



**來億興業股份有限公司**  
LAI YIH FOOTWEAR CO.,LTD (CAYMAN)

**股票代碼：6890**  
Stock Code



# 2024 ANNUAL REPORT

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**Market Observation Post System Website :**  
<https://mops.twse.com.tw/mops/web/index>

**LaiYih Group Annual Report Website :**  
<https://www.laiyih.com/investor/index/2/52>

Printed Date : 4/10/2025

**1. Name, professional title, contact number and email address of the Company's spokesperson and acting spokesperson**

Spokesperson's Name: Hsu Sung-Chu Job Title: Chief Information Officer

Telephone: (886)4-2568-8746 Email: [ir@laiyih.com.tw](mailto:ir@laiyih.com.tw)

Acting Spokesperson's Name: Huang Yu-Wen Title: Associate Manager of the Audit Office

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**2. Name, professional title, contact number and email address of litigation and non-litigation agents within the territory of the Republic of China**

Name: Chung Te-Li

Position: Chairman

Telephone: (886)4-2568-8746

Email: [ir2@laiyih.com.tw](mailto:ir2@laiyih.com.tw)

**3. Addresses and telephone numbers of the head office, branches and factories**

(1) The Company

Name: Lai Yih Footwear Co., Ltd.

Address: PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands

Telephone: (886)4-2568-8746

(2) Samoa subsidiaries

1. Name: Lai Yih Footwear Co., Ltd.

Address: Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa

Telephone: (886)4-2568-8746

2. Name: Flourish Thrive Developments Limited

Address: Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa

Telephone: (886)4-2568-8746

3. Name: Portrich Trading Limited

Address: Intershore Suite, Le Sanalele Complex, Apia, Samoa

Telephone: (886)4-2568-8746

4. Name: Thrive Foison Limited

Address: Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa

Telephone: (886)4-2568-8746

5. Name: King Global Development Corp.

Address: Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa

Telephone: (886)4-2568-8746

6. Name: Polo International Holding Ltd.

Address: Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa

Telephone: (886)4-2568-8746

7. Name: Brilliant Metero Limited

Address: Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa

Telephone: (886)4-2568-8746

(3) Seychelles subsidiary

1. Name: Billion Star International Co., Ltd.

Address: Room S203A, Second Floor, Orion Complex, Victoria, Mahè, Seychelles

Telephone: (886)4-2568-8746

2. Name: Cheer Access Ltd.

Address: Suite 309, Capital City Building, Independence Avenue, Victoria, Mahè, Republic of Seychelles

Telephone: (886)4-2568-8746

3. Name: Oversea Faith Co., Ltd.

Address: Rooms 204& 206, Second Floor, Sham Peng Tong Plaza, Victoria, Mahè, Seychelles

Telephone: (886)4-2568-8746

4. Name: Mega River Investment Co., Ltd.

Address: Rooms 204& 206, Second Floor, Sham Peng Tong Plaza, Victoria, Mahè, Seychelles

Telephone: (886)4-2568-8746

(4) British Anguilla subsidiary

Name: Everyield Co., Ltd

Address: Babrow Building, The Valley, Anguilla, British West Indies

Telephone: (886)4-2568-8746

(5) Taiwan branch

Name: Flourish Thrive Developments Limited Taiwan Branch

Address: No. 13, Lane 370, Section 4, Yatan Road, Daya District, Taichung City

Telephone: (886)4-2568-8746

(6) Vietnam subsidiary

1. Name: Lacty Company Limited

Address: So3-5 duong Ten Lua, khu pho 1, Phuong An Lac A, Quan Binh Tan, Thanh pho Ho Chi Minh, Viet Nam

Telephone: (84)0838754536

2. Name: Lacty II Company Limited

Address: Lo B1, B2, Khu Cong nghiep Tan Phu Thanh-giai doan 1, Xa Tan Phu Thanh, Huyen Chau Thanh A, Tinh Hau Giang, Viet Nam

Telephone: (84)2933953292

3. Name: Vinh Long Footwear Co., Ltd.

Address: Khu cong nghiep Hoa Phu, Ap Thanh Hung, Xa Hoa Phu, Huyen Long Ho, Tinh Vinh Long, Viet Nam

Telephone: (84)2703962052

4. Name: Yih Shuo Footwear Co., Ltd.

Address: Khom 1, Thi Tran My An, Huyen Thap Muoi, Tinh Dong Thap, Viet Nam

Telephone: (84)2773940888

5. Name: Ty Bach Company Limited

Address: Lo D, Khu cong nghiep Binh Minh, ap My Hnng 2, Xa My Hoa, Thi xa Binh Minh, Tinh Vinh Long, Viet Nam

Telephone: (84)2703752619

6. Name: Grand Wisdom Company Limited

Address: Lo A4, Cum Cong nghiep -Tieu thu cong nghiep thanh pho Vi Thanh, Phuong VII, Thanh pho Vi Thanh, Tinh Hau Giang, Viet Nam

Telephone: (84)2933581800

(8) Myanmar subsidiary

Name: Tsang Yih Company Limited

Address: Myay Taing Block No.20, Anawyahtar Industrial Zone (Phase II), Plot No.X3/X4/X5/X6/N3/N4 Hlaing Thar Yar Township Yangon, Myanmar

Telephone: (95)9443051884

(9) Indonesian subsidiary

1. Name: Pt. Yih Quan Footwear Indonesia

Address: Kaveling III-14, III-18, III-19, III-20, Desa/Kelurahan Kedawung, Kec.Banyuputih, Kab. Batang, Provinsi Jawa Tengah, Kode Pos: 51271

Telephone: -

2. Name: Pt. Yihfull Footwear Indonesia

Address: Puri Mediterania Blok C No. 9 Kel. Tawang Sari, Kec. Semarang Barat Kota Semarang, Provinsi Jawa Tengah, Kode Pos: 50144

Telephone: -

3. Name: Pt. Yihxin Footwear Indonesia

Address: Gedung 88, Kota Kasablanka Lantai 10 Unit F, Jl. Casablanca, Kota Adm. Jakarta Selatan, Kaveling 88, Desa/Kelurahan Kec.

Tebet, ,Provinsi DKI Jakarta, Kode Pos: 12870

Telephone: -

4. Name: Pt. Alnu Sporting Goods Indonesia

Address: Jl. Raya Kayulapis, Gempol, Mororejo, Kab. Kendal, Provinsi Jawa Tengah, Kode Pos: 51372

Telephone: (62)811252668

5. Name: Pt. Yih You Footwear Indonesia

Address: Puri Mediterania Blok C No. 9 Kel. Tawang Sari, Kec. Semarang Barat Kota Semarang, Provinsi Jawa Tengah, Kode Pos: 50144

Telephone: -

**4. Name, address, website and telephone number of the stock transfer agency**

Name: Stock Affairs Agency Department, CTBC Bank Co., Ltd.

Website: <https://www.ctbcbank.com/>

Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

Telephone: (886)2-6636-5566

**5. Name, firm name, address, website and phone number of the CPAs for the most recent annual financial reports**

CPAs name: Wu Sung-Yuan, Hsu Chien-Yeh

Firm name: PwC Taiwan

Website: <https://www.pwc.tw>

Address: 12th Floor, No. 402, Shizheng Road, Xitun District, Taichung City

Telephone: (886)4-2704-9168

**6. Names of exchanges where overseas securities are listed and traded and methods of querying overseas securities information**

Not applicable

**7. Website: <https://www.laiyih.com>**

**8. List of Board of Directors:**

Position	Name	Nationality or place of registration	Main academic qualifications
Chairman	Wide Source Co., Ltd.	Seychelles	
	Chung, Te-Li	Republic of China	Chung Yuan University - Department of Industrial and Systems Engineering Director of Lai Yih Group
Director	Yuchuan Co., Ltd.	Seychelles	
	Lin, Chang-Yung	Republic of China	Feng Yuan Junior High School Executive General Manager of Lac Ty Company Limited Executive General Manager of Lac Ty II Company Limited
Director	Faith Connect Co., Ltd.	Seychelles	
	Hsu, Sung-Chu	Republic of China	STUST Technical College - Department of Mechanical Engineering Assistant Manager of Chemical Engineering at Cheng Chang Footwear Co., Ltd. Saucony Trader/Inspector Development Assistant Manager of Lotto Maolin Trading Company Factory's Chemical Director of Evewin Indonesia

Position	Name	Nationality or place of registration	Main academic qualifications
			Lai Yih Group - A Group Factory Assistant Manager Chief Information Officer of Lai Yih Group Taiwan Head Office
Director	Save Wealth Co., Ltd.	Seychelles	
	Chung, Chen-Chia	Republic of China	Sheffield Hallam University, UK Department of Industrial Management Lai Yih Group- Development Manager of Lac Ty Company Limited Lai Yih Group - Special Assistant to General Manager of Vinh Long Lai Yih Group - Associate Manager of Vinh Long Factory A Lai Yih Group - Deputy General Manager of Vinh Long Factory A Lai Yih Group - General Manager of Vinh Long Factory A
Director	Top Gather Co., Ltd.	Seychelles	
	Lin, Hsueh-Fen	Republic of China	Feng Yuan Commercial Senior High School Lions Club District Counselor
Director	Flying Rich Co., Ltd.	Seychelles	
	Lin, Chun-Hsing	Republic of China	Feng Yuan Junior High School Manager of Chun Chin Cheng Enterprise Co., Ltd. Current General Manager of Soon Yu Enterprise
Independent Director	Lin, Huo-Teng (Note)	Republic of China	Department of Law, National Taiwan University Master of Information Management EMBA, National Cheng Chi University Chairman of Taiwan Ratings Co., Ltd. Deputy General Manager of Taiwan Depository and Clearing Corporation General Manager of the Taiwan Stock Exchange

Position	Name	Nationality or place of registration	Main academic qualifications
			Chairman of Fubon Securities Co., Ltd.
Independent Director	Juan, Chang-Mao	Republic of China	Department of Mechanical Engineering, Tatung Institute of Technology Engineer recommended by the Energy Committee of the Ministry of Economic Affairs Section Chief of Nan Ya Plastics Corporation Manager of Quality Assurance Department and Machine Tool Department of Yang Iron Precision Corporation Director of Precision Machinery Research and Development Center Deputy Secretary-General of Taiwan Machine Tool and Components Industry Association
Independent Director	Hung, Jui-Pin	Republic of China	Master of Economics, Soochow University Director of Economic Construction Commission, Executive Yuan

Note: Independent Director Lin, Huo-Teng passed away on March 4, 2025. One independent director position will be filled through a by-election at the regular shareholders' meeting on May 27, 2025.

## Table of contents

<b>I.</b>	<b>Shareholders' Report</b> .....	1
I.	Operating Results of the Previous Year.....	1
II.	Annual Business Plan Overview.....	1
III.	Future Company Development Strategy.....	2
IV.	Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment.....	3
<b>II.</b>	<b>Company Overview</b> .....	5
I.	Date of establishment and group profile.....	5
II.	Company history.....	7
III.	Group structure.....	8
IV.	Risk matters.....	8
<b>III.</b>	<b>Corporate Governance Report</b> .....	9
I.	Information on directors, supervisors, general managers, deputy general managers, associate managers, heads of departments and branches.....	9
II.	Remuneration paid to directors, supervisors, general manager and deputy general manager in the most recent year.....	31
III.	Corporate governance operations.....	36
IV.	Information on public fees of CPAs.....	87
V.	Information on changing CPAs.....	87
VI.	The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked in the certified accountant's firm or its affiliated companies within the past year.....	87
VII.	Equity transfers and equity pledge changes of directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and as of the date of publication of the annual report.....	87
VIII.	Information on the top ten shareholders with the largest shareholding ratio, who are related persons, spouses, or relatives within the second degree.....	90
IX.	The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio is calculated together.....	92
<b>IV.</b>	<b>Fundraising Situation</b> .....	94
I.	Capital and shares.....	94
II.	Corporate bond handling situation.....	97
III.	Special stock handling situation.....	97
IV.	Participation in the issuance of overseas depository receipts.....	97
V.	Handling of employee stock option certificates.....	97
VI.	Circumstances in which employees' rights are restricted in the processing of new shares.....	97
VII.	Merger and acquisition processing situation.....	97
VIII.	Situation of issuing new shares by transferring shares of other companies.....	97
IX.	Implementation status of fund utilization plan.....	97
<b>V.</b>	<b>Operational overview</b> .....	98
I.	Business content.....	98
II.	Overview of market and sales.....	106
III.	Number of employed employees.....	112
IV.	Environmental spending information.....	112
V.	Labor relations.....	114
VI.	Information security management.....	115
VII.	Important contract.....	117

<b>VI.</b>	<b>Review of Financial Status and Financial Performance and Analysis of Risk Events</b>	<b>120</b>
I.	Financial status .....	120
II.	Financial performance .....	121
III.	Cash flow .....	122
IV.	The impact of major capital expenditures on financial operations in recent years:	123
V.	The most recent annual reinvestment policy, the main reasons for its profits or losses, improvement plans and investment plans for the next year .....	123
VI.	Risk event analysis .....	123
VII.	Other important matters.....	130
<b>VII.</b>	<b>Special Recorded Matters</b> .....	<b>131</b>
I.	Information on related companies .....	131
II.	The handling of private placement securities in the most recent year and as of the date of publication of the annual report .....	139
III.	Other necessary supplementary explanations.....	139
<b>VIII.</b>	<b>In the most recent year and as of the date of publication of the annual report, events that have a significant impact on shareholders' equity or securities prices as stipulated in Article 36, Paragraph 2, subparagraph 2 of the Securities and Exchange Act have occurred</b> .....	<b>139</b>
<b>IX.</b>	<b>Major differences from our country's regulations on the protection of shareholders' rights and interests.....</b>	<b>139</b>

# I. Shareholders' Report

Mr and Mrs shareholders,

Lai Yih Group's 2024 Operating Performance and Future Outlook Report is as follows:

## I. Operating Results of the Previous Year

In 2024, the demand for athletic shoes continued to rise driven by several factors: the succession of major sporting events, the mainstream popularity of athletic fashion styles, and the growing fitness trend shaped by increased health awareness. Lai Yih Group responded to global economic stabilization trends, improved consumer confidence, the momentous Paris Olympics, and the final phase of inventory reduction cycles among sports brand operators. Through the collaborative efforts of the management team, the Group achieved consolidated revenue of NT\$37.69 billion in 2024, a 35% increase compared to the previous year, outperforming industry peers. The gross profit margin and operating profit margin were 19.79% and 12.43%, respectively, with an operating expense ratio of 7.36%. Operating profit reached NT\$4,683,861 thousand, with net income after tax attributable to the parent company amounting to NT\$3,818,318 thousand, resulting in an annual EPS after tax of NT\$16.13. Regarding the production base output ratio, the shares of Vietnam, Myanmar and Indonesia were 93.44%, 5.57%, and 0.99%, respectively. To meet future mass production order demands, the ongoing capacity expansion plans across existing areas will continue to be implemented. In terms of revenue share by sales region, Europe and the United States are still the key sales markets, with the total revenue still accounting for 70%, of which 30.12% is in Greater Europe and 43.06% is in the Greater America market. In terms of research and development, since its establishment, Lai Yih Group has focused on developing independent R&D capabilities through technological innovation in the smart manufacturing field, successfully building core competitive advantages. In 2024, R&D expenditure reached NT\$675,200 thousand, representing an increase of over 9% compared to the previous year's R&D expenditure of NT\$618,821 thousand. In the footwear automation field, Lai Yih Group has not only developed patented key process equipment but has also innovated and integrated modular production systems and flexible process technologies. In summary, Lai Yih Group has demonstrated substantial management achievements including diverse plant distribution, dispersed sales regions covering global markets, and diversified product portfolios

## II. Annual Business Plan Overview

Over the past year, Lai Yih Group has successfully assisted brand clients in achieving stable growth, primarily due to the management team's in-depth understanding of core products and continuous innovation capabilities. This year, Lai Yih Group will continue to deeply cultivate the Indonesian market, expand production capacity, strengthen personnel training and talent reserve programs, develop localized talent, and invest additional resources in the research and development center to enhance product development and innovation capabilities. At the same time, Lai Yih Group will actively promote production automation, continuously improve production efficiency and product quality, and strive for new brand development, further consolidating Lai Yih Group's leading position in the global footwear industry.

In the new year, Lai Yih Group, as the most trusted partner for brand clients, will continue to maintain close collaboration with brand clients to provide more competitive products and services.

### III. Future Company Development Strategy

Looking ahead, under the waves of globalization and digitalization, the footwear manufacturing industry is full of both challenges and opportunities. To enhance corporate competitiveness, expand market share, and create higher profits, Lai Yih Group is fully committed to promoting an overall development strategy through three core strategies: global deployment optimization, talent investment, and digital transformation, to increase corporate value and strengthen market position.

#### (I) Global Deployment

Lai Yih Group will adopt a “multi-core, cross-regional” development strategy, continuing to expand production capacity in Vietnam and Indonesia, accelerating the deployment of diversified manufacturing facilities, focusing on product development capabilities and rapid prototyping techniques, and implementing automated production to enhance competitiveness. In terms of supply chain integration, Lai Yih Group will establish complete supplier industrial clusters around major production bases, build strategic partnerships through supplier rating management systems, and promote localization of raw materials to shorten supply chain response time. Through integrated supply chain management, the dual benefits of reducing logistics costs and improving overall operational efficiency can be achieved.

#### (II) Talent Investment

Talent investment is the foundation of sustainable corporate development. Lai Yih Group plans to establish a professional footwear technology academy to systematically cultivate footwear craftsmanship talent and establish industry–academia collaboration relationships with local vocational colleges. At the management level, the Group will establish a multinational management talent pool, implement rotation systems to develop executives’ multicultural management capabilities, and provide continuing education subsidies and overseas training opportunities to enhance personnel quality. In terms of recruitment, Lai Yih Group is also actively recruiting professionals in fields such as materials science and product design to establish innovation laboratories and build a research and development team with greater innovative capabilities.

#### (III) Digital Transformation

Digital transformation is a key factor in enhancing business competitiveness. Lai Yih Group will implement Industry 4.0 production systems in phases, establish smart warehousing systems, utilize AI technology to optimize production scheduling, and build a digitalized quality management system. In terms of information systems, Lai Yih Group will integrate Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Customer Relationship Management (CRM) systems, establish a comprehensive data analytics platform, strengthen predictive analysis capabilities, and optimize inventory management. In addition, Lai Yih Group plans to establish a cloud collaboration platform and develop mobile applications to enhance internal coordination efficiency. In terms of customer service, Lai Yih Group will increase investment in eco-friendly material research and development, develop customized manufacturing capabilities, establish a rapid prototyping center, and maximize customer value. At the service level, they will provide end-to-end supply chain visibility, establish a real-time order tracking system, and develop an online collaborative design platform.

Simultaneously, to implement sustainable development goals, Lai Yih Group will commit to promoting green manufacturing, establishing a carbon footprint tracking system, and developing a circular economy model.

#### IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

Looking at the external environment, the footwear industry is currently facing multiple severe challenges.

##### (I) External Competitive Environment

Southeast Asian countries are rapidly emerging by leveraging low labor costs, favorable government policies, and other advantages. The competitiveness of the footwear industries in Vietnam, Indonesia, and other regions continues to improve. At the same time, competitors in these regions are actively promoting automation upgrades, accelerating the narrowing of the technological gap with traditional footwear manufacturing powerhouses. Additionally, the recent rise of e-commerce has brought about a new order model characterized by small quantities and high diversification. These various changes represent enormous challenges and pressures that traditional footwear manufacturers must overcome.

##### (II) Regulatory Environment

In the new year, rising global trade protectionism has led to increased tariff barriers, while the implementation of various regional trade agreements also profoundly affects strategic industry deployment decisions. Rules of origin have become increasingly stringent, not only increasing operational costs but also making supply chain management more complex. Regarding environmental regulations, countries are imposing stricter controls on carbon emissions and higher requirements for using environmentally friendly materials, coupled with strengthened waste disposal regulations. These factors compel companies to invest more resources to achieve environmental compliance. Moreover, changes in labor regulations are equally significant. The continuous increase in minimum wage standards, improved workplace environment requirements, and more stringent occupational safety and health regulations will all drive up companies' operational costs.

##### (III) Overall Business Environment

Changes in the overall business environment have presented numerous challenges for companies. First, the increasing uncertainty in the global economy, greater exchange rate volatility risks, and underlying inflationary pressures have all made the business environment more complex. Second, dramatic fluctuations in raw material prices, continuing increases in transportation costs, and growing risks of supply chain disruptions have created greater operational challenges for businesses. Additionally, the mounting pressure for digital transformation, expanding investment needs for smart manufacturing, and rising thresholds for artificial intelligence applications all require companies to increase their technological investments.

In response to the challenges, Lai Yih Group will implement comprehensive strategies. In the short term, the Group will focus on strengthening cost control by optimizing manufacturing processes and increasing automation levels to address rising cost pressures; simultaneously, the Group will actively adjust its customer structure and expand market regions to diversify operational risks. Medium-term strategies will focus on technological upgrades and transformation, accelerating digitalization development, advancing smart manufacturing capabilities, while also optimizing supply chain structure to build a more resilient supply network. In the long term, Lai Yih Group will commit to promoting green manufacturing and the circular economy to implement sustainable development. Meanwhile, by enhancing its R&D capabilities, the Group will

strengthen its technological advantages and develop high value-added products to ensure sustainable operations and stable development.

I would like to extend my sincere gratitude to all shareholders for your support and encouragement. I extend my best wishes to all shareholders for success in your endeavors and peace for your families!

Sincerely, Chairman Chung, Te-Li

## II. Company Overview

### I. Date of establishment and group profile

Lai Yih Footwear Co., Ltd. Lai Yih Footwear Co., Ltd. (hereinafter referred to as the “Company”) established a holding company in the Cayman Islands on June 16, 2021 (hereinafter referred to as the “Cayman Islands”). The Company primarily engages in the manufacturing of footwear products on an OEM basis, with a focus on sports shoes and leisure shoes. The registered locations and main functions of the Group’s subsidiaries are summarized as follows:

Company name	Place of registration	Main operating functions within the Group
Lai Yih Footwear Co., Ltd (hereinafter referred to as: Lai Yih SAMOA)	Samoa	General investments.
Flourish Thrive Developments Limited (hereinafter referred to as: Flourish Thrive SAMOA)	Samoa	General investments.
Flourish Thrive Developments Limited Taiwan Branch (hereinafter referred to as: Flourish Thrive Taiwan)	Republic of China	Mainly responsible for receiving orders from the Group.
Cheer Access Ltd. (hereinafter referred to as: Cheer Access)	Seychelles	Mainly engaged in general investments and responsible for overseas purchasing for non A Group brand in Vietnam.
Billion Star International Co., Ltd (hereinafter referred to as: Billion Star)	Seychelles	Mainly responsible for general investments and overseas procurement for A Group brand in Vietnam.
Portrich Trading Limited (hereinafter referred to as: Portrich)	Samoa	General investments.
Oversea Faith Co., Ltd. (hereinafter referred to as: Oversea Faith)	Seychelles	General investments.
King Global Development Corp. (hereinafter referred to as: King Global)	Samoa	General investments.
Mega River Investment Co., Ltd. (hereinafter referred to as: Mega River)	Seychelles	General investments.
Thrive Foison Limited (hereinafter referred to as: Thrive Foison)	Samoa	General investments.
Brilliant Metero Limited (hereinafter referred to as: Brilliant	Samoa	General investments.

Company name	Place of registration	Main operating functions within the Group
Metero)		
Polo International Holding Ltd. (hereinafter referred to as: Polo)	Samoa	Mainly responsible for general investments and overseas procurement for A Group brand in Myanmar.
Everyield Co., Ltd. (hereinafter referred to as: Everyield)	Anguilla	General investments.
Lacty Company Limited (hereinafter referred to as: Lacty)	Vietnam	Mainly affiliated to A Group's brand sports shoe OEM production base in Vietnam.
Lacty II Company Limited (hereinafter referred to as: Lacty II)	Vietnam	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yihfull Footwear Indonesia (hereinafter referred to as: Yihfull)	Indonesia	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Vinh Long Footwear Co., Ltd. (hereinafter referred to as: Vinh Long)	Vietnam	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yihxin Footwear Indonesia (hereinafter referred to as: Yihxin)	Indonesia	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Yih Shuo Footwear Co., Ltd. (hereinafter referred to as: Yih Shuo)	Vietnam	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.

Company name	Place of registration	Main operating functions within the Group
Pt. Yih Quan Footwear Indonesia (hereinafter referred to as: Yih Quan)	Indonesia	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Ty Bach Company Limited (hereinafter referred to as: Ty Bach)	Vietnam	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Grand Wisdom Company Limited (hereinafter referred to as: Grand Wisdom)	Vietnam	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Tsang Yih Company Limited (hereinafter referred to as: Tsang Yih)	Myanmar	It is an OEM production base for branded sports shoes in Myanmar. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Alnu Sporting Goods Indonesia (hereinafter referred to as Pt Alnu)	Indonesia	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yih You Footwear Indonesia (hereinafter referred to as Yih You)	Indonesia	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.

## II. Company history

Year	Important notes
1987	Lai Yih Group was established in Taichung, Taiwan.
1990	Lacty, the first overseas invested subsidiary, was established in Ho Chi Minh City, Vietnam, and specialized in the production of various sports shoes and casual shoes for A Group.
2004	Invested and established a subsidiary in Vinh Long Province, Vietnam, which is currently the largest factory of Lai Yih Group.
2007	Lacty cooperated with A Group to specialize in the production of casual shoes and established A Group's brand development center.
2011	Lacty achieved SEC 4C of A Group and won first place as a reliable delivery supplier. In the same year, Lacty II factory was established in Hau Giang

Year	Important notes
	Province, Vietnam to expand the scale of production of various sports shoes and casual shoes of A Group brands.
	Established a subsidiary, Yih Shuo, in Dong Thap Province, Vietnam, as a factory for manufacturing shoe uppers.
2013	Vinh Long factory in Vinh Long Province, Vietnam (established in 2004), established the B Group brand Development Center.
	Established subsidiary Tsang Yih in Yangon, Myanmar.
2014	Yih Shuo transformed into a shoe factory and became the OEM partner of D Group.
2017	Vinh Long factory obtained GORE-TEX certification and started mass production.
2018	A subsidiary company, Ty Bach, was established in Vinh Long Province, Vietnam to produce sports and casual shoes under the C Group brand.
	C Group's development center was moved from Zhongshan, Guangdong to its subsidiary Ty Bach in 2020.
2020	Grand Wisdom, a subsidiary company, was established in Hau Giang Province, Vietnam to manufacture shoe uppers for finished shoe factories.
	The Group's organization was restructured in preparation for its listing in Taiwan, Lai Yih Footwear Co., Ltd. (hereinafter referred to as "Lai Yih Cayman") was established with a paid-in capital of NT\$2,200 million.
2021	Invested and established subsidiaries Yih Quan and Yihfull in Indonesia.
2023	Invested in Indonesian subsidiary Pt. Alnu.
2024	The Company was listed on the stock exchange on June 12, increasing its paid-in capital to NT\$2,494 million. A subsidiary, Yih You, was established in Indonesia at the end of the year.

III. Group structure: Please refer to page 131: 7. Special recorded matters.

IV. Risk matters: Please refer to pages 123 to 130: 6. Review of financial status and financial performance and analysis of risk matters.

### III. Corporate Governance Report

#### I. Information on directors, supervisors, general managers, deputy general managers, associate managers, heads of departments and branches

##### (I) Information of directors and supervisors

##### 1. Director

March 29, 2025; Unit: Shares, %

Position	Name	Gender Age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shares held at time of election		Number of shares currently held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in the Company and other companies	Other managers, directors or supervisors who are related to spouse or second degree of relatives			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Chairman	Wide Source Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30	3 years	38,500,000	17.50	38,500,000	15.44	-	-	-	-	-	-	-	-	-	-
	Representative: Chung, Te-Li	Male 71-75 years old	Republic of China	2021/6/16	2024/5/30		2,200,000	1.00	2,166,000	0.87	22,000,000	8.82	38,500,000 (Note 1)	15.44	Education: Chung Yuan University - Department of Industrial and Systems Engineering Experience: Director of Lai Yih Group	(Note 2)	Corporate representative of director	LIN, HSUEH-FEN	Spouse	-
							Corporate representative of director	CHUNG, CHEN-CHIA	Father and son	-										
Director	Yuchuan Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30	3 years	10,560,000	4.80	10,560,000	4.23	-	-	-	-	-	-	-	-	-	-
	Representative: Lin, Chang-Yung	Male 56-60 years old	Republic of China	2021/9/8	2024/5/30		1,540,000	0.70	1,507,000	0.60	4,400,000	1.76	10,560,000 (Note 1)	4.23	Education: Feng Yuan Junior High School Experience: 1990 - present Executive General Manager of Lac Ty Company Limited 2011 - present Executive General Manager of Lac Ty II Company Limited	(Note 3)	Corporate representative of director	LIN, CHUN-HSING	Brother	-
Director	Faith Connect Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30	3 years	23,474,000	10.67	23,474,000	9.41	-	-	-	-	-	-	-	-	-	-
	Representative: Hsu, Sung-Chu	Male 66-70 years old	Republic of China	2021/9/8	2024/5/30		726,000	0.33	693,000	0.28	-	-	23,474,000 (Note 1)	9.41	Education: STUST Technical College -	(Note 4)	-	-	-	-

Position	Name	Gender Age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shares held at time of election		Number of shares currently held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in the Company and other companies	Other managers, directors or supervisors who are related to spouse or second degree of relatives			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
														Department of Mechanical Engineering  <u>Experience:</u> Assistant Manager of Chemical Engineering at Cheng Chang Footwear Co., Ltd. Saucony Trader/Inspector Development Assistant Manager of Lotto Maolin Trading Company Factory's Chemical Director of Evewin Indonesia Lai Yih Group - A Group Factory Assistant Manager Chief Information Officer of Lai Yih Group 2024/12/30 - present General Manager of Pt. Yihquan Footwear Indonesia						
Director	Save Wealth Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30		20,988,000	9.54	20,988,000	8.42	-	-	-	-	-	-	-	-	-	
	Representative: Chung, Chen- Chia	Male 41-45 years old	Republic of China	2021/9/8	2024/5/30	3 years	1,012,000	0.46	1,081,000	0.43	-	-	20,988,000 (Note 1)	8.42	(Note 5)	Corporate representative of Chairperson	Chung, Te-Li	Father and son		
																Corporate representative of director	LIN, HSUEH- FEN	Mother and son		
															Manager	CHUNG, YING- CHENG	Sister			

Position	Name	Gender Age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shares held at time of election		Number of shares currently held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in the Company and other companies	Other managers, directors or supervisors who are related to spouse or second degree of relatives			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Director	Top Gather Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30	3 years	21,860,140	9.94	21,860,140	8.77	-	-	-	-	-	-	-	-	-	
	Representative: Lin, Hsueh-Fen	Female 61-65 years old	Republic of China	2021/9/8	2024/5/30		139,860	0.06	139,860	0.06	40,666,000	16.31	21,860,140 (Note 1)	8.77	Education: Feng Yuan Commercial Senior High School Experience: Lions Club District Counselor (Note 6)	Corporate representative of Chairperson	Chung, Te-Li	Spouse		
																Corporate representative of director	CHUNG, CHEN-CHIA	Mother and son		
														Manager		CHUNG, YING-CHENG	Mother and daughter			
Director	Flying Rich Co., Ltd.	-	Seychelles	2024/5/30	2024/5/30	3 years	7,678,000	3.49	7,678,000	3.08	-	-	-	-	-	-	-	-	-	
	Representative: Lin, Chun-Hsing	Male 61-65 years old	Republic of China	2021/9/8	2024/5/30		1,122,000	0.51	1,122,000	0.45	1,000	0.00	7,678,000 (Note 1)	3.08	Education: Feng Yuan Junior High School Experience: Manager of Chun Chin Cheng Enterprise Co., Ltd. Current General Manager of Soon Yu Enterprise (Note 7)	Corporate representative of director	LIN, CHANG-YUNG	Brother	-	

Position	Name	Gender Age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shares held at time of election		Number of shares currently held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in the Company and other companies	Other managers, directors or supervisors who are related to spouse or second degree of relatives			Note						
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship							
Independent Director	Lin, Huo-Teng	Male 71-75 years old	Republic of China	2021/9/8	2024/5/30	3 years	-	-	-	-	-	-	-	-	<u>Education:</u> Department of Law, National Taiwan University Master of Information Management EMBA, National Cheng Chi University  <u>Experience:</u> Chairman of Taiwan Ratings Co., Ltd. Deputy General Manager of Taiwan Depository and Clearing Corporation General Manager of the Taiwan Stock Exchange Chairman of Fubon Securities Co., Ltd. Director of Fubon Securities Co., Ltd. Independent Director of Hey Song Corporation Director of Qiaomei International Network Co., Ltd.	-	-	-	-	-	-	-	-	-	Note 8	
Independent Director	Juan, Chang- Mao	Male 71-75 years old	Republic of China	2021/9/8	2024/5/30	3 years	-	-	-	-	-	-	-	-	<u>Education:</u> Department of Mechanical Engineering, Tatung Institute of Technology  <u>Experience:</u> Engineer recommended by the Energy Committee of the	Ching Hung Machinery & Electric Industrial Co., Ltd. Supervisor	-	-	-	-	-	-	-	-	-	-

Position	Name	Gender Age	Nationality or place of registration	Date of first election	Date of election	Term of office	Shares held at time of election		Number of shares currently held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in the Company and other companies	Other managers, directors or supervisors who are related to spouse or second degree of relatives			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
														Ministry of Economic Affairs Section Chief of Nan Ya Plastics Corporation Manager of Quality Assurance Department and Machine Tool Department of Yang Iron Precision Corporation Director of Precision Machinery Research and Development Center Deputy Secretary- General of Taiwan Machine Tool and Components Industry Association						
Independent Director	Hung, Jui-Pin	Male 71-75 years old	Republic of China	2021/9/8	2024/5/30	3 years	-	-	-	-	-	-	-	<u>Education:</u> Master of Economics, Soochow University <u>Experience:</u> Director of Economic Construction Commission, Executive Yuan	Yem Chio Distribution Co., Ltd. (Note 9) Independent Director	-	-	-	-	

Note 1: Chung, Te-Li holds 100% of the equity of Wide Source Co., Ltd.; Lin, Chang-Yung holds 100% of the equity of Yuchuan Co., Ltd.; Hsu Song-Zhu holds 100% of the equity of Faith Connect Co., Ltd.; Chung Chen-Chia holds 100% of the equity of Save Wealth Co., Ltd.; Lin Hsueh-Fen holds 100% of the equity of Top Gather Co., Ltd.; Lin Chuan-Shi and the spouse hold 50% of the equity of Flying Rich Co., Ltd.

Note 2: (1) within the Group: Chief Strategy Officer of the Company, Chairman of Lai Yih Footwear Co., Ltd. (Samoa), Chairman of Flourish Thrive Developments Limited, Chairman of Billion Star International Co., Ltd., Chairman of Cheer Access Ltd., Director of Portich Trading Limited, Chairman of Overseas Faith Co., Ltd., Chairman of Thrive Foison Limited, Chairman of Mega River Investment Co., Ltd., Chairman of King Global Development Corp., Chairman of Polo International Holding Ltd., Chairman of Everyield Co., Ltd., Director of Jumbo Power Enterprises Limited, Director of Superb King Investments Limited, Chairman of Brilliant Metro Limited, Vice Chairman of Lac Ty Co.,

- Ltd., Chairman of Lac Ty II Co., Ltd., Chairman of Vinh Long Co., Ltd., Chairman and President of Yih Shuo Co., Ltd., Chairman of Ty Bach Co., Ltd., Chairman of Grand Wisdom Co., Ltd., Chairman of Youngchou Baoyi Footwear Manufacturing Co., Ltd., Director of Youngyi Co., Ltd. (in progress of share withdrawal) Chairman of PT. YIH QUAN Footwear INDONESIA, Director of PT. Yihxin Footwear Indonesia, Director of PT. Yih You Footwear Indonesia,
- (2) outside the Group: Chairman of Lai Yih Footwear Co., Ltd. (Taiwan), Chairman of Choi Yi Industrial Co., Ltd., Chairman of GRAND BEST INVESTMENT INC., Director of ACE Gold Enterprise Limited, Director of Ri Yi Development Co., Ltd., Director of New Noble Holding Co., Ltd.
- Note 3: (1) within the Group: The COO of the Company's Overseas Business Division II, General Manager of the Company, General Manager of Lai Yih Footwear Co., Ltd. (Samoa), Director of Portich Trading Limited, Director and General Manager of Lac Ty Co., Ltd., Director of Lac Ty II Co., Ltd., Director of Vinh Long Co., Ltd., Director of Yih Shuo Co., Ltd., Director of Ty Bach Co., Ltd., Director of Grand Wisdom Co., Ltd., Director of Youngchou Baoyi Footwear Manufacturing, Supervisor of Pt. Yih Quan Footwear Indonesia, Chairman and General Manager of Pt. Yihfull Footwear Indonesia, Director of Pt. Alnu Sporting Goods Indonesia, Supervisor of Pt. Yihxin Footwear Indonesia, Director of Pt. Yih You Footwear Indonesia.
- (2) outside the Group: Director of Lai Yih Footwear Co., Ltd. (Taiwan); Director of New Noble Holdings Limited.
- Note 4: (1) within the Group: The Company's Chief Information Officer, Director of Jumbo Power Enterprises Limited, Director of Superb King Investments Limited, Director of Lac Ty II Co., Ltd., Director of Yih Shuo Co., Ltd., Director of Ty Bach Co., Ltd., Director of Grand Wisdom Co., Ltd., Director and General Manager of Yangzhou Baoyi Footwear, Manufacturing Co., Ltd., General Manager of Pt. Yih Quan Footwear Indonesia, Supervisor of Pt. Yihfull Footwear Indonesia, Chairman and General Manager of Pt. Yihxin Footwear Indonesia, Chairman of Pt. Alnu Sporting Goods Indonesia, Supervisor of Pt. Yih You Footwear Indonesia.
- (2) outside the Group: Supervisor of Lai Yih Footwear Co., Ltd. (Taiwan), Supervisor of Hsiang Yun Investment Co., Ltd., Director of Diamond Garden Co., Ltd.
- Note 5: (1) within the Group: Assistant COO of the Company's Overseas Business Division II; Director of Lac Ty II Co., Ltd.; Director of Vinh Long Co., Ltd.; Director of Yih Shuo Co., Ltd.; Director of Ty Bach Co., Ltd.; Director of Grand Wisdom Co., Ltd.; General Manager of Vinh Long Co., Ltd.; Supervisor of Pt. Alnu Sporting Goods Indonesia.
- (2) outside the Group: Director of Ace Gold Enterprise Limited; Director of Anguillan Ri Yi Development Ltd.; Director of Ri Yi Development Co., Ltd.
- Note 6: outside the Group: Director, Lai Yih Footwear Co., Ltd. (Taiwan); Director of KAI TUN INDUSTRIAL CO., LTD.; Secretary of ACE Gold Enterprise Limited; Director of Anguillan Ri Yi Development Ltd.; Director of Ri Yi Development Co., Ltd.
- Note 7: within the Group: Director of Lac Ty II Co., Ltd.; Director of Ty Bach Co., Ltd.; Director, Grand Wisdom Co., Ltd.
- Note 8: Independent Director Lin, Huo-Teng passed away on March 4, 2025, and a new independent director will be elected during the regular shareholders' meeting on May 27, 2025.
- Note 9: New World Global Co., Ltd. was renamed "Yem Chio Distribution Co., Ltd." on July 5, 2024.

