

**LAI YIH FOOTWEAR CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2025 AND 2024**

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
JUNE 30, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

PWCR25001708

Opinion

We have audited the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six month then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the six months ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the six months ended June 30, 2025 is stated as follows:

Assessment of allowance for inventory valuation loss

Description

Refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4(4)), the uncertainty of accounting estimates and assumptions on inventory evaluation (Note 5(2)), and the description of the allowance for inventory valuation losses (Note 6(4)). The Group's inventory amounted to NT\$4,750,160 thousand and allowance for inventory valuation losses amounted to NT\$64,695 thousand on June 30, 2025, respectively.

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

inventory valuation losses as one of the key audit matters.

How our audit addressed the matter

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

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due

to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures

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

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

We communicate with those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Lai, Chih-Wei

Wu, Sung-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 26, 2025

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

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2025		December 31, 2024		June 30, 2024		
			AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets									
1100	Cash and cash equivalents	6(1)	\$ 4,179,847	14	\$ 3,966,034	12	\$ 4,103,750	13	
1136	Current financial assets at	6(2) and 8							
	amortised cost		3,620	-	3,746	-	4,095	-	
1170	Accounts receivable, net	6(3)	6,397,398	21	7,426,297	22	6,369,377	21	
1200	Other receivables		8,439	-	21,911	-	38,831	-	
1220	Current tax assets		-	-	1,394	-	-	-	
130X	Inventories	6(4)	4,685,465	15	5,999,729	17	4,818,808	16	
1479	Other current assets, others	6(5)	2,299,412	8	2,392,946	7	2,317,604	8	
11XX	Current assets		17,574,181	58	19,812,057	58	17,652,465	58	
Non-current assets									
1535	Non-current financial assets at	6(2) and 8							
	amortised cost		14,074	-	15,306	-	103,803	1	
1550	Investments accounted for								
	under equity method		413,999	1	458,869	1	54,866	-	
1600	Property, plant and equipment	6(6) and 8	11,117,386	37	12,298,149	36	11,445,310	37	
1755	Right-of-use assets	6(7), 7(2) and							
	8		1,029,247	4	1,200,421	4	1,277,846	4	
1780	Intangible assets		18,413	-	11,843	-	11,505	-	
1840	Deferred income tax assets		64,783	-	73,397	-	74,211	-	
1990	Other non-current assets, others		97,269	-	227,051	1	73,981	-	
15XX	Non-current assets		12,755,171	42	14,285,036	42	13,041,522	42	
1XXX	Total Assets		\$ 30,329,352	100	\$ 34,097,093	100	\$ 30,693,987	100	

(Continued)

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(8)	\$ 2,103,197	7	\$ 3,311,796	10	\$ 1,715,424	6
2130	Current contract liabilities	6(15)	40,501	-	109,061	-	53,211	-
2150	Notes payable		43	-	6	-	50	-
2170	Accounts payable		1,580,674	5	2,129,655	6	2,013,138	7
2180	Accounts payable-related parties	7(2)	8,856	-	8,868	-	63,031	-
2200	Other payables	6(9)	3,671,063	12	1,945,970	6	2,602,971	8
2220	Other payables-related parties	7(2)	-	-	-	-	443	-
2230	Income tax payable		450,342	2	599,952	2	339,225	1
2280	Current lease liabilities	6(7) and 7(2)	39,163	-	43,773	-	42,964	-
2399	Other current liabilities, others		7,780	-	16,019	-	9,047	-
21XX	Current liabilities		7,901,619	26	8,165,100	24	6,839,504	22
Non-current liabilities								
2570	Deferred income tax liabilities		191,766	1	201,552	1	172,998	1
2580	Non-current lease liabilities	6(7) and 7(2)	340,803	1	401,165	1	407,789	1
25XX	Non-current liabilities		532,569	2	602,717	2	580,787	2
2XXX	Total Liabilities		8,434,188	28	8,767,817	26	7,420,291	24
Equity								
Equity attributable to owners of parent								
	Share capital	6(12)						
3110	Share capital-common stock		2,494,000	8	2,494,000	7	2,494,000	8
	Capital surplus	6(13)						
3200	Capital surplus		15,322,535	51	15,322,516	45	15,322,516	50
	Retained earnings	6(14)						
3310	Legal reserve		381,832	1	-	-	-	-
3350	Unappropriated retained earnings		5,187,889	17	6,044,030	18	4,039,195	13
	Other equity interest							
3400	Other equity interest		(2,343,929)	(8)	539,590	1	335,140	1
31XX	Equity attributable to owners of parent		21,042,327	69	24,400,136	71	22,190,851	72
36XX	Non-controlling interests	4(3)	852,837	3	929,140	3	1,082,845	4
3XXX	Total Equity		21,895,164	72	25,329,276	74	23,273,696	76
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total Liabilities and Equity		\$ 30,329,352	100	\$ 34,097,093	100	\$ 30,693,987	100

