	-	Operating capital	-	None	-	19,734,403	19,734,403	
1	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Other receivables (financing)	Yes	1,899,000	1,899,000	442,151	0	2	-	Operating capital	-	None	-	19,734,403	19,734,403	
1	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Other receivables (financing)	Yes	158,250	158,250	-	0	2	-	Operating capital	-	None	-	19,734,403	19,734,403	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Other receivables (financing)	Yes	1,899,000	633,000	158,250	1.5	2	-	Operating capital	-	None	-	3,946,881	7,893,761	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	2,215,500	158,250	-	1.5	2	-	Operating capital	-	None	-	3,946,881	7,893,761	
2	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Other receivables (financing)	Yes	1,899,000	1,345,125	356,063	1.5	2	-	Operating capital	-	None	-	5,039,746	5,039,746	
2	THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Other receivables (financing)	Yes	791,250	158,250	-	1.5	2	-	Operating capital	-	None	-	5,039,746	5,039,746	
2	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	316,500	316,500	126,600	1.5	2	-	Operating capital	-	None	-	5,039,746	5,039,746	
3	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Other receivables (financing)	Yes	2,532,000	1,266,000	436,770	1.5	2	-	Operating capital	-	None	-	4,253,409	4,253,409	
4	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	854,550	538,050	123,435	1.5	2	-	Operating capital	-	None	-	2,177,003	2,177,003	
4	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	822,900	474,750	300,675	0	2	-	Operating capital	-	None	-	2,177,003	2,177,003	
5	MEGA RIVER INVESTMENT CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	310,170	253,200	15,825	0	2	-	Operating capital	-	None	-	1,704,262	1,704,262	
5	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	316,500	316,500	-	1.5	2	-	Operating capital	-	None	-	1,704,262	1,704,262	
6	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	3,006,750	1,360,950	661,485	0	2	-	Operating capital	-	None	-	2,646,294	2,646,294	Note 9
7	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	633,000	633,000	272,190	0	2	-	Operating capital	-	None	-	4,605,825	4,605,825	
8	POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Other receivables (financing)	Yes	316,500	316,500	-	0	2	-	Operating capital	-	None	-	1,771,580	1,771,580	

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

(1)The Company is '0'.

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

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

Note 3: Fill in the maximum outstanding balance of loans to others during the nine months ended September 30, 2024.

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

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

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

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

(1) 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 Samoa Shangwanglong Development Co., Ltd. and Laiyi Industrial Co., Ltd. to replace the old quota.

(Based on the principle of conservatism and from the perspective of reporting, this limit will only take effect on May 1, 2024. However, because the board of directors was convened in advance on March 12, 2024, the maximum outstanding balance during the nine months ended September 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

Nine months ended September 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		Outstanding endorsement/ guarantee amount at September 30, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
				Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2024 (Note 4)									
1	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	4	\$ 19,734,403	\$ 1,582,500	\$ 791,250	\$ 316,500	\$ -	4.01%	\$ 19,734,403	N	N	N	Note 8
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	19,734,403	791,250	474,750	173,760	-	2.41%	19,734,403	N	N	N	Note 9
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD.	4	19,734,403	949,500	474,750	212,373	-	2.41%	19,734,403	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMMITED	4	19,734,403	1,266,000	633,000	577,747	-	3.21%	19,734,403	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	2	9,867,201	791,250	791,250	-	-	4.01%	9,867,201	N	N	N	Note 10
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	19,734,403	189,900	189,900	-	-	0.96%	19,734,403	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	964,758	854,550	379,800	113,966	-	14.35%	3,969,440	N	N	N	Note 11
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD.	4	2,646,294	317	317	317	-	0.01%	2,646,294	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 4.01%.

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 September 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 2.41%.

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 September 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 4.01%.

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 September 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 14.35%.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Nine months ended September 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	\$ 1,281,139	\$ 1,218,996	PT. TAKENAKA INDONESIA	None	-	-	-	\$ -	Inquiry and negotiation	Production factory	-
PT. YIH QUAN FOOTWEAR INDONESIA	Buildings and structures	2023/2/1	640,724	559,371	PT. INDONESIA XIN HAI STEEL STRUCTURE	None	-	-	-	-	Inquiry and negotiation	Production factory	-
PT. YIH QUAN FOOTWEAR INDONESIA	Buildings and structures	2023/7/27	329,509	275,917	PT. INDOWIN ENGINEERING INDONESIA	None	-	-	-	-	Inquiry and negotiation	Production factory	-
LAC TY II COMPANY LIMITED	Right-of-use assets	2024/6/13	420,677	38,306	HAI SON CO., LTD	None	-	-	-	-	Inquiry and negotiation	Development Center	-