2. Supervisor: The Company has set up an audit committee, so there is no supervisor.
3. Main shareholders of legal person shareholders:

March 29, 2025

Name of corporate shareholder	Main shareholders of legal person shareholders
Wide Source Co., Ltd.	Chung, Te-Li 100%
Faith Connect Co., Ltd.	Hsu, Sung-Chu 100%
Top Gather Co., Ltd.	Lin, Hsueh-Fen 100%
Save Wealth Co., Ltd.	Chung, Chen-Chia 100%
Yuchuan Co., Ltd.	Lin, Chang-Yung 100%
Flying Rich Co., Ltd	Lin, Chun-Hsing (50%), Wu, Chiu-Luan (50%)

4. If the main shareholder of a legal person shareholder is a legal person, its main shareholder: Not applicable.
5. Disclosure of professional knowledge of directors and supervisors and independence information of independent directors

Name	Condition	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving in other publicly traded companies
Wide Source Co., Ltd. Representative: Chung Te-Li		Currently serving as the Chairman of the Board, Chief Strategy Officer of the Company, and a director of various subsidiaries of the Group, possessing abilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances specified in Article 30 of the Company Act.	-	-
Yuchuan Co., Ltd. Representative: Lin Chang-Yung		Currently serving as the President and Chief Operating Officer of the Company, previously served as Vice President of Lai Yih Group and General Manager of Yichuan Factory, possessing abilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances	-	-

Name \ Condition	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving in other publicly traded companies
	specified in Article 30 of the Company Act.		
Faith Connect Co., Ltd. Representative: Hsu Sung-Chu	Currently serving as the Chief Information Officer of the Company and General Manager of Yiquan Factory, previously served as Assistant Manager of the Chemical Department at Cheng Chang Footwear Co., Ltd. and Chemical Plant Director at EVEWIN Indonesia Footwear Factory, possessing abilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances specified in Article 30 of the Company Act.	-	-
Save Wealth Co., Ltd. Representative: Chung Chen-Chia	Currently serving as the Assistant Chief Operating Officer of Overseas Business Division II, and General Manager of the Vinh Long and Ty Bach plants. Previously held positions as Associate Vice President and Deputy General Manager of Vinh Long plant. Possess extensive capabilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. Education: Sheffield Hallam University - Department of Industrial Management. There are no circumstances specified in Article 30 of the Company Act.	-	-
Top Gather Co., Ltd. Representative:	Currently serving as a director of Ri Yi Development, possessing abilities in operational judgment,	-	-

Name \ Condition	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving in other publicly traded companies
Lin Hsueh-Fen	business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances specified in Article 30 of the Company Act.		
Flying Rich Co., Ltd. Representative: Lin, Chun-Hsing	Previously served as General Manager of Soon Yu Enterprise. Possesses strong capabilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances specified in Article 30 of the Company Act.	-	-
Lin, Huo-Teng	Mr. Lin Huo-Teng served as the deputy general manager of the Taiwan Stock Exchange from 2006 to 2013, and served as the general manager from July 2013 to his retirement in July 2016. From 2015 to August 2016, he served as the deputy general manager of Taiwan Centralized Custody and Clearing House. Former Director of Grand Fortune Securities Co., Ltd., Independent Director of Black Song Co., Ltd., Director of Chaoyi International Co., Ltd. Mr. Lin Huo-Teng holds a bachelor's degree in law from National Taiwan University and a master's degree in business administration from National Cheng-Chi University. Possessing abilities in operational judgment, accounting and finance, business management, crisis management, industry knowledge, international market perspective, and leadership	<ol style="list-style-type: none"> <li>1. Comply with the provisions of Article 3 of "Regulations on the Establishment and Matters to be Observed of Independent Directors of Publicly Listed Companies".</li> <li>2. The current independent directors, their spouses and relatives within the second degree of independence do not serve as directors, supervisors or employees of the Company or its related companies.</li> <li>3. None of the independent directors of this term, their spouses, relatives within the second degree, or in the name of others holds the</li> </ol>	-

Name \ Condition	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving in other publicly traded companies
	<p>decision-making. There are no circumstances specified in Article 30 of the Company Act.</p>	<p>4. Company's shares. The current independent directors do not serve as directors, supervisors or employees of companies with specific relationships with the Company.</p>	
Juan, Chang-Mao	<p>Engineer recommended by the Energy Committee of the Ministry of Economic Affairs. From 1986 to September 1995, he worked in the quality assurance department of Yang Iron Precision Corporation and served as the manager of quality assurance department and machine tool department in 1993. From November 1995 to February 2009, he served as the quality verification department manager and quality assurance department manager of Precision Machinery Research and Development Center. Senior deputy secretary-general and consultant of the Taiwan Machine Tool and Components Industry Association. Currently serves as a review committee member of the Intelligent Machinery Project of the Industrial Bureau of the Ministry of Economic Affairs and a technical committee member of the Taiwan Accreditation Foundation (TAF) in the field of laboratory mechanical measurement, and supervisor of Ching Hung Machinery &amp; Electric Industrial Co., Ltd. Possesses strong capabilities in operational judgment, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. There are no circumstances</p>	<p>5. The current independent directors have not received any remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past two years.</p>	-

Name \ Condition	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving in other publicly traded companies
	specified in Article 30 of the Company Act.		
Hung, Jui-Pin	<p>Mr. Hung, Jui-Pin began working at the Council for Economic Planning and Development of the Executive Yuan in 1978 and served as the Director of the Council for Economic Planning and Development of the Executive Yuan from March 2005 to October 2013. Currently serves as an independent director of Yem Chio Distribution Co., Ltd.</p> <p>Mr. Hung, Jui-Pin holds a Master's degree in Economics from Soochow University. He possesses abilities in operational judgment, accounting and finance, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making.</p> <p>There are no circumstances specified in Article 30 of the Company Act.</p>		1

6. Board diversity and independence:

(1) Board diversity:

Article 20 of the Company's "Corporate Governance Best-Practice Principles" stipulates that the board of directors shall guide corporate strategy, supervise the managerial officers, and be responsible to the Company and shareholders. The various operations and arrangements of its corporate governance system shall ensure that the board of directors exercises its authority in accordance with laws, Articles of Incorporation, or shareholders' meeting resolutions.

The composition of the Board of Directors shall be based on the principle of diversity. Additionally, directors who also serve as managerial officers of the Company should not exceed one-third of the total board seats. An appropriate diversity policy shall be formulated based on its operations, operating model, and development needs, which is advisable to include but not be limited to the following two major aspects:

1. Basic requirements and values: Gender, age, nationality, and culture. Furthermore, the proportion of female directors should reach at least one-third of the total board seats.
2. Professional knowledge and skills: A professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All board members shall have the knowledge, skills, and experience needed to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors should have the following abilities:

(1) Business determination ability; (2) Accounting and financial analysis ability; (3) Business management ability; (4) Crisis management ability; (5) Industry knowledge; (6) International market view; (7) Leadership ability; (8) Decision-making ability

The Board of Directors of the Company in its third term comprises nine directors (including three independent directors), all of whom possess the professional knowledge, skills, and education required to perform their duties. The current board includes one female director, representing 11% of the board membership. To continue enhancing the diversity of board members, the Company is actively promoting gender equality improvement measures. When the directors' terms expire in 2027 and re-election takes place, female director candidates will be given priority consideration to increase the proportion of female directors, promote gender diversity, and thereby enhance the quality of board decision-making and corporate governance capabilities.

In addition, the members of the Board of Directors are aged 41–50, 51–60, 61–70, and over 70. The age range is wide, and the members can obtain different opinions from different generations and perspectives.

Name of director	Gender	Independent Director, Term of Office	Age				Industry experience/Professional distribution						
			41 to 50	51 to 60	61 to 70	71 and above	Business judgment	Accounting and finance	Business administration	Crisis management	Industry experience	International market perspective	Leadership decision-making
Chung, Te-Li	Male					V	V		V	V	V	V	V
LIN, CHANG-YUNG	Male			V			V		V	V	V	V	V
HSU, SUNG-CHU	Male				V		V		V	V	V	V	V
CHUNG, CHEN-CHIA	Male		V				V		V	V	V	V	V
LIN, HSUEH-FEN	Female				V		V		V	V	V	V	V
LIN, CHUN-HSING	Male				V		V		V	V	V	V	V
LIN, HUO-TENG	Male	Less than 6 years				V	V	V	V	V	V	V	V
JUAN, CHANG-MAO	Male	Less than 6 years				V	V		V	V	V	V	V
HUNG, JUI-PIN	Male	Less than 6 years				V	V		V	V	V	V	V

## (2) Board independence:

All Independent Directors of the Company meet the criteria for independence, including but not limited to the fact that they, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated enterprises. Director Lin, Hsueh-Fen and Chairman Chung, Te-Li are spouses. Director Chung, Chen-Chia and Chairman Chung, Te-Li have a father-son relationship. Director Lin, Hsueh-Fen and Director Chung, Chen-Chia have a mother-son relationship. Director LIN, Chang-Yung and Director Lin, Chun-Hsing have a brotherly relationship. The attached explanation addresses whether there are any circumstances falling under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including a description of spousal relationships and relationships within the second degree of kinship among directors, among supervisors, or between directors and supervisors.

Currently, the Company has established three independent directors, which account for one-third of the board seats, and none of them has served more than three consecutive terms. The three independent directors comply with relevant laws and regulations, and in conjunction with the powers of the Audit Committee, they evaluate the control of existing or potential risks of the Company to effectively supervise the implementation of the Company's internal control, the appointment (dismissal) and independence of CPAs, and the

proper preparation of financial statements. Additionally, in accordance with the Company's "Director Election Procedures," the election method for directors and independent directors adopts the cumulative voting system and candidate nomination system, which encourages shareholder participation. Shareholders holding a certain number of shares or more may propose a list of candidates. The qualification review of these candidates and confirmation of whether they violate any provisions listed in Article 30 of the Company Act are conducted and announced in accordance with the law to protect shareholders' rights, prevent monopolization or abuse of nomination rights, and maintain independence.

The independence of the Company's directors is determined based on the actual circumstances, with a commitment to continuously assessing the independence of the board of directors. This assessment considers all relevant factors, including but not limited to: whether the directors can consistently provide constructive opinions to the management team and other directors, whether their viewpoints are expressed independently, and whether their behavior within and outside the board align with generally accepted moral values in society. Additionally, the qualifications of our independent directors meet the Company's expectations and demonstrate their professional characteristics. Therefore, the Company considers all independent directors to be individuals who are independent from the Company.

(II) General manager, deputy general manager, associate manager and heads of departments and branches

March 29, 2025; Unit: Shares, %

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Corporate representative of Chairman, and Chief Strategy Officer	Chung, Te-Li	Male	Republic of China	2021/9/8	2,166,000	0.87	22,000,000	8.82	38,500,000 (Note 1)	15.44	<u>Education:</u> Chung Yuan University - Department of Industrial and Systems Engineering <u>Experience:</u> Director of Lai Yih Group	(Note 2)	Corporate representative of director, and deputy general manager	CHUNG, CHEN-CHIA	Father and son	
													Manager	CHUNG, YING-CHENG	Father and daughter	
Corporate representative of director, and General Manager	Lin, Chang-Yung	Male	Republic of China	2009/11/1	1,507,000	0.60	4,400,000	1.76	10,560,000 (Note 1)	4.23	<u>Education:</u> Feng Yuan Junior High School <u>Experience:</u> Executive General Manager of Lac Ty Company Limited Executive General Manager of Lac Ty II Company Limited	(Note 3)	-	-	-	-
Corporate representative of director, and Chief Information Officer	Hsu, Sung-Chu	Male	Republic of China	2012/3/1	693,000	0.28	-	-	23,474,000 (Note 1)	9.41	<u>Education:</u> STUST Technical College - Department of Mechanical Engineering <u>Experience:</u> Assistant Manager of Chemical Engineering at Cheng Chang Footwear Co., Ltd. Saucony Trader/Inspector Development Assistant Manager of Lotto Maolin Trading Company Factory's Chemical Director of Ewewin Indonesia Lai Yih Group - A Group Factory Assistant Manager	(Note 4)	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
											Chief Information Officer of Lai Yih Group Taiwan Head Office General Manager of Pt. Yihquan Footwear Indonesia					
Director and Deputy General Manager	Chung, Chen-Chia	Male	Republic of China	2023/7/1	1,081,000	0.43	-	-	20,988,000 (Note 1)	8.42	<u>Education:</u> Sheffield Hallam University, UK - Department of Industrial Management  <u>Experience:</u> Lai Yih Group- Development Manager of Lac Ty Company Limited Lai Yih Group - Special Assistant to General Manager of Vinh Long Lai Yih Group - Associate Manager of Vinh Long Factory A Lai Yih Group - Deputy General Manager of Vinh Long Factory A Lai Yih Group - General Manager of Vinh Long Factory A President of Yichun and Yibai Plants, Lai Yih Group	(Note 5)	Corporate representative of director, and Chief Strategy Officer	Chung, Te-Li	Father and son	-
													Human resource manager	CHUNG, YING-CHENG	Sister	
Deputy General Manager	Hsieh, Chung-Sheng	Male	Republic of China	2017/3/6	2,000	0.00	-	-	-	-	<u>Education:</u> Georgia Institute of Technology - Doctoral Program in Applied Mathematics (Ph.D.)  <u>Experience:</u> Lecturer and Teaching Assistant at Georgia Institute of Technology	Assistant Chief Operating Officer of the Company's Second Overseas Business Office	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
											Assistant Researcher at Institute of Statistical Science Academia Sinica Pou Chen Group - Yue Yuen Group Executive Associate Lai Yih Group - Executive General Manager of Vinh Long Factory					
Deputy General Manager	Hsu, Cheng-Chih	Male	Republic of China	2020/10/1	-	-	-	-	-	-	<u>Education:</u> National Taichung Institute of Technology - Department of Applied Business  <u>Experience:</u> Information Office Deputy Manager of Taiwan Fluorescent Lamp Co., Ltd. Project Manager of Baixian Technology Co., Ltd. Lai Yih Group - Lac Ty Factory	Chief Operating Officer of the Company's First Overseas Business Office	-	-	-	-
Deputy General Manager	Lo, Shih-Chieh	Male	Republic of China	2021/1/1	51,000	0.02	-	-	-	-	<u>Education:</u> Chung Hua University - Department of Business Administration  <u>Experience:</u> Factory Director of Jie Chang Rubber Fong Yuan Trading Field Officer Huichun Footwear Purchasing and Warehouse Management Lai Yih Group - Vinh Long	Assistant Chief Operating Officer of the Company's Second Overseas Business Office	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Deputy General Manager	Ting, Kai	Male	Mainland China	2020/10/1	-	-	-	-	-	-	<u>Education:</u> MBA, National Chi Nan University Zhumadian Normal College  <u>Experience:</u> Lai Yih Group - Lac Ty Factory	Assistant Chief Operating Officer of the Company's First Overseas Business Office	-	-	-	-
Deputy General Manager	Chiu, Shun-Ling	Female	Republic of China	2012/4/1	-	-	-	-	-	-	<u>Education:</u> Private Ming Chuan Girls' Business College - Business Documentation Department  <u>Experience:</u> Business Assistant of October Industrial (Taiwan) Indonesia Development/Business Import and Export Manager of Pt Karang Mulia Enterprise Co.  Wante Industrial Company - Development Business Manager Deputy General Manager of Lai Yih Group Taiwan Headquarters	Assistant Chief Operating Officer of the Company's Second Overseas Business Office	-	-	-	-
Deputy General Manager	Yu, Chin-Chung	Male	Singapore	2023/11/1	-	-	-	-	-	-	<u>Education:</u> State University of New York at Buffalo (UB) MBA National University of Singapore (NUS)  <u>Experience:</u> Planning Manager of Panarub Group Purchasing Manager of Panarub Group	Assistant Chief Operating Officer of the Company's Second Overseas Business Office General Manager of Pt. Yih Quan Footwear Indonesia	-	-	-	Note 6

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
											Business Director of Panarub Group Indonesian CEO of Panarub Group Deputy CEO of EP(Evervan/Panarub) Group					
Chief Financial Officer and Head of Corporate Governance and Head of Accounting	Li, Yu-Fu	Male	Republic of China	2023/02/15	-	-	-	-	-	-	<u>Education:</u> Master of Accounting, Chinese Culture University <u>Experience:</u> Chief Financial Officer of Hen Fong Inc. Chief Financial Officer of Lai Yih Group Taiwan Corporation	-	-	-	-	-
Audit Office Manager	Huang, Yu-Wen	Male	Republic of China	2018/12/3	4,000	0.00	1,000	0.00	-	-	<u>Education:</u> Tunghai University - Department of Accounting <u>Experience:</u> Auditor of Dingxin United Accounting Firm Auditor of KPMG Taiwan Senior Manager of SinoPac Securities Investment Banking Department Business Associate of Fubon Securities Investment Banking Department Associate Manager of Lai Yih Group Taiwan Head Office	-	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Finance Supervisor	Su, Chao-Ho	Male	Republic of China	2015/11/2	-	-	-	-	-	-	<u>Education:</u> Chung Yuan University - Department of Accounting  <u>Experience:</u> Assistant Manager of Finance Department of Pou Chen Group Financial Supervisor of Peixian Baoyi Shoe Manufacturer Co., Ltd. Senior Manager of Lai Yih Group Taiwan Head Office	Supervisor of Yangzhou Baoyi Shoe Manufacturer Company Limited	-	-	-	-
Associate Manager, Accounting Department	Li, Wan-Chun	Female	Republic of China	2022/10/3	-	-	-	-	-	-	<u>Education:</u> Master of Finance, National Cheng Kung University  <u>Experience:</u> Audit Manager of PwC Taiwan Lai Yih Group Taiwan Head Office Accounting Manager	-	-	-	-	-
Head of Business Shipping Department and Purchasing Department	Lin, Yu-Fang	Female	Republic of China	2003/6/16	9,000	0.00	-	-	-	-	<u>Education:</u> Feng Yuan Commercial High School - Comprehensive Business Department  <u>Experience:</u> Manager of Dongjiu Company Lai Yih Group Taiwan Head Office - Business (Purchasing) Manager	-	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Head of Information Department	Lin, Chih-Chung	Male	Republic of China	2006/12/1	-	-	-	-	-	-	<u>Education:</u> Shiou Shuei Senior Industrial High School - Mechanical Drawing  <u>Experience:</u> Associate Manager of Honglai Information Information Department Manager of Lai Yih Group Taiwan Head Office	-	-	-	-	-
Head of Sustainability Development Department	Chen, Ming-Che	Male	Republic of China	2023/3/13	1,000	-	-	-	-	-	<u>Education:</u> National Chung Hsing University - Institute of Finance EMBA Feng Chia University – Accounting Department  <u>Experience:</u> Financial Manager of Guangju Technology Director of Total Industry Department Associate Manager of Chin Ming Shan Optoelectronics Head of the Sustainable Development Department of Lai Yih Group Taiwan Head Office	-	-	-	-	Note 7
Head of Sustainability Development Department	Li, Yi-Yang	Male	Republic of China	2024/7/1	-	-	-	-	-	-	<u>Education:</u> Master of Accounting, National Chung Cheng University EMBA, Graduate School of Law, National Chung Cheng University Ph.D. Candidate, Graduate School of Accounting and Information Technology,	-	-	-	-	-

Position	Name	Gender	Nationality	Date of assuming office	Shares held		Shares held by spouses and minor children		Holding shares in other's name		Main academic qualifications	Currently holding positions in other companies	Managers who are related to a spouse or within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
											National Chung Cheng University  <u>Experience:</u> Manager/Associate Manager, PwC Taiwan Deputy General Manager, PwC Taiwan					
Head of Strategic Finance Department	Yang, Ching-Han	Male	Republic of China	2018/12/3	2,000	0.00	-	-	-	-	<u>Education:</u> Bachelor of Laws, Department of Finance and Taxation, Feng Chia University Master of Business Administration from Chaoyang University of Science and Technology  <u>Experience:</u> Corporate Finance Office Manager of Taipei Fubon Bank Stock Affairs Manager and Legal Affairs Manager of Lai Yih Group Taiwan Head Office	-	-	-	-	-
Head of Management Office	Chung, Ying-Cheng	Female	Republic of China	2020/1/1	53,000	0.02	-	-	11,000,000 (Note 1)	4.41	<u>Education:</u> Chinese Culture University - Department of Land and Resources  <u>Experience:</u> Assistant Manager of Zhongshan Baoyi Head of Management Office of Lai Yih Group Taiwan Head Office	-	Corporate representative of Chairman, and Chief Strategy Officer	Chung, Te-Li	Father and daughter	-
													Corporate representative of director, and deputy general manager	CHUNG, CHEN-CHIA	Sister	

Note 1: Chung, Te-Li holds 100% of the equity of Wide Source Co., Ltd.; Lin, Chang-Yung holds 100% of the equity of Yuchuan Co., Ltd.; Hsu Song-Zhu holds 100% of the equity of Faith Connect Co., Ltd.; Chung Chen-Chia holds 100% of the equity of Save Wealth Co., Ltd.; Chung, Ying-Cheng holds 100% of the equity of Harvest Link Ltd.

Note 2: (1) within the Group: Chief Strategy Officer of the Company; Chairman of Lai Yih Footwear Co., Ltd. (Samoa); Chairman of Flourish Thrive Developments Limited; Chairman of Billion Star International Co., Ltd.; Chairman of Cheer Access Ltd.; Director of Portich Trading Limited; Chairman of Overseas Faith Co., Ltd.; Chairman of Thrive Foison Limited; Chairman

of Mega River Investment Co., Ltd.; Chairman of King Global Development Corp.; Chairman of Polo International Holding Ltd.; Chairman of Everyield Co., Ltd.; Chairman of Jumbo Power Enterprises Limited; Chairman of Superb King Investments Limited; Chairman of Brillian Metro Limited; Vice Chairman of Lac Ty II Co., Ltd.; Chairperson of Lesheng II Liabilities Co., Ltd.; Chairperson of Vinh Long Liabilities Co., Ltd., Chairperson of Yehsung International Co., Ltd.; Director of Yungyi International Co., Ltd.; Director of PT YIH QUAN Footwear INDONESIA; Director of PT YI HSIIN Footwear INDONESIA; Director of PT YIH YO Footwear INDONESIA.

(2) outside the Group: Chairman of Lai Yih Footwear Co., Ltd. (Taiwan), Chairman of Choi Yi Industrial Co., Ltd., Chairman of GRAND BEST INVESTMENT INC., Director of ACE Gold Enterprise Limited, Director of Ri Yi Development Co., Ltd., Director of New Noble Holding Co., Ltd.

Note 3: (1) within the Group: The COO of the Company's Overseas Business Division II, General Manager of the Company, General Manager of Lai Yih Footwear Co., Ltd. (Samoa), Director of Portich Trading Limited, Director and General Manager of Lac Ty Co., Ltd., Director of Lac Ty II Co., Ltd., Director of Vinh Long Co., Ltd., Director of Yih Shuo Co., Ltd., Director of Ty Bach Co., Ltd., Director of Grand Wisdom Co., Ltd, Director of Youngchou Baoyi Footwear Manufacturing, Supervisor of Pt. Yih Quan Footwear Indonesia, Chairman and General Manager of Pt. Yihfull Footwear Indonesia, Director of Pt. Alnu Sporting Goods Indonesia, Supervisor of Pt. Yihxin Footwear Indonesia, Director of Pt. Yih You Footwear Indonesia.

(2) outside the Group: Director of Lai Yih Footwear Co., Ltd. (Taiwan); Director of New Noble Holdings Limited

Note 4: (1) within the Group: The Company's Chief Information Officer, Director of Jumbo Power Enterprises Limited, Director of Superb King Investments Limited, Director of Lac Ty II Co., Ltd., Director of Yih Shuo Co., Ltd., Director of Ty Bach Co., Ltd., Director of Grand Wisdom Co., Ltd., Director and General Manager of Yangzhou Baoyi Footwear Manufacturing Co., Ltd., General Manager of Pt. Yih Quan Footwear Indonesia, Supervisor of Pt. Yihfull Footwear Indonesia, Chairman and General Manager of Pt. Yihxin Footwear Indonesia, Chairman of Pt. Alnu Sporting Goods Indonesia, Supervisor of Pt. Yih You Footwear Indonesia

(2) outside the Group: Supervisor of Lai Yih Footwear Co., Ltd. (Taiwan), Supervisor of Hsiang Yun Investment Co., Ltd., Director of Diamond Garden Co., Ltd.

Note 5: (1) within the Group: Assistant COO of the Company's Overseas Business Division II, Director of Lac Ty II Co., Ltd., Director of Vinh Long Co., Ltd., Director of Yih Shuo Co., Ltd., Director of Ty Bach Co., Ltd., Director of Grand Wisdom Co., Ltd., General Manager of Vinh Long Co., Ltd., Director of Lai Yih Footwear Co., Ltd. (Samoa), Supervisor of Pt. Alnu Sporting Goods Indonesia.

(2) outside the Group: Director of Ace Gold Enterprise Limited; Director of Anguillan Ri Yi Development Ltd.; Director of Ri Yi Development Co., Ltd.

Note 6: YU, CHIN-CHUNG resigned from all positions at Lai Yih Group on December 30, 2024.

Note 7: CHEN, MING-CHE resigned on July 5, 2024.

II. Remuneration paid to directors, supervisors, general manager and deputy general manager in the most recent year

(I) Remuneration of general directors and independent directors

Unit: NTD thousands

Position	Name	Directors' remuneration								The total amount of four items A, B, C and D and their proportion to the net income after tax (%)		Relevant remuneration received by part-time employees						The total amount of seven items A, B, C, D, E, F and G and their proportion to net income after tax (%)		Receipt of remuneration from the subsidiary's external investment enterprise or the parent company		
		Remuneration (A)		Retirement pension (B)		Directors' remuneration (C)		Business implementation expenses (D)				Salaries, bonuses and special expenses, etc. (E)		Retirement pension (F)		Employees' compensation (G)						
		The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company		All companies in financial reports			The Company	All companies in financial reports
Chairman	Chung, Te-Li																					
Director	Lin, Chang-Yung																					
Director	Hsu, Sung-Chu																					
Director	Chung, Chen-Chia	—	—	—	—	59,663	59,663	—	8,268	59,663 1.43	67,931 1.63	—	18,606	—	218	—	—	—	—	59,663 1.43	86,755 2.08	—
Director	Lin, Hsueh-Fen																					
Director	Lin, Chun-Hsing																					
Independent Director	Lin, Huo-Teng	—	960	—	—	—	—	—	56	—	1,016 0.02	—	—	—	—	—	—	—	—	—	1,016 0.02	—
Independent Director	Juan, Chang-Mao	—	960	—	—	—	—	—	64	—	1,024 0.02	—	—	—	—	—	—	—	—	—	1,024 0.02	—
Independent Director	Hung, Jui-Pin	—	960	—	—	—	—	—	56	—	1,016 0.02	—	—	—	—	—	—	—	—	—	1,016 0.02	—
<p>1. Please describe the policy, system, standards, and structure of independent directors' remuneration, and explain the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment: The policy, system, standards, and structure of independent directors' remuneration, and the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment: The remuneration of the Company's directors is determined by the board of directors as authorized by the Articles of Incorporation, based on directors' level of participation in company operations and value contribution, with reference to domestic and international industry standards. If the Company makes a profit, the board of directors shall determine the amount of directors' remuneration in accordance with the provisions of the Articles of Incorporation. In addition to the remuneration paid to directors, independent directors who also serve as members of the Audit Committee and Remuneration Committee receive reasonable additional remuneration in consideration of their responsibilities, risks assumed, and time commitment.</p> <p>2. Apart from the disclosure in the above table, remuneration received by the Company's directors for providing services (such as serving as non-employee consultants for the parent company/all companies in the financial report/invested businesses) in the most recent year: None</p>																						

Remuneration grade table

Remuneration levels to be paid to each director of the Company	Name of director			
	Total of the remuneration in the preceding four paragraphs (A+B+C+D)		Total of the remuneration in the preceding seven paragraphs (A+B+C+D+E+F+G)	
	The Company	All companies in financial reports	The Company	All companies in financial reports
Less than NTD 1,000,000	Lin, Huo-Teng; Juan, Chang-Mao; Hung, Jui-Pin		Lin, Huo-Teng; Juan, Chang-Mao; Hung, Jui-Pin	
NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive)		Lin, Huo-Teng; Juan, Chang-Mao; Hung, Jui-Pin		Lin, Huo-Teng; Juan, Chang-Mao; Hung, Jui-Pin
NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive)	Lin, Hsueh-Fen; Lin, Chun-Hsing	Lin, Hsueh-Fen; Lin, Chun-Hsing	Lin, Hsueh-Fen; Lin, Chun-Hsing	Lin, Hsueh-Fen; Lin, Chun-Hsing
NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive)				
NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive)	Hsu, Sung-Chu; Chung, Chen-Chia	Chung, Chen-Chia	Hsu, Sung-Chu; Chung, Chen-Chia	Chung, Chen-Chia
NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive)		Hsu, Sung-Chu	-	Hsu, Sung-Chu
NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive)	Chung, Te-Li; Lin, Chang-Yung	Chung, Te-Li; Lin, Chang-Yung	Chung, Te-Li; Lin, Chang-Yung	Chung, Te-Li; Lin, Chang-Yung
NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive)			-	-
NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive)			-	-
More than NTD 100,000,000			-	-
Total	9 person	9 person	9 person	9 person

(II) Supervisor's remuneration: Not applicable as the Company has established an Audit Committee.

(III) Remuneration of the general manager and deputy general manager

Unit: NTD thousands

Position	Name	Salary (A)		Retirement pension (B)		Bonuses and special expenses, etc. (C)		Employees' compensation amount				The proportion of the total four items A, B, C and D to the net income after tax (%)		Receipt of remuneration from the subsidiary's external investment enterprise or the parent company	
		The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company		All companies in financial reports		The Company	All companies in financial reports		
								Amount of cash	Amount of shares	Amount of cash	Amount of shares				
Chief Strategy Officer	Chung, Te-Li														
General Manager	Lin, Chang-Yung														
Chief Information Officer	Hsu, Sung-Chu														
Deputy General Manager	Chung, Chen-Chia														
Deputy General Manager	Hsieh, Chung-Sheng														
Deputy General Manager	Hsu, Cheng-Chih	—	35,820	—	636	—	5,604	53,383	—	24,490	—	53,383 1.28	66,550 1.60	None	
Deputy General Manager	Ting, Kai														
Deputy General Manager	Lo, Shih-Chieh														
Deputy General Manager	Chiu, Shun-Ling														
Deputy General Manager	Yu, Chin-Chung (Note 1)														
Chief Financial Officer	Li, Yu-Fu														

Note 1: YU, CHIN-CHUNG resigned on December 30, 2024.

Remuneration grade table

Remuneration levels to be paid to each general manager and deputy general manager of the Company	Name of general manager and deputy general manager	
	The Company	All companies in financial reports
Less than NTD 1,000,000	Hsu, Cheng-Chih; Hsieh, Chung-Sheng; Yu, Chin-Chung; Chiu, Shun-Ling; Ting, Kai; Lo, Shih-Chieh; Li, Yu-Fu	-
NTD 1,000,000 (inclusive) ~ NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) ~ NTD 3,500,000 (exclusive)	-	-
NTD 3,500,000 (inclusive) ~ NTD 5,000,000 (exclusive)	-	Lo, Shih-Chieh; Li, Yu-Fu
NTD 5,000,000 (inclusive) ~ NTD 10,000,000 (exclusive)	Hsu, Sung-Chu; Chung, Chen-Chia	Chung, Chen-Chia; Hsieh, Chung-Sheng; Yu, Chin-Chung; Chiu, Shun-Ling; Ting, Kai
NTD 10,000,000 (inclusive) ~ NTD 15,000,000 (exclusive)	-	Hsu, Cheng-Chih
NTD 15,000,000 (inclusive) ~ NTD 30,000,000 (exclusive)	Chung, Te-Li; Lin, Chang-Yung	Chung, Te-Li; Lin, Chang-Yung; Hsu, Sung-Chu
NTD 30,000,000 (inclusive) ~ NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) ~ NTD 100,000,000 (exclusive)	-	-
More than NTD 100,000,000	-	-
Total	11 person	11 person

## (IV) Name of manager who distributes employees' compensation and distribution situation:

Unit: NTD thousands

Item	Position	Name	Amount of shares	Amount of cash	Total	Percentage of total amount to net income after tax (%)
Manager	Deputy General Manager	Hsieh, Chung-Sheng	-	29,832	29,832	0.72
	Deputy General Manager	Hsu, Cheng-Chih				
	Deputy General Manager	Ting, Kai				
	Deputy General Manager	Lo, Shih-Chieh				
	Deputy General Manager	Chiu, Shun-Ling				
	Deputy General Manager	Yu, Chin-Chung				
	Chief Financial Officer	Li, Yu-Fu				
	Audit Office Manager	Huang, Yu-Wen				
	Finance Supervisor	Su, Chao-Ho				
	Associate Manager, Accounting Department	Li, Wan-Chun				
	Business Manager	Lin, Yu-Fang				

Item	Position	Name	Amount of shares	Amount of cash	Total	Percentage of total amount to net income after tax (%)
	Head of Information Department	Lin, Chih-Chung				
	Head of Sustainability Development Department	Chen, Ming-Che (Note 1)				
	Head of Sustainability Development Department	Li, Yi-Yang (Note 2)				
	Head of Strategic Finance Department	Yang, Ching-Han				
	Head of Management Office	Chung, Ying-Cheng				

Note 1: Chen, Ming-Che resigned on July 5, 2024.

Note 2: Li, Yi-Yang came on board on July 1, 2024.

(V) The Company and all consolidated companies have provided an analysis of the total remuneration paid to the Company's directors, supervisors, general manager, and deputy general managers in the past two years as a proportion of net profit after tax in the individual or separate financial reports. This includes an explanation of the remuneration policies, standards, and compositions, the procedures for determining remuneration, and the correlation between remuneration, business performance, and future risks.

1. Analysis of the proportion of the remuneration paid to the Company's directors, supervisors, general manager and deputy general manager to the net profit after tax paid by the Company and all companies in the consolidated statements in the last two years

Unit: NTD thousands; %

Item	2023				2024			
	Total remuneration		Proportion of net profit after tax (%)		Total remuneration		Proportion of net profit after tax (%)	
	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports	The Company	All companies in financial reports
Director	-	49,735	-	3.80	59,663	89,810	1.43	2.15
General Manager and Deputy General Manager	-	90,257	-	6.89	53,383	127,464	1.28	3.06

Note: The Company's net profits after tax for 2023 and 2024 were NTD 1,309,686 thousand and NTD 4,169,666 thousand, respectively.

2. The policies, standards and combinations of remuneration payment, the procedures for setting remuneration, and their correlation with operating performance and future risks are explained below:

A. Director, Supervisor

The Company has established a compensation committee, consisting entirely of

independent directors. The remuneration policies for directors and managers are determined based on the positions they hold, their contributions to operations, and industry standards. The compensation committee is responsible for setting and periodically reviewing the performance evaluation and remuneration policies, systems, standards, and structures for directors and managers. They also regularly evaluate and set the remuneration for directors and managers.

B. General Manager and Deputy General Manager

The remuneration of the general manager and deputy general manager includes salary, bonus and employee bonus, and is determined based on the position held, responsibilities assumed and contribution to the Company, and with reference to industry standards.

III. Corporate governance operations

(I) Operations of the board of directors

As of 2024 and as of the publication date of the annual report, the board of directors held a total of 9 meetings (A). The attendance of directors and independent directors was as follows:

Position	Name	Actual attendance B	Number of proxies	Actual attendance rate (%) (B/A)	Note
Chairman	Chung, Te-Li	9	0	100	-
Director	Lin, Hsueh-Fen	7	2	78	-
Director	Chung, Chen-Chia	9	0	100	-
Director	Lin, Chang-Yung	9	0	100	-
Director	Hsu, Sung-Chu	9	0	100	-
Director	Lin, Chun-Hsing	9	0	100	-
Independent Director	Lin, Huo-Teng	7	1	88	Note 1
Independent Director	Hung, Jui-Pin	8	1	89	-
Independent Director	Juan, Chang-Mao	8	1	89	-

Note 1: Independent director Lin, Huo-Teng passed away on March 4, 2025, and his attendance rate is calculated up to the last meeting he attended (December 24, 2024).

※Other matters that should be recorded:

1. If the operation of the board of directors falls under any of the following circumstances, the date, period, content of proposals, opinions of all independent directors and the Company's handling of the opinions of independent directors should be stated:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act:

The Company fully re-elected nine directors (including three independent directors) on September 8, 2021, and established an audit committee. The provisions of Article 14-3 of the Securities and Exchange Act do not apply. Therefore, for matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operations of the audit committee.

(2) Except for the matters mentioned above, other matters resolved by the board of directors that have been opposed or reserved by independent directors and have records or written statements: No such situation.

2. The director's implementation of the recusal of the interest-related proposal shall state the director's name, content of the proposal, reasons for recusal and participation in voting:

Time of board meeting	Motion content	Name of director with avoidance of interests	Avoidance reasons	Participation in voting
2024.03.12	Review the "performance bonus" payment case for managers in the second half of 2023	Chung, Te-Li Chung, Chen-Chia Lin, Chang-Yung Lin, Chun-Hsing Hsu, Sung-Chu	The director is an interested party in the performance bonus case or a party to the case or the spouse, child, or brother of a party, so he/she avoids leaving the meeting	Except for the abovementioned directors who have withdrawn in accordance with the law, the acting chairman Lin Huo-Teng and the independent director consulted and agreed with all the directors present and approved the motion accordingly.
	Information security manager appointment case	Hsu, Sung-Chu	The director was a party to the appointment case, so he avoided and left the meeting	Except for the abovementioned directors who recused themselves in accordance with the law, the proposal was adopted and approved after the chairman Chung Te-Li consulted with all the directors present.
2024.05.07	Proposal of employee stock subscription for the Company's first cash capital increase in 2024.	Chung, Te-Li Lin, Hsueh-Fen Chung, Chen-Chia Lin, Chang-Yung Lin, Chun-Hsing Hsu, Sung-Chu	The director is an interested party in the employee stock subscription for capital increase case or a party to the case or the spouse, child or brother of a party, so he avoids leaving the meeting	Except for the abovementioned directors who have withdrawn in accordance with the law, the acting chairman Lin Huo-Teng and the independent director consulted and agreed with all the directors present and approved the motion accordingly.
2024.08.22	Appointment of the Company's second term of Salary and Remuneration Committee Members	Lin, Huo-Teng Juan, Chang-Mao Hung, Jui-Pin	The director was a party to the appointment case, so he avoided and left the meeting	Except for the abovementioned directors who recused themselves in accordance with the law, the proposal was adopted and approved after the chairman Chung Te-Li consulted with all the directors present.
2024.09.24	Review the "performance bonus" payment case for managers in the first half of 2024	Chung, Te-Li Lin, Hsueh-Fen Chung, Chen-Chia Lin, Chang-Yung Lin, Chun-Hsing Hsu, Sung-Chu	The director is an interested party in the performance bonus case or a party to the case or the spouse, child, or brother of a party, so he/she avoids leaving the meeting	Except for the abovementioned directors who have withdrawn in accordance with the law, the acting chairman Juan, Chang-Mao and the independent director consulted and agreed with all the directors present and approved the motion accordingly.
2024.12.24	Proposed appointment of directors and supervisors of Pt. Yih	Chung, Te-Li Lin, Hsueh-Fen Chung, Chen-Chia Lin, Chang-Yung	The director is an interested party in the director-supervisor appointment case or a	Except for the abovementioned directors who have withdrawn in accordance with the law, the

Time of board meeting	Motion content	Name of director with avoidance of interests	Avoidance reasons	Participation in voting
	You Footwear Indonesia	Lin, Chun-Hsing Hsu, Sung-Chu	party to the case or the spouse, child, or brother of a party, so he/she avoids leaving the meeting	acting chairman Hung, Jui-Pin and the independent director consulted and agreed with all the directors present and approved the motion accordingly.
	Regularly evaluate and review the salary and remuneration cases for directors and managers that the Company should submit to the salary and remuneration committee for review	Chung, Te-Li Lin, Hsueh-Fen Chung, Chen-Chia Lin, Chang-Yung Lin, Chun-Hsing Hsu, Sung-Chu	The director is an interested party in the annual salary case or a party to the case or the spouse, child or brother of a party, so he avoids leaving the meeting	Except for the abovementioned directors who have withdrawn in accordance with the law, the acting chairman Hung, Jui-Pin consulted with all the directors present and approved the motion accordingly.
	Review of manager's 2024 "year-end bonus" payment case.	Chung, Te-Li Lin, Hsueh-Fen Chung, Chen-Chia Lin, Chang-Yung Lin, Chun-Hsing Hsu, Sung-Chu	The director is an interested party in the annual salary case or a party to the case or the spouse, child or brother of a party, so he avoids leaving the meeting	Except for the abovementioned directors who have withdrawn in accordance with the law, the acting chairman Hung, Jui-Pin consulted with all the directors present and approved the motion accordingly.
2025.03.06	The Compoany's General Manager of Pt. Yihquan Footwear Indonesia case	Hsu, Sung-Chu	The director was a party to the appointment case, so he avoided and left the meeting	Except for the abovementioned directors who recused themselves in accordance with the law, the proposal was adopted and approved after the chairman Chung Te-Li consulted with all the directors present.
	The Company's proposal for changing PT. Yihquan Footwear Indonesia's directors and supervisors	Hsu, Sung-Chu; Lin, Chang-Yung; Lin, Chun-Hsing	The director is an interested party in the director-supervisor appointment case or a party to the case or the brother of a party, so he/she avoids leaving the meeting	Except for the abovementioned directors who recused themselves in accordance with the law, the proposal was adopted and approved after the chairman Chung Te-Li consulted with all the directors present.

3. Listed OTC companies should disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self (or peer) evaluation, and fill in the following table with the implementation status of the board of directors' evaluation:

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Implemented once a year	2024.01.01~ 2024.12.31	Overall board of directors	The evaluation implementation unit collects information related to the board of directors' activities, fills in the information, and then submits the results to the chairman for evaluation.	The measurement items for the board of directors' performance evaluation include the following five aspects: 1. Degree of participation in company operations 2. Improve the quality of board decision-making 3. Board composition and structure 4. Selection and continuing education of directors 5. Internal control
		Individual board members	Self-evaluation of each director	The measurement items for board member performance evaluation include the following six aspects: 1. Mastery of company goals and tasks 2. Awareness of directors' responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal control
		Functional committee member	Self-evaluation of each functional committee member	The measurement items for the performance evaluation of each functional committee include the following five aspects: 1. Degree of participation in company operations 2. Understanding of responsibilities of functional committee 3. Improve the decision-making quality of functional committee 4. Functional committee composition and member selection 5. Internal control

The performance evaluation results of the Board of Directors, Audit Committee, and Remuneration Committee for 2024 were all good. The evaluation results were reported to the Board of Directors on March 6, 2025.

- The goals of strengthening the functions of the board of directors in the current and recent years (such as establishing an audit committee, improving information transparency, etc.) and evaluation of implementation status:

- (1) The Company re-elected all directors (including independent directors) at the extraordinary shareholders' meeting on September 8, 2021, and established and appointed an audit committee.
  - (2) The Company established a Salary and Remuneration Committee on September 8, 2021 to review the salary and remuneration policies and systems of the Company's directors and managers.
- (II) The operation of the audit committee or the supervisor's participation in the operation of the board of directors

The Company held a comprehensive re-election of directors at the extraordinary shareholders' meeting on September 8, 2021. The audit committee composed of three independent directors after the re-election to replace the supervisor to improve the decision-making function and strengthen the management mechanism. In 2024 and up to the date of publication of the annual report, the audit committee held a total of 8 meetings. The attendance of independent directors was as follows:

Position	Name	Actual attendance	Number of proxies	Actual attendance rate (%)	Note
Independent Director	Lin, Huo-Teng	6	1	86%	Re-elected on May 30, 2024 Note 1
Independent Director	Hung, Jui-Pin	7	1	88%	Re-elected on May 30, 2024
Independent Director	Juan, Chang-Mao	8	-	100%	Re-elected on May 30, 2024

Note 1: Independent director Lin, Huo-Teng passed away on March 4, 2025, and his attendance rate is calculated up to the last meeting he attended (December 24, 2024).