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(15)		\$ 11,319,753	100	\$ 9,766,381	100	\$ 21,002,580	100	\$ 17,537,318	100
5000 Operating costs	6(4)(19)		(9,508,597)	(84)	(7,713,949)	(79)	(17,492,109)	(83)	(14,001,504)	(80)
5900 Gross profit from operations			<u>1,811,156</u>	<u>16</u>	<u>2,052,432</u>	<u>21</u>	<u>3,510,471</u>	<u>17</u>	<u>3,535,814</u>	<u>20</u>
Operating expenses	6(19)									
6100 Selling expenses			(200,186)	(2)	(141,965)	(1)	(364,825)	(2)	(253,750)	(1)
6200 Administrative expenses			(328,965)	(3)	(463,680)	(5)	(655,924)	(3)	(803,268)	(5)
6300 Research and development expenses			(176,913)	(1)	(160,400)	(2)	(358,821)	(2)	(312,017)	(2)
6450 Expected credit impairment gain (loss)	12(2)		<u>1,361</u>	<u>-</u>	<u>(46)</u>	<u>-</u>	<u>15,520</u>	<u>-</u>	<u>420</u>	<u>-</u>
6000 Total operating expenses			<u>(704,703)</u>	<u>(6)</u>	<u>(766,091)</u>	<u>(8)</u>	<u>(1,364,050)</u>	<u>(7)</u>	<u>(1,368,615)</u>	<u>(8)</u>
6900 Net operating income			<u>1,106,453</u>	<u>10</u>	<u>1,286,341</u>	<u>13</u>	<u>2,146,421</u>	<u>10</u>	<u>2,167,199</u>	<u>12</u>
Total non-operating income and expenses										
7100 Interest income	6(16)		21,798	-	37,903	-	34,705	-	60,797	-
7010 Other income			8,387	-	17,451	-	17,435	-	43,224	-
7020 Other gains and losses	6(17)		78,093	1	166,021	2	222,126	1	306,701	2
7050 Finance costs	6(18)		(42,121)	(1)	(57,995)	-	(86,110)	-	(108,697)	-
7060 Share of loss of associates and joint ventures accounted for using equity method			<u>(4,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>
7000 Non-operating income and expenses			<u>61,875</u>	<u>-</u>	<u>163,380</u>	<u>2</u>	<u>184,506</u>	<u>1</u>	<u>302,025</u>	<u>2</u>
7900 Profit before income tax			1,168,328	10	1,449,721	15	2,330,927	11	2,469,224	14
7950 Income tax expense	6(20)		<u>(242,376)</u>	<u>(2)</u>	<u>(295,385)</u>	<u>(3)</u>	<u>(472,075)</u>	<u>(2)</u>	<u>(513,038)</u>	<u>(3)</u>
8200 Profit			<u>\$ 925,952</u>	<u>8</u>	<u>\$ 1,154,336</u>	<u>12</u>	<u>\$ 1,858,852</u>	<u>9</u>	<u>\$ 1,956,186</u>	<u>11</u>
Other comprehensive income										
Total components of other comprehensive income that will be reclassified to profit or loss										
8361 Financial statements translation differences of foreign operations			<u>(\$ 3,229,854)</u>	<u>(28)</u>	<u>(\$ 97,626)</u>	<u>(1)</u>	<u>(\$ 3,048,383)</u>	<u>(15)</u>	<u>\$ 296,172</u>	<u>2</u>
8300 Other comprehensive (loss) income			<u>(\$ 3,229,854)</u>	<u>(28)</u>	<u>(\$ 97,626)</u>	<u>(1)</u>	<u>(\$ 3,048,383)</u>	<u>(15)</u>	<u>\$ 296,172</u>	<u>2</u>
8500 Total comprehensive (loss) income			<u>(\$ 2,303,902)</u>	<u>(20)</u>	<u>\$ 1,056,710</u>	<u>11</u>	<u>(\$ 1,189,531)</u>	<u>(6)</u>	<u>\$ 2,252,358</u>	<u>13</u>
Profit, attributable to:										
8610 Owners of parent			<u>\$ 861,549</u>	<u>7</u>	<u>\$ 1,074,840</u>	<u>11</u>	<u>\$ 1,775,010</u>	<u>9</u>	<u>\$ 1,813,483</u>	<u>10</u>
8620 Non-controlling interests			<u>\$ 64,403</u>	<u>1</u>	<u>\$ 79,496</u>	<u>1</u>	<u>\$ 83,842</u>	<u>-</u>	<u>\$ 142,703</u>	<u>1</u>
Comprehensive (loss) income attributable to:										
8710 Owners of parent			<u>(\$ 2,191,844)</u>	<u>(19)</u>	<u>\$ 1,049,768</u>	<u>11</u>	<u>(\$ 1,108,509)</u>	<u>(6)</u>	<u>\$ 2,150,903</u>	<u>12</u>
8720 Non-controlling interests			<u>(\$ 112,058)</u>	<u>(1)</u>	<u>\$ 6,942</u>	<u>-</u>	<u>(\$ 81,022)</u>	<u>-</u>	<u>\$ 101,455</u>	<u>1</u>
Basic earnings per share										
9750 Basic earnings per share	6(21)		<u>\$ 3.45</u>		<u>\$ 4.72</u>		<u>\$ 7.12</u>		<u>\$ 8.10</u>	
Diluted earnings per share										
9850 Diluted earnings per share	6(21)		<u>\$ 3.45</u>		<u>\$ 4.72</u>		<u>\$ 7.11</u>		<u>\$ 8.10</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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent					Non-controlling interests	Total equity
		Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
<u>2024</u>								
Balance at January 1, 2024		\$ 2,200,000	\$ 12,661,753	\$ -	\$ 2,885,712	(\$ 2,280)	\$ 17,745,185	\$ 18,726,575
Profit for the period		-	-	-	1,813,483	-	1,813,483	1,956,186
Other comprehensive income (loss) for the period		-	-	-	-	337,420	(41,248)	296,172
Total comprehensive income		-	-	-	1,813,483	337,420	101,455	2,252,358
Appropriation and distribution of 2023 earnings:	6(13)(14)							
Cash dividends of ordinary share		-	-	-	(660,000)	-	-	(660,000)
Cash dividends from capital surplus		-	(440,000)	-	-	-	-	(440,000)
Cash capital increase	6(12)	294,000	3,010,726	-	-	-	-	3,304,726
Share-based payments	6(11)	-	90,037	-	-	-	-	90,037
Balance at June 30, 2024		<u>\$ 2,494,000</u>	<u>\$ 15,322,516</u>	<u>\$ -</u>	<u>\$ 4,039,195</u>	<u>\$ 335,140</u>	<u>\$ 22,190,851</u>	<u>\$ 23,273,696</u>
<u>2025</u>								
Balance at January 1, 2025		\$ 2,494,000	\$ 15,322,516	\$ -	\$ 6,044,030	\$ 539,590	\$ 24,400,136	\$ 25,329,276
Profit for the period		-	-	-	1,775,010	-	83,842	1,858,852
Other comprehensive loss for the period		-	-	-	-	(2,883,519)	(164,864)	(3,048,383)
Total comprehensive income (loss)		-	-	-	1,775,010	(2,883,519)	(81,022)	(1,189,531)
Appropriation and distribution of 2024 earnings:	6(14)							
Legal reserve		-	-	381,832	(381,832)	-	-	-
Cash dividends of ordinary share		-	-	-	(2,244,600)	-	-	(2,244,600)
Other changes in capital surplus								
Claim for the disgorgement		-	19	-	-	-	-	19
Changes in percentage of ownership interests in subsidiaries	4(3)	-	-	-	(4,719)	-	4,719	-
Balance at June 30, 2025		<u>\$ 2,494,000</u>	<u>\$ 15,322,535</u>	<u>\$ 381,832</u>	<u>\$ 5,187,889</u>	<u>(\$ 2,343,929)</u>	<u>\$ 21,042,327</u>	<u>\$ 21,895,164</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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,330,927	\$ 2,469,224
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(19)	678,732	695,550
Amortisation expense	6(19)	4,673	2,869
Expected credit impairment gain	12(2)	(15,520)	(420)
Finance costs	6(18)	86,110	108,697
Interest income	6(16)	(34,705)	(60,797)
Share-based payments	6(11)	-	90,037
Share of gain of associates accounted for using the equity method		3,650	-
(Gain) loss on disposal of property, plant and equipment	6(17)	(917)	1,937
Property, plant and equipment transferred to expense	6(22)	-	16
Unrealised foreign exchange gain		(832,196)	(612,938)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		1,044,184	(3,151,654)
Other receivables		12,456	61,894
Inventories		720,452	(671,926)
Other current assets		(231,482)	(315,331)
Changes in operating liabilities			
Contract liabilities		(68,560)	(6,264)
Notes payable		37	29
Accounts payable		(394,884)	334,864
Accounts payable-related parties		1,258	354,300
Other payables		(124,023)	(97,447)
Other payables-related parties		-	197
Other current liabilities		(7,215)	(3,714)
Cash inflow (outflow) generated from operations		3,172,977	(800,877)
Interest received		34,705	60,797
Interest paid		(88,822)	(108,697)
Income taxes paid		(601,763)	(294,428)
Net cash flows from (used in) operating activities		2,517,097	1,143,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(587)	(88,901)
Acquisition of property, plant and equipment	6(22)	(899,956)	(1,021,706)
Proceeds from disposal of property, plant and equipment		9,784	100,922
Acquisition of intangible assets	6(22)	(3,963)	(4,704)
Acquisition of right-of-use assets		(64)	(377)
Decrease in guarantee deposits paid		695	417
(Increase) decrease in other non-current assets		(9,343)	5,704
Net cash flows used in investing activities		(903,434)	(1,008,645)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(23)	9,495,223	7,195,521
Decrease in short-term borrowings	6(23)	(10,403,313)	(9,342,750)
Payments of lease liabilities	6(23)	(30,590)	(26,411)
Decrease in guarantee deposits received	6(23)	-	(22)
Cash capital increase	6(12)	-	3,304,726
Claim for the disgorgement		19	-
Net cash flows (used in) from financing activities		(938,661)	1,131,064
Effect of exchange rate changes on cash and cash equivalents		(461,189)	705,617
Net increase (decrease) in cash and cash equivalents		213,813	(315,169)
Cash and cash equivalents at beginning of period		3,966,034	4,418,919
Cash and cash equivalents at end of period		\$ 4,179,847	\$ 4,103,750

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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(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 August 26, 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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
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.

