LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2026 AND 2025

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES

JUNE 30, 2026 AND 2025 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 26001736

Opinion

We have audited the accompanying consolidated balance sheets of LAI YIH FOOTWEAR CO., LTD. and subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and 2025, and its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the six months ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the six months ended June 30, 2026 is stated as follows:

Assessment of allowance for inventory valuation loss

Description

Refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4(4)), the uncertainty of accounting estimates and assumptions on inventory evaluation (Note 5(2)), and the description of the allowance for inventory valuation losses (Note 6(5)). The Group's inventory amounted to NT$5,592,535 thousand and allowance for inventory valuation losses amounted to NT$101,139 thousand on June 30, 2026, respectively.

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

How our audit addressed the matter

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

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

Responsibilities of management for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Wu, Sung-Yuan Lai, Chih-Wei

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 25, 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
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 6,351,692	18	$ 7,988,223	22	$ 4,179,847	14
1110	Current financial assets at fair value through profit or loss	6(2)	4,347	-	16,450	-	-	-
1136	Current financial assets at amortised cost	6(3) and 8	7,604	-	6,513	-	3,620	-
1170	Accounts receivable, net	6(4)	6,896,465	19	7,375,158	21	6,397,398	21
1200	Other receivables		7,847	-	8,325	-	8,439	-
1220	Current tax assets		1,436	-	7	-	-	-
130X	Inventories	6(5)	5,491,396	16	4,689,745	13	4,685,465	15
1479	Other current assets, others	6(6)	2,666,111	8	2,498,627	7	2,299,412	8
11XX	**Current assets**		21,426,898	61	22,583,048	63	17,574,181	58
	Non-current assets							
1535	Non-current financial assets at amortised cost	6(3) and 8	15,437	-	15,117	-	14,074	-
1550	Investments accounted for under equity method		436,124	1	440,714	1	413,999	1
1600	Property, plant and equipment	6(7) and 8	11,666,552	33	11,769,338	33	11,117,386	37
1755	Right-of-use assets	6(8), 7(2) and 8	1,398,574	4	1,067,284	3	1,029,247	4
1780	Intangible assets		13,827	-	16,962	-	18,413	-
1840	Deferred income tax assets		103,699	-	99,665	-	64,783	-
1990	Other non-current assets, others		291,649	1	101,840	-	97,269	-
15XX	**Non-current assets**		13,925,862	39	13,510,920	37	12,755,171	42
1XXX	**Total assets**		$ 35,352,760	100	$ 36,093,968	100	$ 30,329,352	100

(Continued)

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	June 30, 2025 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(9)	$ -	-	$ 1,848,004	5	$ 2,103,197	7
2130	Current contract liabilities	6(16)	56,767	-	58,397	-	40,501	-
2150	Notes payable		40	-	6	-	43	-
2170	Accounts payable		1,737,053	5	1,696,836	5	1,580,674	5
2180	Accounts payable-related parties	7(2)	9,013	-	8,101	-	8,856	-
2200	Other payables	6(10)	3,735,380	11	1,677,229	4	3,671,063	12
2230	Income tax payable		275,323	1	277,706	1	450,342	2
2280	Current lease liabilities	6(8) and 7(2)	47,290	-	44,159	-	39,163	-
2399	Other current liabilities, others		13,896	-	12,956	-	7,780	-
21XX	**Current liabilities**		5,874,762	17	5,623,394	15	7,901,619	26
	Non-current liabilities							
2530	Bonds payable	6(11)	4,531,594	12	4,689,228	13	-	-
2570	Deferred income tax liabilities		295,801	1	269,879	1	191,766	1
2580	Non-current lease liabilities	6(8) and 7(2)	340,925	1	349,913	1	340,803	1
25XX	**Non-current liabilities**		5,168,320	14	5,309,020	15	532,569	2
2XXX	**Total Liabilities**		11,043,082	31	10,932,414	30	8,434,188	28
	Equity							
	Equity attributable to owners of parent							
	Share capital	6(13)						
3110	Ordinary share		2,502,958	7	2,494,000	7	2,494,000	8
	Capital surplus	6(14)						
3200	Capital surplus		15,453,676	44	15,752,613	43	15,322,535	51
	Retained earnings	6(15)						
3310	Legal reserve		706,596	2	381,832	1	381,832	1
3320	Special reserve		1,122,611	3	-	-	-	-
3350	Unappropriated retained earnings		4,597,863	13	6,660,526	19	5,187,889	17
	Other equity interest							
3400	Other equity interest		(1,068,651)	(3)	(1,122,611)	(3)	(2,343,929)	(8)
31XX	**Equity attributable to owners of parent**		23,315,053	66	24,166,360	67	21,042,327	69
36XX	**Non-controlling interests**	4(3)	994,625	3	995,194	3	852,837	3
3XXX	**Total Equity**		24,309,678	69	25,161,554	70	21,895,164	72
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total liabilities and equity**		$ 35,352,760	100	$ 36,093,968	100	$ 30,329,352	100

