LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 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

DECEMBER 31, 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.

PWC 25004584

Opinion

We have audited the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements is stated as follows:

Assessment of allowance for inventory valuation loss

Description

Refer to Note 4(12) for the accounting policies on evaluation of inventories, Note 5(2) for the accounting estimates and assumption uncertainty of evaluation of inventories and Note 6(5) for the details of allowance for inventory valuation loss. The Group's balances of inventories and allowance for inventory valuation loss were NT$4,779,431 thousand and NT$89,686 thousand on December 31, 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 this year's key audit matters.

How our audit addressed the matter

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

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

Responsibilities of management for the financial statements

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

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

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

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 auditor's 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

March 5, 2026

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

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

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

	Assets	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 7,988,223	22	$ 3,966,034	12
1110	Current financial assets at fair value through profit or loss	6(2)	16,450	-	-	-
1136	Current financial assets at amortised cost	6(3) and 8	6,513	-	3,746	-
1170	Accounts receivable, net	6(4)	7,375,158	21	7,426,297	22
1200	Other receivables		8,325	-	21,911	-
1220	Current tax assets		7	-	1,394	-
130X	Inventories	6(5)	4,689,745	13	5,999,729	17
1479	Other current assets, others	6(6)	2,498,627	7	2,392,946	7
11XX	**Current assets**		22,583,048	63	19,812,057	58
	Non-current assets					
1535	Non-current financial assets at amortised cost	6(3) and 8	15,117	-	15,306	-
1550	Investments accounted for under equity method		440,714	1	458,869	1
1600	Property, plant and equipment	6(7) and 8	11,769,338	33	12,298,149	36
1755	Right-of-use assets	6(8), 7(2) and 8	1,067,284	3	1,200,421	4
1780	Intangible assets		16,962	-	11,843	-
1840	Deferred income tax assets	6(22)	99,665	-	73,397	-
1990	Other non-current assets, others		101,840	-	227,051	1
15XX	**Non-current assets**		13,510,920	37	14,285,036	42
1XXX	**Total Assets**		$ 36,093,968	100	$ 34,097,093	100

(Continued)

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

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 1,848,004	5	$ 3,311,796	10
2130	Current contract liabilities	6(17)	58,397	-	109,061	-
2150	Notes payable		6	-	6	-
2170	Accounts payable		1,696,836	5	2,129,655	6
2180	Accounts payable-related parties	7(2)	8,101	-	8,868	-
2200	Other payables	6(10)	1,677,229	4	1,945,970	6
2230	Income tax payable		277,706	1	599,952	2
2280	Current lease liabilities	6(8) and 7(2)	44,159	-	43,773	-
2399	Other current liabilities, others		12,956	-	16,019	-
21XX	**Current liabilities**		5,623,394	15	8,165,100	24
	Non-current liabilities					
2530	Bonds payable	6(11)	4,689,228	13	-	-
2570	Deferred income tax liabilities	6(22)	269,879	1	201,552	1
2580	Non-current lease liabilities	6(8) and 7(2)	349,913	1	401,165	1
25XX	**Non-current liabilities**		5,309,020	15	602,717	2
2XXX	**Total Liabilities**		10,932,414	30	8,767,817	26
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Share capital-common stock		2,494,000	7	2,494,000	7
	Capital surplus	6(15)				
3200	Capital surplus		15,752,613	43	15,322,516	45
	Retained earnings	6(16)				
3310	Legal reserve		381,832	1	-	-
3350	Unappropriated retained earnings		6,660,526	19	6,044,030	18
	Other equity interest					
3400	Other equity interest		(1,122,611)	(3)	539,590	1
31XX	**Equity attributable to owners of parent**		24,166,360	67	24,400,136	71
36XX	**Non-controlling interests**	4(3)	995,194	3	929,140	3
3XXX	**Total Equity**		25,161,554	70	25,329,276	74
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total Liabilities and Equity**		$ 36,093,968	100	$ 34,097,093	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
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	$ 39,594,659	100	$ 37,689,899	100
5000	Operating costs	6(5)(21)	(33,248,169)	(84)	(30,231,229)	(80)
5900	Gross profit from operations		6,346,490	16	7,458,670	20
	Operating expenses	6(21)				
6100	Selling expenses		(596,099)	(1)	(564,643)	(2)
6200	Administrative expenses		(1,271,963)	(3)	(1,517,970)	(4)
6300	Research and development expenses		(718,735)	(2)	(675,200)	(2)
6450	Expected credit impairment gain (loss)	12(2)	16,580	-	(16,996)	-
6000	Total operating expenses		(2,570,217)	(6)	(2,774,809)	(8)
6900	Net operating income		3,776,273	10	4,683,861	12
	Total non-operating income and expenses					
7100	Interest income	6(18)	70,726	-	108,871	-
7010	Other income		52,357	-	60,992	-
7020	Other gains and losses	6(19)	529,881	1	590,310	2
7050	Finance costs	6(20)	(168,421)	-	(175,198)	-
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method		(17,011)	-	1,622	-
7000	Non-operating income and expenses		467,532	1	586,597	2
7900	**Profit before income tax**		4,243,805	11	5,270,458	14
7950	Income tax expense	6(22)	(827,810)	(2)	(1,100,792)	(3)
8200	**Profit**		$ 3,415,995	9	$ 4,169,666	11
	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		($ 1,769,214)	(5)	$ 543,164	2
8300	**Other comprehensive (loss) income**		($ 1,769,214)	(5)	$ 543,164	2
8500	**Total comprehensive income**		$ 1,646,781	4	$ 4,712,830	13
	Profit, attributable to:					
8610	Owners of parent		$ 3,247,647	9	$ 3,818,318	10
8620	Non-controlling interests		$ 168,348	-	$ 351,348	1
	Comprehensive income attributable to:					
8710	Owners of parent		$ 1,585,446	4	$ 4,360,188	12
8720	Non-controlling interests		$ 61,335	-	$ 352,642	1
	Basic earnings per share	6(23)				
9750	Basic earnings per share		$ 13.02		$ 16.13	
	Diluted earnings per share	6(23)				
9850	Diluted earnings per share		$ 12.95		$ 16.11	

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
				Retained Earnings					
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
2024									
Balance at January 1, 2024		$ 2,200,000	$ 12,661,753	$ -	$ 2,885,712	($ 2,280)	$ 17,745,185	$ 981,390	$ 18,726,575
Profit for the year		-	-	-	3,818,318	-	3,818,318	351,348	4,169,666
Other comprehensive income for the year		-	-	-	-	541,870	541,870	1,294	543,164
Total comprehensive income		-	-	-	3,818,318	541,870	4,360,188	352,642	4,712,830
Appropriation and distribution of 2023 earnings:	6(15)(16)								
Cash dividends of ordinary share		-	-	-	(660,000)	-	(660,000)	-	(660,000)
Cash dividends from capital surplus		-	(440,000)	-	-	-	(440,000)	-	(440,000)
Cash capital increase	6(14)	294,000	3,010,726	-	-	-	3,304,726	-	3,304,726
Share-based payments	6(13)	-	90,037	-	-	-	90,037	-	90,037
Non-controlling interests decrease	4(3)	-	-	-	-	-	-	(404,892)	(404,892)
Balance at December 31, 2024		$ 2,494,000	$ 15,322,516	$ -	$ 6,044,030	$ 539,590	$ 24,400,136	$ 929,140	$ 25,329,276
2025									
Balance at January 1, 2025		$ 2,494,000	$ 15,322,516	$ -	$ 6,044,030	$ 539,590	$ 24,400,136	$ 929,140	$ 25,329,276
Profit for the year		-	-	-	3,247,647	-	3,247,647	168,348	3,415,995
Other comprehensive loss for the year		-	-	-	-	(1,662,201)	(1,662,201)	(107,013)	(1,769,214)
Total comprehensive income (loss)		-	-	-	3,247,647	(1,662,201)	1,585,446	61,335	1,646,781
Appropriation and distribution of 2024 earnings:	6(16)								
Legal reserve		-	-	381,832	(381,832)	-	-	-	-
Cash dividends of ordinary share		-	-	-	(2,244,600)	-	(2,244,600)	-	(2,244,600)
Issuance of convertible bonds	6(11)	-	430,078	-	-	-	430,078	-	430,078
Claim from disgorgement		-	19	-	-	-	19	-	19
Changes in percentage of ownership interests in subsidiaries	4(3)	-	-	-	(4,719)	-	(4,719)	4,719	-
Balance at December 31, 2025		$ 2,494,000	$ 15,752,613	$ 381,832	$ 6,660,526	($ 1,122,611)	$ 24,166,360	$ 995,194	$ 25,161,554