(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 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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 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 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(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 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”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
The basis for preparation of consolidated financial statements is same as the consolidated financial statements for the year ended December 31, 2024.

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

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>	<u>Ownership (%)</u>	<u>Ownership (%)</u>	<u>Description</u>
			<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	
The Company	LAI YIH FOOTWEAR CO., LTD. (LAI YIH SAMOA)	Holding company	100%	100%	100%	
LAI YIH SAMOA	FLOURISH THRIVE DEVELOPMENTS LIMITED (FLOURISH THRIVE)	Import and export trade	100%	100%	100%	
LAI YIH SAMOA	CHEER ACCESS LTD. (CHEER ACCESS)	Investment holding and import and export trade	100%	100%	100%	
LAI YIH SAMOA	BILLION STAR INTERNATIONAL CO., LTD. (BILLION STAR)	Investment holding and import and export trade	100%	100%	100%	
LAI YIH SAMOA	PORTRICH TRADING LIMITED (PORTRICH)	Holding company	100%	100%	100%	
LAI YIH SAMOA	OVERSEA FAITH CO., LTD. (OVERSEA)	Holding company	100%	100%	100%	
LAI YIH SAMOA	MEGA RIVER INVESTMENT CO., LTD. (MEGA RIVER)	Holding company	100%	100%	100%	
LAI YIH SAMOA	KING GLOBAL DEVELOPMENT CORP (KING GLOBAL)	Holding company	100%	100%	100%	
LAI YIH SAMOA	THRIVE FOISON LIMITED (THRIVE FOISON)	Holding company	100%	100%	100%	
LAI YIH SAMOA	BRILLIANT METERO LIMITED (BRILLIANT)	Holding company	100%	100%	100%	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	Ownership (%)	Ownership (%)	Description
			June 30, 2025	December 31, 2024	June 30, 2024	
LAI YIH SAMOA	POLO INTERNATIONAL HOLDING LTD. (POLO)	Investment holding and production and sales of sports and leisure shoes	100%	100%	100%	
LAI YIH SAMOA	EVERYIELD CO., LTD. (EVERYIELD)	Holding company	100%	100%	100%	
LAI YIH SAMOA	LAC TY COMPANY LIMITED (LAC TY)	Production and sales of sports and leisure shoes	50%	50%	50%	Note 1
LAI YIH SAMOA	JUMBO POWER ENTERPRISES LIMITED (JUMBO POWER)	Investment holding and production and sales of sports and leisure shoes	-	-	50%	Note 2
PORTRICH	LAC TY II COMPANY LIMITED (LAC TY II)	Production and sales of sports and leisure shoes	100%	100%	100%	
OVERSEA	VINH LONG FOOTWEAR CO., LTD (TY XUAN)	Production and sales of sports and leisure shoes	85%	85%	85%	
KING GLOBAL	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	85%	85%	85%	
MEGA RIVER	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	15%	15%	15%	
JUMBO POWER	SUPERB KING INVESTMENTS LIMITED (SUPERB KING)	Holding company	-	-	100%	Note 2
SUPERB KING	YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD. (BAOYI)	Production and sales of sports and leisure shoes	-	-	100%	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	Ownership (%)	Ownership (%)	Description
			June 30, 2025	December 31, 2024	June 30, 2024	
THRIVE FOISON	TY BACH COMPANY LIMITED (TY BACH)	Production and sales of sports and leisure shoes	100%	100%	100%	
THRIVE FOISON	GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)	Production and sales of sports and leisure shoes	100%	100%	100%	
POLO	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	73%	73%	73%	
EVERYIELD	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	27%	27%	27%	
MEGA RIVER	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	50%	
THRIVE FOISON	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	50%	
OVERSEA	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	50%	
PORTRICH	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	50%	
OVERSEA	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	50%	
KING GLOBAL	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	50%	
EVERYIELD	PT ALNU SPORTING GOODS INDONESIA (ALNU)	Production and sales of sports and leisure shoes	66.21%	51%	51%	Note 5

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	Ownership (%)	Ownership (%)	Description
			June 30, 2025	December 31, 2024	June 30, 2024	
OVERSEA	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	60%	60%	-	Note 3
PORTRICH	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	40%	40%	-	Note 3

Note 1: 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 2: 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 3:PORTRICH TRADING LIMITED and OVERSEA FAITH CO., LTD. jointly held 100% of share in PT. YIH YOU FOOTWEAR INDONESIA.

Note 4: In order to meet the Group's long-term development plans and to continuously integrate the resources, the Company liquidated BRILLIANT METERO LIMITED in accordance with the relevant local regulations on July 4, 2025.

Note 5: In May 2025, EVERYIELD CO., LTD. increased its capital in PT ALNU SPORTING GOODS INDONESIA. EVERYIELD CO., LTD. held 66.21% of share in PT ALNU SPORTING GOODS INDONESIA after the capital increase.

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

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

E. Significant restrictions: None.

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

As of June 30, 2025, December 31, 2024 and June 30, 2024, the non-controlling interest amounted to \$852,837, \$929,140 and \$1,082,845, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		June 30, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	\$ 654,757	15%	\$ 777,526	15%

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

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD		
	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 3,453,399	\$ 4,348,799	\$ 3,910,541
Non-current assets	1,611,350	1,928,710	1,969,088
Current liabilities	(675,329)	(1,061,108)	(1,154,094)
Non-current liabilities	(24,372)	(32,897)	(32,095)
Total net assets	\$ 4,365,048	\$ 5,183,504	\$ 4,693,440

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Three months ended June 30	
	2025	2024
Revenue	\$ 3,034,183	\$ 3,445,788
Profit before income tax	136,845	489,352
Income tax expense	(41,334)	(101,293)
Profit for the period	95,511	388,059
Total comprehensive income for the period	\$ 95,511	\$ 388,059
Comprehensive income attributable to non-controlling interest	\$ 14,327	\$ 58,209

VINH LONG FOOTWEAR CO., LTD		
Six months ended June 30		
	2025	2024
Revenue	\$ 5,834,956	\$ 6,507,786
Profit before income tax	205,531	917,207
Income tax expense	(54,737)	(184,643)
Profit for the period	150,794	732,564
Total comprehensive income for the period	\$ 150,794	\$ 732,564
Comprehensive income attributable to non-controlling interest	\$ 22,619	\$ 109,885

Statements of cash flows

VINH LONG FOOTWEAR CO., LTD		
Six months ended June 30		
	2025	2024
Net cash provided by operating activities	\$ 411,661	\$ 502,998
Net cash used in investing activities	(97,478)	(103,295)
Net cash used in financing activities	(313,850)	(394,351)
Effect of exchange rates on cash and cash equivalents	(1,129)	43
(Decrease) increase in cash and cash equivalents	(796)	5,395
Cash and cash equivalents, beginning of period	8,444	3,132
Cash and cash equivalents, end of period	\$ 7,648	\$ 8,527

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

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.

(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 that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
- (b) Assets that are held primarily for the purpose of trading;
- (c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

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 in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading ;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(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.