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

Nine months ended September 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)	
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	\$ 2,631,685	9.81%	60 days after receipt of goods	-	-	\$ 661,928	12.33%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	1,091,574	4.07%	60 days after receipt of goods	-	-	335,419	6.25%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	224,307	0.84%	60 days after receipt of goods	-	-	107,563	2.00%	Notes 1, 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	783,011	2.92%	60 days after receipt of goods	-	-	80,799	1.51%	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	737,720	2.75%	60 days after receipt of goods	-	-	233,641	4.35%	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	718,068	2.68%	60 days after receipt of goods	-	-	129,875	2.42%	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	394,139	1.47%	60 days after receipt of goods	-	-	217,967	4.06%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	469,647	1.75%	60 days after receipt of goods	-	-	182,546	3.40%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	490,633	1.83%	60 days after receipt of goods	-	-	75,823	1.41%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	124,913	0.47%	60 days after receipt of goods	-	-	75,991	1.42%	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,292,564	4.82%	75 days after receipt of goods	-	-	212,216	3.95%	Notes 1, 3
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	417,356	1.56%	75 days after receipt of goods	-	-	119,953	2.23%	Notes 1, 3
LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	424,965	1.58%	Colleted based on the contract	-	-	53,196	0.99%	Notes 1, 2
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	186,404	0.69%	Colleted based on the contract	-	-	18,970	0.35%	Notes 1, 2
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	7,789,730	29.02%	75 days after receipt of goods	-	-	2,299,083	42.82%	Notes 1, 3
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	9,937,968	37.03%	45 days after receipt of goods	-	-	1,763,780	32.85%	Notes 1, 3
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,199,199	11.92%	60 days after receipt of goods	-	-	479,248	8.93%	Notes 1, 3
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,249,192	8.38%	60 days after receipt of goods	-	-	351,249	6.54%	Notes 1, 3
TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	185,254	0.69%	60 days after receipt of goods	-	-	24,653	0.46%	Note 1
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	379,845	1.42%	60 days after receipt of goods	-	-	56,915	1.06%	Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	526,271	1.96%	60 days per month	-	-	68,090	1.27%	Note 1

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

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

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

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

September 30, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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			
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	\$ 661,928	6.33	\$ -	-	\$ 337,187	\$ -	Notes 1, 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	335,419	5.85	-	-	201,009	-	Notes 1, 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	107,563	3.16	-	-	61,850	-	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	233,641	5.05	-	-	157,428	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	129,875	8.73	-	-	104,425	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	217,967	3.23	-	-	24,322	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	182,546	4.69	-	-	71,346	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	212,216	8.89	-	-	172,819	-	Notes 1, 4
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	119,953	4.25	-	-	29,052	-	Notes 1, 4
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,299,083	5.34	-	-	889,986	-	Notes 1, 4
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,763,780	8.32	-	-	925,831	-	Notes 1, 4
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	479,248	7.12	-	-	234,069	-	Notes 1, 4
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	351,249	7.06	-	-	242,280	-	Notes 1, 4
LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	3,354,900	-	-	-	664,650	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Other receivables	664,650	-	-	-	664,650	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	442,151	-	-	-	142,425	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables	158,467	-	-	-	217	-	Notes 1, 2
FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	661,485	-	-	-	205,725	-	Notes 1, 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables	436,770	-	-	-	126,600	-	Notes 1, 2
OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	272,190	-	-	-	272,190	-	Notes 1, 2

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts	Amount		Amount	Action taken			
KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	300,675	-	-	-	300,675	-	Notes 1, 2
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	123,435	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables	356,063	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivalbes	126,748	-	-	-	-	-	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 October 30, 2024.

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

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

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
				General ledger account	Amount	Transaction terms		
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	\$ 2,631,685	Note 4	9.81%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Sales	1,091,574	Note 4	4.07%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	224,307	Note 4	0.84%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	661,928	Note 4	2.14%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	335,419	Note 4	1.09%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	107,563	Note 4	0.35%	Notes 5, 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	783,011	Note 4	2.92%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	737,720	Note 4	2.75%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	718,068	Note 4	2.68%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	394,139	Note 4	1.47%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	233,641	Note 4	0.76%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	129,875	Note 4	0.42%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	217,967	Note 4	0.71%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	469,647	Note 4	1.75%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	490,633	Note 4	1.83%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	124,913	Note 4	0.47%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	182,546	Note 4	0.59%	Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,292,564	Note 4	4.82%	Notes 5, 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	212,216	Note 4	0.69%	Notes 5, 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	417,356	Note 4	1.56%	Notes 5, 7
5	LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	424,965	Note 4	1.58%	Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	186,404	Note 4	0.69%	Note 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	119,953	Note 4	0.39%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	7,789,730	Note 4	29.02%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,299,083	Note 4	7.45%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	9,937,968	Note 4	37.03%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,763,780	Note 4	5.71%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,199,199	Note 4	11.92%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	479,248	Note 4	1.55%	Notes 5, 7