※ Other matters that should be recorded:

1. If any of the following situations occur in the operation of the audit committee, the following should be stated: the date and session of the audit committee, the content of the proposals, the dissenting opinions of the independent directors, any reservations or significant recommendations, the resolution results of the audit committee, and the Company's handling of the audit committee's opinions:

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Matters listed in Article 14-5 of the Securities and Exchange Act shall be reported to the board of directors with the approval of the audit committee

Date of audit committee	Difference	Motion content	Resolution result of Audit Committee	The Company's handling of the audit committee's opinions
2024.03.12	The 13th session of the first meeting	<ol style="list-style-type: none"> <li>(1) The Company plans to issue a statement on the internal control system for 2023</li> <li>(2) The Company's consolidated financial report and business report for the fourth quarter of 2023</li> <li>(3) The Company's "fund loan and quota increase among group related enterprises" case.</li> </ol>	Approved by all present members.	Approved accordingly.

Date of audit committee	Difference	Motion content	Resolution result of Audit Committee	The Company's handling of the audit committee's opinions
		<ul style="list-style-type: none"> <li>(4) The Company's application for bank loan quota and endorsement guarantee quota for its affiliated companies to invest in</li> <li>(5) The Company plans to change the investment case of Grand Wisdom Soc Trang factory.</li> <li>(6) The Company plans to increase cash capital, issue new shares and propose public underwriting cases.</li> <li>(7) The Company's 2023 earnings distribution plan.</li> <li>(8) The Company plans to allocate cash from capital reserve.</li> </ul>		
2024.04.12	The 14th session of the first meeting	<ul style="list-style-type: none"> <li>(1) The amendments to some provisions of the Company's "Organizational Rules of the Audit Committee" and "Standards of Procedures for the Board of Directors".</li> <li>(2) Amendments to some provisions of the Company's "Rules of Procedure for Shareholders' Meetings".</li> <li>(3) Appointment, independence and competency assessment case of the Company's CPAs</li> </ul>	Approved by all present members.	Approved accordingly.
2024.05.07	The 15th session of the first meeting	<ul style="list-style-type: none"> <li>(1) Amendments to some provisions of the Company's "Standards of Procedures for the Board of Directors".</li> <li>(2) The Company's reinvestment in an affiliated company to apply for a bank loan line and endorsement guarantee.</li> <li>(3) The Company's consolidated financial report for the first quarter of 2024.</li> <li>(4) The Company's "fund loan and quota increase among group related enterprises" case.</li> </ul>	Approved by all present members.	Approved accordingly.
2024.08.22	The 1st session of the 2nd meeting	<ul style="list-style-type: none"> <li>(1) Election of the convener for the Company's second Audit Committee.</li> <li>(2) Approval of additional non-assurance services to be provided by PricewaterhouseCoopers Taiwan.</li> <li>(3) The Company's consolidated financial report for the second quarter of 2024.</li> <li>(4) The Company proposes to invest in the reconstruction project of E-Show's Tongta Province plant.</li> <li>(5) The Company's "fund loan and quota increase among group related enterprises" case.</li> </ul>	Approved by all present members.	Approved accordingly.
2024.09.24	The 2nd session of the 2nd meeting	<ul style="list-style-type: none"> <li>(1) The Company's proposal on the change of accounting supervisor.</li> <li>(2) The Company's proposal to invest in Yih Shuo Development Center.</li> </ul>	Approved by all present members.	Approved accordingly.

Date of audit committee	Difference	Motion content	Resolution result of Audit Committee	The Company's handling of the audit committee's opinions
		<ul style="list-style-type: none"> <li>(3) The Company's proposal for changes in the investment in Lac Ty Development Center.</li> <li>(4) The Company plans to invest the modification case of Grand Wisdom Soc Trang factory.</li> </ul>		
2024.11.11	The 3rd session of the 2nd meeting	<ul style="list-style-type: none"> <li>(1) The Company's "fund loan and quota increase among group related enterprises" case.</li> <li>(2) The Company's reinvestment in an affiliated company to apply for a bank loan line and endorsement guarantee.</li> <li>(3) The Company's consolidated financial report for the third quarter of 2024.</li> </ul>	Approved by all present members.	Approved accordingly.
2024.12.24	The 4th session of the 2nd meeting	<ul style="list-style-type: none"> <li>(1) Subject: The Company's proposal for establishing "Sustainability Information Management Regulations."</li> <li>(2) The 2025 internal audit plan of the Company and its subsidiaries.</li> <li>(3) The Company plans to invest the modification case of Grand Wisdom Soc Trang factory.</li> <li>(4) The Company's proposal for investing in PT. Yihquan Footwear Indonesia.</li> <li>(5) The Company's proposal for appointing directors and supervisors of Pt. Yih You Footwear Indonesia.</li> </ul>	Approved by all present members.	Approved accordingly.
2025.03.06	The 5th session of the 2nd meeting	<ul style="list-style-type: none"> <li>(1) The Company plans to issue a statement on the internal control system for 2024</li> <li>(2) The Company's "fund loan and quota increase among group related enterprises" case.</li> <li>(3) The independence and competency assessment case of the Company's CPAs.</li> <li>(4) The Company changed the CPA due to the internal rotation of the CPA firm.</li> <li>(5) The Company's consolidated financial report and business report for the 2024.</li> <li>(6) The Company's 2024 Statement of Earnings Distribution.</li> <li>(7) Change of the Company's proposed investment in Pt. Alnu Sporting Goods Indonesia.</li> <li>(8) The Company's proposal for changing PT. Yihquan Footwear Indonesia's directors and supervisors</li> <li>(9) Case to remove directors' and managers' non-competition restrictions.</li> </ul>	Approved by all present members.	Approved accordingly.

Date of audit committee	Difference	Motion content	Resolution result of Audit Committee	The Company's handling of the audit committee's opinions
		(10) The donation to "Taichung Municipal Private Lai Yih Wenhua Social Welfare Charitable Foundation". (11) The amendments to some provisions of the Company's "Articles of Association".		

- (2) Except for the matters mentioned above, other resolution matters that have not been approved by the audit committee but have been approved by more than two-thirds of all directors: None.
2. When an independent director withdraws from an interest-related proposal, the name of the independent director, the content of the proposal, the reason for the withdrawal of interest, and the circumstances of his participation in voting should be stated: No such situation.
  3. Communication situation between independent directors and internal audit supervisors and CPAs (should include major matters, methods and results of communication on the Company's financial and business conditions, etc.):
    - (1) The Company's audit unit regularly provides independent directors with internal audit reports and attends board meetings to report the latest audit findings. Independent directors can review the Company's financial and operational status at any time and can immediately communicate and review with relevant department heads if there are any questions or suggestions about the Company's operations. The communication between the audit committee, internal audit supervisor, and the aforementioned relevant supervisors is good.
    - (2) In addition to regularly reviewing financial statements, independent directors will also hold meetings and communicate with CPAs when necessary; the Company's audit committee has good communication with CPAs.

(III) Corporate governance operations and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and their reasons

Assessment items	Operational situation			Differences and reasons from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
1. Does the Company formulate and disclose a corporate governance code of practice in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has formulated "Corporate Governance Best Practice Principles", which covers the main governance principles. All governance practices will be operated in accordance with the Code of Corporate Governance Practice.	No significant difference
2. Company equity structure and shareholders' rights and interests	V		(1) The Company has formulated "Shareholders' Meeting Rules" and convened shareholders' meetings and other related matters in accordance with the regulations. The Company has a spokesperson and an acting spokesperson, and the spokesperson or acting spokesperson will handle shareholder suggestions, doubts, disputes and other issues.	No significant difference
(1) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation matters, and implemented them in accordance with the procedures?	V		(2) The Company keeps track of the shareholding status of directors, managers and major shareholders holding more than 10% of the shares.	No significant difference
(2) Does the Company know the list of major shareholders who actually control the Company and the ultimate controller of the major shareholders?	V		(3) The Company and its affiliates have established the following regulations to manage personnel, assets, and finances: "Internal Control System", "Financial and Business Regulations for Related Parties", "Transaction Management Measures for Group Enterprises, Specific Companies, and Related Parties", "Supervision and Management	No significant difference
(3) Has the Company established and implemented risk control and firewall mechanisms between related enterprises?	V			

<p>(4) Has the Company established internal regulations to prohibit company insiders from using undisclosed information in the market to buy and sell securities?</p>	<p>V</p>	<p>Procedures for Subsidiaries", "Procedures for the Acquisition or Disposal of Assets", "Procedures for Loaning Funds to Others", and "Procedures for Endorsement and Guarantee". These regulations are designed to conduct risk assessment and establish appropriate firewall measures.</p> <p>(4) The Company has formulated "Administrative Measures to Prevent Insider Trading" to prohibit company insiders from using unpublished market information to buy and sell securities.</p>	<p>No significant difference</p>
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the board of directors formulated a diversity policy, specific management goals and implemented them?</p> <p>(2) In addition to setting up a salary and remuneration committee and an audit committee in accordance with the law, does the Company voluntarily set up other functional committees?</p> <p>(3) Does the Company formulate a board of directors performance evaluation method and its evaluation method, regularly conduct performance evaluations every year, and report the results of performance evaluations to the board of directors, and use them as a reference for individual directors' remuneration and nomination for renewal?</p> <p>(4) Does the Company regularly evaluate the independence of CPAs?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>(1) The Company has formulated "Director Selection Procedure" and handled relevant matters in accordance with the regulations.</p> <p>(2) The company has special committees such as the audit committee and the salary and remuneration committee, and will set up other functional committees in the future based on actual operating conditions and operational needs.</p> <p>(3) The Company has established "Board of Directors Performance Evaluation Method" and operates in compliance with the "Board of Directors Procedure Standards". In order to implement corporate governance and enhance the functions of the Company's board of directors, and establish performance targets to enhance the operational efficiency of the board of directors, the board of directors will gradually improve the evaluation method.</p> <p>(4) The Company regularly evaluates the professional qualifications and independence of</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>

			the CPAs it appoints. The Company's accounting firm itself also has strict requirements for the independence of CPAs. The accounting firm has an internal rotation system that complies with the principle of independence and is appointed by the board of directors. And has obtained the 2024 CPAs independence statement.	
4. Does the listed company have suitable and adequate corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing necessary information for directors and supervisors to execute their duties, assisting directors and supervisors in complying with laws, handling board and shareholder meetings according to the law, and preparing board and shareholder meeting minutes)?	V		The Company has been approved by the chairman of the board to establish the sustainable development department and allocate qualified and appropriate corporate governance and sustainability promotion personnel. On June 26, 2023, the board of directors approved Chief Financial Officer Li Yu-Fu to concurrently serve as the Company's corporate governance manager.	No significant difference
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholder section on the company website to appropriately respond to important corporate social responsibility issues that concern stakeholders?	V		The Company has spokespersons and acting spokespersons who serve as channels to express opinions to the outside world and handle relevant response matters in accordance with regulations. If necessary, stakeholders can contact the Company at any time by phone, letter, email, etc. The Company has also set up a stakeholder area on the Company's website as one of the communication channels.	No significant difference
6. Does the Company appoint a professional stock affairs agency to handle shareholders' meeting affairs?	V		The Company has appointed Stock Affairs Agency Department, CTBC Bank Co., Ltd. to handle the shareholders' meeting affairs.	No significant difference
7. Information Disclosure (1) Does the Company set up a website to disclose financial business and corporate governance information?	V		(1) The Company's website has been set up and contains information related to the Company's	No significant difference

<p>(2) Does the Company adopt other methods of information disclosure (such as setting up an English website, designating a person responsible for collecting and disclosing company information, implementing a spokesperson system, uploading corporate briefings to the company website, etc.)?</p> <p>(3) Does the Company announce and submit its annual financial report within two months after the end of the fiscal year, and announce and submit its first, second, and third quarter financial reports and operating conditions for each month in advance before the prescribed deadline?</p>	<p>V</p> <p>V</p>	<p>financial business and corporate governance information.</p> <p>(2) The collection and disclosure of the Company's information has a corresponding dedicated unit, and the Company's spokesperson and acting spokesperson serve as the window for information disclosure on issues related to the Company. Any legal person briefings held in the future will be handled in accordance with the regulations of the stock exchange; the disclosure of other information will be carried out in accordance with relevant laws and regulations.</p> <p>(3) The Company's quarterly financial reports are all approved by the Audit Committee and the Board of Directors within the required time frame, and are announced and filed within the stipulated deadline.</p>	<p>No significant difference</p> <p>The Company is unable to announce and file its annual financial reports by the end of February in advance, as it must comply with the announcement timeline and CPA audit schedule in accordance with Article 36 of the Securities and Exchange Act.</p>
<p>8. Does the Company have other important information that helps understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and whether the Company purchases liability insurance for directors and supervisors)?</p>		<p>1. Employee rights and interests: The Company maintains a harmonious labor-management relationship and protects employees' legitimate rights and interests in accordance with the labor laws of each location where it operates. The Company has no major labor disputes, and has not been punished by the competent authorities due to major labor issues or major violations of labor laws.</p> <p>2. Employee care: The Company provides employees with reasonable salaries and bonuses, and each factory handles various employee benefits according to local national laws. On important holidays (such as Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival),</p>	<p>The Company has no major differences except that it has not yet formulated a risk management policy</p>

		<p>we give holiday bonuses and gifts, and employees receive birthday gifts on their birthdays. Additionally, there are various activities, occasional group recreational activities or dinners, travel subsidies, wedding and funeral assistance, and emergency relief measures. Both parties establish a good relationship of mutual trust and mutual dependence.</p> <p>3. Investor relations: The Company has set up a company website and spokesperson system, and established smooth communication channels to ensure the rights and interests of investors.</p> <p>4. Supplier relations: The Company operates with integrity, conducts fair transactions with suppliers and maintains long-term and good cooperative relationships.</p> <p>5. Rights of stakeholders: In order to protect the rights and interests of stakeholders, the Company has established various good and smooth communication channels, upholds the principle of integrity and a responsible attitude to handle matters appropriately, and fulfills its corporate social responsibilities.</p> <p>6. Continuing training of directors and supervisors: The Company has established an audit committee to replace the functions of supervisors. The directors of the Company all have professional backgrounds and have taken courses such as securities laws and regulations and corporate governance in accordance with "Guidelines for the Implementation of Continuing Education for Listed Directors and Supervisors", and have met the requirements for the number of study hours.</p>	
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<p>9. Please explain the improvement in the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancement matters and measures for those that have not yet been improved. (Not listed as an evaluated company): The Company was listed on June 12, 2024, and therefore is not included among the companies being evaluated this time.</p>			

(IV) If the company has a remuneration committee, it should disclose its composition and operations

1. Salary and Remuneration Committee Member Information

Condition		Professional qualifications and experience	Independence situation	Number of members who concurrently serve as members of the salary and remuneration committees of other publicly traded companies
Category	Name			
Independent Director (Convener)	Juan, Chang-Mao	<ol style="list-style-type: none"> <li>1. Have work experience required for company business such as business, legal affairs, finance, and operation and management capabilities.</li> <li>2. For relevant academic experience, please refer to Section 3, 1, (1), 5. Professional Knowledge of Directors and Supervisors and Information Disclosure on the Independence of Independent Directors.</li> <li>3. There are no circumstances specified in Article 30 of the Company Act.</li> </ol>	<p>The conditions that qualify for independence are as follows:</p> <ol style="list-style-type: none"> <li>1. I, my spouse, and my relatives within the second degree do not serve as directors, supervisors, or employees of the Company or its affiliated companies.</li> <li>2. I, my spouse, and relatives within the second degree (or in the name of the user) do not hold shares in the Company.</li> <li>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the regulations on the establishment of independent directors of public companies and matters to be followed, Paragraphs 5 to 8 of Article 3, Paragraph 1).</li> <li>4. There is no amount of remuneration received from providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past two years.</li> </ol>	-
Independent Director	Lin, Huo-Teng	<ol style="list-style-type: none"> <li>1. Have work experience required for company business such as business, legal affairs, finance, and operation and management capabilities.</li> <li>2. For relevant academic experience, please refer to Section 3, 1, (1), 5. Professional Knowledge of Directors and Supervisors and Information Disclosure on the Independence of</li> </ol>	<p>The conditions that qualify for independence are as follows:</p> <ol style="list-style-type: none"> <li>1. I, my spouse, and my relatives within the second degree do not serve as directors, supervisors, or employees of the Company or its affiliated companies.</li> <li>2. I, my spouse, and relatives within the second degree (or in the name of the user) do not hold shares in the Company.</li> <li>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company</li> </ol>	-

		<p>Independent Directors.</p> <p>3. There are no circumstances specified in Article 30 of the Company Act.</p>	<p>(refer to the regulations on the establishment of independent directors of public companies and matters to be followed, Paragraphs 5 to 8 of Article 3, Paragraph 1).</p> <p>4. There is no amount of remuneration received from providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past two years.</p>	
Independent Director	Hung, Jui-Pin	<p>1. Have work experience required for company business such as business, legal affairs, finance, and operation and management capabilities.</p> <p>2. For relevant academic experience, please refer to Section 3, 1, (1), 5. Professional Knowledge of Directors and Supervisors and Information Disclosure on the Independence of Independent Directors.</p> <p>3. There are no circumstances specified in Article 30 of the Company Act.</p>	<p>The conditions that qualify for independence are as follows:</p> <p>1. I, my spouse, and my relatives within the second degree do not serve as directors, supervisors, or employees of the Company or its affiliated companies.</p> <p>2. I, my spouse, and relatives within the second degree (or in the name of the user) do not hold shares in the Company.</p> <p>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the regulations on the establishment of independent directors of public companies and matters to be followed, Paragraphs 5 to 8 of Article 3, Paragraph 1).</p> <p>4. There is no amount of remuneration received from providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past two years.</p>	1

2. Information on the operation of the salary and remuneration committee

(1) The Company's salary and remuneration committee has 3 members.

(2) The term of office of the current members: August 22, 2024 to May 29, 2027. In 2024 and up to the date of publication of the annual report, the salary and remuneration committee met 5 times (A). The qualifications and attendance of the members are as follows:

Position	Name	Actual attendance (B)	Number of proxies	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Juan, Chang-Mao	5	-	100%	Re-elected on August 22, 2024
Member	Lin, Huo-Teng	4	-	100%	Re-elected on August 22, 2024 (Note 2)
Member	Hung, Jui-Pin	4	1	80%	Re-elected on August 22, 2024
Other matters that should be recorded:					
<p>1. If the board of directors does not adopt or amend the recommendations of the salary and remuneration committee, it should state the date, period, content of the proposal, the results of the board of directors' resolution, and the Company's handling of the salary and remuneration committee's opinions (if the salary and remuneration approved by the board of directors are superior to the salary and remuneration committee, suggestions should be made to describe the differences and reasons): None.</p> <p>2. If a member has objections or reservations about matters decided by the salary and remuneration committee and there is a record or written statement, the date, period, content of the proposal, all member opinions and the handling of the member's opinions should be stated: None.</p>					

Note 1: The Company completed the re-election of directors at the 2024 regular shareholders' meeting. According to Article 5 and Article 6 of the Company's "Remuneration Committee Charter," it is proposed to appoint independent directors Lin, Huo-Teng, Juan, Chang-Mao, and Hung, Jui-Pin as members of the Company's second Remuneration Committee. Their term of office will be the same as that of the board of directors, from the date of approval by the board of directors until May 29, 2027.

Note 2: Independent director Lin, Huo-Teng passed away on March 4, 2025, and his attendance rate is calculated up to the last meeting he attended (December 24, 2024).

(V) Implementation of promoting sustainable development and differences and reasons from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies

Promotion items	Implementation situation			Differences and reasons from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
1. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, with the board of directors authorizing senior management to handle the matter, and what is the situation of board supervision?	V		<p>1. The Company actively promotes and strengthens corporate governance functions related to sustainable operations, ESG development direction and sustainable development, establishes an ESG sustainable development department, and at the ninth meeting of the second session of board of directors, Chief Financial Officer Li Yu-Fu was approved as the head of corporate governance in order to respond to the impact of the environment, economy and society on the Company's operations, and regularly reports environmental, social and corporate governance performance results to the board of directors.</p> <p>(1) Submit an order to the chairman and announce the establishment of a sustainable development department on May 19, 2023.</p> <p>(2) The Company is committed to the development of sustainable governance and has assigned the sustainable development department the following tasks: formulating sustainable development directions and goals such as environmental sustainability, corporate social responsibility, corporate governance and integrity management, relevant management policies and specific promotion plans.</p>	No significant difference

			<p>(3) The sustainable development department has reported to the board of directors on the implementation of sustainable development in 2024.</p> <p>2. Promote and implement work related to the Company's sustainable development direction and goals, and evaluate the implementation of project plans.</p> <p>3. Tracking, review and revision of the implementation and effectiveness of corporate sustainable development and the preparation of ESG sustainability reports.</p>	
<p>2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?</p>	V		<p>1. Environmental aspect:</p> <p>(1) Climate change risks</p> <p>1. Cooperate with the relevant local government energy use policies and the SBTi (Science-Based Targets initiative) voluntary emission reduction commitment, and gradually promote the substitution of clean and low-carbon fuels, energy conservation and carbon reduction actions.</p> <p>2. Continue to conduct inventory and source management of energy resources, conduct monthly inventory and analysis of energy usage and carbon emissions of shoe factories, and develop action plans to promote energy conservation and carbon reduction.</p> <p>(2) Changes in environmental protection laws:</p> <p>1. Strengthen the inspection of compliance with local environmental protection laws and regulations at operating sites, regularly review the compliance of factory environmental assessment documents and track improvement plans.</p> <p>2. Actively invest in pollution prevention and control facilities and monitoring, and strengthen compliance management of pollutant emission.</p> <p>3. Continue to improve the environmental, safety and health indicator data management system and abnormal event notification system to effectively monitor risk</p>	No significant difference

		<p>events in daily operations.</p> <p>(3) Infectious disease control risks:  Strengthen various infectious disease prevention measures, including factory access control measures, abnormal handling measures, factory disinfection measures, employee independent health management and health examinations, epidemic reporting mechanisms and logistics medical escort mechanisms, and inspection and reserve of epidemic prevention materials.</p> <p>(4) Fire safety:  1. Regularly implement fire prevention drills and strictly implement fire source control.  2. Strengthen employees' fire prevention awareness, fire-fighting training and independent safety inspections.</p> <p>(5) Safety and health risks:  1. Promoting a workplace safety culture and conducting regular occupational safety and health education training for employees.  2. Strengthen protective measures and operational controls on hazard risks to ensure safety and production order in the workplace.</p> <p>2. Social aspect:  (1) Human resources risk management:  1. Continuously conduct risk control on matters such as compliance with local labor laws, recruitment operations, performance management, salary management, training and development, and employee management at operating locations.  2. Continue to optimize recruitment channels and processes, calibrate salary levels with the market, and strengthen employee care measures.</p> <p>(2) Product quality management</p>	
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		<p>Comprehensively promote policies and measures related to product quality. Continue to improve protective testing measures during the production process to prevent consumers from being harmed when using the products.</p> <p>(3) Product safety management:</p> <ol style="list-style-type: none"> <li>1. Develop relevant product safety management measures and strengthen education and training, including development and design management, material management, production safety management, factory safety management, information system safety management, transportation safety management and business secret safety management, crisis incident handling, etc.</li> <li>2. The Company takes "safety first" as its core operational goal, continuously conducts audits on the development center and overseas subsidiaries, and proactively identifies and solves problems.</li> </ol> <p>3. Corporate governance:</p> <p>(1) Changes in corporate image:</p> <ol style="list-style-type: none"> <li>1. Adhere to the core value of "IN US, YOU TRUST", continuously strengthen corporate governance, attach importance to environmental protection, fulfill social responsibilities and implement risk control, and strive to create sustainable value.</li> <li>2. Continue to improve information transparency and strengthen interactive communication with stakeholders.</li> </ol> <p>(2) Moral integrity and anti-corruption:</p> <ol style="list-style-type: none"> <li>1. Formulate internal rules such as "Procedures for Ethical Management and Guidelines for Conduct" and continue to promote education, training and promotion of ethics, integrity and anti-corruption standards.</li> <li>2. Set up reporting and complaint channels to prevent illegal, immoral or dishonest behavior.</li> </ol>	
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		<p>(3) Operational risks:</p> <ol style="list-style-type: none"> <li>1. Continue to invest resources in automation, innovative technology and process improvement, strengthen R&amp;D energy and improve production efficiency.</li> <li>2. Make good use of the production advantages of various locations to enhance the flexibility and diversity of manufacturing capabilities.</li> <li>3. Provide high-quality services and deepen cooperative relationships with brand customers.</li> <li>4. Strengthen omni-channel operation capabilities and provide diversified sports services.</li> </ol> <p>(4) Financial risks: Continuously monitor changes in financial markets and overall economic indicators, evaluate appropriate interest rates and exchange rate operational measures, actively manage customer risks, and conduct prudent investment evaluation and post-investment management</p> <p>(5) Information risks: Establish a sound information management system, implement multiple controls and protections for network information security, and strengthen proactive information security protection and warning capabilities.</p> <p>(6) Legal risks:</p> <ol style="list-style-type: none"> <li>1. Continuously review and integrate the latest legal changes and conduct education and training to implement compliance with various laws and regulations.</li> <li>2. Assist in providing legal consultation and contract review to reduce business disputes.</li> </ol> <p>4. Risk assessment boundaries Whole Group (including the Taiwan office and all subsidiaries Lac Ty/Lac Ty II/Vinh Long/Yibai/Yih Shuo/Tsang Yih/Grand Wisdom/Yihquan/Yihfull/Alnu).</p>	
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<p>3. Environmental issues</p> <p>(1) Has the Company established an appropriate environmental management system based on its industrial characteristics?</p>	V	<p>In response to the risk of climate change, the Company signed SBTi (Scientific Target Reduction) in 2022. After completing the organizational greenhouse gas inventory in 2023, the Company set a medium and long-term scientific carbon reduction plan in accordance with its commitment to the SBTi organization, moving towards low carbon factory.</p> <p>Additionally, the Company's main operational sites have implemented the ISO 14001 Environmental Management System and ISO 50001 Energy Management System. These systems establish specific energy policies, management processes, and plans that comply with local environmental regulations. Regular internal verification of compliance performance are conducted, and third-party assurance are accepted to reduce the costs and risks associated with environmental factors, enhance environmental resilience, and ensure environmental sustainability.</p> <p>The chemical management and wastewater management of the Company's manufacturing process are regularly sent to third parties for testing, and all comply with the Zero Discharge of Hazardous Chemicals (ZDHC) specification.</p>	No significant difference
<p>(2) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</p>	V	<p>As global climate change intensifies, the Company continues to focus on energy conservation and carbon reduction issues, and we have been actively engaged in carbon reduction efforts over the years. In response to the solar energy construction plans promoted in Vietnam, all subsidiaries of Lai Yih Group in Vietnam have provided factory roofs for solar energy construction since 2020. Contractors plan the solar energy construction on the roofs, and green electricity is purchased from them. Moreover, subsidiaries are continuously promoting the replacement of energy-saving equipment, such as upgrading to LED energy-saving bulbs for lighting in headquarters offices and factories. Completed energy-saving improvements in production areas include the installation of</p>	No significant difference

			energy-efficient sewing and cutting machines, reduction of refrigerant leaks in compressors, and heat loss improvements in heating equipment like dryers. In the future, Lai Yih Group will continue to improve on energy conservation, water conservation and waste reduction goals to achieve the goal of a net-zero emission factory.	
(3) Has the Company assessed the potential risks and opportunities that climate change poses to the Company now and in the future, and taken relevant response measures?	V		<p>During the manufacturing process, only the cleaning process of some products will produce a small amount of sewage, which has been controlled by building prevention equipment and obtaining a discharge permit. Therefore, the impact of the Company's operations on the environment is not significant.</p> <p>In response to European greenhouse gas regulations in recent years, global carbon reduction agreements, and customer requirements for carbon reduction plans in the supply chain. Therefore, the current environmental improvement-related plans are not only to comply with the carbon reduction plan imposed by customers on suppliers but also to maintain the customer's continued support for suppliers in the future. The Company will formally establish a sustainable development department in 2023 to assist in the maintenance and implementation of various sustainable development plans, and to keep abreast of the potential risks and opportunities that climate change poses to the Company now and in the future to ensure that correct response measures are launched in a timely manner.</p>	No significant difference
(4) Has the Company collected statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management?	V	(1)	<p>The Company conducts its greenhouse gas inventory in accordance with the GHG Protocol international standards. In addition, it sets a greenhouse gas reduction target for 2030 (a 42% reduction compared to 2022) based on SBTi scientific-based carbon reduction to respond to international carbon reduction. The Company actively plans the formulation and implementation of greenhouse gas reduction policies. Greenhouse gas emissions can be reduced and the effects of climate change mitigated through policy measures such as the</p>	No significant difference

energy transition, transport and transport reform, and environmental protection. Information on greenhouse gas emissions in recent years is as follows.

Year	Scope 1	Scope 2	Emissions per unit of revenue (tCO <sub>2</sub> e /NTD thousands)
2022	16,610 tonCO <sub>2</sub> e	69,146 tonCO <sub>2</sub> e	0.0027
2023	10,131 tonCO <sub>2</sub> e	74,023 tonCO <sub>2</sub> e	0.0030
2024	13,069 tonCO <sub>2</sub> e	105,684 tonCO <sub>2</sub> e	0.0032

Note:

1. 2023 The scope of data statistics covers Taiwan headquarters, Lac Ty, Lac Ty II, Vinh Long, Vinh Long, Tsang Yih, Ty Bach and Yih Shuo.
  2. The scope of data statistics for 2024 covers Taiwan Headquarters, Lac Ty, Lac Ty II, Vinh Long, Ty Bach, Yih Shuo, Tsang Yih, Grand Wisdom, Yihquan, Yihfull, and Alnu.
  3. Operating income is the Company's consolidated operating income, expressed in thousands of NTD.
  4. Emission intensity is (Scope 1 + Scope 2)/Operating income.
- (2) The Company produces and manufactures sports shoes and casual shoes. Among the resources required for shoemaking, water resources account for a relatively low proportion. However, the Company still actively promotes various water resource management measures. In the future, in addition to continuing to comply with relevant regulations on water resources, we will continue to plan and implement a number of programs to increase revenue and reduce expenditure to increase recycling rates, reduce water consumption for people's livelihood, reduce waste of water resources, and adopt a policy of using water resources that has both economic and

environmental benefits. Water consumption information for recent years is as follows.

Year	Total water intake (metric tons)	Amount of water collected per unit operation (metric tons/NTD thousands)
2022	776,811	0.025
2023	731,658	0.026
2024	880,428	0.023

Note:

1. In 2023, the statistical scope of total water intake data covers Taiwan headquarters, Lac Ty, Lac Ty II, Vinh Long, Tsang Yih, Ty Bach and Yih Shuo.
  2. The total water withdrawal data statistics for 2024 cover Taiwan Headquarters, Lac Ty, Lac Ty II, Vinh Long, Ty Bach, Yih Shuo, Tsang Yih, Grand Wisdom, and Alnu.
  3. Operating income is the Company's consolidated operating income, expressed in thousands of NTD.
  4. Water withdrawal intensity = Total water withdrawal/Operating income.
- (3) In terms of waste management, the Company considers local regulatory requirements, customer demands, and the interests of various stakeholders to establish compliant company policies and procedures. We develop management strategies in line with the concept of sustainable development, including waste reduction, proper disposal, and recycling efforts, striving for effective waste management to minimize the potential impact on the external environment. Information on waste output in recent years is as follows.

Year	Hazardous waste (metric tons)	Non-hazardous waste (metric tons)	Unit revenue generation (metric tons/NTD thousands)
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			<table border="1"> <tr> <td>2022</td> <td>1,002</td> <td>11,407</td> <td>0.00039</td> </tr> <tr> <td>2023</td> <td>848</td> <td>8,699</td> <td>0.00034</td> </tr> <tr> <td>2024</td> <td>4,296</td> <td>11,444</td> <td>0.00042</td> </tr> </table> <p>Note:</p> <ol style="list-style-type: none"> <li>1. The total amount of waste generated is the total of hazardous waste and non-hazardous waste. The statistical scope of 2023 data covers Lac Ty, Lac Ty II, Vinh Long, Tsang Yih, Ty Bach and Yih Shuo.</li> <li>2. The total waste generation is the sum of hazardous waste and non-hazardous waste. The data statistics for 2024 cover Lac Ty, Lac Ty II, Vinh Long, Ty Bach, Yih Shuo, Tsang Yih, and Yihquan.</li> <li>3. Operating income is the Company's consolidated operating income, expressed in thousands of NTD.</li> <li>4. Waste generation intensity = Total waste generation/Operating income.</li> </ol>	2022	1,002	11,407	0.00039	2023	848	8,699	0.00034	2024	4,296	11,444	0.00042	
2022	1,002	11,407	0.00039													
2023	848	8,699	0.00034													
2024	4,296	11,444	0.00042													
<p>4. Social issues</p> <p>(1) Does the Company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?</p>	V	<p>The Company strictly complies with local labor regulations at all global locations, formulates human rights policies based on the "International Bill of Human Rights", and strengthens workplace gender equality and safety by referencing international human rights conventions such as "Convention on the Elimination of All Forms of Discrimination Against Women" and "Convention on the Rights of the Child". We develop human rights protection policies according to the seven core conventions on labor standards published by the International Labor Organization (ILO) and the ten principles of the United Nations Global Compact. The Company holds regular labor-management meetings every quarter to fully achieve labor-management coordination, thoroughly implement the guarantee of equal rights for both genders at work and the equal rights of foreign workers, and has specially established an identity recognition employment mechanism to prevent the misuse of child labor. In addition to basic employee rights protection regulations, the Company conducts basic occupational safety training for employees once a month and offers annual training on anti-workplace harassment education seminars,</p>	No significant difference													

			equality, and communication. This provides substantial protection for the Company in terms of gender equality, prevention of sexual harassment, and gender discrimination rights and obligations.	
(2) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employees' compensation?	V		<p>In addition to complying with the local basic legal requirements of each subsidiary factory, the Company and each subsidiary have their own employee welfare plans, and also provide various work-related and health insurance for employees.</p> <ol style="list-style-type: none"> <li>1. Benefits: wedding bonus (for both myself and my children), birth celebration bonus, employee dinner, annual gift, year-end welfare bonus, start-up red envelope, birthday gift, and annual entertainment activities.</li> <li>2. Subsidies: local cooperation subsidy (firefighting, militia and self-defense, etc.), car consumption/transportation subsidy, family care subsidy, education/sports subsidy, travel subsidy, children's education subsidy, employee self-study subsidy, telephone subsidy, additional subsidy for poor employees, sickness allowance, subsidies for self-paid vaccinations.</li> <li>3. Bonuses: production bonus, education bonus (language skills/various education), perfect attendance, new worker introduction fee, improvement suggestion bonus, assessment bonus.</li> <li>4. Allowances: various salary allowances (year-end bonus, bonus), childcare allowance, foreign language allowance, working environment allowance, work bonus (according to position), management/production management allowance, promotion allowance, status allowance (pattern maker/quality control/sewing operator/safety hygienist).</li> <li>5. Other benefits include: legally compliant leave and special leave (additional leave for the Ghost Festival), retirement condolences, funeral condolences, hospitalization condolences, emergency relief funds, overtime pay (extra pay for various reasons), overtime subsidies (meals and transportation), job reassignment for pregnant employees with maintained salary, child support</li> </ol>	No significant difference

		<p>assistance, holiday gifts, free lunches, regular health check-ups (once a year for general employees, twice a year for high-risk workers), premature birth condolences, union gifts/scholarships, five houses built annually, one union house built annually, and additional health check-ups for female workers.</p> <p>The Company's operating results are achieved by sharing the fruits of hard work with its employees through dividends, and a year-end bonus is added every year to show sympathy for employees' hard work. In addition to complying with local laws and regulations, the Company also added additional holidays in compliance with local customs (such as Taiwan Hungry Ghost Festival holiday).</p> <p>The Company fully supports gender equality. The proportion of female senior managers in the head office: 25% (manager and above).</p> <p>There is no significant difference. The proportion of female senior managers in each factory: 35% (associate manager/director or above, with record range of Taiwan/Lac Ty/Lac Ty II/Vinh Long/Ty Bach/Yih Shuo/Tsang Yih/Grand Wisdom/Yihquan/Yihfull/Alnu); activities such as gender equality education, female disease prevention, exchange meetings for female managers, and provision of childbirth assistance are held to achieve the true goals of gender equality through education and assistance.</p>	
(3) Does the Company provide a safe and healthy working environment for employees and provide regular safety and health education to employees?	V	<p>The Company spares no effort in maintaining employee safety and health and promoting working environment measures. In addition to the basic regulations, additional protective measures and specifications have been added in response to different local regulations and environments.</p> <p>Basic rules:</p> <p>Employee health examination (once every six months according to the degree of work hazard), regular fire inspection, and weekly nursing and health care.</p> <p>Local factory specifications:</p>	No significant difference

		<p>HSE System (Health Safety Environment) - establish environment, safety, and health processes/checks, requiring all units to comply with procedures; HR establishes regular and occupational health check-ups according to regulations; HSE is responsible for tracking and conducting regular inspections to ensure compliance with "Labor Environment Safety and Health Committee Procedures".</p> <p>Items - electrical safety, worker protection safety, high-altitude work safety, hazardous materials safety (chemicals), confined space/hot work safety, lockout/tagout management procedures, machinery/equipment safety, fire safety, traffic safety, assessment of work injury/accident risks, food hygiene, drinking water management, sanitation management, prevention of occupational diseases, medical equipment, and basic first aid; work environment prevention - noise, temperature, lighting, emergency escape routes.</p> <p>Environmental treatment - sewage shall be treated in accordance with water pollution prevention and control procedures, and garbage shall be treated in accordance with garbage management procedures.</p> <p><u>Work-related injuries:</u></p> <p>SEA (Social Environment Affairs) system - purpose: establish work-related accident investigation procedures, confirm causes, propose countermeasures, and track follow-up results.</p> <p>Definition: mild work injury - an incident that occurs within the Company and can return to work with simple treatment; sudden activation of fire alarm, power outage or other industrial safety accidents, but no one is injured or the work is interrupted. If a work-related injury occurs in the Company, it is necessary to go to a medical unit, and the lost working time is &lt;8 hours.</p> <p>Severe work-related injuries - loss of working hours &gt; 8 hours, company-wide traffic accidents causing serious injuries or death.</p> <p>Within the scope of the Company, casualties are caused by contract</p>	
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		<p>workers or company personnel, and work-related injuries occur by employees on their way to and from get off work, affecting their lives or causing death.</p> <p>Operating procedures: environmental safety and health report, on-site personnel narrating the incident, time limit for reporting work-related injuries, follow-up improvements and implementation.</p> <p><u>Work injury investigation:</u></p> <p>Regular monthly SEA (Social Environment Affairs) is responsible for filling out the "Monthly Work Injury Statistics Form", reports to the competent department and submits a comprehensive report on work injuries to the national functional agency on a regular 6-month basis in a form prescribed by the state. Potential accidents must also be included in the statistics.</p> <p>Factory-side ISO system specifications - following the Hazard Identification and Risk Assessment Procedure (SEA-ESP002) according to the ISO 45001 2018 system. Safety measures are based on the provisions of "SEA-ESP002" hazard identification procedures and risk assessment procedures, and are specifically listed in the Company's department-wide hazard identification and risk assessment table of "SEA-ESP002-01A". Update the Hazard Identification and Risk Assessment form annually and introduce new controls or maintain existing controls in accordance with the Hazard Identification and Risk Assessment Procedure "SEA-ESP002".</p> <p><u>Assessment and implementation status;</u></p> <p>Conduct regular training and drills to raise employee awareness; training evaluation - assessment includes written, oral, and practical tests. Written tests are closed-book, with questions prepared by each instructor, organized centrally for comprehensive management. Oral tests are conducted in class, and practical tests are jointly assessed on-site by team leaders and department heads. The number of fire cases in 2024 was 0, and the number of deaths was 0.</p>	
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(4) Has the Company established an effective career development training program for employees?	V		The Company's training plan covers entry training, on-the-job education, promotion training, environmental safety and health, ISO training, SEA plan, HSE health training, formal/informal training, internal/external training, and off-site training. A training survey form is sent out every year to analyze the needs for the next year to plan training topics.	No significant difference
(5) Regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company follow relevant laws and international standards, and formulate relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	V		The Company's product sales and services comply with relevant laws and international standards, and its products are clearly labeled. There is also a customer complaint handling process to protect the rights and interests of consumers.	No significant difference
(6) Has the Company formulated a supplier management policy that requires suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and its implementation status?	V		The Company has standards for suppliers in terms of compliance with issues such as environmental protection, occupational safety and health, and labor rights.	No significant difference
5. Does the Company refer to internationally accepted reporting standards or guidelines to prepare sustainability reports and other reports that disclose the Company's non-financial information? Has the previous report obtained the confidence or assurance opinion of a third-party verification unit?		V	The Company has compiled the "2024 Sustainability Report" in accordance with GRI Standards. This year, the report was uploaded to the ESG digital platform in compliance with regulatory time frames, and third-party assurance was also completed within the year.	The Company has completed the compilation of the "Sustainability Report."
6. If the Company has established its own sustainable development guidelines based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe its operations and any differences from the established guidelines: The Company has				

established "Sustainable Development Best Practice Principles" dedicated to sustainable business operations, with no significant differences from the set guidelines.