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

For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(7) Income tax

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

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes

down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2025, the carrying amount of inventories was \$4,685,465.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash on hand and revolving funds	\$ 3,910	\$ 5,354	\$ 8,320
Checking accounts and demand deposits	4,175,937	3,671,185	3,971,796
Time deposits	-	289,495	123,634
	<u>\$ 4,179,847</u>	<u>\$ 3,966,034</u>	<u>\$ 4,103,750</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 \$17,694, \$19,052 and \$107,898 on June 30, 2025, December 31, 2024 and June 30, 2024, respectively, as financial assets at amortised cost.

(2) Financial assets at amortised cost

<u>Items</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Restricted time deposits	\$ 1,617	\$ 1,443	\$ 1,814
Time deposits with maturity over three months	2,003	2,303	2,281
	<u>\$ 3,620</u>	<u>\$ 3,746</u>	<u>\$ 4,095</u>
Non-current items:			
Restricted time deposits	\$ 14,074	\$ 15,306	\$ 14,890
Time deposits with maturity over one year	-	-	88,913
	<u>\$ 14,074</u>	<u>\$ 15,306</u>	<u>\$ 103,803</u>

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

	Three months ended June 30	
	2025	2024
Interest income	\$ 105	\$ 778

	Six months ended June 30	
	2025	2024
Interest income	\$ 232	\$ 910

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, 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

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$ 6,400,097	\$ 7,444,516	\$ 6,370,180
Less: Allowance for uncollectible accounts	(2,699)	(18,219)	(803)
	<u>\$ 6,397,398</u>	<u>\$ 7,426,297</u>	<u>\$ 6,369,377</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$ 6,378,119	\$ 7,380,017	\$ 6,368,429
Up to 30 days	21,952	54,335	877
31 to 90 days	-	8,458	617
Over 91 days	26	1,706	257
	<u>\$ 6,400,097</u>	<u>\$ 7,444,516</u>	<u>\$ 6,370,180</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024 and June 30, 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables from contracts with customers amounted to \$3,483,993.

C. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was the carrying amount of the accounts receivable.

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

(4) Inventories

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,099,270	(\$ 44,804)	\$ 1,054,466
Work in progress	1,373,259	-	1,373,259
Finished goods	2,155,052	(19,891)	2,135,161
Inventory in transit	122,579	-	122,579
	<u>\$ 4,750,160</u>	<u>(\$ 64,695)</u>	<u>\$ 4,685,465</u>
	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>
	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,266,346	(\$ 67,168)	\$ 1,199,178
Work in progress	1,406,010	-	1,406,010
Finished goods	2,195,746	(38,601)	2,157,145
Inventory in transit	56,475	-	56,475
	<u>\$ 4,924,577</u>	<u>(\$ 105,769)</u>	<u>\$ 4,818,808</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2025	2024
Cost of goods sold	\$ 9,491,589	\$ 7,730,745
Loss on (gain on reversal of) decline in market value	13,416 (	15,071)
Loss on scrapping inventories	7,283	1,598
Revenue from sale of scraps	(3,691) (	3,323)
	<u>\$ 9,508,597</u>	<u>\$ 7,713,949</u>
	Six months ended June 30	
	2025	2024
Cost of goods sold	\$ 17,493,640	\$ 14,031,302
Gain on reversal of decline in market value	(833) (	40,479)
Loss on scrapping inventories	7,283	16,996
Revenue from sale of scraps	(7,981) (	6,315)
	<u>\$ 17,492,109</u>	<u>\$ 14,001,504</u>

The gain on reversal of decline in market value was because of the increase in the net realisable value of certain inventories, which had been written down due to loss of valuation inventories, that were sold and accounted for as reductions of cost of goods sold.

(5) Other current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Excess business tax paid (or Net Input VAT)	\$ 1,967,893	\$ 2,093,478	\$ 2,031,523
Prepaid expenses	250,011	248,613	179,955
Prepayments to suppliers	28,491	6,879	79,121
Others	53,017	43,976	27,005
	<u>\$ 2,299,412</u>	<u>\$ 2,392,946</u>	<u>\$ 2,317,604</u>

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(6) Property, plant and equipment

Six months ended June 30, 2025						
Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Lands	\$ -	\$ 268,399	\$ -	\$ -	(\$ 21,958)	\$ 246,441
Buildings and structures	11,307,566	29,273	(24,940)	117,310	(1,387,640)	10,041,569
Machinery and equipment	7,263,776	229,822	(35,484)	117,986	(955,741)	6,620,359
Transportation equipment	98,687	9,388	(223)	95	(13,247)	94,700
Office equipment	168,315	10,183	(1,481)	(7,688)	(21,676)	147,653
Miscellaneous equipment	1,076,146	76,631	(252,536)	(19,403)	(112,614)	768,224
Unfinished construction and equipment under acceptance	609,501	311,413	-	(146,867)	(91,360)	682,687
	<u>20,523,991</u>	<u>\$ 935,109</u>	<u>(\$ 314,664)</u>	<u>\$ 61,433</u>	<u>(\$ 2,604,236)</u>	<u>18,601,633</u>
Accumulated depreciation						
Buildings and structures	(\$ 2,504,680)	(\$ 213,961)	\$ 21,593	\$ -	\$ 325,699	(\$ 2,371,349)
Machinery and equipment	(4,841,756)	(304,539)	30,534	(35)	646,268	(4,469,528)
Transportation equipment	(57,393)	(4,895)	223	-	7,801	(54,264)
Office equipment	(110,467)	(9,087)	911	990	14,947	(102,706)
Miscellaneous equipment	(711,546)	(103,029)	252,536	2,248	73,391	(486,400)
	<u>(8,225,842)</u>	<u>(\$ 635,511)</u>	<u>\$ 305,797</u>	<u>\$ 3,203</u>	<u>\$ 1,068,106</u>	<u>(7,484,247)</u>
Book value	<u>\$ 12,298,149</u>					<u>\$ 11,117,386</u>

Six months ended June 30, 2024

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

- 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-use.

(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. The underlying assets of short-term leases leased by the group are employee dormitories and factory building. Low-value assets comprise printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 789,995	\$ 910,065	\$ 961,157
Buildings	236,486	284,526	307,797
Transportation equipment	2,766	5,830	8,892
	<u>\$ 1,029,247</u>	<u>\$ 1,200,421</u>	<u>\$ 1,277,846</u>

	<u>Three months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,005	\$ 5,726
Buildings	14,375	14,462
Transportation equipment	1,532	1,634
	<u>\$ 20,912</u>	<u>\$ 21,822</u>

	<u>Six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 10,421	\$ 11,497
Buildings	29,737	28,470
Transportation equipment	3,063	3,472
	<u>\$ 43,221</u>	<u>\$ 43,439</u>

- D. For the six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$13,450 and \$41,808, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,157	\$ 2,181
Expense on short-term lease contracts	\$ 1,409	\$ 2,767
	Six months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,676	\$ 4,346
Expense on short-term lease contracts	\$ 3,217	\$ 4,872

F. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$38,483 and \$35,629, respectively.

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

(8) Short-term borrowings

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 299,404	5.00%	Land use right and property, plant and equipment
Unsecured borrowings	1,803,793	4.07%~5.33%	None
	<u>\$ 2,103,197</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
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>		
Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 864,443	4.73%~6.00%	Land use right and property, plant and equipment
Unsecured borrowings	850,981	5.20%~6.16%	None
	<u>\$ 1,715,424</u>		

Interest expense recognised in profit or loss amounted to \$39,964, \$55,814, \$81,434 and \$104,351, for the three months and six months ended June 30, 2025 and 2024, respectively.