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,243,805	$ 5,270,458
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(21)	1,306,219	1,368,043
Amortisation expense	6(21)	9,707	6,644
Expected credit impairment (gain) loss	12(2)	(16,580)	16,996
Loss on financial assets at fair value through profit or loss	6(19)	2,150	-
Finance costs	6(20)	168,421	175,198
Interest income	6(18)	(70,726)	(108,871)
Share-based payments	6(13)	-	90,037
Share of loss (gain) of associates accounted for using the equity method		17,011	(1,622)
Loss (gain) on disposal of property, plant and equipment	6(19)	12,628	(3,883)
Property, plant and equipment transferred to expense	6(24)	-	26
Unrealised foreign exchange gain		(926,429)	(872,492)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		67,282	(3,956,697)
Other receivables		12,415	71,876
Inventories		954,191	(1,819,792)
Other current assets		(282,814)	(356,854)
Changes in operating liabilities			
Contract liabilities		(50,665)	49,407
Notes payable		-	(14)
Accounts payable		(339,591)	444,064
Accounts payable-related parties		(767)	(11,164)
Other payables		(92,572)	216,419
Other payables-related parties		-	(213)
Other current liabilities		(2,081)	4,189
Cash inflow generated from operations		5,011,604	581,755
Interest received		70,726	108,871
Interest paid		(171,950)	(175,198)
Income taxes paid		(1,094,865)	(594,698)
Net cash flows from (used in) operating activities		3,815,515	(79,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(3,324)	(91,029)
Proceeds from disposal of financial assets at amortised cost		-	1,218
Acquisition of property, plant and equipment	6(24)	(1,558,945)	(2,539,651)
Proceeds from disposal of property, plant and equipment		78,355	136,463
Acquisition of intangible assets	6(24)	(6,486)	(9,384)
Acquisition of right-of-use assets		(103)	(1,231)
Decrease (increase) in guarantee deposits paid		3,434	(10,345)
Increase in other non-current assets		(1,794)	(6,561)
Consolidated cash impact of individual changes		-	(536,594)
Net cash flows used in investing activities		(1,488,863)	(3,057,114)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	20,112,380	11,078,276
Decrease in short-term borrowings	6(25)	(21,389,115)	(11,691,579)
Proceeds from issuance of corporate bonds	6(25)	5,099,168	-
Payments of lease liabilities	6(25)	(54,942)	(45,958)
Decrease in guarantee deposits received	6(25)	-	(22)
Cash dividend	6(16)(25)	(2,244,600)	(660,000)
Cash from capital surplus	6(15)(25)	-	(440,000)
Cash capital increase	6(14)	-	3,304,726
Claim from disgorgement		19	-
Net cash flows from financing activities		1,522,910	1,545,443
Effect of exchange rate changes on cash and cash equivalents		172,627	1,138,056
Net increase (decrease) in cash and cash equivalents		4,022,189	(452,885)
Cash and cash equivalents at beginning of year		3,966,034	4,418,919
Cash and cash equivalents at end of year		$ 7,988,223	$ 3,966,034

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 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 16, 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 16, 2021 to acquire 100% equity interest in LAI YIH FOOTWEAR CO., LTD. and became the holding company of all consolidated entities after completing the reorganisation. The Group is primarily engaged in the production and sales of sports and leisure shoes. The Company was listed on the Taiwan Stock Exchange starting from June 12, 2024.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 5, 2026.

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(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the financial assets (including derivative instruments) at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

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

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
The Company	LAI YIH FOOTWEAR CO., LTD. (LAI YIH SAMOA)	Holding company	100%	100%	
LAI YIH SAMOA	FLOURISH THRIVE DEVELOPMENTS LIMITED (FLOURISH THRIVE)	Import and export trade	100%	100%	
LAI YIH SAMOA	CHEER ACCESS LTD. (CHEER ACCESS)	Investment holding and import and export trade	100%	100%	
LAI YIH SAMOA	BILLION STAR INTERNATIONAL CO., LTD. (BILLION STAR)	Investment holding and import and export trade	100%	100%	
LAI YIH SAMOA	PORTRICH TRADING LIMITED (PORTRICH)	Holding company	100%	100%	
LAI YIH SAMOA	OVERSEA FAITH CO., LTD. (OVERSEA)	Holding company	100%	100%	
LAI YIH SAMOA	MEGA RIVER INVESTMENT CO., LTD. (MEGA RIVER)	Holding company	100%	100%	
LAI YIH SAMOA	KING GLOBAL DEVELOPMENT CORP (KING GLOBAL)	Holding company	100%	100%	
LAI YIH SAMOA	THRIVE FOISON LIMITED (THRIVE FOISON)	Holding company	100%	100%	
LAI YIH SAMOA	BRILLIANT METERO LIMITED (BRILLIANT)	Holding company	-	100%	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
LAI YIH SAMOA	POLO INTERNATIONAL HOLDING LTD. (POLO)	Investment holding and production and sales of sports and leisure shoes	100%	100%	
LAI YIH SAMOA	EVERYIELD CO., LTD. (EVERYIELD)	Holding company	100%	100%	
LAI YIH SAMOA	LAC TY COMPANY LIMITED (LAC TY)	Production and sales of sports and leisure shoes	50%	50%	Note 1
PORTRICH	LAC TY II COMPANY LIMITED (LAC TY II)	Production and sales of sports and leisure shoes	100%	100%	
OVERSEA	VINH LONG FOOTWEAR CO., LTD (TY XUAN)	Production and sales of sports and leisure shoes	85%	85%	
KING GLOBAL	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	85%	85%	
MEGA RIVER	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	15%	15%	
THRIVE FOISON	TY BACH COMPANY LIMITTED (TY BACH)	Production and sales of sports and leisure shoes	100%	100%	
THRIVE FOISON	GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)	Production and sales of sports and leisure shoes	100%	100%	
POLO	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	73%	73%	
EVERYIELD	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	27%	27%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2025	December 31, 2024	
MEGA RIVER	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	
THRIVE FOISON	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	
OVERSEA	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	
PORTRICH	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	
OVERSEA	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	
KING GLOBAL	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	
EVERYIELD	PT. ALNU SPORTING GOODS INDONESIA (ALNU)	Production and sales of sports and leisure shoes	66.21%	51%	Note 4
OVERSEA	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	60%	60%	Note 2
PORTRICH	PT. YIH YOU FOOTWEAR INDONESIA(YIH YOU)	Production and sales of sports and leisure shoes	40%	40%	Note 2

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

Note 3: 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 4: 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.

Note 5: 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.