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

	Items	Note	Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	$ 10,823,368	100	$ 11,319,753	100	$ 17,901,059	100	$ 21,002,580	100
5000	Operating costs	6(5)(20) and 7(2)	(8,939,196)	(83)	(9,508,597)	(84)	(15,192,236)	(85)	(17,492,109)	(83)
5900	Gross profit from operations		1,884,172	17	1,811,156	16	2,708,823	15	3,510,471	17
	Operating expenses	6(20)								
6100	Selling expenses		(145,454)	(1)	(200,186)	(2)	(263,100)	(1)	(364,825)	(2)
6200	Administrative expenses		(340,286)	(3)	(328,965)	(3)	(670,915)	(4)	(655,924)	(3)
6300	Research and development expenses		(195,296)	(2)	(176,913)	(1)	(392,343)	(2)	(358,821)	(2)
6450	Expected credit impairment (loss) gain	12(2)	(506)	-	1,361	-	575	-	15,520	-
6000	Total operating expenses		(681,542)	(6)	(704,703)	(6)	(1,325,783)	(7)	(1,364,050)	(7)
6900	Net operating income		1,202,630	11	1,106,453	10	1,383,040	8	2,146,421	10
	Total non-operating income and expenses									
7100	Interest income	6(17)	40,052	-	21,798	-	63,509	-	34,705	-
7010	Other income		7,392	-	8,387	-	9,460	-	17,435	-
7020	Other gains and losses	6(18)	(25,353)	-	78,093	1	60,850	-	222,126	1
7050	Finance costs	6(19)	(28,144)	-	(42,121)	(1)	(63,363)	-	(86,110)	-
7060	Share of loss of associates and joint ventures accounted for using equity method		(12,657)	-	(4,282)	-	(22,517)	-	(3,650)	-
7000	Non-operating income and expenses		(18,710)	-	61,875	-	47,939	-	184,506	1
7900	**Profit before income tax**		1,183,920	11	1,168,328	10	1,430,979	8	2,330,927	11
7950	Income tax expense	6(21)	(234,259)	(2)	(242,376)	(2)	(313,658)	(2)	(472,075)	(2)
8200	**Profit**		$ 949,661	9	$ 925,952	8	$ 1,117,321	6	$ 1,858,852	9
	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		$ (329,405)	(3)	$ (3,229,854)	(28)	$ 66,582	-	$ (3,048,383)	(15)
8300	**Other comprehensive income**		$ (329,405)	(3)	$ (3,229,854)	(28)	$ 66,582	-	$ (3,048,383)	(15)
8500	**Total comprehensive income**		$ 620,256	6	$ (2,303,902)	(20)	$ 1,183,903	6	$ (1,189,531)	(6)
	Profit, attributable to:									
8610	Owners of parent		$ 942,417	9	$ 861,549	7	$ 1,130,512	6	$ 1,775,010	9
8620	Non-controlling interests		$ 7,244	-	$ 64,403	1	$ (13,191)	-	$ 83,842	-
	Comprehensive income (loss), attributable to:									
8710	Owners of parent		$ 623,073	6	$ (2,191,844)	(19)	$ 1,184,472	6	$ (1,108,509)	(6)
8720	Non-controlling interests		$ (2,817)	-	$ (112,058)	(1)	$ (569)	-	$ (81,022)	-
	Basic earnings per share	6(22)								
9750	Basic earnings per share		$ 3.78		$ 3.45		$ 4.53		$ 7.12	
	Diluted earnings per share	6(22)								
9850	Diluted earnings per share		$ 3.59		$ 3.45		$ 4.42		$ 7.11	