(9) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Payable on dividends	\$ 2,244,600	\$ -	\$ 1,100,000
Payable on wages, salaries and bonuses	840,052	1,161,805	1,014,902
Payable on machinery and equipment	121,849	154,978	39,672
Payable on employees' compensation	83,040	99,438	47,226
Payable on directors' remuneration	58,204	59,663	28,336
Payable on professional service fees	45,472	122,593	119,541
Others	277,846	347,493	253,294
	<u>\$ 3,671,063</u>	<u>\$ 1,945,970</u>	<u>\$ 2,602,971</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 three months and six months ended June 30, 2025 and 2024, were \$2,393, \$2,135, \$4,723 and \$4,226, respectively.
- B. The mainland China subsidiaries, BAOYI and ZHONGSHAN YIBO (transferred to investments accounted for using equity method since September 2024), have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The amount that the Group contributed to the competent authority designated by the Government for the three months and six months ended June 30, 2024 were \$187 and \$3,116, respectively, there was no such transaction for the three months and six months ended June 30, 2025.

- C. The Group's subsidiaries, LAC TY, LAC TY II, TY XUAN, TY THAC, TY BACH and GRAND WISDOM, are subject to relevant regulations in Vietnam and contribute labor pension fund based on certain percentage of employees' monthly salaries and wages to relevant competent authority monthly according to the regulations in Vietnam. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024, were \$202,036, \$179,945, \$422,305 and \$355,459, respectively.
- D. The Group's subsidiaries, YIH QUAN, YIHFULL, ALNU and YIH YOU, are subject to relevant regulations in Indonesia 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 Indonesia. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024, were \$8,772, \$2,141, \$14,830 and \$3,148, respectively.

(11) Share-based payment

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

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

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

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

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

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

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

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

For the six months ended June 30, 2025: None.

(12) Share capital

A. As of June 30, 2025, 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.

	2025	2024
At January 1	249,400	220,000
Cash capital increase	-	29,400
At June 30	249,400	249,400

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 2024 and 2023 earnings on May 27, 2025 and May 30, 2024, respectively. Details are as follows :

	Year ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 381,832		\$ -	
Cash dividends	2,244,600	\$ 9.00	660,000	\$ 3.00
	<u>\$ 2,626,432</u>		<u>\$ 660,000</u>	

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 of 2023 was adjusted to \$2.65 (in dollars) per share.

(15) Operating revenue

	Three months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 11,319,753</u>	<u>\$ 9,766,381</u>
	Six months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 21,002,580</u>	<u>\$ 17,537,318</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of control at a point in time. Refer to Note 14(5) for relevant information.

B. Contract liabilities

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contract liabilities:				
- Advance sales receipts	<u>\$ 40,501</u>	<u>\$ 109,061</u>	<u>\$ 53,211</u>	<u>\$ 58,452</u>

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

	Three months ended June 30	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Advance sales receipts	\$ 1	\$ -
	Six months ended June 30	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Advance sales receipts	\$ 108,803	\$ 58,452

(16) Interest income

	Three months ended June 30	
	2025	2024
Interest income from bank deposits	\$ 21,693	\$ 37,125
Interest income from financial assets measured at amortised cost	105	778
	<u>\$ 21,798</u>	<u>\$ 37,903</u>
	Six months ended June 30	
	2025	2024
Interest income from bank deposits	\$ 34,473	\$ 59,887
Interest income from financial assets measured at amortised cost	232	910
	<u>\$ 34,705</u>	<u>\$ 60,797</u>

(17) Other gains and losses

	Three months ended June 30	
	2025	2024
Foreign exchange gains	\$ 157,299	\$ 174,160
Gains on disposals of property, plant and equipment	917	521
Other gains and losses	(80,123)	(8,660)
	<u>\$ 78,093</u>	<u>\$ 166,021</u>

	Six months ended June 30	
	2025	2024
Foreign exchange gains	\$ 333,569	\$ 319,189
Gains (loss) on disposals of property, plant and equipment	917 (	1,937)
Other gains and losses	(112,360)	(10,551)
	<u>\$ 222,126</u>	<u>\$ 306,701</u>

(18) Finance costs

	Three months ended June 30	
	2025	2024
Interest expense		
Bank borrowings	\$ 39,964	\$ 55,814
Lease liabilities	2,157	2,181
	<u>\$ 42,121</u>	<u>\$ 57,995</u>

	Six months ended June 30	
	2025	2024
Interest expense		
Bank borrowings	\$ 81,434	\$ 104,351
Lease liabilities	4,676	4,346
	<u>\$ 86,110</u>	<u>\$ 108,697</u>

(19) Expenses by nature

	Three months ended June 30	
	2025	2024
Employee benefit expense		
Wages and salaries	\$ 2,243,115	\$ 2,024,874
Labour and health insurance fees	56,452	47,549
Pension costs	213,201	184,408
Other personnel expenses	121,872	104,096
	<u>\$ 2,634,640</u>	<u>\$ 2,360,927</u>
Depreciation charges on property, plant and equipment	<u>\$ 301,924</u>	<u>\$ 324,920</u>
Depreciation charges on right-of-use assets	<u>\$ 20,912</u>	<u>\$ 21,822</u>
Amortisation charges	<u>\$ 2,512</u>	<u>\$ 1,443</u>

	Six months ended June 30	
	2025	2024
Employee benefit expense		
Wages and salaries	\$ 4,424,250	\$ 3,756,533
Labour and health insurance fees	118,005	92,717
Pension costs	441,858	365,949
Other personnel expenses	241,866	184,888
	<u>\$ 5,225,979</u>	<u>\$ 4,400,087</u>
Depreciation charges on property, plant and equipment	\$ 635,511	\$ 652,111
Depreciation charges on right-of-use assets	\$ 43,221	\$ 43,439
Amortisation charges	<u>\$ 4,673</u>	<u>\$ 2,869</u>

- A. For the three months and six months ended June 30, 2025 and 2024, employees' compensation were accrued at \$22,436, \$47,226, \$46,224 and \$47,226, respectively; directors' remuneration were accrued at \$13,462, \$28,336, \$27,735 and \$28,336, respectively. The aforementioned amounts were recognised in salary expenses.
- B. The employees' compensation and directors' remuneration were estimated and accrued based on 2.5% and 1.5% of distributable profit of current period for the six months ended June 30, 2025 and 2024.
- C. Employees' compensation and directors' remuneration for 2024 as resolved at the meeting of the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of 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:

	Three months ended June 30	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 249,225	\$ 291,601
Prior year income tax underestimation	1,019	3,005
Total current tax	<u>250,244</u>	<u>294,606</u>
Deferred tax:		
Origination and reversal of temporary differences	(\$ 7,868)	\$ 779
Total deferred tax	<u>(7,868)</u>	<u>779</u>
Income tax expense	<u>\$ 242,376</u>	<u>\$ 295,385</u>

		Six months ended June 30	
		2025	2024
Current tax:			
Current tax on profits for the period	\$	475,383	\$ 506,365
Prior year income tax underestimation		818	3,005
Total current tax		476,201	509,370
Deferred tax:			
Origination and reversal of temporary differences	(\$	4,126)	\$ 3,668
Total deferred tax	(	4,126)	3,668
Income tax expense	\$	472,075	\$ 513,038

B. The income tax returns of (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH through 2023 have been assessed and approved by the Tax Authority.