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 December 31, 2025 and 2024, the non-controlling interest amounted to $995,194 and $929,140, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2025		December 31, 2024	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO.. LTD	Vietnam	$ 754,075	15%	$ 777,526	15%

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD	
	December 31, 2025	December 31, 2024
Current assets	$ 4,242,267	$ 4,348,799
Non-current assets	1,619,662	1,928,710
Current liabilities	(808,880)	(1,061,108)
Non-current liabilities	(25,883)	(32,897)
Total net assets	$ 5,027,166	$ 5,183,504

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Year ended December 31	
	2025	2024
Revenue	$ 11,418,298	$ 13,169,434
Profit before income tax	661,700	1,470,536
Income tax expense	(142,892)	(291,711)
Profit for the year	518,808	1,178,825
Total comprehensive income for the year	$ 518,808	$ 1,178,825
Comprehensive income attributable to non-controlling interest	$ 77,821	$ 176,824

Statements of cash flows

	VINH LONG FOOTWEAR CO., LTD	
	Year ended December 31	
	2025	2024
Net cash provided by operating activities	$ 462,537	$ 715,321
Net cash used in investing activities	(156,689)	(220,146)
Net cash used in financing activities	(303,718)	(489,963)
Effect of exchange rates on cash and cash equivalents	(614)	100
Increase in cash and cash equivalents	1,516	5,312
Cash and cash equivalents, beginning of year	8,444	3,132
Cash and cash equivalents, end of year	$ 9,960	$ 8,444

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency was originally the US dollars; however, the consolidated financial statements are presented in New Taiwan dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities. Considering the efficiency of Group’s financing management, the Company has changed its functional role to plan Group’s financing activities in Taiwan primarily in New Taiwan dollars. In response to changes in the economic environment, the Company’s Board of Directors resolved to change the Company’s functional currency from US dollars to New Taiwan dollars, and starting from October 1, 2025, the change will be applied prospectively in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”. Following the change, the consolidated financial statements are presented in New Taiwan dollars, the Company’s functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their

translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

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

(a) Assets 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) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

(12) 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 necessaryto make the sale.

(13) Investments accounted for using equity method - associates

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

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

F. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When the Group disposes its investment in an associate and loses significant influence over this

associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

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

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. 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.

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 7 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options. The Group classifies the bonds payable upon issuance as a financial asset and an equity instrument in accordance with the contract terms. They are accounted for as follows:

(a) The embedded call options are recognised initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets at fair value through profit or loss'.

(b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

(c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options'.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either

discharged or cancelled or expires.

(23) Embedded derivatives

A. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

B. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis.

C. Employees' compensation and directors' remuneration

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

(25) Share-based payment

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

instruments that eventually vest.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets and tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets and tax losses are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Share capital

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

(28) Dividends

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

(29) Revenue recognition

Sale of goods

A. The Group manufactures and sells sports and leisure outdoor shoes, fabrics, shoe materials and other related products. Sales are recognised based on the bill of lading when control of the products has transferred, being when the products are shipped, and there is no unfulfilled obligation that could affect the sales counterparty's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the sales counterparty, and either the sales counterparty has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from sales of goods is measured at fair value of the consideration received or receivable, less estimated customer returns, discounts and other similar discounts and allowances. The Company estimates possible sales returns and discounts based on historical results and by considering different contract terms to recognise refund liabilities (recorded as other payables).

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional becausel only the passage of time is required before the payment is due.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due

to the fast changing consumption goods market and innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the produets within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2025, the carrying amount of inventories was $4,689,745.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	$ 5,212	$ 5,354
Checking accounts and demand deposits	7,488,194	3,671,185
Time deposits	494,817	289,495
	$ 7,988,223	$ 3,966,034

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 $21,630 and $19,052 on December 31, 2025 and 2024, respectively, as financial assets at amortised cost.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Call options of convertible corporate bonds	$ 18,600	$ -
Valuation adjustment	(2,150)	-
	$ 16,450	$ -

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss	($ 2,150)	$ -

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Restricted time deposits	$ 4,377	$ 1,443
Time deposits with maturity over three months	2,136	2,303
	$ 6,513	$ 3,746
Non-current items:		
Restricted time deposits	$ 15,117	$ 15,306
	$ 15,117	$ 15,306

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

	Year ended December 31	
	2025	2024
Interest income	$ 556	$ 1,771

B. As at December 31, 2025 and 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.

(4) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable	$ 7,376,797	$ 7,444,516
Less: Allowance for uncollectible accounts	(1,639)	(18,219)
	$ 7,375,158	$ 7,426,297

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

	December 31, 2025	December 31, 2024
Not past due	$ 7,342,214	$ 7,380,017
Up to 30 days	28,768	54,335
31 to 90 days	5,632	8,458
Over 91 days	183	1,706
	$ 7,376,797	$ 7,444,516

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 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 December 31, 2025 and 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).

(5) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,165,061	($ 53,978)	$ 1,111,083
Work in progress	1,094,683	-	1,094,683
Finished goods	2,365,090	(35,708)	2,329,382
Inventory in transit	154,597	-	154,597
	$ 4,779,431	($ 89,686)	$ 4,689,745

	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
	$ 6,074,600	($ 74,871)	$ 5,999,729

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2025	2024
Cost of goods sold	$ 33,225,365	$ 30,274,066
Loss on (gain on reversal of) decline in market value	19,949	(71,878)
Loss on scrapping inventories	19,513	43,180
Revenue from sale of scraps	(16,658)	(14,139)
	$ 33,248,169	$ 30,231,229

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.

(6) Other current assets

	December 31, 2025	December 31, 2024
Excess business tax paid (or Net Input VAT)	$ 2,153,083	$ 2,093,478
Prepaid expenses	243,255	248,613
Prepayments to suppliers	36,048	6,879
Others	66,241	43,976
	$ 2,498,627	$ 2,392,946

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(7) Property, plant and equipment

	Year ended December 31, 2025					
Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Lands	$ -	$ 440,245	$ -	$ -	$ 1,311	$ 441,556
Buildings and structures	11,307,566	58,186	(108,021)	209,154	(744,670)	10,722,215
Machinery and equipment	7,263,776	405,530	(159,840)	142,925	(511,405)	7,140,986
Transportation equipment	98,687	9,323	(217)	95	(7,061)	100,827
Office equipment	168,315	12,838	(1,530)	(3,720)	(12,247)	163,656
Miscellaneous equipment	1,076,146	143,306	(244,902)	47,941	(67,407)	955,084
Unfinished construction and equipment under acceptance	609,501	471,095	(3,968)	(325,792)	(44,928)	705,908
	20,523,991	$ 1,540,523	($ 518,478)	$ 70,603	($ 1,386,407)	20,230,232
Accumulated depreciation						
Buildings and structures	($ 2,504,680)	($ 414,099)	$ 39,098	$ 27	$ 158,473	($ 2,721,181)
Machinery and equipment	(4,841,756)	(583,556)	142,315	(17)	338,873	(4,944,141)
Transportation equipment	(57,393)	(9,755)	216	-	4,072	(62,860)
Office equipment	(110,467)	(16,733)	978	961	7,983	(117,278)
Miscellaneous equipment	(711,546)	(196,761)	244,888	2,117	45,868	(615,434)
	(8,225,842)	($ 1,220,904)	$ 427,495	$ 3,088	$ 555,269	(8,460,894)
Book value	$ 12,298,149					$ 11,769,338

	Year ended December 31, 2024						
Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Effect from changes of consolidated entities	Ending balance
Buildings and structures	$ 8,843,696	$ 740,557	($ 9,981)	$ 1,826,917	$ 328,507	($ 422,130)	$ 11,307,566
Machinery and equipment	6,722,065	1,036,723	(754,722)	102,613	183,788	(26,691)	7,263,776
Transportation equipment	86,544	13,659	(3,538)	-	2,022	-	98,687
Office equipment	142,569	23,183	(724)	271	3,016	-	168,315
Miscellaneous equipment	1,074,366	192,344	(313,527)	90,590	34,184	(1,811)	1,076,146
Unfinished construction and equipment under acceptance	2,126,301	488,411	-	(2,030,724)	25,513	-	609,501
	18,995,541	$ 2,494,877	($ 1,082,492)	($ 10,333)	$ 577,030	($ 450,632)	20,523,991
Accumulated depreciation							
Buildings and structures	($ 2,368,089)	($ 366,627)	$ 9,981	$ -	($ 86,681)	$ 306,736	($ 2,504,680)
Machinery and equipment	(4,730,929)	(638,985)	626,324	-	(122,188)	24,022	(4,841,756)
Transportation equipment	(49,649)	(9,370)	2,795	-	(1,169)	-	(57,393)
Office equipment	(89,193)	(19,997)	644	1	(1,922)	-	(110,467)
Miscellaneous equipment	(757,526)	(243,701)	310,168	13	(21,801)	1,301	(711,546)
	(7,995,386)	($ 1,278,680)	$ 949,912	$ 14	($ 233,761)	$ 332,059	(8,225,842)
Book value	$ 11,000,155						$ 12,298,149

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.