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
SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(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	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total Equity
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 period		-	-	-	-	1,775,010	-	1,775,010	83,842	1,858,852
Other comprehensive income for the period		-	-	-	-	-	(2,883,519)	(2,883,519)	(164,864)	(3,048,383)
Total comprehensive income		-	-	-	-	1,775,010	(2,883,519)	(1,108,509)	(81,022)	(1,189,531)
Appropriation and distribution of 2024 earnings:	6(15)									
Legal reserve		-	-	381,832	-	(381,832)	-	-	-	-
Cash dividends of ordinary share		-	-	-	-	(2,244,600)	-	(2,244,600)	-	(2,244,600)
Claim for the disgorgement		-	19	-	-	-	-	19	-	19
Changes in percentage of ownership interests in subsidiaries	4(3)	-	-	-	-	(4,719)	-	(4,719)	4,719	-
Balance at June 30, 2025		$ 2,494,000	$ 15,322,535	$ 381,832	$ -	$ 5,187,889	$ (2,343,929)	$ 21,042,327	$ 852,837	$ 21,895,164
2026										
Balance at January 1, 2026		$ 2,494,000	$ 15,752,613	$ 381,832	$ -	$ 6,660,526	$ (1,122,611)	$ 24,166,360	$ 995,194	$ 25,161,554
Profit for the period		-	-	-	-	1,130,512	-	1,130,512	(13,191)	1,117,321
Other comprehensive income for the period		-	-	-	-	-	53,960	53,960	12,622	66,582
Total comprehensive income		-	-	-	-	1,130,512	53,960	1,184,472	(569)	1,183,903
Appropriation and distribution of 2025 earnings:	6(14)(15)									
Legal reserve		-	-	324,764	-	(324,764)	-	-	-	-
Special reserve		-	-	-	1,122,611	(1,122,611)	-	-	-	-
Cash dividends of ordinary share		-	-	-	-	(1,745,800)	-	(1,745,800)	-	(1,745,800)
Cash dividends from capital surplus		-	(498,800)	-	-	-	-	(498,800)	-	(498,800)
Convertible bonds converted into ordinary shares	6(11)(13)(14)	8,958	199,863	-	-	-	-	208,821	-	208,821
Balance at June 30, 2026		$ 2,502,958	$ 15,453,676	$ 706,596	$ 1,122,611	$ 4,597,863	$ (1,068,651)	$ 23,315,053	$ 994,625	$ 24,309,678