(21) Earnings per share

		Three months ended June 30, 2025	
		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
	Amount after tax	(share in thousands)	
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 861,549	249,400	\$ 3.45
<u>Diluted earnings per share</u>			
Profit attributable to the parent	861,549	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	80	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 861,549	249,480	\$ 3.45

Three months ended June 30, 2024			
		Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
	Amount after tax		
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,074,840	227,754	\$ 4.72
<u>Diluted earnings per share</u>			
Profit attributable to the parent	1,074,840	227,754	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	86	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,074,840	227,840	\$ 4.72
Six months ended June 30, 2025			
		Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
	Amount after tax		
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,775,010	249,400	\$ 7.12
<u>Diluted earnings per share</u>			
Profit attributable to the parent	1,775,010	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	253	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,775,010	249,653	\$ 7.11

Six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 1,813,483	223,877	\$ 8.10
<u>Diluted earnings per share</u>			
Profit attributable to the parent	1,813,483	223,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	143	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,813,483	224,020	\$ 8.10

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

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2025	2024
Purchase of property, plant and equipment	\$ 999,745	\$ 991,871
Add: Opening balance of payable on equipment	154,978	57,553
Add: Ending balance of prepayments for equipment	20,629	29,060
Less: Ending balance of payable on equipment	(116,019)	(39,672)
Less: Opening balance of prepayments for equipment	(159,377)	(17,178)
Add: Property, plant and equipment transferred to expense	-	16
Add: Property, plant and equipment transferred to current assets	-	56
Cash paid during the period	\$ 899,956	\$ 1,021,706

	Six months ended June 30	
	2025	2024
Purchase of intangible assets	\$ 11,905	\$ 4,246
Add: Ending balance of prepayments	2,312	3,811
Less: Ending balance of payables	(5,830)	-
Less: Opening balance of prepayments	(4,424)	(3,353)
Cash paid during the period	<u>\$ 3,963</u>	<u>\$ 4,704</u>

B. Financing activities with no cash flow effect:

	Six months ended June 30	
	2025	2024
Payable on dividends	<u>\$ 2,244,600</u>	<u>\$ 1,100,000</u>

(23) Changes in liabilities from financing activities

	Short-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2025	\$ 3,311,796	\$ -	\$ 444,938	\$ 3,756,734
Changes in cash flow from financing activities	(908,090)	-	(30,590)	(938,680)
Impact of changes in foreign exchange rate	(300,509)	-	(47,768)	(348,277)
Changes in other non-cash items	-	-	13,386	13,386
At June 30, 2025	<u>\$ 2,103,197</u>	<u>\$ -</u>	<u>\$ 379,966</u>	<u>\$ 2,483,163</u>

	Short-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2024	\$ 3,759,856	\$ 22	\$ 426,845	\$ 4,186,723
Changes in cash flow from financing activities	(2,147,229)	(22)	(26,411)	(2,173,662)
Impact of changes in foreign exchange rate	102,797	-	7,263	110,060
Changes in other non-cash items	-	-	43,056	43,056
At June 30, 2024	<u>\$ 1,715,424</u>	<u>\$ -</u>	<u>\$ 450,753</u>	<u>\$ 2,166,177</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

	Three months ended June 30	
	2025	2024
Purchases of goods:		
Other related parties	\$ -	\$ 204,218
	-	204,218
Purchases of services:		
Other related parties	\$ 8,025	\$ 10,677
	8,025	10,677
	<u>\$ 8,025</u>	<u>\$ 214,895</u>
	Six months ended June 30	
Purchases of goods:		
Other related parties	\$ -	\$ 430,735
	-	430,735
Purchases of services:		
Other related parties	\$ 12,153	\$ 13,310
	12,153	13,310
	<u>\$ 12,153</u>	<u>\$ 444,045</u>

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

B. Payables to related parties

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts payable:			
Other related parties	\$ 2,664	\$ 1,750	\$ 63,031
Associate	6,192	7,118	-
	<u>8,856</u>	<u>8,868</u>	<u>63,031</u>
Other payables:			
Other related parties	\$ -	\$ -	\$ 443
	-	-	443
	<u>\$ 8,856</u>	<u>\$ 8,868</u>	<u>\$ 63,474</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. Rents will be adjusted with the increases of price indexes starting from 2025. Thus, the amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset.
- (c) Acquisition of right-of-use assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
AN LAC	\$ -	\$ 4,389	\$ 4,389
ZHUO YIH	2,626	34,179	34,179
	<u>\$ 2,626</u>	<u>\$ 38,568</u>	<u>\$ 38,568</u>

(d) Lease liabilities

i. Outstanding balance

	June 30, 2025	December 31, 2024	June 30, 2024
AN LAC	\$ 69,905	\$ 88,566	\$ 102,778
ZHUO YIH	27,146	28,178	31,226
	<u>\$ 97,051</u>	<u>\$ 116,744</u>	<u>\$ 134,004</u>

ii. Interest expense

	Three months ended June 30	
	2025	2024
AN LAC	\$ 737	\$ 368
ZHUO YIH	206	510
	<u>\$ 943</u>	<u>\$ 878</u>

	Six months ended June 30	
	2025	2024
AN LAC	\$ 1,586	\$ 693
ZHUO YIH	425	1,043
	<u>\$ 2,011</u>	<u>\$ 1,736</u>

D. Endorsements and guarantees provided to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
CHUNG TE LI/ LIN CHANG YUNG	<u>\$ 2,103,249</u>	<u>\$ 3,311,931</u>	<u>\$ 1,715,424</u>

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

(3) Key management compensation

	Three months ended June 30	
	2025	2024
Short-term employee benefits	\$ 8,669	\$ 31,585
Post-employment benefits	152	159
	<u>\$ 8,821</u>	<u>\$ 31,744</u>
	Six months ended June 30	
	2025	2024
Short-term employee benefits	\$ 32,237	\$ 41,416
Post-employment benefits	312	319
	<u>\$ 32,549</u>	<u>\$ 41,735</u>

8. Pledged Assets

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

Pledged asset	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Time deposits (shown as financial assets at amortised cost)	\$ 15,691	\$ 16,749	\$ 16,704	Performance guarantee
Right-of-use assets	176,606	206,176	207,426	Short-term borrowings
Property, plant and equipment	884,295	1,044,032	775,456	Short-term borrowings
	<u>\$ 1,076,592</u>	<u>\$ 1,266,957</u>	<u>\$ 999,586</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

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

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	\$ 203,243	\$ 477,040	\$ 406,352
Intangible assets	808	3,129	-
	<u>\$ 204,051</u>	<u>\$ 480,169</u>	<u>\$ 406,352</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

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

The Group monitors capital by reviewing the debt ratios periodically. The debt ratios at June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total liabilities	\$ 8,434,188	\$ 8,767,817	\$ 7,420,291
Total assets	\$ 30,329,352	\$ 34,097,093	\$ 30,693,987
Debt ratio	<u>28%</u>	<u>26%</u>	<u>24%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,179,847	\$ 3,966,034	\$ 4,103,750
Financial assets at amortised cost	17,694	19,052	107,898
Accounts receivable	6,397,398	7,426,297	6,369,377
Other receivables	8,439	21,911	38,831
Guarantee deposits paid	35,708	40,620	29,539
	<u>\$ 10,639,086</u>	<u>\$ 11,473,914</u>	<u>\$ 10,649,395</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 2,103,197	\$ 3,311,796	\$ 1,715,424
Notes payable	43	6	50
Accounts payable (including related parties)	1,589,530	2,138,523	2,076,169
Other accounts payable (including related parties)	3,671,063	1,945,970	2,603,414
	<u>\$ 7,363,833</u>	<u>\$ 7,396,295</u>	<u>\$ 6,395,057</u>
Lease liability	<u>\$ 379,966</u>	<u>\$ 444,938</u>	<u>\$ 450,753</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:

June 30, 2025				
	Foreign currency amount			
	(in thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	289,655	29.30	\$ 8,486,884
USD:VND		201,610	26,070	5,907,169
USD:IDR		23,131	16,340	677,744
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	241,638	29.30	\$ 7,079,990
USD:VND		61,167	26,070	1,792,196
USD:IDR		29,743	16,340	871,480

December 31, 2024				
(Foreign currency: functional currency)	Foreign currency			
	amount			
	(in thousands)	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
June 30, 2024				
(Foreign currency: functional currency)	Foreign currency			
	amount			
	(in thousands)	Exchange rate	Book value (NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 265,716	32.45	\$	8,622,484
USD:VND	184,362	25,348		5,982,547
USD:RMB	15,086	7.2993		489,541
USD:IDR	12,010	16,234		331,315
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 250,463	32.45	\$	8,127,524
USD:VND	78,115	25,348		2,534,832

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to \$157,299, \$174,160, \$333,569 and \$319,189, respectively.