(8) 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:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	$ 828,632	$ 910,065
Buildings	234,621	284,526
Transportation equipment	4,031	5,830
	$ 1,067,284	$ 1,200,421

	Year ended December 31	
	2025	2024
	Depreciation charge	Depreciation charge
Land	$ 20,198	$ 22,799
Buildings	59,582	60,030
Transportation equipment	5,535	6,534
	$ 85,315	$ 89,363

D. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were $35,653 and $59,602, respectively.

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

	Year ended December 31	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 9,542	$ 10,428
Expense on short-term lease contracts	$ 5,637	$ 13,242

F. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were $70,121 and $69,628, respectively.

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

(9) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 402,224	4.50%～4.57%	Land use right and property, plant and equipment
Unsecured borrowings	1,445,780	4.28%～4.50%	None
	$ 1,848,004		

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
	$ 3,311,796		

Interest expense recognised in profit or loss amounted to $149,907 and $164,770, for the years ended December 31, 2025 and 2024, respectively.

(10) Other payables

	December 31, 2025	December 31, 2024
Payable on wages, salaries and bonuses	$ 1,210,011	$ 1,161,805
Payable on machinery and equipment	88,460	154,978
Payable on employees'compensation	84,584	99,438
Payable on professional service fees	69,031	122,593
Payable on directors' remuneration	50,973	59,663
Others	174,170	347,493
	$ 1,677,229	$ 1,945,970

(11) Bonds payable

	December 31, 2025	December 31, 2024
Bonds payable	$ 5,000,000	$ -
Less: Discount on bonds payable	(310,772)	-
	$ 4,689,228	$ -

A.The Company issued the First domestic unsecured convertible bonds, as approved by the regulatory authority.

(a) The terms are as follows:

i. The bonds were issued at $4,500,000, 0%, and at 100% of par value. The bonds mature three years from the issue date (November 28, 2025 ~ November 28, 2028) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 28, 2025.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period from the commencement date of the cessation of conversion of the share certificate and the prior day before the commencement date of trading of the new share certificate. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2025, the conversion price was $246.4 (in dollars) per share.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30%(inclusive) for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount.

v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and will not be resold or reissued；all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2025, the outstanding principal amount of the convertible bonds had not yet been converted into ordinary shares.

(c) As of December 31, 2025,regarding the issuance of convertible bonds, the equity conversion options amounting to $297,945 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation were 2.22%.

B. The Company issued the Second domestic unsecured convertible bonds, as approved by the regulatory authority.

(a) The terms are as follows:

i. The bonds were issued at $500,000, 0%, and at 119.83% of par value. The bonds mature three years from the issue date (December 10, 2025 ~ December 10, 2028) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on

December 10, 2025.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period from the commencement date of the cessation of conversion of the share certificate and the prior day before the commencement date of trading of the new share certificate. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2025, the conversion price was $245.2 (in dollars) per share.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30%(inclusive) for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount.

v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and will not resold or reissued；all rights and obligations attached to the bonds are also extinguished.

(b) As of December 31, 2025, the outstanding principal amount of the convertible bonds had not yet been converted into ordinary shares.

(c) As of December 31, 2025 regarding the issuance of convertible bonds, the equity conversion options amounting to $132,133 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation were 2.25%.

(12) Pensions

A. Effective July 1, 2005, the Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the

Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2025 and 2024, were $9,864 and $8,730, 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 year ended December 31, 2024 was $3,212, there was no such transaction for the year ended December 31, 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 years ended December 31, 2025 and 2024, were $820,458 and $774,864, 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 years ended December 31, 2025 and 2024, were $27,736 and $11,569, respectively.

(13) Share-based payment

A. For the year ended December 31, 2024, the share-based payment arrangements of the Group's subsidiaries were as follows:

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

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

For the year ended December 31, 2025: None.

(14) Share capital

A. As of December 31, 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. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025	2024
At January 1	249,400	220,000
Cash capital increase	-	29,400
At December 31	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.

(15) 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.

D. The Board of Directors resolved the appropriation of 2025 earnings on March 5, 2026. Cash dividends from capital surplus amounted to $498,800 at $2 (in dollars) per share. The aforementioned appropriation of 2025 earnings has not been resolved by the shareholders.

(16) 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. In accordance with the regulations, the Company shall set aside special reserve arising from the debit balances on other equity items at the balance sheet date before distributing earnings. When debit balances on other equity items are reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The Board of Directors resolved the appropriation of 2025 earnings on March 5, 2026.And 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			
	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 324,765		$ 381,832	
Special reserve	1,122,611		-	
Cash dividends	1,745,800	$ 7.00	2,244,600	$ 9.00
	$ 3,193,176		$ 2,626,432	

	Year ended December 31	
	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ -	
Cash dividends	660,000	$ 3.00
	$ 660,000	

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.

As of March 5, 2026, the appropriation of the 2025 earning has not been resolved by the shareholders.

(17) Operating revenue

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 39,594,659	$ 37,689,899

A. Disaggregation of revenue from contracts with customers

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

B. Contract liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities:			
- Advance sales receipts	$ 58,397	$ 109,061	$ 58,452

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

	Year ended December 31	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the year		
- Advance sales receipts	$ 108,850	$ 58,452

(18) Interest income

	Year ended December 31	
	2025	2024
Interest income from bank deposits	$ 70,170	$ 107,100
Interest income from financial assets measured at amortised cost	556	1,771
	$ 70,726	$ 108,871

(19) Other gains and losses

	Year ended December 31	
	2025	2024
Foreign exchange gains	$ 598,782	$ 663,082
Loss on financial assets at fair value through profit or loss	(2,150)	-
(Loss) gains on disposals of property, plant and equipment	(12,628)	3,883
Other gains and losses	(54,123)	(76,655)
	$ 529,881	$ 590,310

(20) Finance costs

	Year ended December 31	
	2025	2024
Interest expense		
Bank borrowings	$ 149,907	$ 164,770
Lease liabilities	9,542	10,428
Bonds payable	8,972	-
	$ 168,421	$ 175,198

(21) Expenses by nature

	Year ended December 31	
	2025	2024
Employee benefit expense		
Wages and salaries	$ 8,481,233	$ 7,813,721
Labour and health insurance fees	228,010	208,248
Pension costs	858,058	798,375
Other personnel expenses	469,185	411,995
	$ 10,036,486	$ 9,232,339
Depreciation charges on property, plant and equipment	$ 1,220,904	$ 1,278,680
Depreciation charges on right-of-use assets	$ 85,315	$ 89,363
Amortisation charges	$ 9,707	$ 6,644

A. For the years ended December 31, 2025 and 2024, employees' compensation were accrued at $84,584 and $99,438, respectively; directors' remuneration were accrued at $50,750 and $59,663, 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 years ended December 31, 2025 and 2024, respectively.

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.