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,430,979	$ 2,330,927
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	612,154	678,732
Amortisation expense	6(20)	4,416	4,673
Expected credit impairment gain	12(2)	(575)	(15,520)
Loss on financial assets at fair value through profit or loss	6(18)	11,900	-
Finance costs	6(19)	63,363	86,110
Interest income	6(17)	(63,509)	(34,705)
Share of loss of associates accounted for using the equity method		22,517	3,650
Gain on disposal of property, plant and equipment	6(18)	(29)	(917)
Unrealised foreign exchange gain		(1,007,074)	(832,196)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		479,302	1,044,184
Other receivables		458	12,456
Inventories		(781,420)	720,452
Other current assets		(158,891)	(231,482)
Changes in operating liabilities			
Contract liabilities		(1,629)	(68,560)
Notes payable		34	37
Accounts payable		35,956	(394,884)
Accounts payable-related parties		912	1,258
Other payables		(142,505)	(124,023)
Other current liabilities		806	(7,215)
Cash inflow generated from operations		507,165	3,172,977
Interest received		63,509	34,705
Interest paid		(63,854)	(88,822)
Income taxes paid		(295,241)	(601,763)
Net cash flows from operating activities		211,579	2,517,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		(1,490)	(587)
Proceeds from disposal of financial assets at amortised cost		340	-
Acquisition of property, plant and equipment	6(23)	(852,982)	(899,956)
Proceeds from disposal of property, plant and equipment		1,297	9,784
Acquisition of intangible assets	6(23)	(5,435)	(3,963)
Acquisition of right-of-use assets		-	(64)
Decrease in guarantee deposits paid		704	695
Increase in other non-current assets		(199,054)	(9,343)
Net cash flows used in investing activities		(1,056,620)	(903,434)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(24)	-	9,495,223
Decrease in short-term borrowings	6(24)	(1,862,152)	(10,403,313)
Payments of lease liabilities	6(24)	(21,074)	(30,590)
Claim for the disgorgement		-	19
Net cash flows used in financing activities		(1,883,226)	(938,661)
Effect of exchange rate changes on cash and cash equivalents		1,091,736	(461,189)
Net (decrease) increase in cash and cash equivalents		(1,636,531)	213,813
Cash and cash equivalents at beginning of period		7,988,223	3,966,034
Cash and cash equivalents at end of period		$ 6,351,692	$ 4,179,847

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(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 August 25, 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 2026 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.

(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 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1 : The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2 : The entities shall apply the amendment simultaneously with 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.

(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 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

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

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. Except for 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 International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is same as the consolidated financial statements for the year ended December 31, 2025.

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
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	LAI YIH FOOTWEAR CO., LTD. (LAI YIH SAMOA)	Holding company	100%	100%	100%	
LAI YIH SAMOA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED (FLOURISH THRIVE)	Import and export trade	100%	100%	100%	
LAI YIH SAMOA	CHEER ACCESS LTD. (CHEER ACCESS)	Investment holding and import and export trade	100%	100%	100%	
LAI YIH SAMOA	BILLION STAR INTERNATIONAL CO., LTD. (BILLION STAR)	Investment holding and import and export trade	100%	100%	100%	
LAI YIH SAMOA	PORTRICH TRADING LIMITED (PORTRICH)	Holding company	100%	100%	100%	
LAI YIH SAMOA	OVERSEA FAITH CO., LTD. (OVERSEA)	Holding company	100%	100%	100%	
LAI YIH SAMOA	MEGA RIVER INVESTMENT CO., LTD. (MEGA RIVER)	Holding company	100%	100%	100%	
LAI YIH SAMOA	KING GLOBAL DEVELOPMENT CORP(KING GLOBAL)	Holding company	100%	100%	100%	
LAI YIH SAMOA	THRIVE FOISON LIMITED (THRIVE FOISON)	Holding company	100%	100%	100%	
LAI YIH SAMOA	BRILLIANT METERO LIMITED (BRILLIANT)	Holding company	-	-	100%	Note 2
LAI YIH SAMOA	POLO INTERNATIONAL HOLDING LTD.(POLO)	Investment holding and production and sales of sports and leisure shoes	100%	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
LAI YIH SAMOA	EVERYIELD CO., LTD. (EVERYIELD)	Holding company	100%	100%	100%	
LAI YIH SAMOA	LAC TY COMPANY LIMITED (LAC TY)	Production and sales of sports and leisure shoes	50%	50%	50%	Note 1
PORTRICH	LAC TY II COMPANY LIMITED (LAC TY II)	Production and sales of sports and leisure shoes	100%	100%	100%	
OVERSEA	VINH LONG FOOTWEAR CO., LTD (TY XUAN)	Production and sales of sports and leisure shoes	85%	85%	85%	
KING GLOBAL	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	85%	85%	85%	
MEGA RIVER	YIH SHUO FOOTWEAR CO., LTD (TY THAC)	Production and sales of sports and leisure shoes	15%	15%	15%	
THRIVE FOISON	TY BACH COMPANY LIMITTED (TY BACH)	Production and sales of sports and leisure shoes	100%	100%	100%	
THRIVE FOISON	GRAND WISDOM COMPANY LIMITED (GRAND WISDOM)	Production and sales of sports and leisure shoes	100%	100%	100%	
POLO	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	73%	73%	73%	
EVERYIELD	TSANG YIH COMPAMY LIMITED (TSANG YIH)	Production and sales of sports and leisure shoes	27%	27%	27%	
MEGA RIVER	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	50%	
THRIVE FOISON	PT. YIH QUAN FOOTWEAR INDONESIA (YIH QUAN)	Production and sales of sports and leisure shoes	50%	50%	50%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
OVERSEA	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	50%	
PORTRICH	PT. YIHFULL FOOTWEAR INDONESIA (YIHFULL)	Production and sales of sports and leisure shoes	50%	50%	50%	
OVERSEA	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	50%	
KING GLOBAL	PT. YIHXIN FOOTWEAR INDONESIA (YIHXIN)	Production and sales of sports and leisure shoes	50%	50%	50%	
EVERYIELD	PT. ALNU SPORTING GOODS INDONESIA (ALNU)	Production and sales of sports and leisure shoes	66.21%	66.21%	66.21%	Note 3
OVERSEA	PT. YIH YOU FOOTWEAR INDONESIA (YIH YOU)	Production and sales of sports and leisure shoes	60%	60%	60%	
PORTRICH	PT. YIH YOU FOOTWEAR INDONESIA (YIH YOU)	Production and sales of sports and leisure shoes	40%	40%	40%	