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

Six months ended June 30, 2025				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 424,344	\$ -	-
USD:VND	5%	295,358		-
USD:IDR	5%	33,887		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	5%	\$ 354,000	\$ -	-
USD:VND	5%	89,610		-
USD:IDR	5%	43,574		-

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

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the six months ended June 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
- ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$9,945 and \$7,717, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

- vi. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2025, December 31, 2024 and June 30, 2024, 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>June 30, 2025</u>					
Expected loss rate	0.0210%	6.07%	0.00%	100.00%	
Total book value	\$ 6,378,119	\$ 21,952	\$ -	\$ 26	\$ 6,400,097
Loss allowance	\$ 1,340	\$ 1,333	\$ -	\$ 26	\$ 2,699
<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>June 30, 2024</u>					
Expected loss rate	0.0048%	1.25%	36.79%	100.00%	
Total book value	\$ 6,368,429	\$ 877	\$ 617	\$ 257	\$ 6,370,180
Loss allowance	\$ 308	\$ 11	\$ 227	\$ 257	\$ 803

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

	<u>2025</u>
	<u>Accounts receivable</u>
At January 1	\$ 18,219
Reversal of impairment loss	(15,520)
At June 30	<u>\$ 2,699</u>
	<u>2024</u>
	<u>Accounts receivable</u>
At January 1	\$ 1,223
Reversal of impairment loss	(420)
At June 30	<u>\$ 803</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:

Floating rate	June 30, 2025	December 31, 2024	June 30, 2024
Expiring within one year	\$ 6,188,651	\$ 5,188,547	\$ 6,786,476

- 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.

	Between 6				
	Less than	months and	Between 1	Between 2	Over 5
June 30, 2025	6 months	1 year	and 2 year(s)	and 5 years	years
<u>Non-derivative financial liabilities:</u>					
Short-term borrowings	\$ 2,116,274	\$ -	\$ -	\$ -	\$ -
Notes payable	43	-	-	-	-
Accounts payable					
(including related parties)	1,589,530	-	-	-	-
Other payables	3,671,063	-	-	-	-
Lease liability	20,701	25,021	184,950	89,356	131,974
	Between 6				
	Less than	months and	Between 1	Between 2	Over 5
December 31, 2024	6 months	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	1,945,970	-	-	-	-
Lease liability	30,322	22,737	214,228	104,631	160,380

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

(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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. 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 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Significant inter-company transactions during the reporting period: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

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 six months June 30, 2025 and 2024 is as follows(Note):

Six months ended June 30			
2025		2024	
	Revenue		Revenue
US	\$ 7,550,404	\$	5,178,463
Netherlands	3,247,682		3,173,271
Asia	2,991,587		3,282,517
Americas	2,952,183		1,794,856
Europe	2,456,540		2,782,447
UK	1,056,371		965,042
Others	747,813		360,722
	<u>\$ 21,002,580</u>	<u>\$</u>	<u>17,537,318</u>

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

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LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Six months ended June 30, 2025

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 endorsement/ guarantee amount as of June 30, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2025 (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	\$ 20,186,371	\$ 1,904,500	\$ 1,904,500	\$ -	\$ -	9.43%	\$ 20,186,371	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	20,186,371	879,000	879,000	31,469	-	4.35%	20,186,371	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD.	4	20,186,371	1,025,500	586,000	-	-	2.90%	20,186,371	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMMITED	4	20,186,371	1,465,000	879,000	294,101	-	4.35%	20,186,371	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	2	10,093,185	293,000	293,000	-	-	1.45%	10,093,185	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	20,186,371	615,300	615,300	175,800	-	3.05%	20,186,371	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	568,004	351,600	351,600	-	-	15.12%	3,489,159	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD.	4	2,326,106	293	293	293	-	0.01%	2,326,106	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.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Six months ended June 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

								Differences in transaction terms compared to third party transactions				
								(Note 1)		Notes/accounts receivable (payable)		
										Percentage of		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)		Credit term	Unit price	Credit term	Balance	total notes/accounts receivable (payable)	Footnote
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	\$ 1,626,547	7.74%		60 days after receipt of goods	-	-	\$ 495,320	7.74%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	890,282	4.24%		60 days after receipt of goods	-	-	248,306	3.88%	Notes 1, 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	286,809	1.37%		60 days after receipt of goods	-	-	50,996	0.80%	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	473,984	2.26%		60 days after receipt of goods	-	-	131,209	2.05%	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	505,435	2.41%		60 days after receipt of goods	-	-	112,254	1.75%	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	355,309	1.69%		60 days after receipt of goods	-	-	198,625	3.10%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	441,580	2.10%		60 days after receipt of goods	-	-	175,714	2.75%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	408,049	1.94%		60 days after receipt of goods	-	-	69,272	1.08%	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	990,709	4.72%		75 days after receipt of goods	-	-	204,966	3.20%	Notes 1, 3
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	225,335	1.07%		75 days after receipt of goods	-	-	76,078	1.19%	Notes 1, 3
LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	328,196	1.56%		Colleted based on the contract	-	-	64,371	1.01%	Notes 1, 2
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	145,153	0.69%		Colleted based on the contract	-	-	27,731	0.43%	Notes 1, 2
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,361,882	25.53%		75 days after receipt of goods	-	-	2,104,906	32.90%	Notes 1, 3
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,830,977	27.76%		45 days after receipt of goods	-	-	1,679,816	26.26%	Notes 1, 3
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,198,666	10.47%		60 days after receipt of goods	-	-	965,554	15.09%	Notes 1, 3
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,224,375	15.35%		60 days after receipt of goods	-	-	814,110	12.73%	Notes 1, 3
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	433,469	2.06%		60 days after receipt of goods	-	-	82,942	1.30%	Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	413,140	1.97%		60 days after monthly billings	-	-	-	0.00%	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	897,944	4.28%		60 days after receipt of goods	-	-	181,216	2.83%	Note 1
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	232,269	1.11%		60 days after receipt of goods	-	-	145,212	2.27%	Note 1
PT ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	108,739	0.52%		30 days after monthly billings	-	-	23,678	0.37%	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 \$100 million or 20% of paid-in capital or more
June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025		Turnover rate	receivables Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts	Amount						
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	\$ 495,320	5.70	\$ -	-	\$ 181,677	\$ -	Notes 1, 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	248,306	6.61	-	-	139,244	-	Notes 1, 4
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	131,209	6.62	-	-	45,756	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	112,254	6.28	-	-	89,728	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	198,625	3.24	-	-	-	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	175,714	4.70	-	-	76,878	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	204,966	10.04	-	-	178,289	-	Notes 1, 4
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,104,906	4.95	-	-	860,074	-	Notes 1, 4
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,679,816	6.09	-	-	639,516	-	Notes 1, 4
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	965,554	4.29	-	-	136,553	-	Notes 1, 4
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	814,110	7.31	-	-	449,442	-	Notes 1, 4
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	181,216	12.66	-	-	181,270	-	Notes 1, 4
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	145,212	6.26	-	-	-	-	Notes 1, 4
The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	2,021,700	-	-	-	1,259,900	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables	293,000	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables	524,470	-	-	-	111,340	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	346,912	-	-	-	-	-	Notes 1, 2
FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	222,680	-	-	-	49,810	-	Notes 1, 2
OVERSEA FAITH CO.,LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	498,100	-	-	-	-	-	Notes 1, 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables	294,843	-	-	-	-	-	Notes 1, 2
KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	366,250	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables	684,155	-	-	-	146,500	-	Notes 1, 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivalbes	253,840	-	-	-	-	-	Notes 1, 2