(22) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the year	$ 777,876	$ 1,046,508
Prior year income tax underestimation	9,344	14,317
Total current tax	787,220	1,060,825
Deferred tax:		
Origination and reversal of temporary differences	$ 40,590	$ 39,967
Total deferred tax	40,590	39,967
Income tax expense	$ 827,810	$ 1,100,792

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate (note)	$ 822,948	$ 1,061,936
Expenses disallowed by tax regulation	17,988	8,666
Prior year income tax underestimation	9,344	14,317
Taxable loss not recognised as deferred tax assets	-	21,353
Change in assessment of realisation of deferred tax assets	(22,470)	(5,480)
Income tax expense	$ 827,810	$ 1,100,792

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

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

	2025			
	January 1	Recognised in profit or loss	Translation differences	December 31
Deferred tax assets:				
-Temporary differences:				
Allowance for inventory valuation loss	$ 9,023	$ 3,917	($ 661)	$ 12,279
Unrealised gross profit from sales	14,866	(3,574)	(643)	10,649
Unrealised exchange loss	2	13	-	15
Book-tax difference on lease liabilities	48,593	30,284	(2,830)	76,047
Others	913	(238)	-	675
	$ 73,397	$ 30,402	($ 4,134)	$ 99,665
Deferred tax liabilities:				
-Temporary differences:				
Book-tax difference on right-of-use assets	($ 46,445)	($ 49,039)	$ 2,659	($ 92,825)
Unrealised exchange gain	(155,107)	(21,953)	6	(177,054)
	($ 201,552)	($ 70,992)	$ 2,665	($ 269,879)
	($ 128,155)	($ 40,590)	($ 1,469)	($ 170,214)

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

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

December 31, 2025				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2023	Amount assessed	$ 167,953	$ 167,953	2026
2024	Amount assessed	97,061	97,061	2027

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

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

(23) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 3,247,647	249,400	$ 13.02
Diluted earnings per share			
Profit attributable to the parent	3,247,647	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	381	
Convertible bonds	11,122	1,824	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,258,769	251,605	$ 12.95

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 3,818,318	236,708	$ 16.13
Diluted earnings per share			
Profit attributable to the parent	3,818,318	236,708	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	261	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,818,318	236,969	$ 16.11

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.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment	$ 1,614,214	$ 2,484,558
Add: Opening balance of payable on equipment	154,978	57,553
Add: Ending balance of prepayments for equipment	31,489	159,377
Less: Ending balance of payable on equipment	(82,359)	(154,978)
Less: Opening balance of prepayments for equipment	(159,377)	(17,178)
Add: Property, plant and equipment transferred to expense	-	26
Add: Property, plant and equipment transferred to current assets	-	10,293
Cash paid during the year	$ 1,558,945	$ 2,539,651

	Year ended December 31	
	2025	2024
Purchase of intangible assets	$ 15,122	$ 8,313
Add: Ending balance of prepayments	1,889	4,424
Less: Ending balance of payables	(6,101)	-
Less: Opening balance of prepayments	(4,424)	(3,353)
Cash paid during the year	$ 6,486	$ 9,384

(25) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Lease liabilities	Payable on dividends	Liabilities from financing activities-gross
At January 1, 2025	$ 3,311,796	$ -	$ 444,938	$ -	$ 3,756,734
Changes in cash flow from financing activities	(1,276,735)	5,099,168	(54,942)	(2,244,600)	1,522,891
Impact of changes in foreign exchange rate	(187,057)	-	(27,790)	-	(214,847)
Changes in other non-cash items	-	(409,940)	31,866	2,244,600	1,866,526
At December 31, 2025	$ 1,848,004	$ 4,689,228	$ 394,072	$ -	$ 6,931,304

	Short-term borrowings	Guarantee deposits received	Lease liabilities	Payable on dividends	Cash from capital surplus	Liabilities from financing activities-gross
At January 1, 2024	$ 3,759,856	$ 22	$ 426,845	$ -	$ -	$ 4,186,723
Changes in cash flow from financing activities	(613,303)	(22)	(45,958)	(660,000)	(440,000)	(1,759,283)
Impact of changes in foreign exchange rate	165,243	-	11,325	-	-	176,568
Changes in other non-cash items	-	-	52,726	660,000	440,000	1,152,726
At December 31, 2024	$ 3,311,796	$ -	$ 444,938	$ -	$ -	$ 3,756,734

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)
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: The Group lost its control over Jumbo Power starting from September 2024. Accordingly, Jumbo Power's related parties were no longer the Group's related parties since the date when the control was lost.

(2) Significant related party transactions

A. Purchases

	Year ended December 31	
Purchases of goods:		
Other related parties	$ -	$ 541,044
Associate	-	6,551
	-	547,595
Purchases of services:		
Other related parties	$ 21,418	$ 24,532
	21,418	24,532
	$ 21,418	$ 572,127

(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

	December 31, 2025	December 31, 2024
Accounts payable:		
Other related parties	$ 1,498	$ 1,750
Associate	6,603	7,118
	$ 8,101	$ 8,868

Accounts payable arise mainly from purchase transactions.

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

	December 31, 2025	December 31, 2024
AN LAC	$ -	$ 4,389
ZHUO YIH	2,626	34,179
	$ 2,626	$ 38,568

(d) Lease liabilities

i. Outstanding balance

	December 31, 2025	December 31, 2024
AN LAC	$ 63,776	$ 88,566
ZHUO YIH	23,435	28,178
	$ 87,211	$ 116,744

ii. Interest expense

	Year ended December 31	
	2025	2024
AN LAC	$ 3,320	$ 3,087
ZHUO YIH	797	1,991
	$ 4,117	$ 5,078

D. Endorsements and guarantees provided to related parties

	December 31, 2025	December 31, 2024
CHUNG TE LI/ LIN CHANG YUNG	$ 1,848,004	$ 3,311,931

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

(3) Key management compensation

	Year ended December 31	
	2025	2024
Short-term employee benefits	$ 64,536	$ 91,070
Post-employment benefits	603	638
	$ 65,139	$ 91,708

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2025	December 31, 2024	Purpose
Time deposits (shown as financial assets at amortised cost)	$ 19,494	$ 16,749	Performance guarantee
Right-of-use assets	185,400	206,176	Short-term borrowings
Property, plant and equipment	901,122	1,044,032	Short-term borrowings
	$ 1,106,016	$ 1,266,957	

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:

	December 31, 2025	December 31, 2024
Property, plant and equipment	$ 339,263	$ 477,040
Investments accounted for using equity method	234,042	-
Intangible assets	342	3,129
	$ 573,647	$ 480,169

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Refer to Note 6(16) D. for the appropriation of 2025 earnings.

12. Others

(1) Capital management

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

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

	December 31, 2025	December 31, 2024
Total liabilities	$ 10,932,414	$ 8,767,817
Total assets	$ 36,093,968	$ 34,097,093
Debt ratio	30%	26%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through profit or loss	$ 16,450	$ -
Financial assets at amortised cost		
Cash and cash equivalents	$ 7,988,223	$ 3,966,034
Financial assets at amortised cost	21,630	19,052
Accounts receivable	7,375,158	7,426,297
Other receivables	8,325	21,911
Guarantee deposits paid	34,775	40,620
	$ 15,428,111	$ 11,473,914
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,848,004	$ 3,311,796
Notes payable	6	6
Accounts payable (including related parties)	1,704,937	2,138,523
Other accounts payable	1,677,229	1,945,970
Bonds payable	4,689,228	-
	$ 9,919,404	$ 7,396,295
Lease liability	$ 394,072	$ 444,938

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, VND and IDR. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and VND expenditures. Natural hedges are adopted by Group companies to minimise the foreign exchange risk exposure with the Group treasury.