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

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

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

E. Significant restrictions: None.

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

As of June 30, 2026, December 31, 2025 and June 30, 2025, the non-controlling interest amounted to $994,625, $995,194 and $852,837, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		June 30, 2026		December 31, 2025	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
VINH LONG FOOTWEAR CO., LTD	Vietnam	$ 789,878	15%	$ 754,075	15%

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

Summarised financial information of the subsidiaries:

Balance sheets

	VINH LONG FOOTWEAR CO., LTD		
	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 4,648,674	$ 4,242,267	$ 3,453,399
Non-current assets	1,574,502	1,619,662	1,611,350
Current liabilities	(921,399)	(808,880)	(675,329)
Non-current liabilities	(35,921)	(25,883)	(24,372)
Total net assets	$ 5,265,856	$ 5,027,166	$ 4,365,048

Statements of comprehensive income

	VINH LONG FOOTWEAR CO., LTD	
	Three months ended June 30	
	2026	2025
Revenue	$ 3,081,182	$ 3,034,183
Profit before income tax	219,429	136,845
Income tax expense	(46,327)	(41,334)
Profit for the year	173,102	95,511
Total comprehensive income for the year	$ 173,102	$ 95,511
Comprehensive income attributable to non-controlling interest	$ 25,966	$ 14,327

	VINH LONG FOOTWEAR CO., LTD	
	Six months ended June 30	
	2026	2025
Revenue	$ 5,270,332	$ 5,834,956
Profit before income tax	237,790	205,531
Income tax expense	(55,353)	(54,737)
Profit for the year	182,437	150,794
Total comprehensive income for the year	$ 182,437	$ 150,794
Comprehensive income attributable to non-controlling interest	$ 27,366	$ 22,619

Statements of cash flows

	VINH LONG FOOTWEAR CO., LTD	
	Six months ended June 30	
	2026	2025
Net cash provided by operating activities	$ 81,405	$ 411,661
Net cash used in investing activities	(71,787)	(97,478)
Net cash used in financing activities	(6,474)	(313,850)
Effect of exchange rates on cash and cash equivalents	119	(1,129)
Increase (decrease) in cash and cash equivalents	3,263	(796)
Cash and cash equivalents, beginning of year	9,960	8,444
Cash and cash equivalents, end of year	$ 13,223	$ 7,648

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

Inventories

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

(5) Income Tax

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

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

As of June 30, 2026, the carrying amount of inventories was $5,491,396.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	$ 6,611	$ 5,212	$ 3,910
Checking accounts and demand deposits	5,840,802	7,488,194	4,175,937
Time deposits	504,279	494,817	-
	$ 6,351,692	$ 7,988,223	$ 4,179,847

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 $23,041, $21,630, and $17,694 on June 30, 2026, December 31, 2025 and June 30, 2025, respectively, as financial assets at amortised cost.