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

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

Note 3: As of July 31, 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
Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
				General ledger account	Amount	Transaction terms			
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	\$ 1,626,547	Note 4		7.74%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Sales	890,282	Note 4		4.24%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	495,320	Note 4		1.63%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Accounts receivable	248,306	Note 4		0.82%	Notes 5, 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	286,809	Note 4		1.37%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	473,984	Note 4		2.26%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	505,435	Note 4		2.41%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	355,309	Note 4		1.69%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	131,209	Note 4		0.43%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	112,254	Note 4		0.37%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	198,625	Note 4		0.65%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	441,580	Note 4		2.10%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	408,049	Note 4		1.94%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	175,714	Note 4		0.58%	Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	990,709	Note 4		4.72%	Notes 5, 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	204,966	Note 4		0.68%	Notes 5, 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	225,335	Note 4		1.07%	Notes 5, 7
5	LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	328,196	Note 4		1.56%	Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	145,153	Note 4		0.69%	Note 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,361,882	Note 4		25.53%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,104,906	Note 4		6.94%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,830,977	Note 4		27.76%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,679,816	Note 4		5.54%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,198,666	Note 4		10.47%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	965,554	Note 4		3.18%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,224,375	Note 4		15.35%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	814,110	Note 4		2.68%	Notes 5, 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	433,469	Note 4		2.06%	Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	413,140	Note 4		1.97%	Note 7

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
				General ledger account	Amount	Transaction terms			
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	897,944	Note 4		4.28%	Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	181,216	Note 4		0.60%	Note 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	232,269	Note 4		1.11%	Note 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	145,212	Note 4		0.48%	Note 7
14	PT. ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	108,739	Note 4		0.52%	Note 7
15	The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	2,021,700	Note 4		6.67%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables (financing)	293,000	Note 4		0.97%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables (financing)	524,470	Note 4		1.73%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	346,912	Note 4		1.14%	Note 7
17	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	222,680	Note 4		0.73%	Note 7
18	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	498,100	Note 4		1.64%	Note 7
19	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	294,843	Note 4		0.97%	Note 7
20	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	366,250	Note 4		1.21%	Note 7
21	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables (financing)	684,155	Note 4		2.26%	Note 7
21	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	253,840	Note 4		0.84%	Note 7

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

(1) Parent company is '0'.

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

Note 6: Transaction amount exceeds \$100 million.

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025				Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss)	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares (Note 1)	Ownership (%)	Book value	recognised by the Company for the six months ended June 30, 2025 (Note 3)			
The Company	LAI YIH FOOTWEAR CO., LTD.	Samoa	Holding company	\$ 4,608,890	5,157,081	\$ 157,300	100%	\$ 20,186,371	\$ 1,804,273	\$ 1,804,273		
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	29,300	32,785	1,000	100%	2,326,106	1,127,658	-		
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	29,300	32,785	1,000	100%	35,834	897	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	29,300	32,785	1,000	100%	35,480	1,098	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	4,072,700	4,491,545	139,000	100%	4,505,521	6,320	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	2,535,036	2,836,558	86,520	100%	4,609,764	132,020	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	1,810,740	2,026,113	61,800	100%	1,494,284 (	14,906)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,780,253	1,992,000	60,760	100%	2,301,616	198,821	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,200,750	5,589,843	177,500	100%	4,793,041	302,820	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	BRILLIANT METERO LIMITED	Samoa	Holding company	31,750	35,900	1,084	100%	- (	185)	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,046,605	2,290,032	69,850	100%	1,649,600	43,256	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,136,840	1,198,292	38,800	100%	651,837	449	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	43,141	48,273	-	50%	143,070	131,696	-	Note 2	
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Investment holdings and sales of sports and casual shoes	234,400	262,280	8,000	50%	364,460 (	7,300)	-	Note 2	
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	3,960,263	3,841,174	-	100%	4,189,334	2,940	-	Note 2	
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	2,116,925	2,368,716	-	85%	3,710,291	150,794	-	Note 2	
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	1,928,394	2,157,761	-	85%	1,915,110	232,667	-	Note 2	
MEGA RIVER INVESTMENT CO., LTD.	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	340,305	380,781	-	15%	337,961	232,667	-	Note 2	
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	87,900	98,355	-	24%	49,539	-	-	Note 2	
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	468,800	524,560	-	100%	610,387	26,423	-	Note 2	
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Vietnam	Production and sales of sports and casual shoes	2,930,000	3,278,500	-	100%	2,346,349	305,023	-	Note 2	
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	966,900	852,410	-	100%	917,132	41,015	-	Note 2	
POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	2,814,584	3,149,356	96,061	73%	1,438,780	19,473	-	Note 2	
EVERYIELD CO., LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	1,053,740	1,179,074	35,964	27%	538,659	19,473	-	Note 2	

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at June 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares (Note 1)	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss)	Footnote	
										recognised by the Company for the six months ended June 30, 2025 (Note 3)		
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,391,750	1,557,288	-	50%	1,102,749	(	103,248)	-	Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,391,750	1,557,288	-	50%	1,102,749	(	103,248)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	146,500	163,925	-	50%	139,022		6,064	-	Note 2
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	146,500	163,925	-	50%	139,022		6,064	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	649	1,147	-	50%	-	(	49)	-	Note 2
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	649	1,147	-	50%	-	(	49)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	263,700	295,065	-	60%	261,216		1,274		Note 2
PORTRICH TRADING LIMITED	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	175,800	196,710	-	40%	174,144		1,274		Note 2
EVERYIELD CO., LTD.	PT ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	140,640	83,602	-	66.21%	111,759	(	9,300)		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 29.30:USD 1 prevailing on June 30, 2025, respectively.
Note 4: Investment income (loss) for the six months ended June 30, 2025 was calculated based on the financial statements which were audited by the Company’s CPA.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China-Basic information

Six months ended June 30, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

														Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee as of June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025 (Note 2)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote	
YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD.	Productione and sales of sports and casual shoes	\$ 328,992	(2)	\$ 328,992	\$ -	\$ -	\$ 328,992	(\$ 7,048)	50%	(\$ 3,524)	363,267	\$ 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)
(3) Other methods.

Note 2: The investment income (loss) for the six months ended June 30, 2025 was calculated based on the financial statements which were audited by R.O.C. parent company’s CPA.

Note 3: Paid-in capital, Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 and Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025 were converted at the exchange rate of NTD 29.30:USD 1 prevailing on June 30, 2025.