7. Other important information that is helpful in understanding the implementation of sustainable development:
- (1) Environmental sustainability: facing environmental sustainability issues, the Company adheres to the principles of conserving natural resources and sustainable operations, striving to enhance resource efficiency and reduce the environmental impact of industrial development. This includes integrating environmental protection, renewable energy, and materials recycling into its operational management framework and promoting specific eco-friendly and energy-saving management programs to achieve the Company's sustainable development goals. In addition, in order to better understand its specific actions in greenhouse gas emissions, the Company will conduct an inventory of greenhouse gas emissions for the first time in 2022. We look forward to continuing our efforts on the road to carbon reduction with the goal of net-zero emissions in the future.
  - (2) Social responsibility: as the Company expands its business scope, it continues to support various educational, cultural, and social welfare activities, upholding the social service cycle concept of "taking from society and giving back to society". It also encourages employees to engage in community service and environmental protection initiatives. In addition, the Company actively and continuously invests and participates in charity donation activities to fulfill its corporate social responsibility.

Climate-related information of TWSE/TPEX listed companies

1. Implementation of climate-related information:  
 According to the timetable of sustainable development road map for listed companies (hereinafter referred to as the sustainable road map), companies with a capital of less than NTD 5 billion should complete greenhouse gas inventory and assurance information disclosure in 2028, so the Company is not yet applicable. However, the Company takes the lead in disclosing climate-related information and the implementation status is as follows:

Item	Implementation situation
<ol style="list-style-type: none"> <li>1. Describe the board and management's oversight and governance of climate-related risks and opportunities.</li> <li>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-term, medium-term, long-term).</li> <li>3. Describe the financial impact of extreme climate events and transition actions.</li> <li>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</li> </ol>	<ol style="list-style-type: none"> <li>1. The board of directors is the highest governing body of Lai Yih, responsible for convening meetings to discuss/decide and approve the company's development strategies, institutional directions, and important actions, while exercising supervisory responsibilities over management and being accountable to all shareholders.                      Lai Yih established a Sustainable Development Department in 2023, with the General Manager serving as the convener. Simultaneously, various action teams were established under this department: Corporate Governance and Risk</li> </ol>

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.
8. If climate-related targets are set, please explain the activities covered, greenhouse gas emission scopes, planning timeframe, and annual progress; if using carbon offsets or Renewable Energy Certificates (RECs) to achieve targets, please specify the source and quantity of carbon offsets or RECs.
9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans.

Assessment, Sustainable Environment, Employee Care, Social Responsibility, Product Control and Customer Service.

The Sustainable Development Department is responsible for implementing climate risk management policies and objectives resolved by the board of directors. It regularly reviews climate risk response plans and implementation results submitted by various working groups and assists in supervising the achievement of climate response targets and actions across companies and plants within the Group. It also facilitates communication and integration of the Group's climate governance status. The department holds meetings annually to discuss the company's key climate opportunity and risk issues, and reports the results to the board of directors.

2. The Sustainable Development Department has coordinated and collected feedback from across the Group to complete the identification of significant climate change risks and opportunities, identifying a total of 5 climate-related risks and 1 climate-related opportunity in 2024. The Department has defined impact time frames as short term (within 3 years), medium term (3 to 10 years), and long term (more than 10 years), and has assessed the potential operational and financial impacts that these climate-related risks and opportunities may bring to the Company, in order to plan various management measures and actions to address climate-related risks and opportunities.
3.
  - Financial Impact of Extreme Weather Events: In the short term (within 3 years), extreme weather events will affect production sites' operations, potentially leading to work stoppages, equipment damage, supply chain disruptions and other risks, thereby increasing operating costs and human resource deployment costs.

	<p>Furthermore, water shortages, extreme high temperatures, or heavy rainfall may affect cooling systems and building durability, further increasing maintenance and renovation expenditures.</p> <ul style="list-style-type: none"> <li>● Financial Impact of Transition Actions: Facing climate change trends, the Company needs to comply with regulatory requirements and promote carbon reduction and energy efficiency improvement plans, such as cap-and-trade regulations, emission reporting obligations, and carbon pricing mechanisms, which may lead to increased operating costs in the medium to long term (within 3–10 years). Additionally, shifts in consumer preferences toward low-carbon products may impact product competitiveness and sales strategies.</li> <li>● Response Strategies and Management Measures: To mitigate climate risks, the Company will enhance disaster prevention capabilities, such as improving drainage facilities and strengthening building resilience, while promoting energy efficiency measures including smart energy management systems and equipment optimization. Furthermore, the Company will actively participate in carbon reduction policy development, promote Science Based Targets (SBT), and enhance supply chain collaboration to ensure long-term competitiveness and financial stability.</li> </ul> <p>4. The Company actively complies with customer requirements and local environmental regulatory laws, and continuously tracks and understands international trends and initiatives related to greenhouse gases. Through internal corporate discussions and external collaboration, we are committed to reducing greenhouse gas emissions and actively mitigating climate change, continuously working toward the goal of net-zero emissions by 2050.</p>
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	<ol style="list-style-type: none"> <li>5. The Company has not yet used scenario analysis to assess resilience against climate change risks.</li> <li>6. Lai Yih has established targets for each plant regarding energy conservation, water conservation, waste reduction, and SBT achievement status. Each facility is promoting various energy conservation, water conservation, and waste reduction initiatives, including the installation of solar power generation equipment, negotiation with local energy suppliers for green energy procurement, optimization of production processes, implementation of automated equipment, and wastewater and rainwater recycling mechanisms. They are also cooperating with brand requirements to help identify suitable raw material suppliers.</li> <li>7. The Company has not yet introduced internal carbon pricing tools and will make future plans based on trends and industry needs.</li> <li>8. The Company has submitted a commitment to SBTi in 2023 to express its determination in setting scientifically based reduction targets, and has approved the review of the commitment targets in February 2024. At present, the Company has adopted the absolute basic setting method to set medium and long-term goals of reducing emissions by 42% in 2030 and achieving net-zero emissions (90% reduction) in 2050. For the 2030 emission reduction target of 42%, it is expected to purchase renewable energy certificates to offset approximately 29,000 tCO<sub>2</sub>e emissions.</li> <li>9. For greenhouse gas inventory and confirmation status, reduction targets, strategies and specific action plans, please read the following instructions for details.</li> </ol>
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2. Company greenhouse gas inventory and confirmation status in the last two years

(1) Greenhouse gas inventory information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NTD million) and data coverage of greenhouse gases in the last two years.

Year	Scope 1	Scope 2	Emissions per unit revenue (tCO <sub>2</sub> e/NTD thousands)
2023	10,131 tonCO <sub>2</sub> e	74,023 tonCO <sub>2</sub> e	0.0030
2024	13,069 tonCO <sub>2</sub> e	105,684 tonCO <sub>2</sub> e	0.0032

Note:

1. In 2023, the scope of data statistics covers Taiwan headquarters, Lac Ty, Lac Ty II, Vinh Long, Vinh Long, Tsang Yih, Ty Bach and Yih Shuo.
2. The scope of data statistics for 2024 covers Taiwan Headquarters, Lac Ty, Lac Ty II, Vinh Long, Ty Bach, Yih Shuo, Tsang Yih, Grand Wisdom, Yihquan, Yihfull, and Alnu.
3. Operating income is the Company's consolidated operating income, expressed in thousands of NTD.
4. Emission intensity = Greenhouse gas emissions (Scope 1 + Scope 2)/Operating income.

(2) Greenhouse gas assurance information (a description of the assurance situation for the last two years as of the publication date of the annual report, including the scope of the assurance, the organization of the assurance, the criteria for the assurance and the opinion of the assurance). In accordance with relevant regulatory requirements, the Company does not yet meet the assurance requirements. The Company will implement these requirements according to the regulations and guidelines set forth by the competent authorities in the future.

### 3. Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

To meet the global climate goals of the United Nations Paris Agreement "to limit the global average temperature rise to well below 2°C, and to pursue efforts to limit the temperature increase to 1.5°C", the Company submitted a commitment to SBTi in 2023, expressing its determination to set science-based reduction targets and approved the target review in February 2024. The Company has adopted an absolute basis method to set mid- to long-term goals of reducing emissions by 42% by 2030 and achieve net-zero emissions (90% reduction) by 2050. The reduction path from 2022 to 2030 has been planned, including assigning emission reduction targets to each subsidiary under the Company's overall reduction target and planning the main strategies and measures each subsidiary should implement to achieve the targets. The Company will further plan the emission reduction path from 2030 to 2050 to clarify the long-term goals and strategic direction of each subsidiary.

(VI) Implementation of integrity business operations and differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Assessment items	Operational situation			Differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
1. Formulate integrity management policies and plans				
(1) Has the Company formulated an integrity management policy approved by the board of directors, and clearly stated the policies and practices for integrity management in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the operating policy?	V		(1) The Company has regulations such as "Code of Integrity Business Operations", "Procedures for Ethical Management and Guidelines for Conduct" and "Ethical Code of Conduct" to regulate all business activities of the Company with integrity. The board of directors and senior management are also committed to actively implementing the integrity management policy.	No significant difference
(2) Whether the Company has established an assessment mechanism for the risk of dishonest behavior, regularly analyzes and evaluates business activities with higher risks of dishonest behavior within the business scope, and formulates plans to prevent dishonest behavior accordingly, and at least covers the preventive measures for each of the behaviors in Paragraph 2 of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(2) The Company has explicitly stated in "Procedures for Ethical Management and Guidelines for Conduct" that it should regularly analyze and evaluate the risk of dishonest behavior within the business scope, and accordingly develop plans to prevent dishonest behavior, including preventive measures for each of the behaviors listed in Paragraph 2 of Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies".	No significant difference
(3) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary and complaint systems for violations to prevent dishonest	V		(3) The Company has clearly stipulated the relevant methods such as "Procedures for Ethical Management and Guidelines for	No significant difference

Assessment items	Operational situation			Differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
behavior, implement them, and regularly review and amend the plan?			Conduct" and the "Code of Ethical Conduct" to prevent dishonest behavior, and has specified the operating procedures, behavioral guidelines, penalties for violations and appeal systems within each plan, which are thoroughly implemented.	
2. Implementing integrity management				
(1) Does the Company evaluate the integrity records of its dealing partners and clearly stipulate integrity behavior clauses in the contracts it signs with its dealing partners?	V		(1) The Company has established an evaluation mechanism for its suppliers and outsourcers.	No significant difference
(2) Does the Company set up a dedicated unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) reports to the board of directors on its integrity management policies, plans to prevent dishonest behavior, and supervision and implementation?	V		(2) To implement integrity management, the Company has established "Procedures for Ethical Management and Guidelines for Conduct", and designated the management office as dedicated unit responsible for the revision, execution, interpretation, consulting services, and the recording and filing of reported content related to these procedures and guidelines, and regularly reports the implementation status to the board of directors once a year.	No significant difference
(3) Has the Company formulated a policy to prevent conflicts of interest, provided appropriate channels for reporting, and implemented it?	V		(3) In the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct", the Company has clearly defined the conflict of interest prevention policies and operating methods for personnel	No significant difference

Assessment items	Operational situation			Differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
(4) Whether the Company has established effective accounting systems and internal control systems to implement integrity operations, and the internal audit unit will formulate relevant audit plans based on the assessment results of the risks of dishonest behaviors, and use them to review plans to prevent dishonest behaviors. Follow the situation, or entrust CPAs to perform an audit?	V		at all levels, provided appropriate reporting channels, and thoroughly implemented them.  (4) The Company has established an effective accounting system and internal control system. In addition to entrusting CPAs to perform audits and certifications, the internal audit unit conducts auditing based on the audit plan and reports to the board of directors regularly.	No significant difference
(5) Does the Company regularly organize internal and external education and training on integrity management?	V		(5) The Company promotes integrity management concepts and standards from time to time through new employee training, internal meetings and education and training.	No significant difference
3. Operation of the Company's whistleblowing system				
(1) Has the Company formulated a specific reporting and reward system, established a convenient reporting channel, and assigned appropriate dedicated personnel to handle the reported matters?	V		(1) The Company has stipulated in the "Procedures for Ethical Management and Guidelines for Conduct" that it encourages internal and external personnel to report dishonest behavior or inappropriate behavior, and has a reporting and handling process. And designate full-time personnel to handle it.	No significant difference
(2) Has the Company established standard operating procedures for investigating reports, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		(2) The Company has established standard operating procedures for investigating reported matters, and the reports received and subsequent investigations are handled confidentially and rigorously.	No significant difference

Assessment items	Operational situation			Differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
(3) Has the Company taken measures to protect whistleblowers from being improperly punished for reporting?	V		(3) When handling reports, the Company will keep the identity of the reporter and the content of the report confidential, and the Company promises to protect the reporter from being improperly dealt with due to the report.	No significant difference
4. Strengthen information disclosure Has the Company disclosed the content and implementation effectiveness of its Integrity Operating Guidelines on its website and the Market Observation Post System?	V		The Company has disclosed "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" on the company website and will continue to disclose relevant information on the website to allow public inspection at any time.	No significant difference
5. If the Company has established its own ethical management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the established principles: The Company has established and implemented "Ethical Corporate Management Best Practice Principles" which comply with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and other related methods, with no significant differences in operation and the established principles.				
6. Other important information that helps to understand the Company's integrity business operations: (such as the Company reviewing and revising its code of integrity business operations, etc.)				
(1) To implement the Company's integrity management, in addition to establishing the Company's "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" in accordance with the "Ethical Corporate Management Best Practice Principles for Publicly Listed Companies" and other related methods, we have also formulated "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" for compliance.				
(2) The Company's "Code of Ethical Conduct" stipulates regulations to prevent conflict of interest, which occurs when personal interests interfere or may interfere with the overall interests of the Company. For example, when directors, supervisors, or managers cannot handle official duties objectively and efficiently, or when their position in the Company allows them, their spouse, or relatives within the second degree of kinship to obtain undue benefits. The Company should pay special attention to lending or providing guarantees, major asset transactions, and purchases				

Assessment items	Operational situation			Differences and reasons from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description summary	
<p>(sales) of goods to the companies to which the aforementioned personnel belong. The Company should formulate policies to prevent conflicts of interest and provide appropriate channels for directors, supervisors or managers to proactively disclose whether they have potential conflicts of interest with the Company.</p> <p>(3) According to the Company's "Board of Directors Meeting Rules", directors must explain the important contents of their interests in meeting matters when they or the legal persons they represent have a conflict of interest with the meeting matters. If there is a risk of harming the Company's interests, they should not participate in the discussion and voting, must avoid the discussion and voting, and cannot exercise their voting rights on behalf of other directors.</p>				

(VII) Other important information that can enhance the understanding of corporate governance operations may be disclosed together: No such situation.

(VIII) Implementation status of internal control system

1. Statement of internal control system

Lai Yih Footwear Co.,Ltd.  
Statement of internal control system

Date: March 6, 2025

Based on the results of self-assessment, the Company's internal control system for 2024 would like to declare as follows:

1. The Company is fully aware that establishing, implementing and maintaining an internal control system is the responsibility of the Company's board of directors and managers, and the Company has established this system. Its purpose is to provide reasonable assurance to achieve the goals of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reporting reliability, timeliness, transparency and compliance with relevant norms and relevant laws and regulations.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three goals; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system will be affected and may change accordingly. However, the Company's internal control system has a self-supervision mechanism. Once deficiencies are identified, the Company will take corrective actions.
3. The Company determines whether the design and implementation of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Principles for Establishing Internal Control Systems for Publicly Listed Companies" (hereinafter referred to as the "Principles"). The internal control system judgment items used in this "Processing Standard" are based on the management control process, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervise operations. Each component includes several items. Please refer to the provisions of "Processing Guidelines" for the aforementioned items.
4. The Company has adopted the abovementioned internal control system judgment items to assess the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results, the Company believes that the internal control system as of December 31, 2024 (including the supervision and management of subsidiaries), which encompasses the achievement of operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with relevant regulations and laws, has been effectively designed and implemented, reasonably ensuring the achievement of the aforementioned goals.
6. To address the needs for public announcements and reporting related to listing, in accordance with Article 28 of the "Handling Guidelines" and Article 4 of the "Taiwan Stock Exchange Corporation Regulations Governing the Administration of Primary Listed Companies and Innovation Board Primary Listed Companies After Listing," the Company has commissioned CPAs to conduct a special review of the reliability of external financial reporting and the internal control system related to asset safeguarding (to ensure that assets are not acquired, used, or disposed of without authorization) during the aforementioned period. As stated, the design and implementation of the internal control system are effective, with no major deficiencies affecting the reliability of financial information recording, processing, summarizing, and reporting, nor any major deficiencies affecting asset safeguarding, which would allow assets to be acquired, used, or disposed of without

authorization.

7. This statement will become the main content of the Company's annual report and prospectus and will be made public. If the abovementioned disclosed content is found to be false, concealed or otherwise illegal, it will involve legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
8. This statement was approved by the Company's board of directors on March 6, 2025. Among the 8 directors present, 0 had objections, and all of them agreed with the contents of this statement and hereby declare it.

Lai Yih Footwear Co.,Ltd.

Chairman: Chung Te-Li Signature

General Manager: Lin Chang-Yung Signature

2. Those who entrust CPAs to conduct a project review of internal controls should disclose the CPAs' review report:

**Lai Yih Footwear Co.,Ltd.**  
**Internal Control System Review Report**  
**January 1 to December 31, 2024**

## CPA's reasonable assurance statement

(114) Zi Hui Zong Zi No. 24000564

Public certificate of Lai Yih Footwear Co., Ltd.:

Attached is a statement from Lai Yih Footwear Co., Ltd. (hereinafter referred to as the "Company") that after evaluation, its internal control system related to external financial reporting and asset security was effectively designed and implemented as of December 31, 2024. The CPAs have completed the necessary procedures.

### **Target, target information and applicable standards**

The subject and information of this assurance case pertain to the design and implementation of the Company's internal control system related to external financial reporting and asset security as of December 31, 2024, as well as the statement issued by the Company on March 6, 2025, declaring that the internal control system related to external financial reporting and asset security is effectively designed and implemented (hereinafter collectively referred to as the assurance subject).

The applicable benchmarks used to measure or evaluate the abovementioned development goals are the internal control system effectiveness judgment items of the "Principles for Establishing Internal Control Systems for Publicly Listed Companies".

### **Inherent limitations**

Since any internal control system has its inherent limitations, the abovementioned internal control system of the Company may still be unable to prevent or detect errors or fraud that have already occurred. In addition, the environment may change in the future, and the degree of compliance with the internal control system may also be reduced. Therefore, the internal control system that is effective in the current period does not mean that it will also be effective in the future.

### **Responsibilities of the management**

The responsibility of the management is to establish an internal control system in accordance with relevant laws and regulations, and review it at any time to maintain the continued effectiveness of the design and implementation of the internal control system, and issue an internal control system statement accordingly after evaluating its effectiveness.

### **CPA's Responsibilities**

The responsibility of CPA is to perform necessary procedures on the assurance subject in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" and Assurance Standard No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" to obtain reasonable assurance, and to express a conclusion on whether the assurance subject is in compliance with the applicable criteria in all material respects and is appropriately presented.

### **Standards for independence and quality of CPAs**

The CPAs and affiliated accounting firm have adhered to the relevant independence and other ethical requirements of the Code of Ethics for Professional Accountants. The basic principles of this code include integrity, impartiality, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, the accounting firm follows quality management standards and maintains a complete quality management system, including written policies and procedures related to compliance with professional ethics, professional standards and applicable laws.

### **Summary Description of Procedures Performed**

The CPA plans and executes necessary procedures based on professional judgment to obtain relevant evidence of the subject matter. The procedures performed included understanding the Company's

internal control system, evaluating the process by which management assesses the effectiveness of the overall internal control system, testing and evaluating the design and operational effectiveness of the internal control system related to external financial reporting and asset safeguarding, and other review procedures deemed necessary by CPAs. The CPAs believe that this review provides a reasonable basis for the conclusions expressed.

### **Conclusion of assurance**

In the opinion of CPAs, based on the criteria for evaluating the effectiveness of internal control systems under the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", the design and operation of the internal control system related to external financial reporting and asset safeguarding as of December 31, 2024 are effective in all material respects; and the statement issued by the Company on March 6, 2025, that the internal control system related to external financial reporting and asset safeguarding has been effectively designed and operated, is fairly stated in all material respects.

PwC Taiwan

Wu Sung-Yuan

CPA

Hsu, Chien-Yeh

Financial Supervisory Commission

Approved certificate number: Jin Guan Zheng Shen Zi No. 1090350620

Approved certificate number: Jin Guan Zheng Shen Zi No. 1050035683

March 6, 2025

(IX) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and as of the publication date of the annual report:

1. Resolutions of the 2024 Annual Shareholders' Meeting

Item	Meeting Date	Important Resolutions																																	
Regular shareholders meeting	2024/05/30	<p><u>Ratifications</u></p> <p>1. Approved the Company's consolidated financial report and business report for the fourth quarter of 2023</p> <p><u>Discussions</u></p> <p>1. Approved the amendments to some provisions of the Company's "Articles of Association".</p> <p>2. Approved the Company's 2023 earnings distribution plan.</p> <p>3. Approved the Company's plan to distribute cash from capital reserve.</p> <p>4. Approved the amendments to some provisions of the Company's "Rules of Procedure for Shareholders' Meetings".</p> <p><u>Election</u></p> <p>1. It is proposed to elect the Company's all directors (including three independent directors).</p> <p><u>Election results</u></p> <table border="1"> <thead> <tr> <th colspan="3">Lai Yih Footwear Co., Ltd. List of elected directors at the 2024 shareholders' meeting</th> </tr> <tr> <th>Category</th> <th>Account name or name</th> <th>Voting rights</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>WIDE SOURCE., CO. LTD. Representative: Chung Te-Li</td> <td>237,600,000</td> </tr> <tr> <td>Director</td> <td>TOP GATHER CO. LTD. Representative: Lin Hsueh-Fen</td> <td>228,360,000</td> </tr> <tr> <td>Director</td> <td>SAVE WEALTH CO. LTD. Representative: Chung Chen-Chia</td> <td>225,478,000</td> </tr> <tr> <td>Director</td> <td>YUCHUAN CO. LTD. Representative: Lin Chang-Yung</td> <td>223,300,000</td> </tr> <tr> <td>Director</td> <td>FAITH CONNECT CO. LTD. Representative: Hsu Sung-Chu</td> <td>222,060,140</td> </tr> <tr> <td>Director</td> <td>FLYING RICH CO. LTD. Representative: Lin, Chun-Hsing</td> <td>213,539,860</td> </tr> <tr> <td>Independent Director</td> <td>Lin, Huo-Teng</td> <td>212,300,000</td> </tr> <tr> <td>Independent Director</td> <td>Juan, Chang-Mao</td> <td>210,122,000</td> </tr> <tr> <td>Independent Director</td> <td>Hung, Jui-Pin</td> <td>207,240,000</td> </tr> </tbody> </table> <p><u>Other matters</u></p> <p>1. Approval of the motion to remove the non-compete clause for newly elected directors.</p>	Lai Yih Footwear Co., Ltd. List of elected directors at the 2024 shareholders' meeting			Category	Account name or name	Voting rights	Director	WIDE SOURCE., CO. LTD. Representative: Chung Te-Li	237,600,000	Director	TOP GATHER CO. LTD. Representative: Lin Hsueh-Fen	228,360,000	Director	SAVE WEALTH CO. LTD. Representative: Chung Chen-Chia	225,478,000	Director	YUCHUAN CO. LTD. Representative: Lin Chang-Yung	223,300,000	Director	FAITH CONNECT CO. LTD. Representative: Hsu Sung-Chu	222,060,140	Director	FLYING RICH CO. LTD. Representative: Lin, Chun-Hsing	213,539,860	Independent Director	Lin, Huo-Teng	212,300,000	Independent Director	Juan, Chang-Mao	210,122,000	Independent Director	Hung, Jui-Pin	207,240,000
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2. 2024 Board of Directors Resolutions

Item	Meeting Date	Important Resolutions
The 13th session of the 2nd meeting	2024/03/12	<ol style="list-style-type: none"> <li>1. Approved the Company’s plan to issue a statement on the internal control system for 2023.</li> <li>2. Approved the Company’s consolidated financial report and business report for the fourth quarter of 2023</li> <li>3. Approved the Company's "fund loan and quota increase among group related enterprises" case.</li> <li>4. The Company’s application for bank loan quota and endorsement guarantee quota for its affiliated companies to invest in</li> <li>5. Approved the Company's proposed change of investment in Grand Wisdom Soc Trang factory.</li> <li>6. Approved the review of "performance bonus" payment case for managers in the second half of 2023.</li> <li>7. Approved the appointment case of the Company's information security chief.</li> <li>8. Approved the comprehensive re-election of the Company's directors.</li> <li>9. Approved the acceptance of matters related to shareholders’ nomination of directors (including independent directors) for the 2024 regular shareholders’ meeting.</li> <li>10. Approved the amendments to some provisions of the Company's "Articles of Association".</li> <li>11. Approved the plan to handle a cash capital increase, issue new shares and propose a public underwriting case.</li> <li>12. Approved the employee stock subscription method for the Company's first cash capital increase in 2024.</li> <li>13. Approved the Company's 2023 earnings distribution plan.</li> <li>14. Approved the Company's plan to distribute cash from capital reserve.</li> <li>15. Approved the matters related to the Company's plan to convene the 2024 regular shareholders' meeting.</li> </ol>
The 14th session of the 2nd meeting	2024/04/12	<ol style="list-style-type: none"> <li>1. Approved the amendments to some provisions of the Company's "Organizational Rules of the Audit Committee" and "Standards of Procedures for the Board of Directors".</li> <li>2. Approved the amendments to some provisions of the Company's "Rules of Procedure for Shareholders' Meetings".</li> <li>3. List of directors and independent director candidates nominated by the board of directors.</li> <li>4. The Company plans to lift the non-competition restrictions of the new directors (including three independent directors).</li> <li>5. Adopted the revision of matters related to the Company's 2024 regular shareholders' meeting.</li> <li>6. Approved the appointment, independence and competency evaluation of the Company's CPAs.</li> </ol>
The 15th session of the 2nd meeting	2024/05/07	<ol style="list-style-type: none"> <li>1. Approved the amendments to some provisions of the Company's "Standards of Procedures for the Board of Directors".</li> <li>2. Approved the Company’s reinvestment in an affiliated company to apply for a bank loan line and endorsement guarantee.</li> <li>3. Approved the Company's consolidated financial report for the</li> </ol>

		<p>first quarter of 2024.</p> <ol style="list-style-type: none"> <li>4. Approval of the proposal for the issuance of new shares for the first cash capital increase in 2024.</li> <li>5. Approved the Company's "fund loan and quota increase among group related enterprises" case.</li> <li>6. Resolution to open a custodial payment account in New Taiwan Dollars at Taipei Fubon Commercial Bank.</li> </ol>
The 1st session of the 3rd meeting	2024/05/30	<ol style="list-style-type: none"> <li>1. Election of the Chairman of the Board for the Company's third term.</li> </ol>
The 2nd session of the 3rd meeting	2024/08/22	<ol style="list-style-type: none"> <li>1. Approved additional non-assurance services to be provided by PricewaterhouseCoopers Taiwan.</li> <li>2. Approved the Company's consolidated financial report for the second quarter of 2024.</li> <li>3. Approved the Company's proposal to invest in the reconstruction project of E-Show's Tongta Province plant.</li> <li>4. Approved the Company's "fund loan and quota increase among group related enterprises" case.</li> <li>5. Approved the appointment of the Company's second term of Salary and Remuneration Committee Members.</li> </ol>
The 3rd session of the 3rd meeting	2024/09/24	<ol style="list-style-type: none"> <li>1. Approval of "performance bonus" payment case for managers in the first half of 2024.</li> <li>2. Approved the subsidiary's manager promotion case.</li> <li>3. Approved the Company's proposal on the change of accounting supervisor.</li> <li>4. Approved the Company's proposal to invest in Yishuo Development Center.</li> <li>5. Approved the Company's proposal for changes in the investment in Leyi Development Center.</li> <li>6. Approved the Company plans to invest the modification case of Grand Wisdom Soc Trang factory.</li> </ol>
The 4th session of the 3rd meeting	2024/11/11	<ol style="list-style-type: none"> <li>1. Approved the Company's "fund loan and quota increase among group related enterprises" case.</li> <li>2. Approved the Company's reinvestment in an affiliated company to apply for a bank loan line and endorsement guarantee.</li> <li>3. Approved the Company's consolidated financial report for the third quarter of 2024.</li> </ol>
The 5th session of the 3rd meeting	2024/12/24	<ol style="list-style-type: none"> <li>1. Approved the Company's proposal for establishing "Sustainability Information Management Regulations."</li> <li>2. Approved the 2025 internal audit plan of the Company and its subsidiaries.</li> <li>3. Approved the Company plans to invest the modification case of Grand Wisdom Soc Trang factory.</li> <li>4. Approved the Company's proposal for investing in PT Footwear Indonesia.</li> <li>5. Approved the Company's proposal for appointing directors and supervisors of Pt. Yih You Footwear Indonesia.</li> <li>6. Approved the resolution for the 2025 business plan and annual budget</li> </ol>

		<ol style="list-style-type: none"> <li>7. Approved the report on the renewal of directors' and managers' liability insurance</li> <li>8. Approved the regularly evaluate and review the salary and remuneration cases for directors and managers that the Company should submit to the salary and remuneration committee for review</li> <li>9. Approved the review of manager's 2024 "year-end bonus" payment case.</li> </ol>
The 6th session of the 3rd meeting	2025/03/06	<ol style="list-style-type: none"> <li>1. Approved the Company's plan to issue a statement on the internal control system for 2024.</li> <li>2. Approved the Company's "fund loan and quota increase among group related enterprises" case.</li> <li>3. Approved the independence and competency assessment case of the Company's CPAs.</li> <li>4. Approved the Company changed the CPA due to the internal rotation of the CPA firm.</li> <li>5. Approved the Company's consolidated financial report and business report for the 2024.</li> <li>6. Approved the Company's 2024 Statement of Earnings Distribution.</li> <li>7. Approved the Company's 2024 remuneration to employees and directors.</li> <li>8. Approved the change of the Company's proposed investment in Pt. Alnu Sporting Goods Indonesia.</li> <li>9. Approved the Company's General Manager of Pt. Yihquan Footwear Indonesia case.</li> <li>10. Approved the Company's proposal for changing PT. Yihquan Footwear Indonesia's directors and supervisors</li> <li>11. Approved the case to remove directors' and managers' non-competition restrictions.</li> <li>12. Approved the donation to "Taichung Municipal Private Lai Yih Wenhua Social Welfare Charitable Foundation".</li> <li>13. Approved the amendments to some provisions of the Company's "Articles of Association".</li> <li>14. Approved the by-election of one Independent Director.</li> <li>15. Approved the acceptance of Independent Director candidate nominations</li> <li>16. Approved the matters related to the Company's plan to convene the 2025 regular shareholders' meeting.</li> </ol>

(X) In the most recent year and as of the publication date of the annual report, directors or supervisors have different opinions on important resolutions approved by the board of directors, and those with records or written statements, their main content: Not applicable.

#### IV. Information on public fees of CPAs

##### (I) Information on public fees of CPAs

Unit: NTD thousands

Name of accounting firm	Name of CPAs	CPA's review period	Audit public fees	Non-audit public fees	Total	Note
PwC Taiwan	Wu Sung-Yuan	2024.1.1~2024.12.31	9,500	6,767	16,267	Non-audit public fees are mainly: 1. Sustainability performance report \$1,800 thousand 2. Country-by-country reporting, corporate master file and transfer pricing reporting \$3,467 thousand 3. Internal control review \$1,500 thousand
	Hsu, Chien-Yeh					

##### (II) If the Company has any of the following circumstances, it shall disclose the CPAs' public fees:

1. If the accounting firm is changed and the audit fees paid in the year of change are less than the audit fees in the year before the change, the amount and reasons for the decrease in audit fees before and after the change should be disclosed: No such situation.
2. If the public audit funds have decreased by more than 10% compared with the previous year, the amount, proportion and reasons for the decrease in public audit funds should be disclosed: No such situation.

#### V. Information on changing CPAs: No such situation.

#### VI. The Company's chairman, general manager, or manager responsible for financial or accounting affairs, who has worked in the certified accountant's firm or its affiliated companies within the past year: No such situation

#### VII. Equity transfers and equity pledge changes of directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and as of the date of publication of the annual report

##### (I) Changes in the equity of directors, supervisors, managers and major shareholders holding more than 10% of the shares:

Unit: Shares

Position	Name	2024		As of the publication date of 2025 annual report	
		Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares
Chairman and 10% major shareholder	Wide Source Co., Ltd.	-	-	-	-

Position	Name	2024		As of the publication date of 2025 annual report	
		Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares
Corporate representative of Chairman, and Chief Strategy Officer	Chung, Te-Li	(34,000) (Note 1)	-	-	-
Director	Yuchuan Co., Ltd.	-	-	-	-
Corporate representative of director, and general manager	Lin, Chang-Yung	(33,000) (Note 1)	-	-	-
Director	Faith Connect Co., Ltd.	-	-	-	-
Corporate representative of director, and Chief Information Officer	Hsu, Sung-Chu	(33,000) (Note 1)	-	-	-
Director	Save Wealth Co., Ltd.	-	-	-	-
Corporate representative of director, and deputy general manager	Chung, Chen-Chia	69,000	-	-	-
Director	Top Gather Co., Ltd.	-	-	-	-
Corporate representative of director	Lin, Hsueh-Fen	-	-	-	-
Director	Flying Rich Co., Ltd.	-	-	-	-
Corporate representative of director	Lin, Chun-Hsing	-	-	-	-
Independent Director	Lin, Huo-Teng (Note 2)	-	-	-	-
Independent Director	Juan, Chang-Mao	-	-	-	-
Independent	Hung, Jui-Pin	-	-	-	-

Position	Name	2024		As of the publication date of 2025 annual report	
		Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares
Director					
Deputy General Manager	Hsu, Cheng-Chih	39,000	-	(39,000)	-
Deputy General Manager	Chiu, Shun-Ling	19,000	-	(19,000)	-
Deputy General Manager	Hsieh, Chung-Sheng	26,000	-	(24,000)	-
Deputy General Manager	Ting, Kai	-	-	-	-
Deputy General Manager	Lo, Shih-Chieh	67,000	-	(16,000)	-
Deputy General Manager	Yu, Chin-Chung (Note 3)	-	-	-	-
Chief Financial Officer, Head of Accounting and Head of Corporate Governance	Li, Yu-Fu	-	-	-	-
Audit Office Manager	Huang, Yu-Wen	70,000	-	(66,000)	-
Finance Supervisor	Su, Chao-Ho	24,000	-	(24,000)	-
Associate Manager, Accounting Department	Li, Wan-Chun	-	-	-	-
Head of Information Department	Lin, Chih-Chung	16,000	-	(16,000)	-
Procurement and Head of Shipping	Lin, Yu-Fang	10,000	-	(1,000)	-
Head of Sustainability	Chen, Ming-Che	11,000	-	-	-

Position	Name	2024		As of the publication date of 2025 annual report	
		Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in the number of pledged shares
Development Department	(Note 4)				
Head of Sustainability Development Department	Li, Yi-Yang (Note 4)	-	-	-	-
Stock Affairs Manager and Legal Affairs Manager	Yang, Ching-Han	63,000	-	(61,000)	-
Human resource manager	Chung, Ying-Cheng	53,000	-	-	-

Note 1: The number of shares reduced due to over-allotment.

Note 2: Lin, Huo-Teng passed away on March 4, 2025.

Note 3: Yu, Chin-Chung resigned on December 30, 2024.

Note 4: Chen, Ming-Che was dismissed on July 5, 2024; Li, Yi-Yang assumed the position on July 1, 2024.

- (II) Directors, supervisors, managers and the parties to the equity transfer of major shareholders holding more than 10% of the shares are related parties: No such situation.
- (III) Directors, supervisors, managers and the counterparties to the equity pledge of major shareholders holding more than 10% of the shares are related parties: No such situation.

### VIII. Information on the top ten shareholders with the largest shareholding ratio, who are related persons, spouses, or relatives within the second degree

March 29, 2025: Unit: thousand Shares; %

Name	Shares held		Shares held by spouses and minor children		Aggregate shares held in the name of others		If the top ten shareholders are related to each other or are spouses or relatives within the second degree, their names and relationships		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Wide Source Co., Ltd. Representative: Chung Te-Li	38,500	15.44%	-	-	-	-	Top Gather Co., Ltd.	Represented by spouse	
							Save Wealth Co., Ltd.	Represented by father and son	
							Harvest Link Ltd.	Represented by father and daughter	
							Rising Step Ltd.	Represented by father and daughter	

Name	Shares held		Shares held by spouses and minor children		Aggregate shares held in the name of others		If the top ten shareholders are related to each other or are spouses or relatives within the second degree, their names and relationships		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Faith Connect Co., Ltd. Representative: Hsu Sung-Chu	23,474	9.41%	-	-	-	-	-	-	
Top Gather Co., Ltd. Representative: Lin Hsueh-Fen	21,860	8.77%	-	-	-	-	Wide Source Co., Ltd.	Represented by spouse	
							Save Wealth Co., Ltd.	Represented by mother and son	
							Harvest Link Ltd.	Represented by mother and daughter	
							Rising Step Ltd.	Represented by mother and daughter	
Save Wealth Co., Ltd. Representative: Chung Chen-Chia	20,988	8.42%	-	-	-	-	Wide Source Co., Ltd.	Represented by father and son	
							Top Gather Co., Ltd.	Represented by mother and son	
							Harvest Link Ltd.	Represented by brother and sister	
							Rising Step Ltd.	Represented by brother and sister	
Gain Smart Ltd. Representative: Lin Ching-Hsiang	16,425	6.59%	-	-	-	-	Yuchuan Co., Ltd.	Represented by father and son	
							Keen Huge Ltd.	Represented by sister and brother	
Keen Huge Ltd. Representative: Lin Chia-Ping	16,425	6.59%	-	-	-	-	Yuchuan Co., Ltd.	Represented by father and daughter	
							Gain Smart Ltd.	Represented by sister and brother	
Ample Smart Ltd. Representative: Lin Chin-Hsieh	17,600	7.06%	-	-	-	-	-	-	
Harvest Link Ltd. Representative: Chung Ying-Cheng	11,000	4.41%	-	-	-	-	Wide Source Co., Ltd.	Represented by father and daughter	
							Top Gather Co., Ltd.	Represented by mother and daughter	
							Save Wealth Co., Ltd.	Represented by brother and sister	
							Rising Step Ltd.	Represented by sisters	
Rising Step Ltd.	11,000	4.41%	-	-	-	-	Wide Source Co., Ltd.	Represented by father and daughter	

Name	Shares held		Shares held by spouses and minor children		Aggregate shares held in the name of others		If the top ten shareholders are related to each other or are spouses or relatives within the second degree, their names and relationships		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Representative: Chung Wan-Chi							Top Gather Co., Ltd.	Represented by mother and daughter	
							Save Wealth Co., Ltd.	Represented by brother and sister	
							Harvest Link Ltd.	Represented by sisters	
Yuchuan Co., Ltd. Yuchuan Co., Ltd. Representative: Lin Chang-Yung	10,560	4.23%	-	-	-	-	Gain Smart Ltd.	Represented by father and son	
							Keen Huge Ltd.	Represented by father and daughter	

**IX. The number of shares held by the Company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio is calculated together**

December 31, 2024: Unit: thousand Shares; %

Reinvestment business	The Company's investment		Directors, supervisors, managers and investments in enterprises directly or indirectly controlled		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Lai Yih SAMOA	157,300	100	–	–	157,300	100
CHEER ACCESS	1,000	100	–	–	1,000	100
BILLION STAR	1,000	100	–	–	1,000	100
Flourish Thrive SAMOA	1,000	100	–	–	1,000	100
Portrich	137,000	100	–	–	137,000	100
Oversea Faith	86,520	100	–	–	86,520	100
MEGA RIVER	61,800	100	–	–	61,800	100
King Global	60,760	100	–	–	60,760	100
Thrive Foison	170,500	100	–	–	170,500	100

Reinvestment business	The Company's investment		Directors, supervisors, managers and investments in enterprises directly or indirectly controlled		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Brilliant Metro	1,095	100	–	–	1,095	100
POLO	69,850	100	–	–	69,850	100
Everyield	36,550	100	–	–	36,550	100
JUMBO POWER	8,000	50	–	–	8,000	50
SUPERB KING	8,000	50	–	–	8,000	50
Lac Ty	(Note 1)	50	–	–	(Note 1)	50
Lac Ty II	(Note 1)	100	–	–	(Note 1)	100
Yihfull	(Note 1)	100	–	–	(Note 1)	100
Vinh Long	(Note 1)	85	–	–	(Note 1)	85
Ty Bach	(Note 1)	100	–	–	(Note 1)	100
Yihquan	(Note 1)	100	–	–	(Note 1)	100
Grand Wisdom Company Limited	(Note 1)	100	–	–	(Note 1)	100
Yung Yih	(Note 1)	24	–	–	(Note 1)	24
Yih Shuo	(Note 1)	100	–	–	(Note 1)	100
Tsang Yih	(Note 1)	100	–	–	(Note 1)	100
Baoyi	(Note 1)	50	–	–	(Note 1)	50
Alnu	(Note 1)	51	–	–	(Note 1)	51
Yihxin	(Note 1)	100	–	–	(Note 1)	100
Yih You	(Note 1)	100	–	–	(Note 1)	100

Note 1: It is a limited company, so there are no shares.