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

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Call options of convertible bonds	$ 4,347	$ 16,450	$ -

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

	Three months ended June 30	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss	$ 550	$ -

	Six months ended June 30	
	2026	2025
Financial assets mandatorily measured at fair value through profit or loss	$ (11,900)	$ -

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	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Restricted time deposits	$ 5,444	$ 4,377	$ 1,617
Time deposits with maturity over three months	2,160	2,136	2,003
	$ 7,604	$ 6,513	$ 3,620
Non-current items:			
Restricted time deposits	$ 15,437	$ 15,117	$ 14,074
	$ 15,437	$ 15,117	$ 14,074

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

	Three months ended June 30	
	2026	2025
Interest income	$ 80	$ 105

	Six months ended June 30	
	2026	2025
Interest income	$ 171	$ 232

B. As at June 30, 2026, December 31, 2025 and June 30, 2025, 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 deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	$ 6,897,529	$ 7,376,797	$ 6,400,097
Less: Allowance for uncollectible accounts	(1,064)	(1,639)	(2,699)
	$ 6,896,465	$ 7,375,158	$ 6,397,398

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

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	$ 6,896,529	$ 7,342,214	$ 6,378,119
Up to 30 days	499	28,768	21,952
31 to 90 days	402	5,632	-
Over 90 days	99	183	26
	$ 6,897,529	$ 7,376,797	$ 6,400,097

The above ageing analysis was based on past due date.

B. As of June 30, 2026, December 31, 2025 and June 30, 2025, accounts receivable were all from contracts with customers. And as of January 1, 2025, the balance of receivables from contracts with customers amounted to $7,426,297.

C. As at June 30, 2026, December 31, 2025 and June 30, 2025, 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

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,486,469	$ (77,489)	$ 1,408,980
Work in progress	1,549,064	-	1,549,064
Finished goods	2,476,504	(23,650)	2,452,854
Inventory in transit	80,498	-	80,498
	$ 5,592,535	$ (101,139)	$ 5,491,396

	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

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,099,270	$ (44,804)	$ 1,054,466
Work in progress	1,373,259	-	1,373,259
Finished goods	2,155,052	(19,891)	2,135,161
Inventory in transit	122,579	-	122,579
	$ 4,750,160	$ (64,695)	$ 4,685,465

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2026	2025
Cost of goods sold	$ 8,923,877	$ 9,491,589
Loss on decline in market value	14,848	13,416
Loss on scrapping inventories	3,300	7,283
Revenue from sale of scraps	(2,829)	(3,691)
	$ 8,939,196	$ 9,508,597

	Six months ended June 30	
	2026	2025
Cost of goods sold	$ 15,178,854	$ 17,493,640
Loss on (gain on reversal of) decline in market value	10,846	(833)
Loss on scrapping inventories	7,957	7,283
Revenue from sale of scraps	(5,421)	(7,981)
	$ 15,192,236	$ 17,492,109

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

	June 30, 2026	December 31, 2025	June 30, 2025
Excess business tax paid (or Net Input VAT)	$ 2,340,523	$ 2,153,083	$ 1,967,893
Prepaid expenses	243,688	243,255	250,011
Prepayments to suppliers	17,440	36,048	28,491
Others	64,460	66,241	53,017
	$ 2,666,111	$ 2,498,627	$ 2,299,412

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(7) Property, plant and equipment