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

	December 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 419,676	31.43	$ 13,190,429
USD:VND	227,095	26,224	7,137,584
USD:IDR	39,289	16,779	1,234,855
Financial liabilities			
Monetary items			
USD:NTD	$ 277,914	31.43	$ 8,734,845
USD:VND	62,376	26,224	1,960,474
USD:IDR	44,603	16,779	1,401,861

	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
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
Financial liabilities			
Monetary items			
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

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024, amounted to $598,782 and $663,082, respectively.

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

	Year ended December 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 659,521	$ -
USD:VND	5%	356,879	-
USD:IDR	5%	61,743	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 436,742	$ -
USD:VND	5%	98,024	-
USD:IDR	5%	70,093	-

	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	5%	$ 511,577	$ -
USD:VND	5%	330,443	-
USD:IDR	5%	26,697	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 383,198	$ -
USD:VND	5%	164,943	-
USD:IDR	5%	39,835	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. For the Group's call options embedded in convertible bonds (shown as financial assets at fair value through profit or loss), the prices of equity securities would change due to the change of the future value of investee companies. If the Company's stock price had increased/decreased by 5% with all other variables held constant, post-tax profit for the year ended December 31, 2025 would have increased/decreased by $2,000 and ($600), respectively, as a result of gains/losses on financial assets classified as at fair value through profit or loss. There was no such transaction for the year ended December 31, 2024.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 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 years ended December 31, 2025 and 2024 would have increased/decreased by $17,796 and $31,384, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

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

If the contract payments were past due over 30 days based on the terms, there has been a

significant increase in credit risk on that instrument since initial recognition.

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

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

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

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

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

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

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

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2025 and 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
December 31, 2025					
Expected loss rate	0.0057%	1.75%	9.41%	100.00%	
Total book value	$ 7,342,214	$ 28,768	$ 5,632	$ 183	$ 7,376,797
Loss allowance	$ 422	$ 504	$ 530	$ 183	$ 1,639
December 31, 2024					
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

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

	2025
	Accounts receivable
At January 1	$ 18,219
Reversal of impairment loss	(16,580)
At December 31	$ 1,639

	2024
	Accounts receivable
At January 1	$ 1,223
Provision for impairment	16,996
At December 31	$ 18,219

(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	December 31, 2025	December 31, 2024
Expiring within one year	$ 6,003,130	$ 5,188,547

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

December 31, 2025	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Short-term borrowings	$ 1,858,797	$ -	$ -	$ -	$ -
Notes payable	6	-	-	-	-
Accounts payable (including related parties)	1,704,937	-	-	-	-
Other payables	1,677,229	-	-	-	-
Lease liability	21,252	177,366	47,687	85,883	138,433
Bonds payable	-	-	-	5,000,000	-

December 31, 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
Non-derivative financial liabilities:					
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

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the convertible bonds issued by the Group is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The call options of convertible corporate bonds issued by the Group are included in Level 3.

B. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 4,689,228	$ -	$ 4,700,151	$ -

There were no such transactions on December 31, 2024.

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: It is measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Call options of convertible corporate bonds	$ -	$ -	$ 16,450	$ 16,450

There were no such transactions on December 31, 2024.

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The fair value of financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

ii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	2025
	Embedded derivatives
At January 1	$ -
Additions for the year	18,600
Losses recognised in profit or loss (Note)	(2,150)
At December 31	$ 16,450

Note: Recorded as non-operating income and expense.

There were no such transactions for the year ended December 31, 2024.

F. External valuation specialist engaged by the Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	$ 16,450	Binomial tree valuation model	Stock price volatility	59.93%	The higher the stock price volatility, the higher the fair value

There were no such transactions on December 31, 2024.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2025	
			Recognised in profit or loss	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Call options of convertible bonds	Stock price volatility	±5%	$ 1,700	($ 3,150)

There were no such transactions for the year ended December 31, 2024.

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 years ended December 31, 2025 and 2024 is as follows :

	Year ended December 31			
	2025		2024	
	Revenue (Note)	Non-current assets	Revenue (Note)	Non-current assets
US	$ 13,817,405	$ -	$ 11,796,849	$ -
Europe	6,634,559	-	2,188,837	-
Asia	6,543,562	41,204	4,596,951	44,806
Netherlands	5,997,447	-	6,862,117	-
Americas	5,590,653	-	4,234,970	-
U.K.	-	-	1,848,863	-
China	-	-	1,719,818	-
Belgium	-	-	1,555,820	-
Germany	-	-	1,258,358	-
Indonesia	-	3,537,336	316,317	3,177,420
Vietnam	-	7,142,659	75,873	8,024,565
Myanmar	-	2,199,450	-	2,461,849
Others	1,011,033	-	1,235,126	-
	$ 39,594,659	$ 12,920,649	$ 37,689,899	$ 13,708,640

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

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31	
	2025	2024
A	$ 22,327,036	$ 22,087,963
B	11,269,393	8,467,655
C	4,896,704	6,712,856
	$ 38,493,133	$ 37,268,474

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2025 (Note 3)	Balance at December 31, 2025 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted to a single party (Note 7)	Footnote
													Item	Value			
0	The Company	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	$ 4,463,060	$ 3,614,450	$ 2,630,691	0	2	$ -	Operating capital	$ -	None	$ -	$ 4,833,272	$ 9,666,544	
1	LAI YIH FOOTWARE CO., LTD.	THRIVE FOISON LIMITED	Other receivables (financing)	Yes	1,948,660	1,885,800	880,040	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	PORTRICH TRADING LIMITED	Other receivables (financing)	Yes	785,750	314,300	-	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Other receivables (financing)	Yes	1,100,050	1,100,050	390,989	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Other receivables (financing)	Yes	628,600	471,450	251,440	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Other receivables (financing)	Yes	157,150	-	-	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	EVERYIELD CO., LTD.	Other receivables (financing)	Yes	125,720	125,720	110,005	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Other receivables (financing)	Yes	1,257,200	1,257,200	-	0	2	-	Operating capital	-	None	-	22,879,854	22,879,854	
1	LAI YIH FOOTWARE CO., LTD.	LAC TY COMPANY LIMITED	Other receivables (financing)	Yes	942,900	314,300	-	1.5	2	-	Operating capital	-	None	-	4,575,971	9,151,942	
1	LAI YIH FOOTWARE CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	157,150	157,150	-	1.5	2	-	Operating capital	-	None	-	4,575,971	9,151,942	
2	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Other receivables (financing)	Yes	1,414,350	1,100,050	862,754	1.5	2	-	Operating capital	-	None	-	5,067,205	5,067,205	
2	THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Other receivables (financing)	Yes	314,300	157,150	-	1.5	2	-	Operating capital	-	None	-	5,067,205	5,067,205	
2	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	942,900	942,900	471,450	1.5	2	-	Operating capital	-	None	-	5,067,205	5,067,205	
3	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Other receivables (financing)	Yes	942,900	314,300	-	1.5	2	-	Operating capital	-	None	-	5,528,449	5,528,449	
3	PORTRICH TRADING LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	314,300	-	-	0	2	-	Operating capital	-	None	-	5,528,449	5,528,449	
4	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	534,310	157,150	-	1.5	2	-	Operating capital	-	None	-	2,505,868	2,505,868	
4	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	942,900	942,900	389,732	0	2	-	Operating capital	-	None	-	2,505,868	2,505,868	
5	MEGA RIVER INVESTMENT CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	157,150	-	-	0	2	-	Operating capital	-	None	-	1,645,309	1,645,309	
5	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	628,600	471,450	251,440	1.5	2	-	Operating capital	-	None	-	1,645,309	1,645,309	
6	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	1,728,650	1,414,350	1,195,912	0	2	-	Operating capital	-	None	-	3,126,659	3,126,659	
7	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	942,900	628,600	518,595	0	2	-	Operating capital	-	None	-	5,514,839	5,514,839	
8	EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Other receivables (financing)	Yes	62,860	62,860	62,860	1.5	2	-	Operating capital	-	None	-	143,606	287,212	
8	EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Other receivables (financing)	Yes	62,860	62,860	47,145	4	2	-	Operating capital	-	None	-	143,606	287,212	

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

(1)The Company is '0'.