## IV. Fundraising Situation

### I. Capital and shares

#### (I) Source of equity

##### 1. The formation process of equity capital

Unit: Shares; NTD

Date	Issue price (NTD)	Approved share capital		Paid-up capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Using property other than cash as payment for shares	Others
2021/06	10	1	10	1	10	Establish share capital (Note 1)	-	-
2021/07	10	220,000,000	2,200,000,000	220,000,000	2,200,000,000	Organizational reorganization, capital increase and share exchange (Note 2)	-	-
2021/09	10	800,000,000	8,000,000,000	220,000,000	2,200,000,000	Increase approved share capital	-	-
2024/06	10	800,000,000	8,000,000,000	249,400,000	2,494,000,000	Capital increase in cash before initial listing of stocks (Note 3)	-	-

Note 1: One share actually received by the Company on June 16, 2021 was consolidated and issued with other shares during subsequent organizational reorganization in accordance with the Cayman Laws.

Note 2: The Company issued new shares on July 5, 2021 in accordance with the resolution of the board of directors, issuing one share of capital establishment from merger and 219,999,999 shares through organizational restructuring and capital increase.

Note 3: The cash capital increase declaration was approved by the Taiwan Stock Exchange Corporation on April 26, 2024 with the letter Tai-Chang-Shang-Er-Zi No. 11317016991.

##### 2. Types of shares

March 29, 2025; Unit: Shares

Types of shares	Approved share capital			Note
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	249,400,000	550,600,000	800,000,000	Note

Note: The Company was listed on the stock exchange on June 12, 2024.

##### 3. Information related to the comprehensive declaration system: None.

- (II) List of major shareholders: Names, shareholding amounts and proportions of shareholders holding more than 5% of the shares or the top ten shareholders

March 29, 2025; Unit: Shares

Name of major shareholder	Shares	Main nationality or place of registration	Number of shares held	Shareholding Ratio (%)
Wide Source Co., Ltd.		Seychelles	38,500,000	15.44
Faith Connect Co., Ltd.		Seychelles	23,474,000	9.41
Top Gather Co., Ltd.		Seychelles	21,860,140	8.77
Save Wealth Co., Ltd.		Seychelles	20,988,000	8.42
Gain Smart Ltd.		Seychelles	16,425,000	6.59
Keen Huge Ltd.		Seychelles	16,425,000	6.59
Ample Smart Ltd.		Seychelles	17,600,000	7.06
Harvest Link Ltd.		Seychelles	11,000,000	4.41
Rising Step Ltd.		Seychelles	11,000,000	4.41
Yuchuan Co., Ltd.		Seychelles	10,560,000	4.23

- (III) Company's dividend policy and implementation status

1. Dividend policy stipulated in the Company's Articles of Association

When the Company's shares are traded on any securities exchange market in the Republic of China, unless otherwise provided by Cayman Laws, the Company's surplus for each fiscal year shall be determined after (i) payment of taxes and dues (ii) replenishment of losses, (iii) 10% of the statutory surplus reserve ("statutory surplus reserve") is set aside in accordance with applicable laws and regulations for publicly listed companies, except where the cumulative statutory surplus reserve reaches the total paid-in capital, and (iv) surplus may be distributed only after meeting the special reserve required by the competent authorities of the Republic of China (including but not limited to the Financial Supervisory Commission or any securities trading market of the Republic of China). The surplus after deducting the above is called "distributable surplus for the period". Dividends and bonuses distributed to shareholders can be distributed from current distributable earnings or retained earnings not distributed in previous periods (collectively referred to as "accumulated distributable earnings").

2. Dividend distribution proposed (already) discussed this year:

The Company's 2024 earnings distribution proposal was approved by the board of directors on March 6, 2025. In accordance with the Company's Articles of Association, cash dividends of NTD 2,244,600 thousand on ordinary shares at NTD 9 per share will be appropriated from the accumulated earnings available for distribution. The resolution is expected to be approved at the 2025 regular shareholders' meeting.

- (IV) The impact of this year's proposed free rights issue on the Company's operating performance and earnings per share:

The Company has not distributed share dividends, so there is no impact.

- (V) Remuneration of employees, directors and supervisors

1. The percentage or range of remuneration for employees, directors and supervisors as stated in the Company's Articles of Association:

When the Company's shares are traded on any securities market in the Republic of China, if the Company has profits for the year (referring to pre-tax profits before the distribution of employee and director remuneration, hereinafter referred to as "annual profits"), all directors of the Company are entitled to receive year-end compensation each year, which shall not exceed 2% of the "annual profits" and can only be distributed in cash. Additionally, all employees of the Company and its subsidiaries are entitled to year-end compensation each year, which shall not be less than 2% of the "annual profits" and can be distributed in cash, stock, or any combination of both.

2. The basis for estimating the amount of compensation for employees, directors and supervisors in the current period, the basis for calculating the number of shares for employee compensation distributed in the form of stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount:

The remuneration of the Company's employees, directors and supervisors is estimated based on the amount that may be distributed in accordance with the Company's Articles of Association. If the estimated expenses for the current period are different from the resolution of the shareholders' meeting, they will be adjusted and accounted for in the year of resolution.

3. The board of directors approves the distribution of remuneration:
  - (1) The amount of employees' compensation and directors' remuneration distributed in cash or shares. If there is a difference from the annual estimated amount of recognized expenses, the amount of the difference, the reason and the handling situation should be disclosed:

The Company's profit before tax for the year 2024 before the distribution of employee and director remuneration was NT\$3,977,539 thousand. The proposed employee remuneration is NT\$99,438 thousand and director remuneration is NT\$59,663 thousand, all to be distributed in cash.

- (2) The amount of employee compensation distributed in the form of stocks and its proportion to the total net income after tax and total employee remuneration in individual or individual financial reports for the current period: No such situation.
4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the stock price), and if there is any difference between the remuneration of employees, directors and supervisors and the recognized remuneration of employees, directors and supervisors, the difference, reasons and handling should be stated:

According to the Company's Articles of Incorporation, when the Company is listed on any securities market in the Republic of China, if the Company has profits for the year, all directors shall be entitled to receive year-end remuneration not exceeding 2% of the "annual profits," which shall be distributed only in cash; and all employees of the Company and its subsidiaries shall be entitled to receive year-end remuneration of not less than 2% of the "annual profits," which may be distributed in cash, stock, or any combination thereof. The Company was listed on the Taiwan Stock Exchange in June 2024 and, in accordance with the Articles of Incorporation, recognized employee remuneration of NT\$99,438 thousand and director remuneration of NT\$59,663 thousand, which are scheduled to be distributed in 2025.

(VI) Situation in which the Company repurchases its own shares: No such situation.

- II. Corporate bond handling situation: No such situation.
- III. Special stock handling situation: No such situation.
- IV. Participation in the issuance of overseas depositary receipts: No such situation.
- V. Handling of employee stock option certificates: No such situation.
- VI. Circumstances in which employees' rights are restricted in the processing of new shares: No such situation.
- VII. Merger and acquisition processing situation: No such situation.
- VIII. Situation of issuing new shares by transferring shares of other companies: No such situation.
- IX. Implementation status of fund utilization plan

As of the publication date of the annual report, the Company has no issuances or private placements of securities that have not yet been completed, or that have been completed and the benefits of the plan have not yet appeared.

## V. Operational overview

### I. Business content

#### (I) Business scope

##### 1. Main contents of the Company's business

The Company's main business is the manufacturing of OEM footwear products, including vulcanized shoes and cold-fitted shoes, etc. It mainly OEMs for international brands such as A Group, B Group and D Group.

##### 2. The Company's current products (services) and its business proportions

The Company's current main products are casual shoes, sports shoes and others.

Unit: NTD thousands; %

Year	2023		2024	
	Sales Amount	Proportion of Operating Income (%)	Sales Amount	Proportion of Operating Income (%)
Major products				
Casual shoes	7,520,916	26.84	6,391,550	16.96
Sports shoes	20,487,269	73.13	31,267,906	82.96
Others	7,384	0.03	30,443	0.08
Total	28,015,569	100	37,689,899	100

##### 3. New product (service) projects planned and developed

In recent years, affected by the epidemic and labor costs, although global footwear OEM/ODM is still dominated by Asian countries, it has gradually moved from China to Vietnam, Indonesia, Cambodia and other places. The Company has set up factories in Vietnam and Myanmar, and actively expands into Indonesia, other Southeast Asian countries and other places. Although the Company operates as an OEM for brand clients, it actively cultivates related R&D teams and establishes development centers. During the product development and prototype stages, the Company collaborates closely with brand clients. Leveraging professional technical expertise and extensive industry experience, combined with innovative elements and materials, the Company continuously develops new shoe technologies and formulas, and introduces automated and semi-automated machines. This not only allows the Company to provide excellent footwear products to brand clients but also offers relevant solutions based on automation data. The goal is to enhance the Company's competitiveness in the footwear industry and become a long-term partner for international brands.

#### (II) Industry overview

Although machines are now widely used in the shoemaking process, there are still many processes in the process that cannot be replaced by automated equipment. Therefore, the current production layout of the shoemaking industry still includes China, Vietnam, India, Indonesia and Thailand, which have abundant and high-quality products. Asian countries with a large labor force are the main production areas, providing more than 90% of footwear products for the global market. The European and American shoe industries give top priority to brand maintenance and management, focus on brand value enhancement and market promotion, and use their advantages in accurately grasping international fashion trends and brand management capabilities to conduct product design and development, and entrust the development of various brands in the form of OEM. Shoe manufacturing companies produce and sell through their own marketing networks.

## 1. Current status and development of the industry

Following the pandemic, the global footwear industry has rapidly recovered, although supply chains, consumer trends, and production models have undergone significant changes. The footwear market continues to grow, with brands strengthening digitalization and sustainable development initiatives, while manufacturers face supply chain restructuring and automation transformation.

- (1) In the aftermath of the pandemic and geopolitical influences, the footwear industry's supply chain is being readjusted.

Brands are gradually reducing their dependence on Chinese production and shifting their manufacturing focus to lower-cost countries such as Vietnam, Indonesia, India, and Bangladesh. In addition, rising global transportation costs have pushed brands to accelerate the localization of their supply chains. At the same time, developments in production automation have led brands to invest in intelligent manufacturing equipment to reduce dependency on labor and improve efficiency.

- (2) Smart manufacturing and automation enhancement

The footwear industry is gradually implementing AI, machine learning, and automation technologies to improve production efficiency and reduce labor dependency. 3D printed shoe technology (such as Adidas 4D, Nike Flyprint) is developing and being applied to outsole and upper manufacturing. Automated production lines are also increasingly mature, with applications of robotic cutting, stitching, and molding technologies making production processes more precise. Additionally, data analytics is widely used in supply chain and order management to optimize production plans and shorten delivery times.

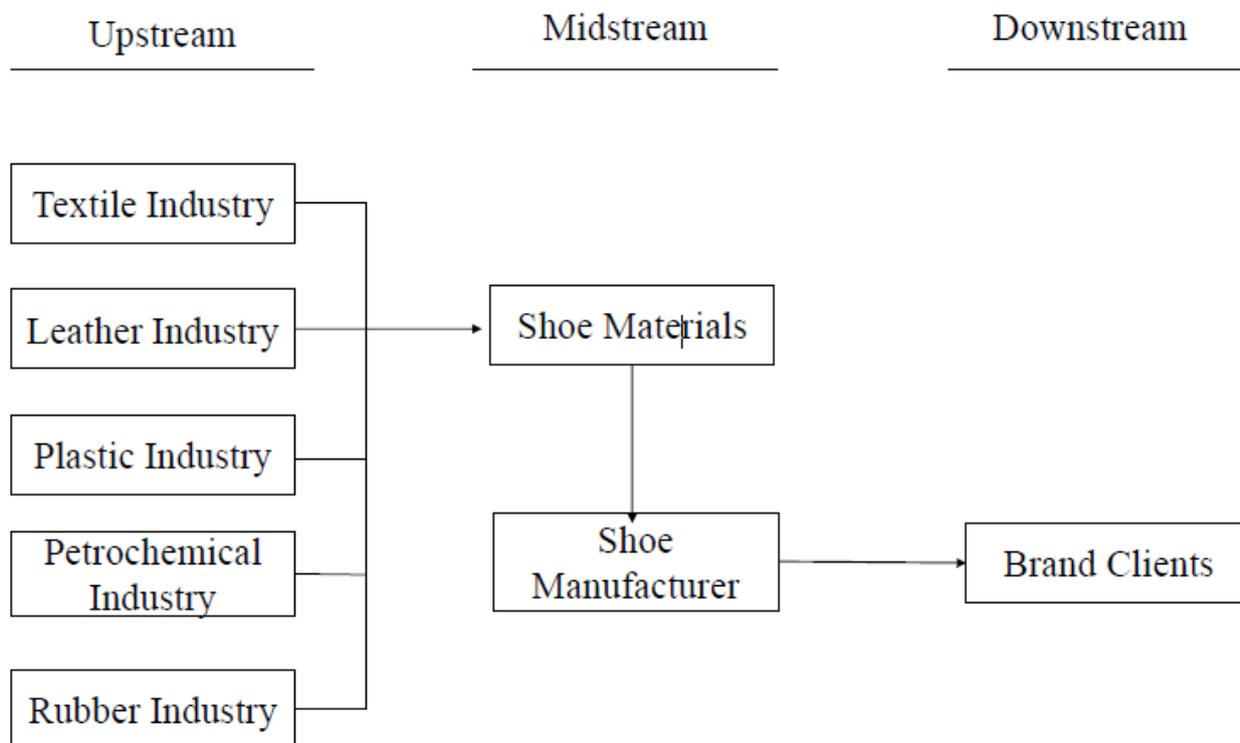
Currently, major brands have begun investing in smart manufacturing factories to enhance their competitiveness. Nike's collaboration with Feng Tay in establishing smart manufacturing plants has successfully reduced labor requirements by 30%. Adidas is accelerating the development of Speedfactory, increasing customized production capabilities through automation technologies. Additionally, Skechers has implemented an intelligent warehouse management system to improve logistics efficiency and reduce inventory costs.

Although the global economy has been negatively affected by the war, the sales market momentum of the shoemaking industry is still sufficient. Since 2021, countries have gradually ushered in the post-epidemic era and modern people's living patterns have changed, causing the global demand for jogging shoes and cycling shoes to continue to increase, and with the continued popularity of fitness activities such as aerobics, swimming, jogging, and yoga, the number of women participating in fitness activities has increased. Sports shoes that are suitable for daily exercise and are beautiful and comfortable to wear have become extremely popular. According to data disclosed by Global Industry Analysts, the global footwear market was USD 409.5 billion in 2022 and is expected to reach USD 725.1 billion by 2032, with a compound annual growth rate of 5.9% from 2023 to 2032. (<https://www.alliedmarketresearch.com/footwear-market>)

The apparel and footwear market is expanding due to the growing popularity of e-commerce platforms such as Amazon and Walmart. To capitalize on this trend, various brands and online retail platforms are offering immersive shopping experiences by deploying sizing tools, virtual fittings, virtual stylists, and more. The integration of technologies such as virtual reality (VR) and augmented reality

(AR), which enable consumers to try on apparel and footwear virtually and reduce return rates, has contributed significantly to the growth of the market. Additionally, the growing trend of sustainability, surging demand for eco-friendly apparel and footwear while reducing the use of critical resources such as water, is expected to drive market growth during the forecast period.

2. Interconnection among upstream, midstream and downstream industries



Upstream mainly supplies raw materials such as textiles, leather, and chemicals. Different parts of shoe materials require different raw materials. Since the shoemaking industry has developed for a long time, the types of shoe materials are very diverse and the market is huge, shoe materials have developed into a specialized application field. Different parts of shoe materials require different raw materials. For example, the soles of sports shoes are made of rubber hot-pressed soles or EVA foam soles, and the uppers are made of synthetic leather, mesh or leather (artificial leather or genuine leather). Footwear manufacturers are responsible for the development of shoe styles and the production of finished shoes. After multiple production processes, the shoe materials are combined into pairs of shoes. Downstream brand factories are responsible for product development and design on their own or jointly with shoe factories, and then entrust the shoe factories to produce them, and then sell them to consumers through channels or agents built by the brand factories themselves.

The Company is a midstream footwear manufacturer. Its main sales customers are major international brand manufacturers. It is a pure OEM manufacturer. In recent years, it has continuously improved its shoemaking technology and production efficiency, and provided exclusive development centers for major brand customers to stabilize customer relationships and establish the Company's good competitive advantages.

3. Various product development trends

- (1) Green industry and environmentally friendly production

In view of the rise in environmental awareness in recent years, many environmental regulations in various countries will also be further enacted to address new environmental issues. This will also include the recycling and reuse of industrial waste, as well as restrictions on the production and use of chemicals. In order to meet the requirements of environmental protection regulations, the shoemaking industry will have to take corresponding measures and develop new technologies and processes. For example, ON, ranked among the world's best sustainable running shoe brands in 2021, launched On Running, which uses recyclable materials (such as bio-based materials such as castor seeds) to create more ergonomic cushioning running shoes, and depreciates to a certain extent. Afterwards, consumers can send back the original packaging envelope for a new one, and after cleaning, disinfection and decomposition, the materials can be used to make new shoes to achieve a sustainable cycle.

(2) Product technology improvement moves towards the development of smart shoes

The sports population around the world is increasing year by year, and most exercise time is concentrated in the early morning and night. The demand for safety shoes is increasing day by day. The main function of sports shoes is to enhance sports performance and reduce sports injuries. The continuous development of shoemaking technology and sports technology allows sports shoes to perform better than ever in terms of protection, shock absorption, anti-slip, comfort, lightweight, elasticity and other functions. The one-piece upper technology not only reduces the material waste produced in general shoe upper cutting, but also eliminates the sewing step, effectively saving the use of manpower, materials, etc., which can reduce the time of developing shoe products and meet consumption pattern of fast fashion society. Smart shoes that combine various technological functions, such as automatically strapping and connecting with running software through mobile APPs can grasp detailed data such as stride length, distance and running shoe life, more closely linking sporting goods with consumers' lives, and establishing products competitive advantage.

(3) Process automation

In the past, the shoemaking industry was limited by the difficulty in standardizing the process, so it mostly relied on manual work. Therefore, it was regarded as a traditional labor-intensive industry and was generally considered to be difficult to automate. However, as labor costs continue to rise and technological development becomes increasingly mature, automation and intelligence in the shoemaking industry have become a development trend. The current Industry 4.0 has opened up a new direction for the shoemaking industry. With the support of smart equipment and innovative shoe materials, the application of technologies such as the Internet of Things, cloud computing and big data, as well as the advancement of operation management, they help to optimize production resources. In the shoe production process, for some processes that are highly repetitive and require accurate movements, if a large number of robotic arms can be used and loaded into the automated control system, the output shoes will have more stable quality and enable the shoe factory to achieve higher production efficiency, more effective factory management, and lower manufacturing costs.

(4) Product competition

The Company manufactures sports shoes and casual shoes for international brands. In order to meet the high standards of international brands for product delivery, quality, price, and service, the Company continues to invest resources in the research and development of core technologies and the improvement of production processes, and continues to accumulate its own R&D strength, actively turning to OEM design and manufacturing. In addition, the Company has dispersed production bases and rich factory management experience. It attaches great importance to and specifically responds to corporate sustainable development issues, thereby maintaining the Company's competitiveness in the shoemaking industry.

### (III) Technology and R&D overview

#### 1. Technical level, research and development of the business operation

The footwear products produced by the Company are world-renowned brands. Since its establishment, the Company has pursued high-efficiency manufacturing and high-quality products through continuous research and development. The research and development projects include the development, application and manufacturing of environmentally friendly materials and new shoe materials, the introduction of manufacturing technology and efficiency improvements, etc. We continue to invest in process automation, improved equipment, refined processes and the development and application of various shoe materials, and are committed to all-round product services in shoemaking technology. Satisfy the needs of brand customers for high-quality products and rapid response to market changes, thereby deepening the cooperative relationship with brand customers and becoming their most solid and closest partner.

#### 2. R&D personnel and their learning experiences

Unit: person; %

Item \ Year	2023		2024		March 2025	
	Number of people	Proportion (%)	Number of people	Proportion (%)	Number of people	Proportion (%)
Above Master's degree	1	0.00	5	0.27	6	0.41
University (including junior college)	813	0.06	929	49.68	839	57.43
High school (inclusive) and below	815	49.91	936	50.05	616	42.16
Total	1,629	100.00	1,870	100.00	1,461	100.00

#### 3. R&D expense invested in each of the past five years

Unit: NTD thousands; %

Item \ Year	2020	2021	2022	2023	2024
R&D expense	517,263	475,613	649,856	618,821	675,200
Operating revenue	25,714,021	19,960,720	31,338,313	28,015,569	37,689,899
R&D expense as a percentage of revenue (%)	2.01	2.38	2.07	2.21	1.79

#### 4. Technologies or products successfully developed in the past five years

Year	Main research and development results
2021	Automatic cutting machine with automatic line marking function Dual-process production of vulcanization and cold lamination uses water washing with no roughening process Automatic insole printing transfer Automatic pulling table Upper sewing technology 5D three-dimensional printing Anton system locking and automatic line stopping device of the lamination machine
2022	The combination of casual shoe process and unmanned transport vehicle Sharing and inheritance of test shoe projects in the development stage Bio-made ink (recycled seaweed) Special automatic button making machine Automatic feeding needle turning machine C Group's brand vulcanized waterproof shoes
2023	Independently developed 3D visual identification system UV robot arm automatic spraying Quality control of automatic line stopping system Fully automatic transfer paper printing machine 3D virtual sample Flocked outsole SCF supercritical foam midsole application Sandal midsole mold for punching holes TPR injection outsole application Small vibration cutting machine
2024	Automatic edge grinding machine Digitally printed edge strips Cooperate with the brand to develop and replace the IP formula of B Group Jogging shoes SCF supercritical EVA foam + Co-molding one-piece outsole innovation D Group's brand lightweight GTX waterproof + thermal insulation cotton Application of D Group's brand supercritical foamed EVA/Pebax + carbon fiber board Independently developed 3D visual identification system automatic quality inspection system - midsole inspection
2025	Addition of N brand, optimization of upper processing workflow, automated midsole plate spraying alignment, continuous printing + automated cutting, and development of new bottom material formulations. UV printing technology applied to HOKA Mafate X footwear model. TEVA – Trailwinder lightweight trail running shoes. TEVA – HYDRATREK amphibious toe-protection sandals Independently developed 3D visual identification system automatic quality inspection system Quality control of automatic line stopping system Warehouse Temperature and Humidity Monitoring and Response System
<b>Taiwan Patents Obtained</b>	
1. Utility Model Patent (M661366) – Bottom Material Feeding System for Roughing Machine	

2. Utility Model Patent (M661710) – Strip Material Conveyor Equipment
3. Invention Patent (I879644) – Automated Spray System and Automated Spray Method

(IV) Long and short term business development plans

1. Short-term business development plan

(1) Marketing strategy

A. Continuously improve products in response to market trends

Continuously improve existing products to comply with market trends, maintain business stability and increase order volume, and solidify the Company's profit foundation.

B. Optimize the development center to increase the number of shapes it can undertake

By improving its research and development capabilities, training professional talents, and working closely with customers to develop models and deepen business trust, the Company actively strives for high unit-price products and then develops new customers.

(2) Production strategy

A. Expand production capacity to cope with growth in order volume

In recent years, it can be seen that the global sports shoe market demand has grown. Faced with the increase in orders from existing customers and the forecast trend of future order growth, the Company will increase production lines, expand the scope of recruitment, and add sewing machines to increase production capacity.

B. Properly adjust and allocate production lines

Considering that human resources and machine equipment configurations of each factory are different, in order to maximize the effectiveness of resources of each factory, the Company properly evaluates the complexity of the order shoe type and customer needs, and arranges the order to the appropriate factory area for production to avoid resource waste, and at the same time, we can balance costs among factories to maintain stable profit growth.

(3) Operations management

A. Promote local material sourcing

Reduce process losses through optimal procurement, continue to promote the procurement of local raw materials and equipment to reduce carbon footprint, and at the same time help disperse the risk of overseas suppliers being affected by unstable factors such as politics or transportation, which will affect the supply situation, and reduce shipping and air transportation and inventory costs.

B. Improve the application of Internet of Things and visual management of computer rooms and factories

By enhancing the use of the Internet of Things to increase automation, and performing predictive maintenance and process improvement and self-optimization, we will provide further efficiency levels, including analyzing

large amounts of data collected from factory floor sensors to ensure real-time availability of manufacturing assets, and providing tools to perform predictive maintenance to minimize equipment downtime.

In terms of visual management of computer rooms and factories, physical graphics and digital displays are used to make it easier to understand the distribution and monitoring status of equipment in each computer room, effectively improving overall maintenance efficiency.

(4) Financial management

On the premise of not affecting profitability, the Company will increase capital or borrow money from banks to meet capital needs in line with business expansion needs.

2. Long-term business development plan

(1) Marketing strategy

A. Set up R&D teams and development centers for major customers

The Company divides dedicated R&D teams and development centers for major customers, and works closely with brand customers from product development to product prototypes to increase response efficiency and meet customer needs. With professional technology, stable strength and rich industrial experience, we provide brand customers with high-quality and innovative footwear products and services, thereby stabilizing the customer base and becoming the core factory for long-term cooperation with international brands to seize market share.

B. Acquire more well-known brand customers to expand global presence

By optimizing the development center, we continuously strengthen existing resources while developing new technologies, continue to improve professionalism, quality and innovation, actively acquire new customers to respond to overall market trends and grasp market share, becoming a leader in sports brand manufacturers.

(2) Production strategy

A. Build new factories to spread risk and increase production capacity

In addition to actively expanding factories in Indonesia, the Company also continues to pay attention to global trends to seek investment and development areas, utilizes the international layout of production bases to face sudden changes in the international situation, expands the Company's operating scale, and timely deploys production capacity of each factory to maximize the Group's benefits.

B. Add spare material suppliers and processing plants

In recent years, global transactions have been tested by epidemics and wars. In the face of supply chain turmoil, and taking into account humanities, geographical location, economic and political factors, the Company will continue to look for raw material suppliers and processing plants that are acceptable to brand customers in order to minimize losses caused by supply chain interruptions.

(3) Operations management

A. Continue to promote sustainable corporate development

The Company will be committed to fulfilling corporate responsibility and sustainable investment concepts, establishing solar roof projects, zero waste landfill projects and green power procurement projects, and at the same time conducting sustainable management of the supply chain, thereby gradually meeting the needs of brand customers and integrating environmental protection performance with orders to meet the needs of brand customers and maintain operational stability.

B. Transforming smart factories through Industry 4.0

By continuously enhancing the application of IoT and big data analytics, we aim to stabilize the production process and increase product yield, further collecting and analyzing reports to reasonably reduce production costs, which are expected to significantly enhance the Company's status and market share. In addition, the software will be designed to be user-friendly and the application system will be based on mobile platforms, which can proactively push messages to increase production efficiency.

(4) Financial management

A. Make full use of financing tools in the capital market to obtain cheaper funds as resources for company operations.

B. Based on the principle of sound financial policies, we use financial management tools to obtain the efficiency of capital utilization and create various added values.

II. Overview of market and sales

(I) Market analysis

1. Sales (provision) regions of main products (services)

Unit: NTD thousands; %

Year Sales Region	2023		2024	
	Sales Amount	Percentage (%)	Sales Amount	Percentage (%)
US	8,455,426	30.18	11,796,849	31.30
Germany	3,981,795	14.21	1,258,358	3.34
Asia	3,945,458	14.08	4,596,951	12.20
China	3,604,461	12.87	1,719,818	4.56
America	3,111,480	11.11	4,234,970	11.24
Europe	1,160,550	4.14	2,188,837	5.81
United Kingdom	889,847	3.18	1,848,863	4.91
Netherlands	655,745	2.34	6,862,117	18.21
Others	2,210,807	7.89	3,183,136	8.43
Total	28,015,569	100.00	37,689,899	100.00

2. Market share

The Company has been deeply involved in the shoemaking industry for more than 30 years, specializing in the production of various vulcanized shoes, sports shoes, cold-fitting shoes, special functions, etc., with professional technology and rich

experience, and is the designated manufacturer of well-known sports brands. The group companies are distributed in Asia regions, including Vietnam, Indonesian, Myanmar and other places.

The Company's main sales regions in 2024 were the United States, Netherlands, Asia, Americas, Europe and United Kingdom, accounting for 31.30%, 18.21%, 12.20%, 11.24%, 5.81% and 4.91% of sales, respectively, with a production volume of approximately 77,457 thousand pairs, and output value of approximately NTD 35 billion.

### 3. Situation and growth of market's future supply and demand

Although the market has been severely impacted by the US-China trade war and the COVID-19 pandemic in recent years, affecting Taiwanese footwear companies' orders, the widespread vaccination in Europe and America and the gradual easing of global pandemic have led to the lifting of restrictions in various countries, accelerating the resumption of outdoor activities and international sports events, thereby restoring consumer market confidence.

In terms of demand, Statista has highlighted that among various shoe categories, sports shoes have the most growth potential. This is mainly due to the trend of sports and health consciousness in recent years, leading to increased consumption of sports-related shoes across all age groups. Additionally, according to Global Industry Analysts, the global sports footwear market is projected to grow at a compound annual growth rate of 4.9% during the analysis period (2020-2027), from USD 71.8 billion in 2020 to USD 100.3 billion in 2027. Among the analyzed market segments, the running shoe sector is expected to grow at a compound annual growth rate of 4.5% during the analysis period, reaching USD 38.4 billion.

In terms of supply, according to World Footwear Yearbook, the total global shoe production in 2020 reached 20.5 billion pairs, a decrease of approximately 18.53% compared to 2019. Of this, 87.6% was manufactured in Asia, with China maintaining its position as the world's largest shoe manufacturing country, alongside India, Vietnam, and Indonesia as the top four shoe manufacturing countries globally. Since the shoemaking industry is a labor-intensive industry, the availability of labor and labor costs are often the most prerequisite considerations for shoemaking manufacturers to invest in setting up factories. The shoemaking industry used to be based in mainland China as its main production base. In recent years, in response to the continued rise in costs and prices of labor, raw materials, land, fuel, etc. in mainland China, the production layout has gradually shifted from mainland China to Vietnam, Indonesia, Cambodia, India, and other regions.

### 4. Competitive niche

#### (1) Professional management team to serve brand customers

The Company has been in the footwear industry for thirty years. The management team has extensive experience and broad knowledge in this field. Through a clear organizational structure and keen market insight, the management efficiently integrates resources across departments, enabling smooth operations from product development, manufacturing, production to sales. The strong rapport and business philosophy among the management team have become the Company's core values. Our accumulated expertise and technical capabilities have made us an indispensable partner for our clients, creating a unique competitive edge.

(2) Equipped with the technical ability to produce GORE-TEX waterproof shoes

We have continually developed diverse shoe manufacturing technologies. Our Vietnam-based factories, Vinh Long and Yih Shuo, are GORE-TEX certified and capable of producing top-quality waterproof and breathable outdoor shoes. Our OEM quality has been consistently recognized by brand clients and consumers. The Group's strong development team will continue to increase automation and advance the development of new shoe models, improving production efficiency.

(3) Stable quality, in line with international brand standards

The Company is dedicated to becoming a world-class professional sports goods manufacturer. We place a strong emphasis on product quality inspection and testing to enhance our competitiveness. Our OEM clients are leading international sports and outdoor leisure brands, boasting top market share and R&D technology. This makes our OEM products highly competitive and growth-oriented in the sports and outdoor shoe market, thereby enhancing our advantage in the footwear OEM industry.

(4) Multi-country production sites support various needs of brand customers

In recent years, the global outdoor leisure trend has continued to gain momentum, and the mid- to long-term growth trend of the industry remains unchanged. In order to meet the demand for mass production orders in the future, the Company has actively expanded overseas production sites, which are expected to create more favorable flexibility for the layout of multiple brands and multiple locations. In recent years, the focus of global production has gradually shifted to Southeast Asia. Indonesia is the largest economy in the Association of Southeast Asian Nations. The Company is actively expanding its factories in Indonesia to effectively disperse political and economic risks in various regions.

(5) Equipped with R&D capabilities and move towards automation

In the past, we have invested significant resources annually in material development and process improvement. Our R&D projects include the development and application of new shoe materials, the introduction and refinement of manufacturing technologies, and the development of various tools to enhance production efficiency, such as direct injection technology for rubber soles, various computerized sewing machines, unmanned automated guided vehicles, robotic automatic gluing arms, and more. By continuously investing in automation, innovative technology, process improvement, and material development, we aim to meet brand clients' demands for high-quality products and rapid market response. This deepens our cooperation with brand clients and consolidates our position in the footwear industry.

5. Advantages, disadvantages and countermeasures of development prospects

(1) Advantages

A. The rise of global sports awareness has led to the rapid development of related industries

The sports industry has been continuously expanding due to economic growth, the popularity of leisure activities, and the promotion by media. The global pandemic has heightened health awareness, making professional sports, outdoor leisure, and indoor fitness trends, thereby increasing the demand for

sports products. With the rise of online fitness and community-oriented sports trends, consumers are exercising in new ways, often outside traditional venues. However, despite exercising at home, people still follow traditional gym workouts. According to the World Federation of the Sporting Goods Industry (WFSGI) report, the average consumer spends approximately \$200–800 annually on sporting goods. Footwear represents the largest segment of the overall sporting goods market, particularly running shoes, basketball shoes, and outdoor footwear.

B. Sports events to stimulate consumption

Since the 20th century, the wave of globalization in sports has emerged, with frequent international sports events like the Olympics and the World Cup, the maturation of professional sports, and the growing popularity of sports health concepts, all contributing to the rapid growth of global sports consumer market. The Company's main products are divided into sports shoes and casual shoes. Sports shoes account for about 70% of the revenue. It is expected that the sports and casual shoes market will grow in the future.

C. Provide customer-specific services and most of the customers are internationally renowned brands

According to data compiled by Sporting Goods Intelligence and Forward Industry Research Institute, in the 2024 global sports shoe market, the top five sports shoe brands (Nike, Adidas, Puma, New Balance, and Skechers) accounted for about 60% of the market share. Nike and Adidas' sports shoe revenue shares globally are 27% and 15%, respectively, indicating their absolute leading positions. The Company primarily manufactures for international brands such as A Group, B Group, D Group, and R Group. We can serve multiple international brands simultaneously, providing diverse high-quality products from large-scale production to customized, diversified production. Our flexible production methods meet different brand client needs. Additionally, we actively set up dedicated R&D teams and development centers for major brand clients, closely cooperating with them from product development to product prototyping. Our professional technical strength and rich industry experience have earned us various supplier-related awards from A Group.

D. Maintain long-term and stable cooperative relationships with customers

The Company primarily undertakes OEM manufacturing for internationally renowned brands. Besides establishing dedicated R&D teams and development centers for brand clients and closely cooperating with them from product development to mass production, we also meet brand clients' needs in production quantities, delivery schedules, multi-country production sites, process improvement, automation (including collaborative equipment development with manufacturers), and production standards (environmental protection and labor issues). With professional technology, stable strength, and rich industry experience, we provide high-quality and innovative shoe products and services to become the core factory for long-term cooperation with brand clients, securing more OEM opportunities.

(2) Disadvantages

A. Gradual increase in labor costs and risk of labor shortages

Our main production base is in Vietnam. In recent years, Vietnam has continuously raised the minimum wage and implemented various rights protections, leading to increasing labor costs for enterprises annually. Although short-term labor costs in Vietnam are expected to remain low, we must pay attention to revenue growth and profit margins in the long term. Additionally, due to the US-China trade war, many enterprises have gradually shifted production capacity to Vietnam due to rising land prices and labor costs in China. The pandemic has also disrupted the production order of Southeast Asian supply chain, causing a tightening local labor supply. Therefore, the Company will face risks of rising labor costs and labor shortages in the future.

#### Countermeasures

- a. To cope with rising labor costs, the Company will continue to improve production line planning, process management, and introduce high-efficiency automated equipment to save labor, increase output efficiency, reduce defect rates, lower production costs, and enhance employee training to improve work efficiency and mitigate the impact of rising labor costs on operating performance.
  - b. Brand customers agree that both parties to the transaction will review labor costs every six months (adjusted according to government regulations), and reflect cost changes in product unit prices to reduce the impact of labor costs on product profits.
  - c. In 2023, the Company established two factories in Indonesia to address rising labor costs and shortage of workers.
- B. Footwear products are being phased out quickly

With the rise of the trend in sports and leisure, more and more consumers prefer multifunctional shoes with fashionable designs. Therefore, international sports brands must continually innovate their products to keep up with the ever-changing preferences of consumers, intensifying competition among manufacturers. If manufacturers cannot promptly respond to market changes, lack the ability to quickly launch new products, or do not have strong R&D capabilities to introduce leading products, they are at high risk of being eliminated from the market.

#### Countermeasures

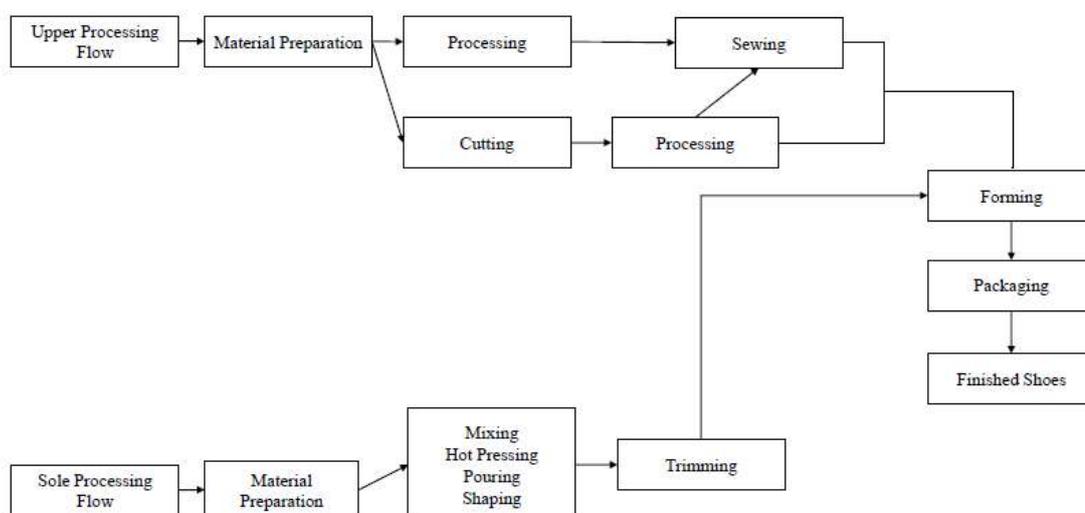
- a. Increasing the number of OEM brands and types of shoes, focusing on high-end, high-value-added shoes, and actively developing both domestic and international well-known brands can help maintain and increase market share in shoe manufacturing, thereby reducing the risk of significant impacts on company operations from reliance on a single downstream brand.
- b. The Company divides dedicated R&D teams and development centers for major customers, and works closely with brand customers from product development to product prototypes to increase response efficiency and meet customer needs. Leveraging professional skills, stable strength, and rich industry experience, we provide high-quality and innovative shoe products and services to brand clients, thereby stabilizing customer sources and becoming a core long-term cooperative factory for international brands.

(II) The main purposes and production process of major products

1. Important uses of major products

Major products	Application
Sports shoes	Mainly suitable for jogging, mountain climbing and other sports activities
Casual shoes	Unlike sports shoes that have the elasticity, support, shock absorption and durability required to engage in sports activities

2. Production process of major products



(III) Supply status of main raw materials

Main raw materials	Main suppliers	Supply status
Cloth	Jia 1, Mao, Si	Good
Leather	Shen, Wu, Chen	Good
Rubber	Chou, Ding 1, Mao	Good
Packaging	You, Xin, Wu 1	Good
Chemicals	Geng 1, Wu, Xin 1	Good

(IV) List of major purchasing and selling customers

- The names of suppliers that have accounted for more than 10% of the total purchase amount in any of the last two years, their purchase amounts and proportions, and the reasons for their increase or decrease.

The Company did not have suppliers that accounted for more than 10% of the total purchases in any of the last two years, so it is not applicable.

- The names of customers who have accounted for more than 10% of total sales in any of the last two years, their sales amounts and proportions, and the reasons for their increase or decrease.

Unit: NTD thousands; %

Item	Alias	2023			2024		
		Amount	Percentage of Annual Net Sales	Relationship with the Issuer	Amount	Percentage of Annual Net Sales	Relationship with the Issuer
1	A Group	16,175,576	57.74	None	22,087,963	58.60	None
2	B Group	5,979,438	21.34	None	6,712,856	17.81	None
3	D Group	3,760,396	13.42	None	8,467,655	22.47	None
4	Others	2,100,159	7.50	None	421,425	1.12	None
	Net sales	28,015,569	100.00		37,689,899	100.00	

Reasons for Changes and Variations: The Company's major sales targets are primarily internationally renowned brand manufacturers. In 2024, sales revenue increased due to easing global inflation and reduced inventory clearance pressure from brand clients. There have been no significant changes in major customers over the past two years, and orders have returned to stability, indicating that the Company maintains stable cooperative relationships with its major customers.

### III. Number of employed employees

Number of employees in the past two years and as of the publication date of the annual report

Unit: person; %

Year		2023	2024	Year to March 31, 2025
Number of employees	Manager	103	91	91
	Direct personnel	45,891	55,640	55,759
	Indirect personnel	9,743	12,583	12,521
	Total	55,737	68,314	68,371
Average age (years)		32.74	28.06	32.14
Average years of service		4.34	2.94	3.68
Educational Qualification Distribution Ratio (%)	PhD	0.00	0.00	0.00
	Master's degree	0.05	0.04	0.04
	College	7.80	7.89	8.00
	High school	33.09	34.99	35.13
	Below high school	59.06	57.08	56.83

### IV. Environmental spending information

- (I) According to the provisions of laws and regulations, those who should apply for a pollution facility establishment license or a pollution discharge license, or should pay pollution prevention and control fees, or should establish a dedicated environmental protection unit, an explanation of their application, payment, or establishment circumstances:

Our subsidiaries in Vietnam, such as Lac Ty, Vinh Long, Lac Ty II, Yih Shuo, and Ty Bach, have all obtained permits for wastewater installation, wastewater discharge, waste discharge, or have entrusted qualified third-party professional agencies for transportation. They have established dedicated environmental units and personnel, and timely paid environmental protection fees for wastewater discharge. The Myanmar subsidiary Tsang Yih has obtained permits for wastewater discharge, solid waste, sludge, hazardous liquid waste, and hazardous solid waste. It has also established a dedicated environmental

protection team and pays the wastewater discharge environmental maintenance fees on schedule. The Indonesian subsidiary Tsang Yih has obtained a wastewater discharge permit and has established a dedicated environmental protection team responsible for wastewater pollution control, wastewater treatment operations, and hazardous waste management.