	Six months ended June 30, 2026					
Cost	Beginning balance	Addition	Decrease	Transfer	Net exchange differences	Ending balance
Lands	$ 441,556	$ -	$ -	$ -	$ (19,625)	$ 421,931
Buildings and structures	10,722,215	18,070	-	3,689	5,886	10,749,860
Machinery and equipment	7,140,986	133,723	(16,566)	16,474	49,463	7,324,080
Transportation equipment	100,827	7,143	-	1,001	827	109,798
Office equipment	163,656	4,441	(173)	2,109	621	170,654
Miscellaneous equipment	955,084	75,714	(158,637)	289	4,818	877,268
Unfinished construction and equipment under acceptance	705,908	629,352	-	(382,373)	2,644	955,531
	20,230,232	$ 868,443	$ (175,376)	$ (358,811)	$ 44,634	20,609,122
Accumulated depreciation						
Buildings and structures	$ (2,721,181)	$ (205,618)	$ -	$ -	$ (27,213)	$ (2,954,012)
Machinery and equipment	(4,944,141)	(255,200)	15,298	-	(52,397)	(5,236,440)
Transportation equipment	(62,860)	(5,065)	-	-	(645)	(68,570)
Office equipment	(117,278)	(8,015)	173	-	(978)	(126,098)
Miscellaneous equipment	(615,434)	(94,345)	158,637	(30)	(6,278)	(557,450)
	(8,460,894)	$ (568,243)	$ 174,108	$ (30)	$ (87,511)	(8,942,570)
Book value	$ 11,769,338					$ 11,666,552

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

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 ate 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:

	June 30, 2026	December 31, 2025	June 30, 2025
	Carrying amount	Carrying amount	Carrying amount
Land	$ 1,175,871	$ 828,632	$ 789,995
Buildings	220,163	234,621	236,486
Transportation equipment	2,540	4,031	2,766
	$ 1,398,574	$ 1,067,284	$ 1,029,247

	Three months ended June 30	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 6,247	$ 5,005
Buildings	15,583	14,375
Transportation equipment	675	1,532
	$ 22,505	$ 20,912

	Six months ended June 30	
	2026	2025
	Depreciation charge	Depreciation charge
Land	$ 11,352	$ 10,421
Buildings	31,067	29,737
Transportation equipment	1,492	3,063
	$ 43,911	$ 43,221

D. For the six months ended June 30, 2026 and 2025, the additions to right-of-use assets were $376,943 and $13,450, respectively.

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

	Three months ended June 30	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,326	$ 2,157
Expense on short-term lease contracts	$ 6,387	$ 1,409

	Six months ended June 30	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 4,751	$ 4,676
Expense on short-term lease contracts	$ 8,405	$ 3,217

F. For the six months ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $34,230 and $38,483, 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	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 299,404	5.00%	Land use right and property, plant and equipment
Unsecured borrowings	1,803,793	4.07%~5.33%	None
	$ 2,103,197		

There was no such transaction as of June 30, 2026.

Interest expense recognised in profit or loss amounted to $39,964, $7,311 and $81,434 for the three months ended June 30, 2025 and for the six months ended June 30, 2026 and 2025, respectively. There was no such transaction for the three months ended June 30, 2026.

(10) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Payable on dividends	$ 2,244,600	$ -	$ 2,244,600
Payable on wages, salaries and bonuses	1,005,471	1,210,011	840,052
Payable on machinery and equipment	87,660	88,460	121,849
Payable on professional service fees	69,563	69,031	45,472
Payable on employees' compensation	45,783	84,584	83,040
Payable on directors' remuneration	43,872	50,973	58,204
Others	238,431	174,170	277,846
	$ 3,735,380	$ 1,677,229	$ 3,671,063

(11) Bonds payable

	June 30, 2026	December 31, 2025	June 30, 2025
Bonds payable	$ 4,779,500	$ 5,000,000	$ -
Less: Discount on bonds payable	(247,906)	(310,772)	-
	$ 4,531,594	$ 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 3 years from the issue date (from November 28, 2025 to 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 ordinary 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 ordinary 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 June 30, 2026, 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 ordinary shares is above the then conversion price by 30%(inclusive) for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

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 June 30, 2026, the outstanding principal amount of the convertible bonds totaling $172,600 (face value) has been converted into 701 thousand shares of ordinary shares with a par value of $10 (in dollars) per share. Such conversion resulted in the recognition of 'capital surplus, additional paid-in capital arising from bond conversion' $167,939 and the reduction in 'capital surplus, share options' $11,428.