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

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

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2025.

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

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

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

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

(1) LAI YIH FOOTWARE CO.,LTD. is a subsidiary which 100% directly and indirectly invested by The Company. Limit on loans granted to a single party is 20% of the Company's net assets in the financial statements and ceiling on total loans granted is 40% of the Company's net assets in the financial statements.

(2) THRIVE FOISON LIMITED, PORTRICH TRADING LIMITED, POLO INTERNATIONAL HOLDING LTD, MEGA RIVER INVESTMENT CO., LTD, KING GLOBAL DEVELOPMENT CORP, EVERYIELD CO., LTD.and FLOURISH THRIVE DEVELOPMENTS LIMITED are subsidiaries which 100% directly and indirectly invested by the Company. Ceiling on total loans granted and limit on loans granted to a single party are 100% of LAI YIH FOOTWEAR CO., LTD.'s net assets in the financial statements.

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

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

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

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

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

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

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

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

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

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

(13) PT. ALNU SPORTING GOODS INDONESIA is a subsidiary which 66.21% directiy and indirectly invested by the Group.Limit on loans granted to a single party is 20% of EVERYIELD CO .,LTD.'s net assets in the financial statements and ceiling on total loans granted is 40% of EVERYIELD CO .,LTD.'s net assets in the financial statements.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being endorsed/ guaranteed												
Number (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 December 31, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 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	$ 22,879,854	$ 2,042,950	$ 1,257,200	$ 785,750	$ -	5.49%	$ 22,879,854	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	22,879,854	942,900	471,450	-	-	2.06%	22,879,854	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD.	4	22,879,854	1,257,200	628,600	-	-	2.75%	22,879,854	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMMITED	4	22,879,854	1,885,800	1,885,800	268,449	-	8.24%	22,879,854	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	22,879,854	660,030	471,450	-	-	2.06%	22,879,854	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD.	4	3,126,959	314	314	314	-	0.01%	3,126,659	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	VINH LONG FOOTWEAR CO., LTD.	1	4,689,988	1,886	1,886	629	-	0.06%	4,689,988	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	518,357	314	314	-	-	0.01%	4,689,988	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY II COMPANY LIMITED	4	3,126,659	943	943	943	-	0.03%	3,126,659	N	N	N	
2	FLOURISH THRIVE DEVELOPMENTS LIMITED	TSANG YIH COMPANY LIMMITED	4	3,126,659	629	629	-	-	0.02%	3,126,659	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 chariman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

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

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

Note 8:LAI YIH FOOTWEAR CO., LTD. provided financing endorsements/guarantees to TY BACH COMPANY LIMITED (TY BACH). The credit contract matured in December 2025 with the amount of USD 30,000 thousand.

By considering the overall capital needs, the Company increased the endorsements/guarantees amount to the above endorsements/guarantees amounting to USD 30,000 thousand as resolved by the Board of Directors on November 11, 2025 in advance.

In order to meet the reporting requirements, the balance of endorsements/guarantees shall presented as double counting starting from the date of the event. After TY BACH completes the renewal of the bank borrowings, the Company's actual outstanding endorsement/guarantee amount provided for a single party (TY BACH) at December 31, 2025 will be decreased to USD 30,000 thousand. Ratio of outstanding endorsement/guarantee amount to net assets of the latest financial statements will be decreased to 8.24%.

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

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	$ 3,193,139	8.06%	60 days after receipt of goods	-	-	$ 676,534	9.17%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	1,947,940	4.92%	60 days after receipt of goods	-	-	254,949	3.46%	Notes 1, 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	189,944	0.48%	60 days after receipt of goods	-	-	43,014	0.58%	Notes 1, 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	464,455	1.17%	60 days after receipt of goods	-	-	29,414	0.40%	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	776,208	1.96%	60 days after receipt of goods	-	-	138,222	1.87%	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	933,512	2.36%	60 days after receipt of goods	-	-	107,910	1.46%	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	1,025,693	2.59%	60 days after receipt of goods	-	-	400,987	5.44%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	1,053,963	2.66%	60 days after receipt of goods	-	-	155,351	2.11%	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	861,231	2.18%	60 days after receipt of goods	-	-	97,474	1.32%	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,174,761	5.49%	45 days after receipt of goods	-	-	234,454	3.18%	Notes 1, 3
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	518,357	1.31%	75 days after receipt of goods	-	-	176,108	2.39%	Notes 1, 3
LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	550,138	1.39%	Colleted based on the contract	-	-	29,200	0.40%	Notes 1, 2
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	277,874	0.70%	Colleted based on the contract	-	-	21,545	0.29%	Notes 1, 2
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	10,222,857	25.82%	75 days after receipt of goods	-	-	2,237,893	30.34%	Notes 1, 3
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	11,383,659	28.75%	45 days after receipt of goods	-	-	2,614,791	35.45%	Notes 1, 3
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,896,163	9.84%	60 days after receipt of goods	-	-	1,052,905	14.28%	Notes 1, 3
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,166,917	13.05%	60 days after receipt of goods	-	-	808,120	10.96%	Notes 1, 3
TY BACH COMPANY LIMMITED	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	139,853	0.35%	60 days after receipt of goods	-	-	8,370	0.11%	Note 1
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	805,918	2.04%	60 days after monthly billings	-	-	118,034	1.60%	Note 1
GRAND WISDOM COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	189,358	0.48%	30 days after monthly billings	-	-	17,895	0.24%	Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	888,167	2.24%	60 days after monthly billings	-	-	133,056	1.80%	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,674,432	6.75%	45 days after receipt of goods	-	-	537,325	7.29%	Notes 1, 3
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	600,310	1.52%	30 days after monthly billings	-	-	125,212	1.70%	Notes 1, 3

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

Year ended December 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
PT. ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	$ 331,190	0.84%	30 days after monthly billings	-	-	$ 49,222	0.67%	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

December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts	Amount		Amount	Action taken			
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	$ 676,534	4.83	$ -	-	$ 378,977	$ -	Notes 1, 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	254,949	7.14	-	-	154,979	-	Notes 1, 4
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	138,222	5.29	-	-	52,859	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	107,910	5.88	-	-	63,050	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	400,987	3.20	-	-	240,172	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	155,351	5.93	-	-	69,264	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	234,454	10.26	-	-	209,264	-	Notes 1, 4
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	176,108	3.30			82,776		Notes 1, 4
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,237,893	4.58	-	-	939,386	-	Notes 1, 4
VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,614,791	4.78	-	-	784,278	-	Notes 1, 4
YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,052,905	3.65	-	-	281,237	-	Notes 1, 4
TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	808,120	5.88	-	-	341,359	-	Notes 1, 4
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	118,034	8.26			118,034		Note 1
TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	133,056	6.70	-	-	70,383	-	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	537,325	8.36	-	-	446,830	-	Notes 1, 4
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	125,212	9.35	-	-	91,306	-	Notes 1, 4
The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	2,630,691	-	-	-	669,459	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables	251,440	-	-	-	-	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables	880,040	-	-	-	3,143	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	390,989	-	-	-	296,699	-	Notes 1, 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Same ultimate parent company	Other receivables	110,005	-	-	-	-	-	Notes 1, 2
FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	1,195,912	-	-	-	638,029	-	Notes 1, 2
OVERSEA FAITH CO.,LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	518,595	-	-	-	-	-	Notes 1, 2