- (II) List the Company's investment in major equipment for preventing and controlling environmental pollution, their uses and possible benefits

December 31, 2024; Unit: NTD thousands

Equipment name	Quantity	Date Acquired	Investment Cost	Balance before Depreciation	Purpose and Expected Benefits
Wastewater treatment equipment and systems	5	2016/5/31-2019/12/19	9,907	6,647	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	8	2017/11/30-2019/12/5	10,098	7,556	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	12	2010/7/31-2024/3/26	22,910	11,254	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	6	2019/10/31-2021/4/29	18,106	14,562	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	5	2017/3/31-2023/10/16	7,545	5,875	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	12	2014/2/17-2024/5/28	44,460	27,635	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	2	2010/10/6-2015/3/31	2,356	-	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	6	2020/7/1-2024/6/30	9,920	7,964	Industrial wastewater/sewage treatment
Wastewater treatment equipment and systems	1	2024/12/31	8,731	8,731	Industrial wastewater/sewage treatment
Exhaust equipment and systems	7	2018/1/31-2023/3/31	1,006	239	Reduce VOC concentration
Exhaust equipment and systems	133	2004/7/28-2024/4/5	10,834	3,215	Reduce VOC concentration
Exhaust equipment and systems	31	2019/3/13-2023/10/16	2,795	1,180	Reduce VOC concentration
Exhaust equipment and systems	131	2015/1/9-2020/3/2	6,711	201	Reduce VOC concentration
Exhaust equipment and systems	17	2002/3/22-2014/2/28	585	-	Reduce VOC concentration
Exhaust equipment and systems	1	2024/5/18	116	109	Reduce VOC concentration

Note: If the figures in this table involve foreign currencies, they are converted into New Taiwan Dollars at exchange rate on the balance sheet date.

- (III) In the past two years and up to the date of publication of the annual report, the Company has improved environmental pollution, and if there is a pollution dispute incident, it should explain its handling experience:

The Company did not have environmental pollution disputes in the past two years and as of the publication date of the annual report.

- (IV) In the past two years and up to the date of publication of the annual report, the losses suffered by the Company due to environmental pollution (including compensation and environmental protection audit results for violations of environmental regulations should list the date of punishment, the serial number of the punishment, the provisions of the violation of laws and regulations, the content of the violation of laws and regulations, and the punishment content), and disclose the estimated amount and response measures that may occur currently and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: None

- (V) The impact of the current pollution situation and its improvement on the Company's earnings, competitive position, capital expenditures and the expected major environmental protection capital expenditures in the next two years:

The Company and its subsidiaries have no major environmental protection capital expenditure plans in the next two years, which will not have a significant impact on the Company and its subsidiaries' earnings, competitive position and capital expenditures.

## V. Labor relations

- (I) List the Company's various employee welfare measures, further education, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights and interests protection measures

### 1. Employee welfare measures and implementation

The Company cares about and attaches great importance to employee welfare, and has an employee welfare committee to regularly allocate welfare funds. Welfare items include wedding and funeral gifts, birthday gifts, three-festival gifts, travel subsidies and employee dinner subsidies, etc. The reinvested subsidiary also provides clean and hygienic meals and employee dormitories, provides annual employees' health examinations and takes proactive actions to take care of the physical and mental health of local employees. In addition to providing relevant insurance for employees as required by local government regulations, there are annual opportunities for promotion and salary adjustments to reward outstanding performance. Based on the Company's operating performance and individual work performance, year-end bonuses and performance bonuses are also distributed.

### 2. Employee further education and training

The Company spares no effort in talent cultivation, offering a good training and learning environment to develop employees' work skills. According to the Company's operational goals and the needs of each department, we organize diverse training courses and various professional on-the-job training, including new employee training, on-the-job training, labor safety and health education training, professional courses, and various external training courses related to job duties. Additionally, every year, we provide educational training subsidies for employees, allowing them to choose suitable educational courses to develop interests, stimulate potential, and foster personal growth.

### 3. Retirement system

In order to stabilize the post-retirement life of employees, the Company and its subsidiaries have specially formulated retirement management regulations in accordance with the provisions of the Labor Standards Act and the Labor Pension Ordinance. The Company and its subsidiaries comply with local government labor regulations, contributing monthly to the new retirement fund system into employees' individual labor retirement accounts. When employees meet the legal retirement conditions, we assist them in applying for retirement benefits from the government.

4. Agreement between labor and management and various measures to protect employees' rights and interests

The Company follows the Labor Standards Act and labor laws as guiding principles, highly valuing employee rights and feedback. Employees maintain good interactions with the human resources department or senior management, ensuring harmonious labor relations with no significant labor disputes to date.

5. Working environment and employee personal safety protection measures

The Company has established various management regulations, which clearly stipulate employee rights, obligations and welfare items, and regularly reviews and revise welfare contents to safeguard the rights and interests of employees. Our subsidiaries have established labor unions as a communication channel between employees and management. Important matters involving employees are resolved through consensus and cohesion via the union.

- (II) Losses suffered due to labor disputes in the past two years and up to the date of publication of the annual report (including violations of the Labor Standards Act as a result of labor inspections, the date of the punishment, the serial number of the punishment, the violation of legal provisions, the content of the violation, and the content of the punishment), and disclose the estimated amount and response measures that may occur currently and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:

In the past two years and as of the publication date of the annual report, the Company has not suffered any losses due to labor disputes.

## VI. Information security management

- (I) Information security risk management structure:

The Company has set up an Information Department responsible for the information development strategy, information security policy, and management and improvement of information systems. This ensures the confidentiality, integrity, availability, and legality of information assets, avoiding intentional or accidental threats from internal or external sources. Our goal is to continuously improve the information security environment. In 2024, we will establish a dedicated information security unit, with the Group's Chief Information Officer also serving as the Chief Information Security Officer. This role involves recording and reviewing information security incidents, supervised by the Audit Office's annual information cycle, to build a comprehensive information security protection mechanism and enhance employees' good security awareness.

- (II) Information security policy:

1. Confidentiality of information assets: implement data access control, and information must be accessed by authorized personnel.
2. Integrity of information operation management: preventing unauthorized modifications.

3. Ensure the continued operation of information operations.
4. Compliance of information operations: the implementation of information operations complies with relevant legal requirements.

(III) Specific information security management plan:

1. Identify the Group's core businesses and systems, and compile an inventory to establish a regular inventory of information assets.
2. Regularly perform system backup operations, and regularly revise and audit the system.
3. Firewalls are set up on both internal and external networks of the Company to improve hacker attack prevention mechanism
4. Regularly conduct information asset inspections and system abnormality drills to maintain system reliability.
5. Install anti-virus software on computers and prohibit the use of unauthorized software.
6. Employees' accounts, passwords and permissions should be kept and used responsibly and replaced regularly.
7. Regularly conduct publicity works on information security precautions.
8. Establish information security incident management and information security incident reporting procedures.

(IV) Invest resources in information security management:

1. Network hardware equipment such as firewalls, spam filtering, etc.
2. Software systems such as terminal anti-virus software, backup software, etc.
3. Manpower investment: Such as daily system status checks, daily regular backups, information security promotion at least once a year, annual system disaster recovery drills, annual internal audits and CPA audits of the information cycle, etc.
4. Information security manpower: The Chief Information Security Officer and security personnel are responsible for designing the security architecture, maintaining and monitoring security operations, responding to and investigating security incidents, and reviewing and revising security policies. The Chief Information Security Officer regularly reviews the execution and effectiveness of information security management operations and improvements.

If the losses, possible impacts and response measures due to major information security incidents in the last two years and up to the date of publication of the annual report cannot be reasonably estimated, the fact that they cannot be reasonably estimated should be stated: No such situation.

VII. Important contract

Contractual nature	Counterparty	Start and end date of contract	Main content	Restrictions
Manufacturing contract	L Group	November 1, 2021 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	B Group	March 1, 2009 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	B Group	March 1, 2009 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	A Group	October 1, 2008 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	D Group	September 15, 2021 to present	Order receiving, shipping and payment regulations	1. Confidential information shall not be disclosed or used by third parties 2. Production is only permitted in approved factories.
Manufacturing contract	P Group	2023/5/1~2024/5/31	Order receiving, shipping and payment regulations	1. Confidential information must not be disclosed or made available for use by third parties. 2. UNIQLO's parent company Fast Retailing's regulations must be followed and audits accepted.
Manufacturing contract	Q Group	January 23, 2024 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	R Group	September 19, 2024 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	Q Group	December 1, 2024 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties

Manufacturing contract	B Group	July 25, 2024 to present	Order receiving, shipping and payment regulations	Confidential information shall not be disclosed or used by third parties
Lease contract	Zhuo Yih Industrial Co., Ltd.	2024/1/1~2028/12/31	Office rental contract	The annual rent will be adjusted according to the Consumer Price Index growth rate announced by the Executive Yuan
Lease contract	An Le Footwear Co., Ltd.	2021/3/16~2030/4/30	Factory lease contract	None
Lease contract	PT KAWASAN INDUSTRI TERPADU BATANG	2022/2/28~2102/2/28	Indonesian's sub-subsidiary company PT. Yih Quan builds factory on land in Batang Industrial Park	None
Lease contract	ITACO	2024/10/28~2050/8/16	Land Use Rights Lease for Yih Shuo Responsibility Limited Company in Vietnam	None
Plant Buy/Sell Agreement	CÔNG TY TNHH VIỆT NAM JAAN-YIH	Signed on October 28, 2024	Plant purchase for Yih Shuo Responsibility Limited Company in Vietnam	None
Lease contract	Hai-Shan Liability Co., Ltd.	2024/11/28~2060/3/12	Land Use Rights Lease for Lac Ty II Responsibility Limited Company in Vietnam	None
Lease contract	Hai-Shan Liability Co., Ltd.	2024/12/25~2060/3/12	Land Use Rights Lease for Lac Ty II Responsibility Limited Company in Vietnam	None
Buy/Sell Agreement	PT. Perkebunan dan Industri Segajung	Signed on February 14, 2025	The indirect suPT. Yih You</32, acquir	None
Loan contract	Mega Bank	2024/1/26~2025/1/25	Short-term loan contract of USD 15,000,000	None
Loan contract	Mega Bank	2024/1/12~2025/1/25	Short-term loan contract of USD 12,000,000	None
Loan contract	E.Sun Bank	2024/8/27~2025/8/27	Short-term loan contract of USD 45,000,000	None
Loan contract	E.Sun Bank	2024/8/27~2025/8/27	Short-term loan contract of USD 10,000,000	None

Loan contract	Bank SinoPac	2024/11/04~2025/11/30	Short-term loan contract of USD 9,000,000	None
Loan contract	Bank SinoPac	2024/11/20~2025/11/30	Short-term loan contract of USD 8,000,000	None
Loan contract	Bank SinoPac	2024/11/27~2025/11/30	Short-term loan contract of USD 8,000,000	None
Loan contract	Cathay United Bank	2024/12/29~2025/12/29	Short-term loan contract of USD 10,000,000	None
Loan contract	Taipei Fubon Bank	2024/12/05~2025/12/05	Short-term loan contract of USD 30,000,000	None
Loan contract	Taipei Fubon Bank	2024/12/05~2025/12/05	Short-term loan contract of USD 30,000,000	None
Loan contract	Taipei Fubon Bank	2024/12/05~2025/12/05	Short-term loan contract of USD 20,000,000	None
Loan contract	CTBC Bank	2024/11/04~2025/08/31	Short-term loan contract of USD 6,000,000	None
Loan contract	CTBC Bank	2024/09/01~2025/08/31	Short-term loan contract of USD 15,000,000	None
Loan contract	CTBC Bank	2024/09/01~2025/08/31	Short-term loan contract of USD 80,000,000	None
Loan contract	CTBC Bank	2024/09/01~2025/08/31	Short-term loan contract of USD 80,000,000	None
Loan contract	CTBC Bank	2024/09/01~2025/08/31	Short-term loan contract of USD 80,000,000	None

## VI. Review of Financial Status and Financial Performance and Analysis of Risk Events

### I. Financial status

The main reasons for significant changes in assets, liabilities and equity in the last two years and their impact

Unit: NTD thousands; %

Item	Year	2024	2023	Increase (Decrease)	
				Amount	%
Current assets		19,812,057	14,080,021	5,732,036	41
Property, plant and equipment		12,298,149	11,000,155	1,297,994	12
Right-of-use assets		1,200,421	1,258,101	(57,680)	(5)
Intangible assets		11,843	10,046	1,797	18
Other assets		774,623	210,986	563,637	267
Total assets		34,097,093	26,559,309	7,537,784	28
Current liabilities		8,165,100	7,273,732	891,368	12
Non-current liabilities		602,717	559,002	43,715	8
Total liabilities		8,767,817	7,832,734	935,083	12
Share capital		2,494,000	2,200,000	294,000	13
Capital reserve		15,322,516	12,661,753	2,660,763	21
Retained earnings		6,044,030	2,885,712	3,158,318	109
Other equity		539,590	(2,280)	541,870	23,766
Non-controlling interests		929,140	981,390	(52,250)	(5)
Total equity		25,329,276	18,726,575	6,602,701	35

1. If the amount of increase or decrease in the previous and later periods reaches more than 20%, and the amount of change reaches NTD 10,000,000, the main reasons are analyzed as follows:
  - (1) Current assets increased primarily due to sales growth in 2024, resulting in higher accounts receivable and inventory.
  - (2) Other assets increased mainly because JUMBO POWER lost control and was reclassified as investments accounted for using the equity method in 2024.
  - (3) Capital surplus increased primarily due to the premium on common shares issued through cash capital increase before initial listing in 2024.
  - (4) Retained earnings increased mainly because of higher net income resulting from increased sales in 2024.
  - (5) The increase in other equity is primarily due to larger fluctuations in the exchange rates of the US dollar against the New Taiwan dollar and the Vietnamese dong in 2024, resulting in an increase in the exchange difference in the translation of the financial statements of foreign operating institutions.
2. Those with significant impacts should explain future response plans  
The above changes have no significant adverse impact on the Company, and there are no major abnormalities in the Company's overall performance, so there is no need to formulate response plans.

## II. Financial performance

### (I) Financial performance comparison analysis table

Unit: NTD thousands

Item \ Year	2024	2023	Increase (Decrease)	
			Amount	%
Operating revenue	37,689,899	28,015,569	9,674,330	35
Operating cost	30,231,229	24,242,737	5,988,492	25
Gross operating profit	7,458,670	3,772,832	3,685,838	98
Operating expense	2,774,809	2,263,883	510,926	23
Operating income	4,683,861	1,508,949	3,174,912	210
Non-operating income and expense	586,597	365,219	221,378	61
Net profit before tax	5,270,458	1,874,168	3,396,290	181
Income tax expense	1,100,792	564,482	536,310	95
Net profit for this period	4,169,666	1,309,686	2,859,980	218
Other comprehensive gains and losses (net)	543,164	(51,959)	595,123	1,145
Total comprehensive profit and loss for the period	4,712,830	1,257,727	3,455,103	275

If the amount of increase or decrease in the previous and later periods reaches more than 20%, and the amount of change reaches NTD 10,000,000, the main reasons are analyzed and explained as follows:

- (1) Operating revenue and operating costs: Primarily due to easing inflation in Europe and the United States and recovery in the footwear industry in 2024, resulting in synchronized increases in both operating revenue and operating costs.
- (2) Gross profit: Primarily due to increased operating revenue in 2024 and a higher proportion of high-margin product mix, resulting in increased gross profit.
- (3) Operating expenses: Primarily due to increased operating revenue in 2024, resulting in synchronized increases in selling, administrative, and research and development expenses.
- (4) Operating income: Primarily due to easing inflation in Europe and the United States and recovery in the footwear industry in 2024, with increased operating revenue leading to increased operating income.
- (5) Non-Operating Income and Expenses: The increase was mainly due to continuous appreciation of the US dollar in 2024, with the primary transaction currency being the US dollar, resulting in increased foreign exchange gains.
- (6) Profit Before Tax, Income Tax Expense, Net Income, and Total Comprehensive Income: The increase was mainly due to easing inflation in Europe and the United States in 2024 and recovery in the footwear industry, leading to increased operating revenue, which resulted in higher profit before tax, income tax expense, net income, and total comprehensive income.
- (7) Other comprehensive gains and losses (net) are mainly due to larger fluctuations in the exchange rates of the US dollar against the New Taiwan dollar and the Vietnamese dong in 2024, resulting in an increase in the exchange difference in the translation of the financial statements of foreign operating institutions.

(II) Expected sales quantity and its basis

The Company and its subsidiaries have not disclosed future financial forecasts, so they do not plan to disclose expected sales numbers.

(III) Possible impact on the Company's future financial operations and response plans

Our company and its subsidiaries experienced a decline in overall sales revenue in 2023 due to rising inflation in Europe and the United States and decreased consumer purchasing power. However, with global inflation easing and economic recovery, terminal demand for footwear is expected to stabilize, allowing inventory to gradually return to healthy levels. Therefore, our company and its subsidiaries anticipate future sales growth potential, driving the Company's overall consolidated revenue performance. Additionally, our company and its subsidiaries will continue to invest in product automation development, continuously improve product quality, and strengthen cooperative relationships with brand clients to enhance the Company's competitive advantages.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year

Unit: NTD thousands

Accounting items \ Year	2024	2023	Increase or Decrease	
			Amount	Ratio %
Net cash inflow (outflow) from operating activities	(79,270)	2,282,735	(2,362,005)	(103)
Net cash outflow from investing activities	(3,057,114)	(2,167,975)	(889,139)	41
Net cash outflow (inflow) from financing activities	1,545,443	(690,218)	2,235,661	(324)

Data source: Financial statements verified and certified by CPAs

Analysis of changes in cash flow this year:

1. Changes in net cash outflow from operating activities: Mainly due to revenue growth in 2024, an increase in accounts receivable and inventory, resulting in a significant decrease in net cash inflow from operating activities.
2. Changes in net cash outflow from investing activities: Mainly due to JUMBO POWER's loss of control over power in 2024, which was reclassified as investments accounted for using the equity method, resulting in a significant increase in net cash outflow from investing activities.
3. Changes in net cash inflow from financing activities: Mainly due to the cash capital increase through the issuance of common shares before the initial listing in 2024.

(II) Cash liquidity analysis and improvement plan for insufficient liquidity in the next year

Unit: NTD thousands

Opening cash balance (1)	Estimated full-year net cash inflow from operating activities (2)	Estimated full-year cash flow from investing and financing activities (3)	Cash remaining (shortfall) amount (1)+(2)-(3)	Remedies for cash shortfalls	
				Fundraising plan	Financing plan
3,966,034	5,919,865	(4,774,127)	5,111,772	None	None

1. Cash liquidity analysis and liquidity analysis in the next year

- (1) Operating activities: mainly cash inflows generated from operating profits, and net changes in

receivables, inventories, payables, etc.

- (2) Investing and financing activities: Mainly due to changes in the acquisition of property, plant and equipment for production process updates and improvement of production line operational efficiency, increases in short-term financing, and distribution of cash dividends. In addition, the impact of exchange rate changes on cash is summarized here.

2. Improvement plan for insufficient liquidity: there is no expected cash shortage, so it is not applicable.

#### IV. The impact of major capital expenditures on financial operations in recent years:

##### (I) Application status and capital sources of major capital expenditures:

The Company's purchase amounts of fixed assets in 2024 and 2023 were NTD 2,539,651 thousand and NTD 2,523,020 thousand, respectively. This is because the Company continues to expand production capacity in response to market demand conditions.

The following table compares the Company's fixed assets and total asset turnover rates in the past three years, showing that the Company's various turnover rates still maintain a certain level, and the increase in capital expenditure has not adversely affected the Company's financial and business conditions.

Year	2024	2023	2022
Accounting items			
Fixed asset turnover rate	3.24	2.69	3.26
Total asset turnover rate	1.24	1.08	1.28

##### (II) Expected benefits:

After the construction of factory in Indonesia is completed, the Company's production capacity will be increased and the Group's operational scale will be expanded in order to meet the increase in future orders and urgent customer demand. It is expected that future revenue will increase relatively.

#### V. The most recent annual reinvestment policy, the main reasons for its profits or losses, improvement plans and investment plans for the next year

- (I) The Group's reinvestment policy adheres to the company's operational policy and development strategy, focusing primarily on deepening its footwear manufacturing core business, and expanding new factories and production lines in response to growing customer orders. In 2024, on a consolidated basis, the Group's investment profit recognized under the equity method was NT\$1,622 thousand. Future investment plans will continue to follow the principle of long-term investment in the core business, and will be carefully executed in response to changes in the business environment, to ensure the company's long-term stable development.

- (II) Due to capacity constraints that cannot meet future order demands, and considering the need to diversify country risk in production, the Company's board of directors passed resolutions on May 31, 2021, and November 1, 2021, to establish Yihquan and Yihfull factories in Indonesia. Furthermore, on December 24, 2024, the board passed a resolution to establish an additional Ty Bach factory in Indonesia to meet gradually increasing order demands and to further expand production and operational bases in the Indonesian region, helping to maintain closer customer relationships.

#### VI. Risk event analysis

(I) In the most recent year and as of the publication date of the annual report, the impact of interest rates, exchange rate changes, and inflation on the Company's profits and losses and future response measures

1. The impact of interest rate changes on the Company's profits and losses and future response measures

Unit: NTD thousands

Item \ Year	2023		2024	
	Amount	% of Net Sales %	Amount	% of Net Sales %
Interest income	97,373	0.35	108,871	0.29
Interest expense	196,675	0.70	175,198	0.46

The Company's interest income mainly arises from bank deposit interest; interest expenses primarily consist of interest expenses from loans from financial institutions and interest expenses recognized under the effective interest method for lease liabilities. In 2023-2024, the proportions of interest income and interest expenses to the net sales of the respective years were relatively low, at 0.35%, 0.29%, and 0.70%, 0.46%, respectively, indicating that interest rate changes had no significant impact on the Group's operations.

Specific measures in response to interest rate changes:

The Company's capital planning is based on the principle of being conservative and prudent. Safety management is the first priority in capital allocation. Capital investment is mainly short-term deposits and the proportion of interest income is not high. The Company's financial structure is sound. It has borrowed money to meet the working capital requirements for expansion of business scale, and the proportion of interest expenses is not high. The Company and its subsidiaries will raise the required funds based on comprehensive consideration of various funding sources and costs. In the future, the Company will continue to pay close attention to the development of the global economy and adopt hedging tools in a timely manner to avoid the risk of rising interest rates.

2. The impact of exchange rate changes on the Company's profits and losses and future countermeasures

Unit: NTD thousands

Item \ Year	2023	2024
Exchange gain (loss)	457,770	663,082
Proportion of Operating Income (%)	1.63	1.76

The Company's primary import and export transactions are denominated in US dollars. Therefore, the receivables and payables from these transactions can offset each other, creating a natural hedging effect. The Group's foreign exchange gains for 2023-2024 were NT\$457,770 thousand and NT\$663,082 thousand respectively, accounting for 1.63% and 1.76% of net operating revenue. This indicates that the impact of exchange rate fluctuations on the Group's profitability remains limited.

Specific measures in response to exchange rate changes:

(1) Financial personnel collect real-time foreign exchange market information at any time, and provide business units as a reference for quotations based on their judgment of future exchange rate trends.

- (2) The natural hedging method of foreign exchange receipts and payments is adopted, and foreign currency receipts and payments arising from foreign sales and outsourcing are offset to reduce the foreign currency net asset position.
3. The impact of inflation on the Company's profits and losses and future countermeasures

When planning the annual business plan, the Company has taken inflation risks into consideration. In the past, the Company's profits and losses have not been significantly affected by inflation. If inflation leads to an increase in purchase costs, the Company will monitor upstream product price changes and timely reflect them in costs and quotations to reduce the impact of cost changes on the Company's profits and losses.

Specific measures in response to exchange rate changes:

The Company pays attention to market price fluctuations at all times and continues to maintain close and good interactive relationships with suppliers to avoid the adverse impact of inflation on its profits and losses.

- (II) Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivatives transactions, the main reasons for profits or losses, and future countermeasures

1. Based on sound principles and pragmatic business philosophy, the Company does not engage in high-risk or high-leverage investments other than focusing on the Company's business areas.
2. The Company has established procedures such as "Regulations for Lending Funds to Others", "Regulations for Endorsements and Guarantees", and "Regulations for the Management of Acquiring or Disposing of Assets", and handles related operations in accordance with these regulations, thus limiting risks.

- (III) Future R&D plans and estimated R&D expenses

The R&D units of the Company, operated by Lac Ty, Vinh Long, Ty Bach, and Yih Shuo, executed various research and development projects. In 2024, we invested NTD 675,200 thousand in R&D expenses. Besides being responsible for the development of new shoe styles, mold development, and sample trial production testing, the subsidiaries' R&D units also actively pursue technological innovation and process enhancement. Their future R&D plans will focus on modernization of equipment, and prioritize intelligence, energy efficiency, digitization, and automation. This includes the implementation of key process automation and war room systems, with the aim of comprehensively managing and improving the overall efficiency of factory equipment in real-time through digital management methods.

- (IV) The impact of important domestic and foreign policies and legal changes on the Company's financial business and the corresponding measures

The Company executes various business operations in accordance with the laws and relevant policies of the country where it is registered and where it primarily operates, keeping abreast of changes and development trends, responding promptly to market environmental changes, and taking appropriate measures. In the most recent year and as of the publication date of the annual report, there have been no significant changes in domestic and foreign policies and laws that have a significant impact on the Company's financial operations.

- (V) The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and countermeasures

The Company stays attentive to the relevant technology, development, and updates in its industry, rapidly grasps industry trends, continuously enhances production capabilities, evaluates the impact on company operations, and timely adjusts development directions based on technological or industrial changes. In the most recent year and as of the publication date of the

annual report, technological changes and industrial changes have not had a significant impact on the Company's financial operations.

(VI) The impact of changes in corporate image on corporate crisis management and countermeasures

Since its establishment, the Company has maintained a good corporate image, complied with relevant regulations, actively developed new products, and maintained harmonious labor and local relations to uphold an excellent corporate image, with no incidents affecting the corporate image in recent years.

(VII) Expected benefits, possible risks and countermeasures for mergers and acquisitions

To acquire the supercritical foaming technology for midsoles and outsoles and increase competitive advantages, the Company intends to acquire 51% equity of PT Alnu, the Indonesian subsidiary of Advanced Source Industrial Co., Ltd (hereinafter referred to as Advanced), through its wholly-owned subsidiary Everyield. The production items are midsoles and outsoles. PT Alnu is the designated supplier for branded customers. This investment and expansion plan will help the Company to upward integrate the local shoe material supply chain in Indonesia. It is expected to effectively reduce production costs and increase the competitiveness in winning customer orders.

The Company prepared the investment plan evaluation report and investment agreement in accordance with internal procedures and obtained approval as per the authority levels. Following the board of directors' resolution on September 26, 2023, the Indonesian PT Alnu investment project will be implemented. This investment case is a merger and acquisition, and a third-party professional institution was commissioned to issue a price reasonableness opinion. According to the price reasonableness opinion issued by CPA Tu Sheng-Jie of Sheng Jie CPA Firm on September 15, 2023, the investment price is reasonable.

The Company originally planned to make investments in three phases and completed the first phase of investment on December 15, 2023, officially holding 51% equity in Alnu. Due to the joint venture partner's difficulty with capital turnover, after negotiation, the Company proposed to take over the capital increase quota that the joint venture partner was supposed to contribute in 2025. Following approval by the board of directors' resolution on March 6, 2025, the Company's shareholding ratio increased to 66.2%.

The first production building of Alnu commenced equipment procurement and installation, employee recruitment and training in the fourth quarter of 2023, and began mass production in the fourth quarter of 2024. Due to the impact of overall plant depreciation and amortization expenses, the plant's operating profit has not yet turned positive. However, as machine installations are gradually completed and capacity comes online in 2025, this will continue to contribute to Alnu's revenue and profitability.

(VIII) Expected benefits, possible risks and countermeasures of expanding the factory

To meet future order demands, after reaching a consensus with major brand clients and cooperating with clients to diversify production locations to reduce systemic risk, the Company has planned to expand a new contract shoe factory in Indonesia, making it the third Southeast Asian country after Vietnam and Myanmar. The Company formulates the plant expansion plan, investment assessment report and investment assessment form in accordance with internal procedures, and approves them in accordance with the approval authority. After the board of directors passes the resolution, the construction of the Yihquan Indonesia plant and Yihfull Indonesia plant will be carried out.

Although this is the Company's first investment in establishing a new factory in Indonesia, it is being done in response to client demands and following expansion plan assigned by the clients to meet their supply needs. The Company leverages external expert opinions to quickly understand the local investment environment and legal regulations.

The Company plans to invest in the Yihquan factory in Indonesia in two phases according to the mass production progress. The five buildings of the first phase production complex were completed successively from the fourth quarter of 2023 to the second quarter of 2024 and began accepting orders for mass production in July 2024, hoping to leverage rapid line expansion for production and shipment. In 2025, the Company will assess the timing for second phase production building construction based on market conditions, which will benefit the expansion of the Company's production capacity and operational coordination while enhancing the Company's operational scale and competitive capabilities.

In the second half of 2024, the Company met with brand client Adidas. In the short term, Adidas hopes we will find contract manufacturers in Indonesia for production; their mid-term goal is for us to find medium-sized land (approximately 10 hectares) in industrial zones for rapid factory establishment; and their long-term goal is to seek large tracts of land for factory development. In Q4 2024, the Company's Yihfull factory reached an agreement with the brand customer Adidas for the contract manufacturing of footwear. The production has been transferred to the contract manufacturing plant in Q4 2024, with stable shipments expected in 2025. The Company continues to search for suitable large land parcels in Central Java Province, West Java Province, and East Java Province.

Additionally, in December 2024, the Company's board of directors passed a resolution to establish the Ty Bach factory. Land acquisition in the BIP Industrial Zone in Central Java Province is scheduled to be completed in H1 2025. Factory construction is expected to be finished with production commencing in the third quarter of 2026. Full production capacity will be reached by 2028, with an estimated annual production of approximately 10 million pairs.

(IX) Risks faced by purchase or sales concentration and countermeasures

1. Sales of goods

In both 2023 and 2024, the Company and its subsidiaries had sales amounts to a single customer, A Group, exceeding 30% of each year's net sales revenue. This is mainly due to nearly 20 years of cooperation between the Company and A Group, with the quality of products produced by the Company being recognized by brand clients. However, with the growth of A Group's brand clients' performance, their demand for the Company's products increased, leading to sales concentration. In addition to deeply cultivating and maintaining good cooperative relationships with customers, the Company also adjusts the product lines of each factory in response to the trends of global brands, resulting in an increase or decrease in orders for each brand and reducing the Company's risk of concentrating sales to a single customer.

2. Purchase of goods

In the most recent year and as of the publication date of the annual report, the Company and its subsidiaries have not had a single supplier account for more than 30% of the total, so there is no risk of concentration of purchases.

(X) Directors, supervisors or major shareholders holding more than 10% of the shares, the impact, risks and countermeasures of large-scale transfer or replacement of equity on the Company

The Company has not established a supervisor. In the most recent year and as of the publication date of the prospectus, there has been no substantial transfer of equity by directors or major shareholders holding more than 10% of the shares. The Company's operating rights are quite stable.

(XI) The impact, risks and countermeasures of changes in management rights on the Company

As of the publication date of the annual report, the Company has no changes in management rights that would affect its operations.

(XII) For litigation or non-litigation cases, the Company should specify any significant litigation, non-litigation, or administrative disputes that have been definitively ruled or are still pending, involving the Company, its directors, supervisors, general manager, actual responsible persons, shareholders holding more than 10% of the shares, and affiliated companies, where the outcome may significantly impact shareholder rights or the price of securities. The facts of the dispute, the amount involved, the start date of the litigation, the main litigating parties, and the status as of the date of printing the annual report should be disclosed.

1. The Company's litigation, non-litigation or administrative disputes in the past two years and as of the date of publication of the annual report have been adjudicated or are still pending, and if the results may have a significant impact on shareholders' rights and interests or securities prices, their status should be disclosed. Facts in dispute, subject amount, start date of litigation, main parties involved and current handling situation:

Litigation/Non-litigation/Administrative Disputes	Counterparty of Litigation	Cause and Process of Litigation	Impact on the Company's Financial Operations
Project entrustment	Best Sun And Koo Group Co., Ltd	<p>(1) Tsang Yih entrusted Best Sun And Koo Group Co., Ltd. to carry out fire protection projects in 2018. Best Sun And Koo Group Co., Ltd (hereinafter referred to as Best Sun) believed that Tsang Yih had breached the contract, so it filed a lawsuit and requested Tsang Yih to pay USD 39,000 (approximately MMK 59,833,800).</p> <p>(2) On October 11, 2024, the court announced its final judgment, ruling that Tsang Yih must pay the remaining contract balance of USD 39,000 (MMK 59,833,800) and additional service fees of USD 12,090 (MMK 18,548,140), for a total payment obligation of USD 51,096 (MMK 78,381,940). Tsang Yih is not required to pay compensation for damages amounting to MMK 11,757,291.</p> <p>(3) Tsang Yih will make compensation payments after the court determines the payment method as requested by Grand</p>	It will have no significant impact on the Company's finances and business.

		Wisdom. (Exchange rate: MMK 1,534 to USD 1)	
Buying and selling of voltage stabilizer	Best Sun And Koo Group Co., Ltd	(1) Between 2016 and 2017, Tsang Yih purchased voltage stabilizers from Grand Wisdom. However, the stabilizers provided by Grand Wisdom were of poor quality and had incidents of combustion. As a result, Tsang Yih filed a lawsuit against Grand Wisdom seeking damages of USD 193,174 (MMK 280,102,300).  (2) The court has accepted new evidence submitted by Tsang Yih and will notify both parties of the next court date. (Exchange rate: MMK 1,450 to USD 1)	It will have no significant impact on the Company's finances and business.

2. Significant litigation, non-litigation, or administrative dispute cases involving the Company's directors, supervisors, general manager, actual responsible persons, shareholders holding more than 10% of the shares, and affiliated companies in the past two years and up to the date of printing the annual report that may significantly impact shareholder rights or the price of securities: None.
3. The Company's directors, supervisors, managers and major shareholders with a shareholding ratio of more than 10% have occurred in the past two years and as of the date of publication of the annual report, and the circumstances stipulated in Article 157 of the Securities and Exchange Act have occurred and the current handling situation: None.

(XIII) Other important risks and response measures

1. Risks related to the overall economy, political and economic environment, foreign exchange, laws and regulations, and shareholder rights protection:

The Company is registered in the Cayman Islands and has important operating locations in Vietnam, Mainland China, Myanmar and Indonesia. Therefore, changes in the overall economic and political environment and foreign exchange fluctuations in the places of registration and operations will affect the Company's operating conditions. Additionally, the laws of the Cayman Islands, where the Company is registered, differ significantly from those in Taiwan, such as the Company Act. Although the Company has amended its Articles of Association in accordance with "Checklist of Matters for Protecting Shareholder Rights of Foreign Issuers" required by the Taiwan Stock Exchange, there are still many differences in regulatory requirements for company operations between the two jurisdictions. Investors should fully understand and consult experts about the related investment risks.

2. Things for attention regarding the restrictions on foreign securities transactions, tax burdens and payment processing in the country where the foreign issuer is registered and the country where the foreign issuer is listed:

The Company is registered in the British Cayman Islands as an exempted company and has no actual operating activities there. The Company Act of the Cayman Islands currently does not restrict or prohibit foreigners from holding or trading the securities of exempted companies. According to the current laws of the Cayman Islands, apart from personal income tax for certain expatriate workers, the Cayman Islands government does not impose direct taxes such as capital gains tax, corporate income tax, property tax, or inheritance tax. In summary, the securities raised and issued by the Company should not have any restrictions on securities transactions, tax burdens and payment processing issues in the country of registration.

3. Risks related to the statements made in this annual report:

A. Facts and statistics

Certain external information and external statistical information in this annual report are obtained from different statistical publications, but such information may not be accurate, complete or up-to-date. The Company does not make any statement regarding the authenticity or accuracy of such statements, and investors should not rely unduly on such external information to make investment judgments.

B. Forward-looking statements and risks and uncertainties contained in this annual report

This annual report contains certain forward-looking statements and information about the Company and its related companies. Such statements and information are based on the beliefs, assumptions and information currently available to the Company's management. In this annual report, the terms "anticipate", "believe", "can", "expect", "future", "intend", "may", "must", "plan", "estimate", "seek", "should", "will", "possible", "hope", and similar expressions, when used in reference to the Company or the Company's management, indicate forward-looking statements. Such statements reflect the current views of the Company's management with respect to future events, operations, liquidity and funding sources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including other risk factors described in this disclosure statement. Investors should consider carefully and rely on any forward-looking statements that involve known and unknown risks and uncertainties. The risks and uncertainties faced by the Company may affect the accuracy of forward-looking statements, including but not limited to the following aspects:

(A) This annual report 2. Explanation of operating overview.

(B) Certain statements in this annual report regarding price, volume, operations, profit trends, overall market trends, risk management and exchange rates.

The Company will not update the forward-looking statements in this annual report or revise them in response to future events or information. In view of these and other risks, uncertainties and assumptions, the forward-looking statements and circumstances in this annual report may not occur in the way the Company anticipates, or may even occur. Accordingly, investors should not rely on any forward-looking statements.

VII. Other important matters: None

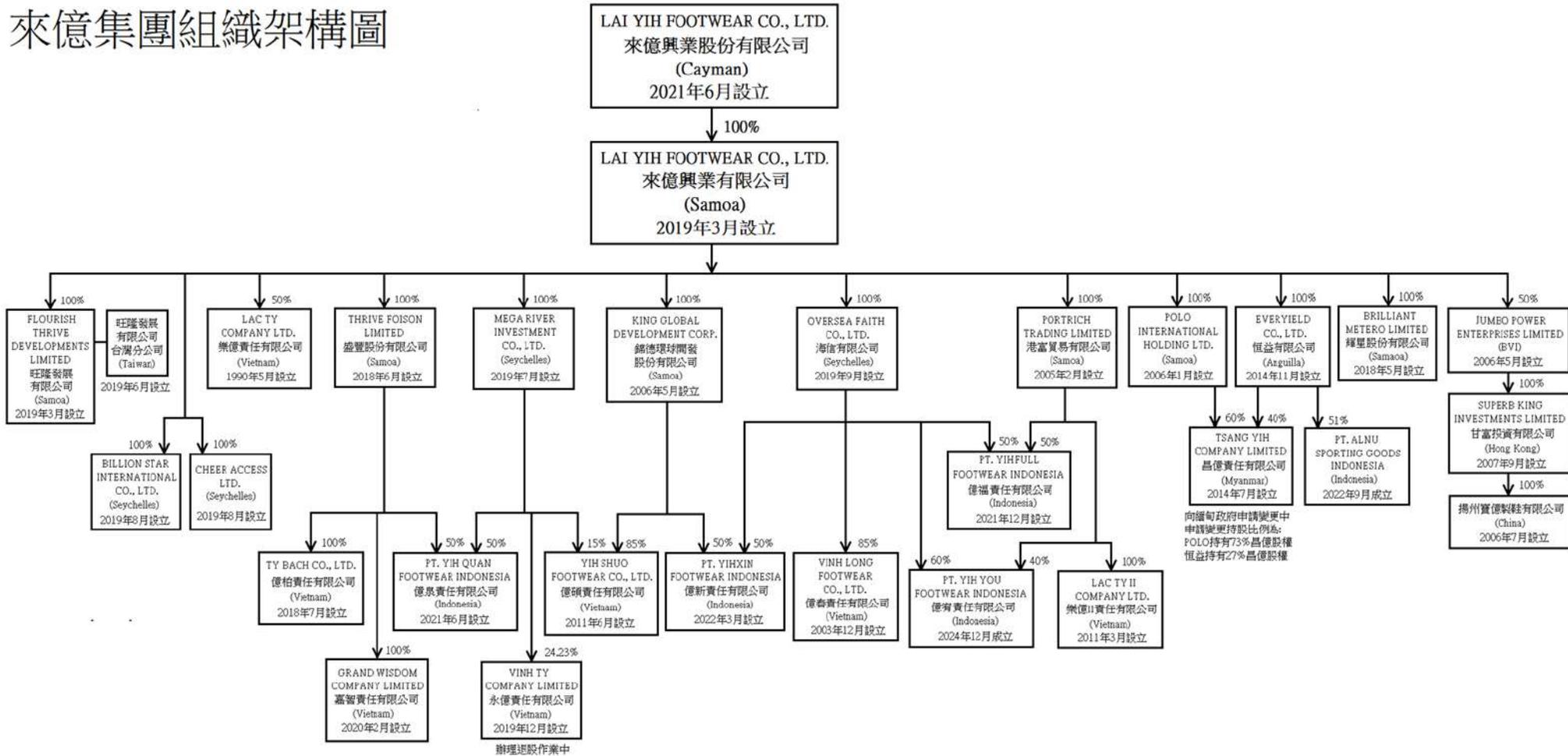
## VII. Special Recorded Matters

### I. Information on related companies

#### (I) Business relationship diagram

Date: December 31, 2024

### 來億集團組織架構圖



## (II) Basic information of each related enterprise

Date: December 31, 2024; Unit: Capital amount is in USD thousands

Company name	Date of establishment	Place of registration	Paid-in capital	Main business
Lai Yih Footwear Co., Ltd.	2019/3/8	Samoa	157,300	General investments.
Flourish Thrive Developments Limited	2019/3/8	Samoa	1,000	General investments.
Flourish Thrive Developments Limited Taiwan Branch	2019/6/17	Republic of China	-	Mainly responsible for receiving orders from the Group.
Cheer Access Ltd.	2019/8/7	Seychelles	1,000	Mainly engaged in general investments and responsible for overseas purchasing for non A Group in Vietnam.
Billion Star International Co., Ltd.	2019/8/2	Seychelles	1,000	Mainly responsible for general investments and overseas procurement for A Group in Vietnam.
Portrich Trading Limited	2005/2/8	Samoa	137,000	General investments.
Oversea Faith Co., Ltd.	2019/9/9	Seychelles	86,520	General investments.
King Global Development Corp.	2006/5/23	Samoa	60,760	General investments.
Mega River Investment Co., Ltd.	2019/7/3	Seychelles	61,800	General investments.
Thrive Foison Limited	2018/6/21	Samoa	170,500	General investments.
Brilliant Metero Limited	2018/5/18	Samoa	1,095	General investments.
Polo International Holding Ltd.	2006/1/5	Samoa	69,850	Mainly responsible for general investments and overseas procurement for A Group in Myanmar.
Everyield Co., Ltd.	2014/11/28	Anguilla	36,550	General investments.
Lacty Company Limited	1990/5/2	Vietnam	2,945	Mainly affiliated to A Group's sports shoe OEM production base in Vietnam.
Lacty II Company Limited	2011/3/14	Vietnam	130,000	It is mainly an OEM production base for

Company name	Date of establishment	Place of registration	Paid-in capital	Main business
				branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yihfull Footwear Indonesia	2021/12/16	Indonesia	10,000	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Vinh Long Footwear Co., Ltd.	2003/12/31	Vietnam	101,453	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yihxin Footwear Indonesia	2022/3/2	Indonesia	70	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Yih Shuo Footwear Co., Ltd.	2011/6/28	Vietnam	77,430	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yih Quan Footwear Indonesia	2021/6/28	Indonesia	95,000	It is an Indonesian OEM production base for branded

Company name	Date of establishment	Place of registration	Paid-in capital	Main business
				sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Ty Bach Company Limited	2018/7/20	Vietnam	100,000	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Grand Wisdom Company Limited	2020/2/21	Vietnam	26,000	It is mainly an OEM production base for branded sports shoes in Vietnam. Its main business items are the manufacturing, processing and trading of sporting goods.
Tsang Yih Company Limited	2014/7/1	Myanmar	132,025	It is an OEM production base for branded sports shoes in Myanmar. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Alnu Sporting Goods Indonesia	2022/9/5	Indonesia	5,000	It is an Indonesian OEM production base for branded sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.
Pt. Yih You Footwear Indonesia	2024/12/12	Indonesia	15,000	It is an Indonesian OEM production base for branded

Company name	Date of establishment	Place of registration	Paid-in capital	Main business
				sports shoes. Its main business items are the manufacturing, processing and trading of sporting goods.