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

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
				General ledger account	Amount	Transaction terms		
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,249,192	Note 4	8.38%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	185,254	Note 4	0.69%	Note 7
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	351,249	Note 4	1.14%	Notes 5, 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	379,845	Note 4	1.42%	Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	526,271	Note 4	1.96%	Note 7
12	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	3,354,900	Note 4	10.87%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Same ultimate parent company	Accounts receivable	664,650	Note 4	2.15%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	442,151	Note 4	1.43%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	158,467	Note 4	0.51%	Note 7
14	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	661,485	Note 4	2.14%	Note 7
15	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	436,770	Note 4	1.42%	Note 7
16	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	272,190	Note 4	0.88%	Note 7
17	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	300,675	Note 4	0.97%	Note 7
17	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	123,435	Note 4	0.40%	Note 7
18	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables (financing)	356,063	Note 4	1.15%	Note 7
18	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	126,748	Note 4	0.41%	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: (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH is a branch of FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

Note 6: Transaction amount exceeds \$100 million.

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

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

## Information on investees

Nine months ended September 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 September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024 (Note 3)	Footnote
				Balance as at September 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	\$ 4,978,545	\$ 4,829,897	\$ 157,300	100%	\$ 19,734,403	\$ 2,769,988	\$ 2,769,988	
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	31,650	30,705	1,000	100%	2,646,294	1,436,117	-	
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	31,650	30,705	1,000	100%	37,082	2,042	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	31,650	30,705	1,000	100%	36,531	1,849	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	3,639,750	3,531,075	115,000	100%	4,253,409	408,965	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	2,453,508	2,380,252	77,520	100%	4,605,825	783,932	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	1,886,340	1,553,673	59,600	100%	1,704,262 (	43,546)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,923,038	1,865,620	60,760	100%	2,177,003	385,698	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,396,325	4,958,858	170,500	100%	5,039,746	23,437	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BRILLIANT METERO LIMITED	Samoa	Holding company	34,657	33,622	1,095	100%	545 (	29)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,210,753	2,144,744	69,850	100%	1,771,580 (	182,314)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,156,808	1,090,949	36,550	100%	643,626 (	39,437)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	46,601	45,210	-	50%	72,400	144,250	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Investment holdings and sales of sports and casual shoes	253,200	245,640	8,000	50%	402,165	184,666	-	Note 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	3,265,096	3,167,606	-	100%	3,657,174	408,416	-	Note 2
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	2,286,713	2,218,436	-	85%	4,174,730	928,289	-	Note 2
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	1,589,131	1,541,683	-	85%	1,272,318	443,485	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	280,435	272,062	-	15%	224,527	443,485	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	94,950	92,115	-	24%	53,513	-	-	Note 2
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	506,400	491,280	-	100%	692,767	182,582	-	Note 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Vietnam	Production and sales of sports and casual shoes	3,165,000	3,070,500	-	100%	2,392,295	104,466	-	Note 2
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	822,900	767,625	-	100%	791,460	20,906	-	Note 2

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

## Information on investees

Nine months ended September 30, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024 (Note 3)	Footnote
				Balance as at September 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	3,040,327	2,949,550	96,061	73%	1,525,801 (	116,720)	-	Note 2
EVERYIELD CO., LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	1,138,255	1,104,269	35,964	27%	571,238 (	116,720)	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,503,375	1,120,733	-	50%	1,406,590 (	220,742)	-	Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,503,375	1,120,733	-	50%	1,406,590 (	220,742)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	158,250	153,525	-	50%	151,919 (	9,919)	-	Note 2
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	158,250	153,525	-	50%	151,919 (	9,919)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,108	1,535	-	50%	485 (	279)	-	Note 2
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,108	1,535	-	50%	485 (	279)	-	Note 2
EVERYIELD CO., LTD.	PT ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	48,425	46,979	-	51%	38,465 (	14,859)	-	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).

Note 3: Investment income (loss) for the nine months ended September 30, 2024 was calculated based on the financial statements which were reviewed by the Company's CPA.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 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 nine months ended September 30, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee as of September 30, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024 (Note 2)	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan							
YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD.	Production and sales of sports and casual shoes	\$ 355,379	(2)	\$ 355,379	\$ -	\$ -	\$ 355,379	\$ 193,649	50%	\$ 96,825	400,750	\$ 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 nine months ended September 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 31.65:USD 1 prevailing on September 30, 2024.



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

## Major shareholders information

September 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%.