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

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

December 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2025		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts	Footnote
			Accounts	Amount		Amount	Action taken			
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables	$ 253,454	-	$ -	-	$ -	$ -	Notes 1, 2
KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	389,732	-	-	-	201,152	-	Notes 1, 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables	862,754	-	-	-	-	-	Notes 1, 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivalbes	474,223	-	-	-	-	-	Notes 1, 2
EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Same ultimate parent company	Other receivalbes	110,725	-	-	-	-	-	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 January 31, 2026.
Note 4: (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH is a branch of FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	$ 3,193,139	Note 4	8.06%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Sales	1,947,940	Note 4	4.92%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	189,944	Note 4	0.48%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	676,534	Note 4	1.87%	Notes 5, 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD	Same ultimate parent company	Accounts receivable	254,949	Note 4	0.71%	Notes 5, 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	464,455	Note 4	1.17%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	776,208	Note 4	1.96%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Sales	933,512	Note 4	2.36%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	1,025,693	Note 4	2.59%	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Accounts receivable	138,222	Note 4	0.38%	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMMITED	Same ultimate parent company	Accounts receivable	107,910	Note 4	0.30%	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	400,987	Note 4	1.11%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	1,053,963	Note 4	2.66%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	861,231	Note 4	2.18%	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	155,351	Note 4	0.43%	Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,174,761	Note 4	5.49%	Notes 5, 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	234,454	Note 4	0.65%	Notes 5, 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	518,357	Note 4	1.31%	Notes 5, 7
5	LAC TY COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	550,138	Note 4	1.39%	Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	277,874	Note 4	0.70%	Note 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH		Accounts receivable	176,108	Note 4	0.49%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	10,222,857	Note 4	25.82%	Notes 5, 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,237,893	Note 4	6.20%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	11,383,659	Note 4	28.75%	Notes 5, 7
7	VINH LONG FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,614,791	Note 4	7.24%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	3,896,163	Note 4	9.84%	Notes 5, 7
8	YIH SHUO FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	1,052,905	Note 4	2.92%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,166,917	Note 4	13.05%	Notes 5, 7
9	TY BACH COMPANY LIMMITED	YIH SHUO FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	139,853	Note 4	0.35%	Note 7

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
9	TY BACH COMPANY LIMMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	$ 808,120	Note 4	2.24%	Notes 5, 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	805,918	Note 4	2.04%	Note 7
10	GRAND WISDOM COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD.	Same ultimate parent company	Sales	189,358	Note 4	0.48%	Note 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED		Accounts receivable	118,034	Note 4	0.33%	Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	888,167	Note 4	2.24%	Note 7
11	TSANG YIH COMPANY LIMMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	133,056	Note 4	0.37%	Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,674,432	Note 4	6.75%	Notes 5, 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	537,325	Note 4	1.49%	Notes 5, 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	600,310	Note 4	1.52%	Notes 5, 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	125,212	Note 4	0.35%	Notes 5, 7
14	PT ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	331,190	Note 4	0.84%	Note 7
15	The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	2,630,691	Note 4	7.29%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables (financing)	251,440	Note 4	0.70%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables (financing)	880,040	Note 4	2.44%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	390,989	Note 4	1.08%	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Same ultimate parent company	Other receivables (financing)	110,005	Note 4	0.30%	Note 7
17	FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	1,195,912	Note 4	3.31%	Note 7
18	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	518,595	Note 4	1.44%	Note 7
19	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	253,454	Note 4	0.70%	Note 7
20	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	389,732	Note 4	1.08%	Note 7
21	THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Same ultimate parent company	Other receivables (financing)	862,754	Note 4	2.39%	Note 7
21	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	474,223	Note 4	1.31%	Note 7
22	EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Same ultimate parent company	Other receivables (financing)	110,725	Note 4	0.31%	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: Disclosing only the amount of NT $100 million of related party transactions.

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)

Year ended December 31, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2025					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2025 (Note3)	Balance as at December 31, 2024	Number of shares (Note 1)	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 4)	Footnote
The Company	LAI YIH FOOTWEAR CO., LTD.	Samoa	Holding company	$ 4,788,999	$ 5,157,081	157,300	100%	$ 22,879,854	$ 3,310,535	$ 3,310,535	
LAI YIH FOOTWEAR CO., LTD.	FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	31,430	32,785	1,000	100%	3,126,659	1,889,443	-	
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	31,430	32,785	1,000	100%	39,464	1,895	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	31,430	32,785	1,000	100%	39,458	2,462	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	4,832,363	4,491,545	153,750	100%	5,528,449	277,179	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	3,002,194	2,836,558	95,520	100%	5,514,839	455,645	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	1,942,374	2,026,113	61,800	100%	1,645,309	61,500	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,909,671	1,992,000	60,760	100%	2,505,868	241,679	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,578,825	5,589,843	177,500	100%	5,067,205	270,921	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BRILLIANT METERO LIMITED	Samoa	Holding company	-	35,900	-	-	-	(181)	-	Note 5
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,195,386	2,290,032	69,850	100%	1,884,899	156,794	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,219,484	1,198,292	38,800	100%	718,029	22,303	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	46,278	48,273	-	50%	187,335	197,196	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Holding company	251,440	262,280	8,000	50%	393,371	(22,517)	-	Note 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	4,248,159	3,841,174	-	100%	4,730,354	266,010	-	Note 2
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD.	Vietnam	Production and sales of sports and casual shoes	2,270,818	2,368,716	-	85%	4,273,091	518,808	-	Note 2
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	2,068,581	2,157,761	-	85%	2,090,758	282,521	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	YIH SHUO FOOTWEAR CO.,LTD	Vietnam	Production and sales of sports and casual shoes	365,044	380,781	-	15%	368,957	282,521	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	94,290	98,355	-	24%	47,343	(23,739)	-	Note 2
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	343,216	524,560	-	100%	430,455	(22,048)	-	Note 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMMITED	Vietnam	Production and sales of sports and casual shoes	3,143,000	3,278,500	-	100%	2,356,261	149,462	-	Note 2
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	1,037,190	852,410	-	100%	1,022,480	84,239	-	Note 2

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

Year ended December 31, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2025					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2025 (Note3)	Balance as at December 31, 2024	Number of shares (Note 1)	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 4)	Footnote
POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	$ 3,019,194	$ 3,149,356	96,061	73%	$ 1,604,504	$ 102,405	$ -	Note 2
EVERYIELD CO., LTD.	TSANG YIH COMPANY LIMMITED	Myanmar	Production and sales of sports and casual shoes	1,130,343	1,179,074	35,964	27%	600,703	102,405	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,492,925	1,557,288	-	50%	1,222,375	41,615	-	Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,492,925	1,557,288	-	50%	1,222,375	41,615	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	157,150	163,925	-	50%	149,425	14,167	-	Note 2
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	157,150	163,925	-	50%	149,425	14,167	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	696	1,147	-	50%	-	(47)	-	Note 2
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	696	1,147	-	50%	-	(47)	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	565,740	295,065	-	60%	556,254	11,651	-	Note 2
PORTRICH TRADING LIMITED	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	377,160	196,710	-	40%	370,836	11,651	-	Note 2
EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	150,864	83,602	-	66.21%	115,150	(9,260)	-	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 31.43:USD 1 prevailing on December 31, 2025.

Note 4: Investment income (loss) for the year ended December 31, 2025 was calculated based on the financial statements which were audited by the Company's CPA.

Note 5: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.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China-Basic information

Year ended December 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2025			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Remitted to Mainland China	Remitted back to Taiwan							
YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD.	Non-residential premises lease	$ 352,909	(2)	$ 352,909	$ -	$ -	$ 352,909	($ 21,962)	50%	($ 10,981)	392,247	$ 941,636	Note 3

Note 1: Investment methods are classified into the following 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 year ended December 31, 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 December 31, 2025 were converted at the exchange rate of NTD 31.43:USD 1 prevailing on December 31, 2025