(III) Those who are presumed to have a relationship of control and subordination, and have the same shareholder information: Not applicable.

(IV) The industries covered by overall business operations of the relevant enterprises:

1. Main industry: production, sales and reinvestment of various footwear related businesses.
2. Others: distribution and agency business, etc. For the main business or production items of each affiliated enterprise, please refer to (2) and basic information of each affiliated enterprise for more details.

(V) Information on directors, supervisors and general managers of related companies

Date: March 29, 2025

Company name	Position	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Lai Yih Footwear Co.,Ltd.	Chairman	Chung, Te-Li	-	-
Flourish Thrive Developments Limited	Director	Chung, Te-Li	-	-
Flourish Thrive Developments Limited Taiwan Branch	-	-	-	-
Cheer Access Ltd.	Director	Chung, Te-Li	-	-
Billion Star International Co., Ltd.	Director	Chung, Te-Li	-	-
Portrich Trading Limited	Director	Chung, Te-Li	-	-
	Director	Lin, Chang-Yung	-	-
Oversea Faith Co., Ltd.	Director	Chung, Te-Li	-	-
King Global Development Corp.	Director	Chung, Te-Li	-	-
Mega River Investment Co., Ltd.	Director	Chung, Te-Li	-	-
Thrive Foison Limited	Director	Chung, Te-Li	-	-
Brilliant Metero Limited	Director	Chung, Te-Li	-	-
Polo International Holding Ltd.	Director	Chung, Te-Li	-	-
Everyield Co., Ltd.	Director	Chung, Te-Li	-	-
Jumbo Power Enterprises Limited	Director	Chung, Te-Li	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Lin, Wang-Chien	-	-
	Director	Chen Yu-Chun	-	-
Superb King Investments Limited	Director	Chung, Te-Li	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Lin, Wang-Chien	-	-
	Director	Chen Yu-Chun	-	-

Company name	Position	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Lacty Company Limited	Chairman	Chou Hui-Chin	-	-
	Vice chairman	Chung, Te-Li	-	-
	Director	Lin, Chang-Yung	-	-
	Director	Li Shih Ming Hsien	-	-
Lacty II Company Limited	Chairman	Chung, Te-Li	-	-
	Vice chairman	Lin, Chang-Yung	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Chung, Chen-Chia	-	-
	Director	Lin, Chun-Hsing	-	-
Pt. Yihfull Footwear Indonesia	Director	Lin, Chang-Yung	-	-
	Supervisor	Hsu, Sung-Chu	-	-
Vinh Long Footwear Co., Ltd.	Chairman	Chung, Te-Li	-	-
	Vice chairman	Chou Hui-Chin	-	-
	Director	Lin, Chang-Yung	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Hsiung Li-Chin	-	-
	Director	Chung, Chen-Chia	-	-
	Director	Li Yueh-Hsiung	-	-
Pt. Yihxin Footwear Indonesia	Executive director	Hsu, Sung-Chu	-	-
	Director	Chung, Te-Li	-	-
	Supervisor	Lin, Chang-Yung	-	-
Yih Shuo Footwear Co., Ltd.	Chairman	Chung, Te-Li	-	-
	Director	Lin, Chang-Yung	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Chung, Chen-Chia	-	-
Pt. Yih quan Footwear Indonesia	Executive director	Chung, Te-Li	-	-
	Supervisor	Lin, Chang-Yung	-	-
Ty Bach Company Limited	Chairman	Chung, Te-Li	-	-
	Vice chairman	Lin, Chang-Yung	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Chung, Chen-Chia	-	-
	Director	Lin, Chun-Hsing	-	-
Grand Wisdom Company Limited	Chairman	Chung, Te-Li	-	-
	Vice	Lin, Chang-Yung	-	-

Company name	Position	Name or representative	Shares held	
			Number of shares	Shareholding ratio
	chairman			
	Director	Hsu, Sung-Chu	-	-
	Director	Chung, Chen-Chia	-	-
	Director	Lin, Chun-Hsing	-	-
Tsang Yih Company Limited	Director	Meng Hsiang-Tao	-	-
	Director	Liao Jung-Ta	-	-
Yangzhou Baoyi Shoe Manufacturer Company Limited	Chairman	Chung, Te-Li	-	-
	Director	Lin, Chang-Yung	-	-
	Director	Chen Yu-Chun	-	-
	Director	Shih Chih-Hung	-	-
	Director	Hsu, Sung-Chu	-	-
	Director	Lin, Wang-Chien	-	-
	Supervisor	Su, Chao-Ho	-	-
	Supervisor	Hsiao Pei-Fen	-	-
Pt. Alnu Sporting Goods Indonesia	Chairman	Hsu, Sung-Chu	-	-
	Director	Lin, Chang-Yung	-	-
	Director	Oka Bagus Panuntun	-	-
	Chief Supervisor	Chung, Chen-Chia	-	-
	Supervisor	Su Chi-Ming	-	-
Pt. Yih You Footwear Indonesia	Chairman	Lin, Chang-Yung	-	-
	Director	Chung, Te-Li	-	-
	Supervisor	Hsu, Sung-Chu	-	-

(VI) Overview of the operations of each related enterprise

Date: January 1 to December 31, 2024

Unit: Except for the capital amount which is USD thousands, the rest is in NTD thousands

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit and loss for the current period (after tax)
Lai Yih Footwear Co., Ltd.	157,300	27,300,314	6,346,749	20,953,565	-	(102,757)	3,995,625
Flourish Thrive Developments Limited	1,000	12,648,987	9,142,384	3,506,603	43,028,446	2,794,608	2,271,078
Cheer Access Ltd.	1,000	685,055	645,882	39,173	3,670,993	(58)	2,794
Billion Star International Co., Ltd	1,000	329,043	290,472	38,571	1,542,438	(59)	2,568
Portrich Trading Limited	137,000	5,102,963	-	5,102,963	-	(198)	520,379

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Profit and loss for the current period (after tax)
Oversea Faith Co., Ltd.	86,520	5,144,229	-	5,144,229	-	(78)	1,004,102
King Global Development Corp.	60,760	2,430,160	-	2,430,160	-	(233)	599,553
Mega River Investment Co., Ltd.	61,800	1,876,392	163,925	1,712,467	-	(244)	(65,382)
Thrive Foison Limited	170,500	5,556,214	626,194	4,930,020	-	(66)	(68,456)
Brilliant Metro Limited	1,095	564	-	564	-	(29)	(29)
Polo International Holding Ltd.	69,850	2,678,335	877,041	1,801,294	1,857,836	(147,485)	(215,879)
Everyield Co., Ltd.	36,550	665,264	-	665,264	-	(68)	(36,075)
Lacty Company Limited	2,945	672,485	480,932	191,553	1,379,072	248,146	189,944
Lacty II Company Limited	130,000	6,168,691	1,747,868	4,420,823	10,503,231	509,098	510,425
Pt. Yihfull Footwear Indonesia	10,000	312,450	4,078	308,372	3,207	(8,891)	4,419
Pt. Yih You Footwear Indonesia	15,000	491,472	82	491,390	-	(54)	(47)
Vinh Long Footwear Co., Ltd.	101,453	6,277,509	1,094,005	5,183,504	13,169,434	1,281,563	1,178,825
Pt. Yihxin Footwear Indonesia	70	943	14	929	-	(353)	(289)
Yih Shuo Footwear Co., Ltd.	77,430	3,391,370	1,039,898	2,351,472	4,933,807	687,395	688,192
Pt. Yih Quan Footwear Indonesia	95,000	3,721,660	1,118,319	2,603,341	237,444	(330,851)	(338,747)
Ty Bach Company Limited	100,000	4,629,093	2,250,047	2,379,046	3,792,088	91,375	82,217
Grand Wisdom Company Limited	26,000	1,010,451	230,073	780,378	656,774	11,851	8,909
Tsang Yih Company Limited	132,025	2,350,632	158,032	2,192,600	772,061	(268,107)	(97,061)
Pt. Alnu Sporting Goods Indonesia	5,000	202,369	72,385	129,984	9,611	(21,252)	(18,776)

(VII) Consolidated financial business statements of related enterprises: the same as the consolidated financial statements, please refer to pages 146 to 218.

II. The handling of private placement securities in the most recent year and as of the date of publication of the annual report: No such situation.

III. Other necessary supplementary explanations: None.

**VIII. In the most recent year and as of the date of publication of the annual report, events that have a significant impact on shareholders' equity or securities prices as stipulated in Article 36, Paragraph 2, subparagraph 2 of the Securities and Exchange Act have occurred: None.**

**IX. Major differences from our country's regulations on the protection of shareholders' rights and interests**

The Company has amended its Articles of Association according to "Checklist of Major Issues Regarding the Protection of Shareholders' Rights for Foreign Issuers in Their Jurisdiction of Incorporation" (hereinafter referred to as "Checklist of Shareholders' Rights Protection") announced by the Taiwan Stock Exchange Corporation on May 2, 2024. However, due to slight inconsistencies between Cayman Islands laws and Taiwan laws, some of the major issues regarding the protection of shareholders' rights listed in the Checklist of Shareholders' Rights Protection are not necessarily applicable to the Company. The following table explains the differences between the Company's currently effective Articles of Association (hereinafter referred to as the "Articles") and the Checklist of Shareholders' Rights Protection due to the provisions of Cayman Islands laws, as well as the provisions of the Articles.

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
<p>1. A company shall not cancel its shares unless it reduces its capital in accordance with the resolution of the shareholders' meeting; when reducing its capital, it shall be reduced in proportion to the shares held by the shareholders.</p> <p>2. When a company reduces its capital, it may return its shares with asset other than cash; the asset returned and the amount of the offset</p>	<p>1. According to the provisions of Article 14 of the Cayman Companies Act, the reduction of share capital (Reduction of Share Capital) must be approved by the Court in addition to passing a special resolution of the shareholders' meeting to take effect.</p> <p>2. According to the Cayman Companies Act, a company may cancel its shares under the following circumstances:</p>	<p>The capital reduction procedure stipulated in Article 24(b) of the Company's Articles of Association has not been revised. This is because the capital reduction (Reduction of Share Capital) stipulated in Article 14 of the Cayman Companies Act does not take effect except through a special approval by the shareholders' meeting. In addition to passing the resolution, it must be approved by the Court. The provisions of the Cayman Companies Act are mandatory and all companies registered in the Cayman Islands must comply with them. Therefore, Article 24(b) of this Article has not been amended.</p> <p>However, to simultaneously comply with Cayman Islands laws and Taiwan laws, the Company has accordingly amended Articles 16(a), 16(b), and 16(c) of the</p>

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
<p>shall be subject to a resolution of the shareholders' meeting and the consent of the shareholder who received the asset.</p> <p>3. The value of the property mentioned in the preceding paragraph and the amount of offset shall be submitted by the board of directors to the ROC CPAs for verification and certification before the shareholders' meeting.</p>	<p>(1) Capital reduction through a special resolution of the shareholders' meeting and approved by the Cayman Court;</p> <p>(2) The Company repurchases its shares in accordance with its Articles of Association, and it is not a situation where the Company holds treasury shares.</p>	<p>Articles of Association. Even without obtaining approval from the Cayman Islands Court, the Company may still achieve the effect of capital reduction by repurchasing and canceling its shares. Additionally, the types of refunding capital and the methods of verification, valuation, and offsetting amounts have been stipulated according to the contents of this checklist. This difference has been disclosed in the prospectus, so the impact on shareholders' rights should be limited.</p>
<p>A company may not issue bearer shares. Companies that adopt par value shares shall not convert them to no-par value shares; those that adopt no-par value shares shall also not convert them to par value shares.</p>	<p>According to the Cayman Companies Act, the Company shall not issue any further bearer shares after May 13, 2016, and the previously issued bearer shares must be converted into registered shares before July 13, 2016.</p>	<p>According to the Company's Memorandum and Articles of Incorporation, the Company may only issue par value shares and has not adopted no-par value shares. Therefore, the Articles of Incorporation only include provisions related to the issuance of "par value shares" and do not contain provisions regarding the issuance of "no-par value shares."</p>
<p>The company shall convene a shareholders' meeting within the territory of the Republic of China. If a shareholders' meeting is convened outside the Republic of China, the stock exchange must be submitted for approval within two days after the board of directors resolves or the shareholders obtain the convening permission from the competent authority.</p>	<p>According to Article 61 of the Cayman Companies Act, if there are no special provisions in the Articles of Association, three shareholders have the right to convene a shareholders' meeting.</p>	<p>According to Article 32 of the Company's Articles of Association, if the board of directors fails to convene a shareholders' meeting at the request of the minority shareholders, the minority shareholders may directly convene the meeting without first seeking permission from the competent authority. According to the provisions of this Article, minority shareholders do not need to obtain permission from the competent authority in advance to convene a shareholders' meeting. Therefore, if a shareholders' meeting is convened overseas, it is not necessary to obtain the convening permission from the competent authority before reporting to the stock exchange for approval.</p> <p>The reason why this Article has not been amended is that for shareholders of a</p>

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
		company to convene a shareholders' meeting on their own, the Cayman Company Act does not give any competent authority the authority to convene a shareholders' meeting for minority shareholders. According to the amended Articles of Association, minority shareholders still have the authority to convene shareholders' meetings, so the impact of this difference on shareholders' rights should be limited.
<p>If a shareholder continues for more than one year and holds more than 3% of the total issued shares, he or she may record the proposed matters and reasons in writing and request the board of directors to convene an extraordinary meeting of shareholders. If the board of directors fails to notify the convenor within fifteen days after the request is made, the shareholders may convene the meeting on their own with the permission of the competent authority.</p>	<p>According to Article 61 of the Cayman Companies Act, if there are no special provisions in the Articles of Association, three shareholders have the right to convene a shareholders' meeting.</p>	<p>Article 32 of the Company's Articles of Association stipulates that if the board of directors fails to convene a shareholders' meeting at the request of the minority shareholders, the minority shareholders may directly convene the meeting without first seeking permission from the competent authority. The reason why this Article has not been amended is that for shareholders of a company to convene a shareholders' meeting on their own, the Cayman Company Act does not give any competent authority the authority to convene a shareholders' meeting for minority shareholders. According to the amended Articles of Association, minority shareholders still have the authority to convene shareholders' meetings, so the impact of this difference on shareholders' rights should be limited.</p>
<p>When a company exercises its voting rights in writing or electronically, the method of exercise shall be stated in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, the provisional motions and amendments to the</p>	<p>According to Cayman Laws, shareholders may vote in person or by appointing a proxy on their behalf. Shareholders may also pass resolutions in writing. Under Cayman Laws, a "written vote" or "electronic vote" is equivalent to a designated proxy.</p>	<p>Article 54(a) of the Company's Articles of Association stipulates that when shareholders exercise their voting rights in writing or electronically, they are deemed to have designated the stock affairs agent recognized by the Financial Supervisory Commission or the chairman of the shareholders' meeting as their proxy. This is different from the provisions of our country's laws. This is because according to Cayman Laws, a shareholder's "written vote" or "electronic vote" is equivalent to a designated proxy. As the aforementioned Cayman Companies Act provisions are mandatory, all companies registered in the Cayman Islands must comply with them. This difference has been disclosed in the</p>

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
original motions of the shareholders' meeting will be deemed to have abstained from voting.		annual report, thus the impact on shareholders' rights should be limited.
<ol style="list-style-type: none"> <li>1. The Company's Articles of Association may stipulate that the distribution of profits or appropriation of losses shall be made after the end of each quarter or half a fiscal year.</li> <li>2. Proposals for distribution profits or appropriation of losses for the first three quarters or the first half of the fiscal year of the Company should be submitted to the audit committee for review together with the business report and financial statements before being submitted to the board of directors for resolution.</li> <li>3. When a company distributes surplus in accordance with the provisions of the preceding paragraph, it shall first estimate and retain tax payable, make up for losses in accordance with the law, and set aside statutory surplus reserve. However, this does not apply when the statutory surplus reserve reaches the amount of paid-in capital.</li> <li>4. When the Company</li> </ol>	Cayman Companies Act does not have relevant regulations on the time and procedures for profit distribution or loss appropriation.	According to Article 44 of the Articles of Association, the Company distributes dividends or covers losses only at the end of each fiscal year, so there is no provision for interim dividend distribution or loss coverage in the Articles.

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
<p>distributes dividends by issuing new shares according to the second item, it requires the presence of shareholders representing more than two-thirds of the total issued shares, with the approval of a majority of the voting rights of the shareholders present. If the total number of shares of the shareholders present is insufficient, the presence of shareholders representing more than half of the total issued shares, with the approval of two-thirds of the voting rights of the shareholders present is required; for cash distribution, it should be decided by the board of directors.</p> <p>5. When the Company distributes dividends or covers losses according to the previous four items, it should be based on the financial statements audited or reviewed by CPAs.</p>		
<p>If the convening procedure or resolution method of the shareholders' meeting violates the law or the Articles of Association, shareholders may request the Court to revoke the resolution, and the</p>	<p>According to Cayman Laws, any change or revocation of a shareholders' meeting resolution should be resolved by a new shareholders' meeting. There is no relevant regulation in the Cayman</p>	<p>Although the Company's Articles of Association contain similar provisions in Article 46, the provisions are slightly different from Taiwan Company Act. This is because the following important matters concerning the protection of shareholders' rights are statutory rights of revocation, and their legal effects cannot be achieved by provisions of the Articles of Association;</p>

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
<p>Taiwan Taipei District Court may be the Court of first instance.</p>	<p>Companies Act that shareholders can apply to the Court to revoke the resolution of the shareholders' meeting.</p>	<p>there must be legal provisions granting shareholders the right of revocation. Although Article 46 of the Company's Articles of Association differs slightly from the following important provisions for the protection of shareholders' rights, when the convening procedure or resolution method of the shareholders' meeting violates the law or the Articles of Association, the Company's Articles do not restrict shareholders' rights to file lawsuits or seek remedies in the Court. Whether the Court (whether in our country or the Cayman Islands) will revoke the shareholders' meeting resolution for violating the law or the Company's Articles should be determined by the Court based on the applicable law granting shareholders the right of revocation, and judged according to its discretion. These differences arise from the nature of shareholders' rights of revocation, and the Company's Articles do not restrict shareholders' rights to file lawsuits or seek remedies in the Court.</p>
<p>The following proposals involving significant shareholder rights should be attended by shareholders representing more than two-thirds of the total issued shares, with the approval of a majority of the voting rights of the shareholders present. If the total number of shares of the shareholders present is insufficient, the presence of shareholders representing more than half of the total issued shares, with the approval of two-thirds of the voting rights of the shareholders present is required:</p> <p>1. A company entering</p>	<ol style="list-style-type: none"> <li>1. A special resolution, as defined by Section 60 of the Cayman Companies Act, means a resolution approved by at least two-thirds of the shareholders holding at least a majority of the Company's issued shares with voting rights who are present in person or by proxy (if allowed) at a meeting duly notified that the resolution will be approved as a special resolution.</li> <li>2. According to the Cayman Companies Act, matters requiring special resolution include:</li> </ol>	<p>According to Articles 33 and 35 of the Company's Articles of Association, resolutions regarding (1) amendments to the articles, (2) mergers, and (3) voluntary dissolution not due to the Company's inability to pay its debts as they fall due, must be approved by at least two-thirds of the shareholders holding at least a majority of the issued shares with voting rights who are present in person or by proxy (if allowed) (i.e., a special resolution as defined by the Cayman Companies Act). The Articles do not provide for "the resolution to be approved by the presence of shareholders representing more than half of the total issued shares, with the approval of at least two-thirds of the voting rights of the shareholders present". This is because the resolution thresholds set by the Cayman Companies Act for amendments to the articles, mergers, and voluntary dissolution not due to the Company's inability to pay its debts are mandatory provisions that all companies registered in the Cayman</p>

Difference items	Explanation of Cayman Islands legislation	Provisions and explanations of Articles of Association
<p>into, amending, or terminating contracts concerning the lease of all business, entrusting management, or regular joint operation with others; transferring all or a substantial part of the business or assets; acquiring all business or assets of others that significantly impact the Company's operations.</p> <p>2. Amend the Articles of Association</p> <p>3. If any change in the Articles of Association damages the rights of shareholders of special shares, it must be resolved by a meeting of special shareholders.</p> <p>4. Distributing all or part of dividends by issuing new shares</p> <p>5. Resolution on dissolution, merger or division</p> <p>6. Share conversion</p>	<p>(1) Change the company name (if it is an exempted company, this includes adopting or changing the dual name in English and foreign languages);</p> <p>(2) Amend or supplement the Articles of Association;</p> <p>(3) Revise or supplement the purpose, powers or other specially stated matters related to the Company's memorandum of incorporation;</p> <p>(4) Reduce share capital or capital redemption reserve;</p> <p>(5) The company decided to dissolve voluntarily due to reasons other than its inability to pay off due debts.</p> <p>(6) Merger.</p> <p>3. There is no provision for division in the Cayman Companies Act.</p>	<p>Islands must comply with; therefore, Articles 33 and 35 of the Company's Articles of Association have not been amended. Since the resolution thresholds set by the Cayman Companies Act for these matters are not inconsistent with the provisions of the Taiwan Company Act, and this difference has been disclosed in the prospectus, the impact on shareholders' rights should be limited.</p>

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

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

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

##### Description

Refer to Note 4(11) for the accounting policies on evaluation of inventories, Note 5(2) for the accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(4) for the details of allowance for inventory valuation loss. The Group's balances of inventories and allowance for inventory valuation loss were NT\$6,074,600 thousand and NT\$74,871 thousand on December 31, 2024, respectively.

Inventories of the Group are mainly sports and leisure shoes and are measured at the lower of cost and net realisable value. Inventories aged over a certain period of time and separately recognised as obsolete inventories are measured at the lower of cost and net realisable value and provided allowance for inventory valuation losses based on individually identified reasonable net realizable value and usable condition of obsolete or slow-moving inventories. Considering that the Group's allowance for inventory valuation losses has a significant impact on the financial statements, we classify the allowance for inventory valuation losses as one of this year's key audit matters.

### How our audit addressed the matter

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Wu, Sung-Yuan

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Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

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

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 3,966,034	12	\$ 4,418,919	17
1136	Current financial assets at amortised cost	6(2) and 8	3,746	-	3,334	-
1170	Accounts receivable, net	6(3)	7,426,297	22	3,483,993	13
1200	Other receivables		21,911	-	97,683	-
1220	Current tax assets		1,394	-	8,617	-
130X	Inventories	6(4)	5,999,729	17	4,085,168	15
1479	Other current assets, others	6(5)	2,392,946	7	1,982,307	8
11XX	<b>Current assets</b>		<u>19,812,057</u>	<u>58</u>	<u>14,080,021</u>	<u>53</u>
<b>Non-current assets</b>						
1535	Non-current financial assets at amortised cost	6(2) and 8	15,306	-	14,252	-
1550	Investments accounted for under equity method		458,869	1	51,915	-
1600	Property, plant and equipment	6(6) and 8	12,298,149	36	11,000,155	42
1755	Right-of-use assets	6(7), 7(2) and 8	1,200,421	4	1,258,101	5
1780	Intangible assets		11,843	-	10,046	-
1840	Deferred income tax assets	6(20)	73,397	-	77,471	-
1990	Other non-current assets, others		227,051	1	67,348	-
15XX	<b>Non-current assets</b>		<u>14,285,036</u>	<u>42</u>	<u>12,479,288</u>	<u>47</u>
1XXX	<b>Total Assets</b>		<u>\$ 34,097,093</u>	<u>100</u>	<u>\$ 26,559,309</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(8)	\$ 3,311,796	10	\$ 3,759,856	14
2130	Current contract liabilities	6(15)	109,061	-	58,452	-
2150	Notes payable		6	-	20	-
2170	Accounts payable		2,129,655	6	1,668,073	6
2180	Accounts payable-related parties	7(2)	8,868	-	19,581	-
2200	Other payables	6(9)	1,945,970	6	1,582,411	6
2220	Other payables-related parties	7(2)	-	-	246	-
2230	Income tax payable		599,952	2	138,243	1
2280	Current lease liabilities	6(7) and 7(2)	43,773	-	34,532	-
2399	Other current liabilities, others		16,019	-	12,318	-
21XX	<b>Current liabilities</b>		<u>8,165,100</u>	<u>24</u>	<u>7,273,732</u>	<u>27</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(20)	201,552	1	166,667	1
2580	Non-current lease liabilities	6(7) and 7(2)	401,165	1	392,313	1
2670	Other non-current liabilities, others		-	-	22	-
25XX	<b>Non-current liabilities</b>		<u>602,717</u>	<u>2</u>	<u>559,002</u>	<u>2</u>
2XXX	<b>Total Liabilities</b>		<u>8,767,817</u>	<u>26</u>	<u>7,832,734</u>	<u>29</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Share capital-common stock	6(12)	2,494,000	7	2,200,000	8
Capital surplus						
3200	Capital surplus	6(13)	15,322,516	45	12,661,753	48
Retained earnings						
3350	Unappropriated retained earnings	6(14)	6,044,030	18	2,885,712	11
Other equity interest						
3400	Other equity interest		539,590	1	(2,280)	-
31XX	<b>Equity attributable to owners of parent</b>		<u>24,400,136</u>	<u>71</u>	<u>17,745,185</u>	<u>67</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>929,140</u>	<u>3</u>	<u>981,390</u>	<u>4</u>
3XXX	<b>Total Equity</b>		<u>25,329,276</u>	<u>74</u>	<u>18,726,575</u>	<u>71</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 34,097,093</u>	<u>100</u>	<u>\$ 26,559,309</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  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(15)	\$ 37,689,899	100	\$ 28,015,569	100
5000 Operating costs	6(4)(19)	( 30,231,229)	( 80)	( 24,242,737)	( 87)
5900 Gross profit from operations		<u>7,458,670</u>	<u>20</u>	<u>3,772,832</u>	<u>13</u>
Operating expenses	6(19)				
6100 Selling expenses		( 564,643)	( 2)	( 463,519)	( 2)
6200 Administrative expenses		( 1,517,970)	( 4)	( 1,184,649)	( 4)
6300 Research and development expenses		( 675,200)	( 2)	( 618,821)	( 2)
6450 Expected credit impairment gain(loss)	12(2)	( 16,996)	-	3,106	-
6000 Total operating expenses		<u>( 2,774,809)</u>	<u>( 8)</u>	<u>( 2,263,883)</u>	<u>( 8)</u>
6900 Net operating income		<u>4,683,861</u>	<u>12</u>	<u>1,508,949</u>	<u>5</u>
Total non-operating income and expenses					
7100 Interest income	6(16)	108,871	-	97,373	-
7010 Other income		60,992	-	66,190	-
7020 Other gains and losses	6(17)	590,310	2	398,331	2
7050 Finance costs	6(18)	( 175,198)	-	( 196,675)	( 1)
7060 Share of profit of associates and joint ventures accounted for using equity method		<u>1,622</u>	<u>-</u>	<u>-</u>	<u>-</u>
7000 Non-operating income and expenses		<u>586,597</u>	<u>2</u>	<u>365,219</u>	<u>1</u>
7900 Profit before income tax		5,270,458	14	1,874,168	6
7950 Income tax expense	6(20)	( 1,100,792)	( 3)	( 564,482)	( 2)
8200 Profit		<u>\$ 4,169,666</u>	<u>11</u>	<u>\$ 1,309,686</u>	<u>4</u>
<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		\$ 543,164	2	(\$ 51,959)	-
8300 Other comprehensive income (loss)		<u>\$ 543,164</u>	<u>2</u>	<u>(\$ 51,959)</u>	<u>-</u>
8500 Total comprehensive income		<u>\$ 4,712,830</u>	<u>13</u>	<u>\$ 1,257,727</u>	<u>4</u>
Profit (loss), attributable to:					
8610 Owners of parent		<u>\$ 3,818,318</u>	<u>10</u>	<u>\$ 1,378,267</u>	<u>4</u>
8620 Non-controlling interests		<u>\$ 351,348</u>	<u>1</u>	<u>(\$ 68,581)</u>	<u>-</u>
Comprehensive income (loss) attributable to:					
8710 Owners of parent		<u>\$ 4,360,188</u>	<u>12</u>	<u>\$ 1,293,778</u>	<u>4</u>
8720 Non-controlling interests		<u>\$ 352,642</u>	<u>1</u>	<u>(\$ 36,051)</u>	<u>-</u>
Basic earnings per share	6(21)				
9750 Basic earnings per share		<u>\$</u>	<u>16.13</u>	<u>\$</u>	<u>6.26</u>
Diluted earnings per share	6(21)				
9850 Diluted earnings per share		<u>\$</u>	<u>16.11</u>	<u>\$</u>	<u>6.26</u>

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**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						
Notes	Ordinary share	Capital surplus, additional paid- in capital	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity	
<b>2023</b>								
	\$ 2,200,000	\$12,661,753	\$ 2,614,337	\$ 82,209	\$17,558,299	\$ 1,017,441	\$18,575,740	
	-	-	1,378,267	-	1,378,267	( 68,581)	1,309,686	
	-	-	-	( 84,489)	( 84,489)	32,530	( 51,959)	
	-	-	1,378,267	( 84,489)	1,293,778	( 36,051)	1,257,727	
Share of loss of associates and joint ventures accounted for using equity method	-	-	( 6,892)	-	( 6,892)	-	( 6,892)	
Appropriation and distribution of 2022 earnings:	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	( 1,100,000)	-	( 1,100,000)	-	( 1,100,000)	
Balance at December 31, 2023	<u>\$ 2,200,000</u>	<u>\$12,661,753</u>	<u>\$ 2,885,712</u>	<u>(\$ 2,280)</u>	<u>\$17,745,185</u>	<u>\$ 981,390</u>	<u>\$18,726,575</u>	
<b>2024</b>								
	\$ 2,200,000	\$12,661,753	\$ 2,885,712	(\$ 2,280)	\$17,745,185	\$ 981,390	\$18,726,575	
	-	-	3,818,318	-	3,818,318	351,348	4,169,666	
	-	-	-	541,870	541,870	1,294	543,164	
	-	-	3,818,318	541,870	4,360,188	352,642	4,712,830	
Appropriation and distribution of 2023 earnings:	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	( 660,000)	-	( 660,000)	-	( 660,000)	
Cash dividends from capital surplus	-	( 440,000)	-	-	( 440,000)	-	( 440,000)	
Cash capital increase	294,000	3,010,726	-	-	3,304,726	-	3,304,726	
Share-based payments	-	90,037	-	-	90,037	-	90,037	
Non-controlling interests decrease	-	-	-	-	-	( 404,892)	( 404,892)	
Balance at December 31, 2024	<u>\$ 2,494,000</u>	<u>\$15,322,516</u>	<u>\$ 6,044,030</u>	<u>\$ 539,590</u>	<u>\$24,400,136</u>	<u>\$ 929,140</u>	<u>\$25,329,276</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  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31		
	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 5,270,458	\$ 1,874,168
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(19)	1,368,043	1,459,455
Amortisation expense	6(19)	6,644	5,359
Expected credit impairment loss (gain)	12(2)	16,996	(3,106)
Finance costs	6(18)	175,198	196,675
Interest income	6(16)	(108,871)	(97,373)
Share-based payments	6(11)	90,037	-
Share of gain of associates accounted for using the equity method		(1,622)	-
Gain on disposal of property, plant and equipment	6(17)	(3,883)	(3,746)
Property, plant and equipment transferred to expense	6(22)	26	-
Impairment loss	6(17)	-	13,554
Unrealised foreign exchange gain		(872,492)	(596,982)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(3,956,697)	469,263
Other receivables		71,876	3,488
Inventories		(1,819,792)	(300,961)
Other current assets		(356,854)	(805,111)
Changes in operating liabilities			
Contract liabilities		49,407	2,122
Notes payable		(14)	(5)
Accounts payable		444,064	619,273
Accounts payable-related parties		(11,164)	9,200
Other payables		216,419	336,008
Other payables-related parties		(213)	(70)
Other current liabilities		4,189	(4,864)
Cash inflow generated from operations		581,755	3,176,347
Interest received		108,871	97,373
Interest paid		(175,198)	(196,675)
Income taxes paid		(594,698)	(794,310)
Net cash flows (used in) from operating activities		(79,270)	2,282,735
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at amortised cost		(91,029)	(2,331)
Proceeds from disposal of financial assets at amortised cost		1,218	271,471
Acquisition of property, plant and equipment	6(22)	(2,539,651)	(2,523,020)
Proceeds from disposal of property, plant and equipment		136,463	21,927
Acquisition of intangible assets	6(22)	(9,384)	(11,071)
Acquisition of right-of-use assets		(1,231)	(1,795)
(Increase) decrease in guarantee deposits paid		(10,345)	5,030
(Increase) decrease in other non-current assets		(6,561)	71,814
Consolidated cash impact of individual changes		(536,594)	-
Net cash flows used in investing activities		(3,057,114)	(2,167,975)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(23)	11,078,276	16,524,420
Decrease in short-term borrowings	6(23)	(11,691,579)	(15,083,960)
Repayments of long-term borrowings	6(23)	-	(997,238)
Payments of lease liabilities	6(23)	(45,958)	(32,415)
Decrease in guarantee deposits received	6(23)	(22)	(1,025)
Cash dividend	6(14)(23)	(660,000)	(1,100,000)
Cash from capital surplus	6(13)(23)	(440,000)	-
Cash capital increase	6(12)	3,304,726	-
Net cash flows from (used in) financing activities		1,545,443	(690,218)
Effect of exchange rate changes on cash and cash equivalents		1,138,056	339,727
Net decrease in cash and cash equivalents		(452,885)	(235,731)
Cash and cash equivalents at beginning of year		4,418,919	4,654,650
Cash and cash equivalents at end of year		\$ 3,966,034	\$ 4,418,919

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  
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1. History and Organisation

LAI YIH FOOTWEAR CO., LTD. (the “Company”) was incorporated in the Cayman Islands on June 19, 2021. The Company 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 March 6, 2025.

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<sup>®</sup>”) 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

##### (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:
  - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
  - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

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

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

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
KING GLOBAL	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	85%	85%	
MEGA RIVER	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	15%	15%	
JUMBO POWER	SUPERB KING INVESTMENTS LIMITED (SUPERB KING)	Holding company	-	100%	Note 3
SUPERB KING	YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD. (BAOYI)	Production and sales of sports and leisure shoes	-	100%	Note 3
THRIVE FOISON	TY BACH COMPANY LIMITED (TY BACH)	Production and sales of sports and leisure shoes	100%	100%	
THRIVE FOISON	GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)	Production and sales of sports and leisure shoes	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%	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
EVERYIELD	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	27%	27%	
MEGA RIVER	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	
THRIVE FOISON	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	
OVERSEA	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	
PORTRICH	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	
OVERSEA	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	
KING GLOBAL	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	
EVERYIELD	PT ALNU SPORTING GOODS INDONESIA (ALNU)	Production and sales of sports and leisure shoes	51%	51%	Note 4
OVERSEA	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	60%	-	Note 5
PORTRICH	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	40%	-	Note 5

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.

Note 5: PORTRICH TRADING LIMITED and OVERSEA FAITH CO., LTD. jointly held 100% of share in PT. YIH YOU FOOTWEAR INDONESIA.

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 December 31, 2024 and 2023, the non-controlling interest amounted to \$929,140 and \$981,390, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2024		December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 777,526	15%	\$ 587,689	15%

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD	
	December 31, 2024	December 31, 2023
Current assets	\$ 4,348,799	\$ 3,460,504
Non-current assets	1,928,710	2,043,974
Current liabilities	( 1,061,108)	( 1,549,637)
Non-current liabilities	( 32,897)	( 36,917)
Total net assets	<u>\$ 5,183,504</u>	<u>\$ 3,917,924</u>

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Year ended December 31	
	2024	2023
Revenue	\$ 13,169,434	\$ 11,077,333
Profit before income tax	1,470,536	877,864
Income tax expense	( 291,711)	( 182,775)
Profit for the year	<u>1,178,825</u>	<u>695,089</u>
Total comprehensive income for the year	<u>\$ 1,178,825</u>	<u>\$ 695,089</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 176,824</u>	<u>\$ 104,263</u>

## Statements of cash flows

	VINH LONG FOOTWEAR CO., LTD	
	Year ended December 31	
	2024	2023
Net cash provided by operating activities	\$ 715,321	\$ 383,728
Net cash used in investing activities	( 220,146)	( 156,698)
Net cash used in financing activities	( 489,963)	( 227,566)
Effect of exchange rates on cash and cash equivalents	100	42
Increase (decrease) in cash and cash equivalents	5,312	( 494)
Cash and cash equivalents, beginning of year	3,132	3,626
Cash and cash equivalents, end of year	\$ 8,444	\$ 3,132

### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is US dollars; however, the consolidated financial statements are presented in New Taiwan dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities.

#### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

The operating results and financial position of all the company entities and associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.
- (d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

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

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

The Group classifies all assets that do not comply with the above criteria as non-current.

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.

The Group classifies all liabilities that do not comply with the above criteria as non-current.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

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

(12) Investments accounted for using equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or

loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- F. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(13) Joint operation and investment accounted for using equity method- joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 50 years
Machinery and equipment	3 ~ 20 years
Transportation equipment	4 ~ 10 years
Office equipment	3 ~ 10 years
Miscellaneous equipment	2 ~ 10 years

(15) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.  
The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications..
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

## B. Pensions

The pension costs of defined contribution plans are recognised as expense during the period when employees provide services

## C. Employees' compensation and directors' remuneration

Employees' compensation and directors' 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.

### (22) 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.

### (23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is

determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets and tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

Sales of goods

- A. The Group manufactures and sells sports and leisure outdoor shoes, fabrics, shoe materials and other related products. Sales are recognised based on the bill of lading when control of the products has transferred, being when the products are shipped, and there is no unfulfilled obligation that could affect the sales counterparty's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the sales counterparty, and either the sales counterparty has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from sales of goods is measured at fair value of the consideration received or receivable, less estimated customer returns, discounts and other similar discounts and allowances. The Company estimates possible sales returns and discounts based on historical results and by considering different contract terms to recognise refund liabilities (recorded as other payables).
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the

chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

None.

##### (2) Critical accounting estimates and assumptions

###### Evaluation of inventories

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

As of December 31, 2024, the carrying amount of inventories was \$5,999,729.

#### 6. Details of Significant Accounts

##### (1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 5,354	\$ 2,846
Checking accounts and demand deposits	3,671,185	4,234,852
Time deposits	289,495	181,221
	<u>\$ 3,966,034</u>	<u>\$ 4,418,919</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group classified the time deposits with maturity over three months that did not meet short-term cash commitments and be pledged to others as collateral amounting to \$19,052 and \$17,586 on December 31, 2024 and 2023, respectively, as financial assets at amortised cost.

(2) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Time deposits with maturity over three months	\$ 2,303	\$ 2,257
Restricted time deposits	1,443	1,077
	\$ 3,746	\$ 3,334
Non-current items:		
Restricted time deposits	15,306	14,252
	\$ 15,306	\$ 14,252

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

	Year ended December 31	
	2024	2023
Interest income	\$ 1,771	\$ 7,217

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was the carrying amount of financial assets at amortised cost.

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

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

(3) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	\$ 7,444,516	\$ 3,485,216
Less: Allowance for uncollectible accounts	( 18,219)	( 1,223)
	\$ 7,426,297	\$ 3,483,993

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

	December 31, 2024	December 31, 2023
Not past due	\$ 7,380,017	\$ 3,481,002
Up to 30 days	54,335	3,572
31 to 90 days	8,458	142
Over 91 days	1,706	500
	\$ 7,444,516	\$ 3,485,216

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 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 December 31, 2024 and 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

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,395,408	(\$ 37,451)	\$ 1,357,957
Work in progress	1,655,620	-	1,655,620
Finished goods	2,939,171	( 37,420)	2,901,751
Inventory in transit	84,401	-	84,401
	<u>\$ 6,074,600</u>	<u>(\$ 74,871)</u>	<u>\$ 5,999,729</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 908,272	(\$ 113,922)	\$ 794,350
Work in progress	969,952	-	969,952
Finished goods	2,327,980	( 30,131)	2,297,849
Inventory in transit	23,017	-	23,017
	<u>\$ 4,229,221</u>	<u>(\$ 144,053)</u>	<u>\$ 4,085,168</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2024	2023
Cost of goods sold	\$ 30,274,066	\$ 24,204,249
Gain on reversal of decline in market value	( 71,878)	( 47,868)
Loss on scrapping inventories	43,180	95,211
Revenue from sale of scraps	( 14,139)	( 8,855)
	<u>\$ 30,231,229</u>	<u>\$ 24,242,737</u>

The Group because the sales of certain inventories which loss of valuation inventories net realisable value increase and accounted for as reductions of cost of goods sold.

(5) Other current assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Excess business tax paid (or Net Input VAT)	\$ 2,093,478	\$ 1,759,403
Prepaid expenses	248,613	181,976
Prepayments to suppliers	6,879	16,181
Others	<u>43,976</u>	<u>24,747</u>
	<u>\$ 2,392,946</u>	<u>\$ 1,982,307</u>

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(6) Property, plant and equipment

Year ended December 31, 2024

Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Effect from changes of consolidated entities	Ending balance
Buildings and structures	\$ 8,843,696	\$ 740,557	(\$ 9,981)	\$ 1,826,917	\$ 328,507	(\$ 422,130)	\$ 11,307,566
Machinery and equipment	6,722,065	1,036,723	( 754,722)	102,613	183,788	( 26,691)	7,263,776
Transportation equipment	86,544	13,659	( 3,538)	-	2,022	-	98,687
Office equipment	142,569	23,183	( 724)	271	3,016	-	168,315
Miscellaneous equipment	1,074,366	192,344	( 313,527)	90,590	34,184	( 1,811)	1,076,146
Unfinished construction and equipment under acceptance	2,126,301	488,411	-	( 2,030,724)	25,513	-	609,501
	18,995,541	\$ 2,494,877	(\$ 1,082,492)	(\$ 10,333)	\$ 577,030	(\$ 450,632)	20,523,991
<u>Accumulated depreciation</u>							
Buildings and structures	(\$ 2,368,089)	(\$ 366,627)	\$ 9,981	\$ -	(\$ 86,681)	\$ 306,736	(\$ 2,504,680)
Machinery and equipment	( 4,730,929)	( 638,985)	626,324	-	( 122,188)	24,022	( 4,841,756)
Transportation equipment	( 49,649)	( 9,370)	2,795	-	( 1,169)	-	( 57,393)
Office equipment	( 89,193)	( 19,997)	644	1	( 1,922)	-	( 110,467)
Miscellaneous equipment	( 757,526)	( 243,701)	310,168	13	( 21,801)	1,301	( 711,546)
	( 7,995,386)	(\$ 1,278,680)	\$ 949,912	\$ 14	(\$ 233,761)	\$ 332,059	( 8,225,842)
Book value	\$ 11,000,155						\$ 12,298,149

Year ended December 31, 2023

Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Buildings and structures	\$ 8,415,648	\$ 42,277	(\$ 3,995)	\$ 381,287	\$ 8,479	\$ 8,843,696
Machinery and equipment	6,681,045	274,392	( 256,170)	1,653	21,145	6,722,065
Transportation equipment	78,466	10,319	( 2,315)	-	74	86,544
Office equipment	136,608	5,397	( 54)	-	618	142,569
Miscellaneous equipment	880,631	189,101	( 203,884)	211,304	( 2,786)	1,074,366
Unfinished construction and equipment under acceptance	650,870	1,974,998	( 9,837)	( 414,587)	( 75,143)	2,126,301
	<u>16,843,268</u>	<u>\$ 2,496,484</u>	<u>(\$ 476,255)</u>	<u>\$ 179,657</u>	<u>(\$ 47,613)</u>	<u>18,995,541</u>
<u>Accumulated depreciation</u>						
Buildings and structures	(\$ 2,003,560)	(\$ 378,817)	\$ 3,995	\$ -	\$ 10,293	(\$ 2,368,089)
Machinery and equipment	( 4,291,652)	( 690,071)	249,340	-	1,454	( 4,730,929)
Transportation equipment	( 42,988)	( 8,990)	2,315	-	14	( 49,649)
Office equipment	( 70,349)	( 19,102)	35	-	223	( 89,193)
Miscellaneous equipment	( 582,839)	( 285,861)	202,389	( 94,290)	3,075	( 757,526)
	<u>( 6,991,388)</u>	<u>(\$ 1,382,841)</u>	<u>\$ 458,074</u>	<u>(\$ 94,290)</u>	<u>\$ 15,059</u>	<u>( 7,995,386)</u>
Book value	<u>\$ 9,851,880</u>					<u>\$ 11,000,155</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.
- C. Property, plant and equipment mentioned above are all for self-used.

(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>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 910,065	\$ 956,040
Buildings	284,526	291,409
Transportation equipment	5,830	10,652
	<u>\$ 1,200,421</u>	<u>\$ 1,258,101</u>

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 22,799	\$ 23,573
Buildings	60,030	47,081
Transportation equipment	6,534	5,960
	<u>\$ 89,363</u>	<u>\$ 76,614</u>

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$59,602 and \$40,142, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 10,428</u>	<u>\$ 6,007</u>
Expense on short-term lease contracts	<u>\$ 13,242</u>	<u>\$ 22,467</u>

- F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were \$69,628 and \$60,889, 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>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 1,123,853	5.30%~5.55%	Land use right and property, plant and equipment
Unsecured borrowings	2,187,943	4.43%~5.53%	None
	<u>\$ 3,311,796</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>		

Interest expense recognised in profit or loss amounted to \$164,770 and \$148,324, for the years ended December 31, 2024 and 2023, respectively.

(9) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Payable on wages, salaries and bonuses	\$ 1,161,805	\$ 1,232,292
Payable on machinery and equipment	154,978	57,553
Payable on professional service fees	122,593	78,969
Payable on employees' compensation	99,438	-
Payable on directors remuneration	59,663	-
Others	347,493	213,597
	<u>\$ 1,945,970</u>	<u>\$ 1,582,411</u>

(10) 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 years ended December 31, 2024 and 2023, were \$8,730 and \$8,256, 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 years ended December 31, 2024 and 2023 was \$3,212 and \$57,888, 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 years ended December 31, 2024 and 2023, were \$774,864 and \$685,715, respectively.

(11) Share-based payment

A. For the year ended December 31, 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:

	Year ended December 31	
	2024	2023
Equity-settled	\$ 90,037	\$ -

(12) Share capital

- A. As of December 31, 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 December 31	\$ 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.

(13) Capital surplus

- A. Unless otherwise provided in the Companies Law of the Cayman Islands, listed companies' regulations, and the Company's Articles of Incorporation, neither the legal reserve nor the capital surplus shall be used except for offsetting the losses of the Company. The Company shall not use the capital surplus to offset its capital losses unless the legal reserve and special reserve set aside for purposes of loss offset is insufficient to offset such losses.
- B. 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.

(14) Retained earnings

A. When the Company's shares are traded on any Taiwan Stock Exchange, 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.

E. The shareholders resolved the appropriation of the 2024 earnings on March 6, 2025. Cash dividends from retained earnings amounted to \$2,244,600 at \$9 (in dollars) per share.

For the appropriation of the 2025 earnings, as of March 6, 2025, the shareholders had not resolved the appropriation.

(15) Operating revenue

	Year ended December 31	
	2024	2023
Revenue from contracts with customers	\$ 37,689,899	\$ 28,015,569

A. Disaggregation of revenue from contracts with customers

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

B. Contract liabilities

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities:			
- Advance sales receipts	\$ 109,061	\$ 58,452	\$ 56,370

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

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
- Advance sales receipts	\$ 58,452	\$ 56,370

(16) Interest income

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 107,100	\$ 90,156
Interest income from financial assets measured at amortised cost	1,771	7,217
	<u>\$ 108,871</u>	<u>\$ 97,373</u>

(17) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Foreign exchange gains	\$ 663,082	\$ 457,770
Gains on disposals of property, plant and equipment	3,883	3,746
Impairment loss	-	( 13,554)
Other gains and losses	( 76,655)	( 49,631)
	<u>\$ 590,310</u>	<u>\$ 398,331</u>

(18) Finance costs

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Interest expense		
Bank borrowings	\$ 164,770	\$ 190,668
Lease liabilities	10,428	6,007
	<u>\$ 175,198</u>	<u>\$ 196,675</u>

(19) Expenses by nature

	Year ended December 31	
	2024	2023
Employee benefit expense		
Wages and salaries	\$ 7,813,721	\$ 7,479,701
Labour and health insurance fees	219,817	220,378
Pension costs	786,806	751,859
Other personnel expenses	411,995	436,864
	<u>\$ 9,232,339</u>	<u>\$ 8,888,802</u>
Depreciation charges on property, plant and equipment	<u>\$ 1,278,680</u>	<u>\$ 1,382,841</u>
Depreciation charges on right-of-use assets	<u>\$ 89,363</u>	<u>\$ 76,614</u>
Amortisation charges	<u>\$ 6,644</u>	<u>\$ 5,359</u>

- A. For the year ended December 31, 2024, employees' compensation was accrued at \$99,438; directors' remuneration was accrued at \$59,663. The aforementioned amounts were recognised in salary expenses.
- B. There is no such circumstance for the year ended December 31, 2023.
- C. 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 year ended December 31, 2024.
- D. Employees' and directors' by the company as proposed by the board of directors will be posted in the "Market Observation Post System "at the website of the taiwan stock exchange.

(20) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 1,046,508	\$ 512,908
Prior year income tax underestimation	14,317	6,713
Total current tax	<u>1,060,825</u>	<u>519,621</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>\$ 39,967</u>	<u>\$ 44,861</u>
Total deferred tax	<u>39,967</u>	<u>44,861</u>
Income tax expense	<u>\$ 1,100,792</u>	<u>\$ 564,482</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 1,061,936	\$ 476,109
Expenses disallowed by tax regulation	8,666	11,765
Taxable loss not recognised as deferred tax assets	21,353	78,033
Change in assessment of realisation of deferred tax assets	( 5,480)	( 8,138)
Prior year income tax (over) under estimation	14,317	6,713
Income tax expense	<u>\$ 1,100,792</u>	<u>\$ 564,482</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary difference and tax losses are as follows:

	2024			
	January 1	Recognised in profit or loss	Translation differences	December 31
Deferred tax assets:				
-Temporary differences:				
Allowance for inventory valuation loss	\$ 16,051	(\$ 7,270)	\$ 242	\$ 9,023
Unrealised gross profit from sales	9,072	5,073	721	14,866
Unrealised exchange loss	-	2	-	2
Book-tax difference on lease liabilities	45,660	1,186	1,747	48,593
Others	669	244	-	913
Tax losses	<u>6,019</u>	<u>( 6,094)</u>	<u>75</u>	<u>-</u>
	<u>\$ 77,471</u>	<u>(\$ 6,859)</u>	<u>\$ 2,785</u>	<u>\$ 73,397</u>
-Deferred tax liabilities:				
Book-tax difference on right-of-use assets	(\$ 47,279)	\$ 2,610	(\$ 1,776)	(\$ 46,445)
Unrealised exchange gain	( 119,388)	( 35,718)	( 1)	( 155,107)
	<u>(\$ 166,667)</u>	<u>(\$ 33,108)</u>	<u>(\$ 1,777)</u>	<u>(\$ 201,552)</u>
	<u>(\$ 89,196)</u>	<u>(\$ 39,967)</u>	<u>\$ 1,008</u>	<u>(\$ 128,155)</u>

	2023			
	January 1	Recognised in profit or loss	Translation differences	December 31
Deferred tax assets:				
-Temporary differences:				
Allowance for inventory valuation loss	\$ 22,107	(\$ 5,858)	(\$ 198)	\$ 16,051
Unrealised gross profit from sales	6,796	2,312	( 36)	9,072
Unrealised exchange loss	11,508	( 11,675)	167	-
Book-tax difference on lease liabilities	48,586	( 1,657)	( 1,269)	45,660
Others	2,696	( 5,583)	3,556	669
Tax losses	<u>20,744</u>	<u>( 14,819)</u>	<u>94</u>	<u>6,019</u>
	<u>\$ 112,437</u>	<u>(\$ 37,280)</u>	<u>\$ 2,314</u>	<u>\$ 77,471</u>
-Deferred tax liabilities:				
Gain on investments accounted for using the equity method	(\$ 33,456)	\$ 33,952	(\$ 496)	\$ -
Book-tax difference on right-of-use assets	( 57,649)	9,070	1,300	( 47,279)
Unrealised exchange gain	<u>( 69,540)</u>	<u>( 50,603)</u>	<u>755</u>	<u>( 119,388)</u>
	<u>(\$ 160,645)</u>	<u>(\$ 7,581)</u>	<u>\$ 1,559</u>	<u>(\$ 166,667)</u>
	<u>(\$ 48,208)</u>	<u>(\$ 44,861)</u>	<u>\$ 3,873</u>	<u>(\$ 89,196)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2022	Amount assessed	\$ 61,658	\$ 61,658	2025
2023	Amount assessed	439,970	439,970	2026-2028
2024	Amount filed	97,061	97,061	2027
December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	Amount assessed	\$ 349,440	\$ 291,171	2024-2026
2022	Amount assessed	61,658	61,658	2025
2023	Amount filed	519,756	519,756	2026-2028

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

(21) Earnings per share

	<u>Year ended December 31, 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>\$ 3,818,318</u>	<u>236,708</u>	<u>\$ 16.13</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	3,818,318	236,708	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>261</u>	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,818,318</u>	<u>236,969</u>	<u>\$ 16.11</u>

	<u>Year ended December 31, 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>\$ 1,378,267</u>	<u>220,000</u>	<u>\$ 6.26</u>

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 year.

(22) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2024	2023
Purchase of property, plant and equipment	\$ 2,484,558	\$ 2,581,851
Add: Opening balance of payable on equipment	57,553	73,695
Add: Ending balance of prepayments for equipment	159,377	17,178
Less: Ending balance of payable on equipment	( 154,978)	( 57,553)
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	10,293	-
Less: Other current assets transfer to property, plant and equipment	-	( 8,241)
Less: Other non-current assets transfer to property, plant and equipment	-	( 77,126)
Cash paid during the year	<u>\$ 2,539,651</u>	<u>\$ 2,523,020</u>

	Year ended December 31	
	2024	2023
Purchase of intangible assets	\$ 8,313	\$ 7,718
Add: Ending balance of prepayments	4,424	3,353
Less: Opening balance of prepayments	( 3,353)	-
Cash paid during the year	<u>\$ 9,384</u>	<u>\$ 11,071</u>

(23) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Payable on dividends	Cash from capital surplus	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	( 613,303)	-	( 22)	( 45,958)	( 660,000)	( 440,000)	( 1,759,283)
Impact of changes in foreign exchange rate	165,243	-	-	11,325	-	-	176,568
Changes in other non-cash items	-	-	-	52,726	660,000	440,000	1,152,726
At December 31, 2024	<u>\$3,311,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,756,734</u>

	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, 2023	\$ 2,543,731	\$ 982,720	\$ 1,032	\$ 420,703	\$ -	\$ 3,948,186
Changes in cash flow from financing activities	1,440,460	( 997,238)	( 1,025)	( 32,415)	( 1,100,000)	( 690,218)
Impact of changes in foreign exchange rate	( 224,335)	14,518	15	210	-	( 209,592)
Changes in other non-cash items	-	-	-	38,347	1,100,000	1,138,347
At December 31, 2023	<u>\$ 3,759,856</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 426,845</u>	<u>\$ -</u>	<u>\$ 4,186,723</u>

## 7. Related Party Transactions

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

Names of related parties	Relationship with the Group
VINH TY COMPANY LIMITED (VINH TY)	Associate (associate accounted for using the equity method of the Company)
ZHUO YIH FOOTWEAR CO., LTD (ZHUO YIH)	Other related party (representative 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

	Year ended December 31	
	2024	2023
Purchases of goods:		
Other related parties	\$ 541,044	\$ 379,849
Associate	6,551	22,643
	<u>547,595</u>	<u>402,492</u>
Purchases of services:		
Other related parties	\$ 24,532	\$ 21,390
Associate	-	5,173
	<u>24,532</u>	<u>26,563</u>
	<u>\$ 572,127</u>	<u>\$ 429,055</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

	December 31, 2024	December 31, 2023
Accounts payable:		
Other related parties	\$ 1,750	\$ 19,581
Associate	7,118	-
	<u>8,868</u>	<u>19,581</u>
Other payables:		
Other related parties	-	246
	<u>-</u>	<u>246</u>
	<u>\$ 8,868</u>	<u>\$ 19,827</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>December 31, 2024</u>	<u>December 31, 2023</u>
AN LAC	\$ 4,389	\$ -
ZHUO YIH	34,179	-
	<u>\$ 38,568</u>	<u>\$ -</u>

(d) Lease liabilities

i. Outstanding balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
AN LAC	\$ 88,566	\$ 103,289
ZHUO YIH	28,178	-
	<u>\$ 116,744</u>	<u>\$ 103,289</u>

ii. Interest expense

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
AN LAC	\$ 3,087	\$ 1,461
ZHUO YIH	1,991	-
	<u>\$ 5,078</u>	<u>\$ 1,461</u>

D. Endorsements and guarantees provided to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CHUNG TE LI/ LIN CHANG YUNG	<u>\$ 3,311,931</u>	<u>\$ 3,759,857</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>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
ZHUO YIH	<u>\$ -</u>	<u>\$ 7,582</u>

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

(3) Key management compensation

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 91,070	\$ 89,119
Post-employment benefits	638	664
	<u>\$ 91,708</u>	<u>\$ 89,783</u>

## 8. Pledged Assets

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Time deposits (shown as financial assets at amortised cost)	\$ 16,749	\$ 15,329	Performance guarantee
Right-of-use assets	206,176	208,342	Short-term borrowings
Property, plant and equipment	1,044,032	788,616	Short-term borrowings
	<u>\$ 1,266,957</u>	<u>\$ 1,012,287</u>	

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

### (1) Contingencies

None.

### (2) Commitments

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	\$ 477,040	\$ 931,172
Intangible assets	3,129	-
	<u>\$ 480,169</u>	<u>\$ 931,172</u>

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

Refer to Note 6(15) E. for the appropriation of 2024 earnings.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total liabilities	\$ 8,767,817	\$ 7,832,734
Total assets	\$ 34,097,093	\$ 26,559,309
Debt ratio	<u>26%</u>	<u>29%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 3,966,034	\$ 4,418,919
Financial assets at amortised cost	19,052	17,586
Accounts receivable	7,426,297	3,483,993
Other receivables (including related parties)	21,911	97,683
Guarantee deposits paid	40,620	29,740
	<u>\$ 11,473,914</u>	<u>\$ 8,047,921</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 3,311,796	\$ 3,759,856
Notes payable	6	20
Accounts payable (including related parties)	2,138,523	1,687,654
Other accounts payable (including related parties)	1,945,970	1,582,657
Guarantee deposits received	-	22
	<u>\$ 7,396,295</u>	<u>\$ 7,030,209</u>
Lease liability	<u>\$ 444,938</u>	<u>\$ 426,845</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, VND and IDR. 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:

December 31, 2024				
Foreign currency				
amount				
(in thousands)				
(Foreign currency: functional currency)		Exchange rate		Book value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	312,080	32.79	\$ 10,231,530
USD:VND		201,582	25,376	6,608,853
USD:IDR		16,286	16,155	533,934
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	233,764	32.79	\$ 7,663,962
USD:VND		100,621	25,376	3,298,858
USD:IDR		24,301	16,155	796,704

December 31, 2023

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

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 years ended December 31, 2024 and 2023, amounted to \$663,082 and \$457,770, respectively.

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

Year ended December 31, 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%	\$	511,577	\$	-
USD:VND	5%		330,443		-
USD:IDR	5%		26,697		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	5%	\$	383,198	\$	-
USD:VND	5%		164,943		-
USD:IDR	5%		39,835		-

Year ended December 31, 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%	\$ 312,298	\$	-
USD:VND	5%	223,451		-
USD:RMB	5%	21,779		-
USD:IDR	5%	33,439		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 253,201	\$	-
USD:VND	5%	83,479		-
USD:RMB	5%	1,695		-

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 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 years ended December 31, 2024 and 2023 would have increased/decreased by \$31,384 and \$34,273, 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 December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	Over 91 days past due	Total
<u>December 31, 2024</u>					
Expected loss rate	0.0479%	15.75%	52.25%	100.00%	
Total book value	\$ 7,380,017	\$ 54,335	\$ 8,458	\$ 1,706	\$ 7,444,516
Loss allowance	\$ 3,535	\$ 8,559	\$ 4,419	\$ 1,706	\$ 18,219
<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

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		16,996
At December 31	<u>\$</u>	<u>18,219</u>
	<u>2023</u>	
	<u>Accounts receivable</u>	
At January 1	\$	4,266
Reversal of impairment loss	(	3,106)
Effect of foreign exchange		63
At December 31	<u>\$</u>	<u>1,223</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>December 31, 2024</u>	<u>December 31, 2023</u>
Expiring within one year	\$ 5,188,547	\$ 3,612,553
Expiring beyond one year	-	5,834
	<u>\$ 5,188,547</u>	<u>\$ 3,618,387</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.

December 31, 2024	Less than	Between 6	Between 1	Between 2	Over 5
	6 months	months and 1 year	and 2 year(s)	and 5 years	years
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 3,136,421	\$ 198,377	\$ -	\$ -	\$ -
Notes payable	6	-	-	-	-
Accounts payable (including related parties)	2,138,523	-	-	-	-
Other payables (including related parties)	1,945,970	-	-	-	-
Lease liability	30,322	22,737	214,228	104,631	160,380

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

### (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: Please refer to table 3.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

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.

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
US	\$ 11,796,849	\$ -	\$ 8,455,426	\$ -
Netherlands	6,862,117	-	655,745	-
Asia	4,596,951	44,806	3,945,458	25,849
Americas	4,234,970	-	3,111,480	-
Europe	2,188,837	-	1,160,550	-
UK	1,848,863	-	889,847	-
China	1,719,818	-	3,604,461	267,548
Belgium	1,555,820	-	1,392,161	-
Germany	1,258,358	-	3,981,795	-
Indonesia	316,317	3,177,420	205,680	1,976,904
Vietnam	75,873	8,024,565	7,384	7,478,893
Myanmar	-	2,461,849	-	2,556,716
Others	1,235,126	-	605,582	-
	<u>\$ 37,689,899</u>	<u>\$ 13,708,640</u>	<u>\$ 28,015,569</u>	<u>\$ 12,305,910</u>

Note: The information of revenue is categorized based on the geographical location of the customers who purchase from the group.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31	
	2024	2023
	A	\$ 22,087,963
B	8,467,655	3,760,396
C	6,712,856	5,979,438
	<u>\$ 37,268,474</u>	<u>\$ 25,915,410</u>

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

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2024 (Note 3)	Balance at December 31, 2024 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted to a single party (Note 7)	Footnote	
												Allowance for doubtful accounts	Item Value				
0	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	\$ 3,507,995	\$ 3,507,995	\$ 3,475,210	0	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 4,880,027	\$ 9,760,054	
1	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Other receivables (financing)	Yes	983,550	-	-	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Other receivables (financing)	Yes	1,967,100	721,270	626,194	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Other receivables (financing)	Yes	2,294,950	491,775	-	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Other receivables (financing)	Yes	1,967,100	1,147,475	510,462	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Other receivables (financing)	Yes	163,925	163,925	163,925	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Other receivables (financing)	Yes	163,925	163,925	-	0	2	-	Operating capital	-	None	-	20,953,565	20,953,565	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Other receivables (financing)	Yes	1,967,100	655,700	163,925	1.5	2	-	Operating capital	-	None	-	4,190,713	8,381,426	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	2,294,950	163,925	-	1.5	2	-	Operating capital	-	None	-	4,190,713	8,381,426	
2	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Other receivables (financing)	Yes	1,967,100	901,588	804,872	1.5	2	-	Operating capital	-	None	-	4,930,020	4,930,020	
2	THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Other receivables (financing)	Yes	819,625	163,925	98,355	1.5	2	-	Operating capital	-	None	-	4,930,020	4,930,020	
2	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	491,775	491,775	183,596	1.5	2	-	Operating capital	-	None	-	4,930,020	4,930,020	
3	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Other receivables (financing)	Yes	2,622,800	655,700	321,293	1.5	2	-	Operating capital	-	None	-	5,102,963	5,102,963	
3	PORTRICH TRADING LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	327,850	327,850	-	0	2	-	Operating capital	-	None	-	5,102,963	5,102,963	
4	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	885,195	557,345	272,116	1.5	2	-	Operating capital	-	None	-	2,430,160	2,430,160	
4	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	852,410	655,700	-	0	2	-	Operating capital	-	None	-	2,430,160	2,430,160	
5	MEGA RIVER INVESTMENT CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	321,293	163,925	-	0	2	-	Operating capital	-	None	-	1,712,467	1,712,467	
5	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	327,850	327,850	163,925	1.5	2	-	Operating capital	-	None	-	1,712,467	1,712,467	
6	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	3,114,575	1,737,605	1,413,034	0	2	-	Operating capital	-	None	-	3,506,603	3,506,603	Note 9
7	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	655,700	327,850	278,673	0	2	-	Operating capital	-	None	-	5,144,229	5,144,229	
8	POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Other receivables (financing)	Yes	327,850	-	-	0	2	-	Operating capital	-	None	-	1,801,294	1,801,294	

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 year ended December 31, 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. Limit on loans granted to a single party is 20% of its net assets in the financial statements. Ceiling on total loans granted is 40% of its net assets in the financial statements.

(2) FLOURISH THRIVE DEVELOPMENTS LIMITED, THRIVE FOISON LIMITED, PORTRICH TRADING LIMITED, POLO INTERNATIONAL HOLDING LTD, MEGA RIVER INVESTMENT CO., LTD. and KING GLOBAL DEVELOPMENT CORP 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 their 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 and LAI YIH FOOTWEAR CO., LTD. are 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 year ended December 31, 2024 was double-calculated, and the company did not actually exceed the limit.)

Table 1

206

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

## Provision of endorsements and guarantees to others

Year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being endorsed/ guaranteed													
(Note 1)	Endorser/guarantor	Company name	Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding guarantee amount as of December 31, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote	
1	LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	4	\$ 20,953,565	\$ 1,639,250	\$ 819,625	\$ 491,775	\$ -	3.91%	\$ 20,953,565	N	N	N		
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	20,953,565	819,625	491,775	-	-	2.35%	20,953,565	N	N	N		
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD.	4	20,953,565	1,147,475	1,147,475	214,467	-	5.48%	20,953,565	N	N	N	Note 8	
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMMITED	4	20,953,565	1,639,250	1,639,250	647,106	-	7.82%	20,953,565	N	N	N	Note 9	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	2	10,476,783	819,625	327,850	-	-	1.56%	10,476,783	N	N	N		
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	20,953,565	196,710	196,710	196,710	-	0.94%	20,953,565	N	N	N		
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	572,524	885,195	393,420	69,177	-	11.22%	5,259,904	N	N	N		
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD.	4	3,506,603	328	328	328	-	0.01%	3,506,603	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 YIH SHUO FOOTWEAR CO., LTD. (TY THAC). The credit contract matured in December 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 20,000 thousand as resolved by the Board of Directors on November 11, 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 THAC completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (TY THAC) at

December 31, 2024 will be decreased to USD 20,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 5.48%.

Note 9: LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to TY BACH COMPANY LIMMITED (TY BACH). The credit contract matured in December 2024 with the amount of USD 20,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount for the above endorsements/guarantees amounting to USD 20,000 thousand as resolved by the Board of Directors on November 11, 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 BACH completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (TY BACH) at December 31, 2024 will

be decreased to USD 30,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 7.82%.

Company Name

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Disposal (Note 3)			Balance as at December 31, 2024		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
THRIVE FOISON LIMITED	Share ownership	Investments accounted for using equity method	PT. YIH QUAN FOOTWEAR INDONESIA	Subsidiary	-	\$ 1,120,733	-	\$ 360,635	-	\$ -	\$ -	\$ -	-	\$ 1,481,368
MEGA RIVER INVESTMENT CO., LTD.	Share ownership	Investments accounted for using equity method	PT. YIH QUAN FOOTWEAR INDONESIA	Subsidiary	-	1,120,733	-	360,635	-	-	-	-	-	1,481,368
LAI YIH FOOTWEAR CO., LTD.	Share ownership	Investments accounted for using equity method	MEGA RIVER INVESTMENT CO., LTD.	Subsidiary	-	1,553,673	-	367,192	-	-	-	-	-	1,920,865
LAI YIH FOOTWEAR CO., LTD.	Share ownership	Investments accounted for using equity method	PORTRICH TRADING LIMITED	Subsidiary	-	3,531,075	-	721,270	-	-	-	-	-	4,252,345
PORTRICH TRADING LIMITED	Share ownership	Investments accounted for using equity method	LAC TY II COMPANY LIMITED	Subsidiary	-	3,167,606	-	655,700	-	-	-	-	-	3,823,306
KING GLOBAL DEVELOPMENT CORP	Share ownership	Investments accounted for using equity method	YIH SHUO FOOTWEAR CO., LTD.	Subsidiary	-	1,541,683	-	511,643	-	-	-	-	-	2,053,326

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: The companies with "-" in the blank had no shares issued.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES  
Acquisition of real estate reaching NTS300 million or 20% of paid-in capital or more  
Year ended December 31, 2024

Table 4

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	\$ 1,239,863	\$ 1,179,722	PT. TAKENAKA INDONESIA	None	-	-	-	-	Inquiry and negotiation	Production factory	-
PT. YIH QUAN FOOTWEAR INDONESIA	Buildings and structures	2023/2/1	620,080	541,348	PT. INDONESIA XIN HAI STEEL STRUCTURE	None	-	-	-	-	Inquiry and negotiation	Production factory	-
PT. YIH QUAN FOOTWEAR INDONESIA	Buildings and structures	2023/7/27	352,715	304,171	PT. INDOWIN ENGINEERING INDONESIA	None	-	-	-	-	Inquiry and negotiation	Production factory	-
LAC TY II COMPANY LIMITED	Right-of-use assets	2024/6/13	422,382	300,950	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 NTS10 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  
Year ended December 31, 2024

Table 5

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	\$ 3,665,009	9.72%	60 days after receipt of goods	-	-	\$ 645,882	8.70%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	1,540,037	4.09%	60 days after receipt of goods	-	-	290,473	3.91%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	308,691	0.82%	60 days after receipt of goods	-	-	40,749	0.55%	Notes 1, 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	922,872	2.45%	60 days after receipt of goods	-	-	40,876	0.55%	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	931,736	2.47%	60 days after receipt of goods	-	-	155,306	2.09%	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	1,194,120	3.17%	60 days after receipt of goods	-	-	209,482	2.82%	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	622,264	1.65%	60 days after receipt of goods	-	-	240,217	3.23%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	694,842	1.84%	60 days after receipt of goods	-	-	200,295	2.70%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	668,805	1.77%	60 days after receipt of goods	-	-	59,868	0.81%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	169,735	0.45%	60 days after receipt of goods	-	-	29,254	0.39%	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	1,855,104	4.92%	75 days after receipt of goods	-	-	189,546	2.55%	Notes 1, 3
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	572,524	1.52%	75 days after receipt of goods	-	-	138,100	1.86%	Notes 1, 3
LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	559,891	1.49%	Colleted based on the contract	-	-	48,279	0.65%	Notes 1, 2
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	246,089	0.65%	Colleted based on the contract	-	-	23,148	0.31%	Notes 1, 2
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	10,413,336	27.63%	75 days after receipt of goods	-	-	2,226,255	29.98%	Notes 1, 3
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	13,150,201	34.89%	45 days after receipt of goods	-	-	2,152,460	28.98%	Notes 1, 3
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	4,884,327	12.96%	60 days after receipt of goods	-	-	1,082,705	14.58%	Notes 1, 3
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	3,431,403	9.10%	60 days after receipt of goods	-	-	950,100	12.79%	Notes 1, 3
TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	240,963	0.64%	60 days after receipt of goods	-	-	22,931	0.31%	Note 1
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	561,168	1.49%	60 days after receipt of goods	-	-	77,100	1.04%	Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	772,061	2.05%	60 days per month	-	-	-	0.00%	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN	Same ultimate parent company	Sales	237,444	0.63%	60 days after receipt of goods	-	-	102,457	1.38%	Note 1

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

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

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

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

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

Year ended December 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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	\$ 645,882	6.60	\$ -	-	\$ 313,167	\$ -	Notes 1, 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	290,473	6.80	-	-	152,651	-	Notes 1, 4
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	155,306	5.99	-	-	103,118	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	209,482	7.99	-	-	179,145	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	240,217	3.58	-	-	-	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	200,295	4.88	-	-	106,212	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	189,546	10.16	-	-	158,607	-	Notes 1, 4
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	138,100	4.09	-	-	99,345	-	Notes 1, 4
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,226,255	5.45	-	-	1,799,270	-	Notes 1, 4
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,152,460	7.36	-	-	2,015,668	-	Notes 1, 4
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,082,705	5.42	-	-	793,442	-	Notes 1, 4
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	950,100	4.74	-	-	930,270	-	Notes 1, 4
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	102,457	4.63	-	-	-	-	Notes 1, 4
LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	3,475,210	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables	163,925	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables	626,194	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	510,462	-	-	-	64,586	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables	163,925	-	-	-	-	-	Notes 1, 2
FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	1,413,034	-	-	-	360,635	-	Notes 1, 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables	321,293	-	-	-	-	-	Notes 1, 2
OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	278,673	-	-	-	-	-	Notes 1, 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables	164,137	-	-	-	-	-	Notes 1, 2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts	Amount		Amount	Action taken			
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	272,116	-	-	-	272,116	-	Notes 1, 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables	804,872	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivalbes	183,835	-	-	-	-	-	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 February 28, 2025.

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  
 Year ended December 31, 2024

Table 7

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Transaction			Footnote
					Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	3,665,009	Note 4	9.72%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Sales	1,540,037	Note 4	4.09%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	308,691	Note 4	0.82%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	645,882	Note 4	1.89%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	290,473	Note 4	0.85%	Notes 5, 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	922,872	Note 4	2.45%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	931,736	Note 4	2.47%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	1,194,120	Note 4	3.17%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	622,264	Note 4	1.65%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	155,306	Note 4	0.46%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	209,482	Note 4	0.61%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	240,217	Note 4	0.70%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	694,842	Note 4	1.84%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	668,805	Note 4	1.77%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	169,735	Note 4	0.45%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	200,295	Note 4	0.59%	Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,855,104	Note 4	4.92%	Notes 5, 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	189,546	Note 4	0.56%	Notes 5, 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	572,524	Note 4	1.52%	Notes 5, 7
5	LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	559,891	Note 4	1.49%	Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	246,089	Note 4	0.65%	Note 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	138,100	Note 4	0.41%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	10,413,336	Note 4	27.63%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,226,225	Note 4	6.53%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	13,150,201	Note 4	34.89%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,152,460	Note 4	6.31%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	4,884,327	Note 4	12.96%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,082,705	Note 4	3.18%	Notes 5, 7

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

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Transaction		Footnote
								Percentage of consolidated total operating revenues or total assets (Note 3)	
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,431,403	Note 4		9.10%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	240,963	Note 4		0.64%	Note 7
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	950,100	Note 4		2.79%	Notes 5, 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	561,168	Note 4		1.49%	Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	772,061	Note 4		2.05%	Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	237,444	Note 4		0.63%	Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	102,457	Note 4		0.27%	Note 7
13	LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	3,475,210	Note 4		10.19%	Note 7
14	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables (financing)	163,925	Note 4		0.48%	Note 7
14	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables (financing)	626,194	Note 4		1.84%	Note 7
14	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	510,462	Note 4		1.50%	Note 7
14	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	163,925	Note 4		0.48%	Note 7
15	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	1,413,034	Note 4		4.14%	Note 7
16	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	321,293	Note 4		0.94%	Note 7
17	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	278,673	Note 4		0.82%	Note 7
18	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	164,137	Note 4		0.48%	Note 7
19	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	272,116	Note 4		0.80%	Note 7
18	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables (financing)	804,872	Note 4		2.36%	Note 7
18	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	183,835	Note 4		0.54%	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 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

Year ended December 31, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 8

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024				Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (Note 1)	Ownership (%)	Book value				
LAI YIH FOOTWEAR CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Samoa	Holding company	\$ 5,157,081	\$ 4,829,897	\$ 157,300	100%	\$ 20,953,565	\$ 3,995,625	\$ 3,995,625		
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	32,785	30,705	1,000	100%	3,506,603	2,271,078	-		
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	32,785	30,705	1,000	100%	39,173	2,794	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	32,785	30,705	1,000	100%	38,571	2,568	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	4,491,545	3,531,075	137,000	100%	5,102,963	520,379	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	2,836,558	2,380,252	86,520	100%	5,144,229	1,004,102	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	2,026,113	1,553,673	61,800	100%	1,712,467 (	65,382)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,992,000	1,865,620	60,760	100%	2,430,160	599,553	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,589,843	4,958,858	170,500	100%	4,930,020 (	68,456)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	BRILLIANT METERO LIMITED	Samoa	Holding company	35,900	33,622	1,095	100%	564 (	29)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,290,032	2,144,744	69,850	100%	1,801,294 (	215,879)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,198,292	1,090,949	36,550	100%	665,264 (	36,075)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	48,273	45,210	-	50%	95,776	189,944	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Investment holdings and sales of sports and casual shoes	262,280	245,640	8,000	50%	403,437	196,137	-	Note 2	
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	3,841,174	3,167,606	-	100%	4,420,823	510,425	-	Note 2	
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	2,368,716	2,218,436	-	85%	4,405,979	1,178,825	-	Note 2	
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	2,157,761	1,541,683	-	85%	1,998,751	688,192	-	Note 2	
MEGA RIVER INVESTMENT CO., LTD.	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	380,781	272,062	-	15%	352,721	688,192	-	Note 2	
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	98,355	92,115	-	24%	55,432	-	-	Note 2	
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	524,560	491,280	-	100%	664,990	205,050	-	Note 2	
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Vietnam	Production and sales of sports and casual shoes	3,278,500	3,070,500	-	100%	2,379,046	82,217	-	Note 2	

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

## Information on investees

Year ended December 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024				Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (Note 1)	Ownership (%)	Book value	(Note 3)			
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	852,410	767,625	-	100%	780,378	8,909	-	Note 2	
POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	3,149,356	2,949,550	96,061	73%	1,595,331 (	97,061)	-	Note 2	
EVERYIELD CO., LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	1,179,074	1,104,269	35,964	27%	597,269 (	97,061)	-	Note 2	
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,557,288	1,120,733	-	50%	1,301,670 (	338,747)	-	Note 2	
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,557,288	1,120,733	-	50%	1,301,670 (	338,747)	-	Note 2	
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	163,925	153,525	-	50%	154,186	4,419	-	Note 2	
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	163,925	153,525	-	50%	154,186	4,419	-	Note 2	
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,147	1,535	-	50%	464 (	289)	-	Note 2	
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,147	1,535	-	50%	464 (	289)	-	Note 2	
OVERSEA FAITH CO., LTD.	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	295,065	-	-	60%	294,834 (	47)	-	Note 2	
PORTRICH TRADING LIMITED	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	196,710	-	-	40%	196,556 (	47)	-	Note 2	
EVERYIELD CO., LTD.	PT ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	83,602	46,979	-	51%	66,292 (	18,776)	-	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: Initial investment amount was converted at the exchange rate of NTD 32.79:USD 1 prevailing on December 31, 2024, respectively.

Note 4: Investment income (loss) for the year ended December 31, 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

Year ended December 31, 2024

Table 9

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 year ended December 31, 2024			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 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	\$ 368,123	(2)	\$ 368,123	\$ -	\$ -	\$ 368,123	\$ 205,145	50%	\$ 102,573	401,974	\$ 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 year ended December 31, 2024 was calculated based on the financial statements which were reviewed by R.O.C. parent company's CPA.

Note 3: Paid-in capital was converted at the exchange rate of NTD 32.79:USD 1 prevailing on December 31, 2024.

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

## Major shareholders information

Year ended December 31, 2024

Table 10

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%
AMPLE SMART LTD.	17,600,000	7.05%
GAIN SMART LTD.	16,700,000	6.69%
KEEN HUGE LTD.	16,700,000	6.69%

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%.



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