(c) As of June 30, 2026, regarding the issuance of the convertible bonds, the equity conversion options amounting to $286,517 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 is 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 3 years from the issue date (from December 10, 2025 to 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 ordinary 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 ordinary 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 June 30, 2026, 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 ordinary shares is above the then conversion price by 30%(inclusive) for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

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 June 30, 2026, the outstanding principal amount of the convertible bonds totaling $47,900 (face value) had been converted into 195 thousand shares of ordinary shares with a par value of $10 (in dollars) per share. Such conversion resulted in the recognition of 'capital surplus, additional paid-in capital arising from bond conversion' $56,010 and the reduction in 'capital surplus, share options' $12,658.

(c) As of June 30, 2026, regarding the issuance of the convertible bonds, the equity conversion options amounting to $119,475 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 is 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 three months and six months ended June 30, 2026 and 2025, were $2,627, $2,393, $5,245, and $4,723, respectively.

B. The Group' s subsidiaries, LAC TY, LAC TY II, TY XUAN, TY THAC, TY BACH and GRAND WISDOM, are subject to relevant regulations in Vietnam and contribute labor pension fund based on certain percentage of employees' monthly salaries and wages to relevant competent authority monthly according to the regulations in Vietnam. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2026 and 2025, were $214,157, $202,036, $436,454, and $422,305, respectively.

C. The Group' s subsidiaries, YIH QUAN, YIHFULL, ALNU and YIH YOU, are subject to relevant regulations in Indonesia and contribute labor pension fund based on certain percentage of employees' monthly salaries and wages to relevant competent authority monthly according to the regulations in Indonesia. Other than the monthly contributions, the Group has no further obligations. The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2026 and 2025, were $6,854, $8,772, $14,452, and $14,830, respectively.

(13) Share capital

A. As of June 30, 2026, the Company's authorised capital was $8,000,000, consisting of 800,000 thousand shares of ordinary stock, and the paid-in capital was $2,502,958 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:

	2026	2025
At January 1	249,400	249,400
Conversion of convertible bonds	896	-
At June 30	250,296	249,400

B. Regarding the number of ordinary shares arising from the conversion of the convertible bonds, please refer to Note 6(11).

(14) Capital surplus

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

B. Subject to the Companies Law of the Cayman Islands, where the Company incurs no loss, it may, by a special resolution, distribute its statutory reserve, the share premium account and/or the income from endowments received by the Company, which are in the capital surplus which are available for distribution, in whole or in part, by issuing new, fully paid shares and/ or by cash to its shareholders.

C. The appropriation of the 2025 earnings was approved at the shareholders' meeting held on June 16, 2026. Cash dividends of $2 (in dollars) per share, totaling $498,800, were distributed from capital surplus. In connection with the conversion of the convertible bonds into ordinary shares, the Chairman was authorized by the shareholders' meeting on June 16, 2026 to adjust the cash dividend distribution rate. Accordingly, the Company adjusted the cash dividend to $1.99 (in dollars) per share on June 25, 2026.

D. Regarding the capital surplus arising from the issuance of the convertible bonds, the reduction in capital surplus upon the conversion of the convertible bonds and the share premium arising from the issuance of ordinary shares, please refer to Note 6(11).

(15) 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 from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items are reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The shareholders resolved the appropriation of 2025 and 2024 earnings on June 16,2026 and May 27,2025, 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	$ 324,764		$ 381,832	
Special Reserve	1,122,611		-	
Cash dividends	1,745,800	$ 6.97	2,244,600	$ 9.00
Total	$ 3,193,175		$ 2,626,432	

In connection with the above appropriation of the 2025 earnings, the Chairman was authorized by the shareholders' meeting on June 16, 2026 to adjust the cash dividend distribution rate following the conversion of the convertible bonds into ordinary shares. Accordingly, the Company adjusted the cash dividend to $6.97 (in dollars) per share on June 25, 2026.

(16) Operating revenue

	Three months ended June 30	
	2026	2025
Revenue from contracts with customers	$ 10,823,368	$ 11,319,753

	Six months ended June 30	
	2026	2025
Revenue from contracts with customers	$ 17,901,059	$ 21,002,580

A. Disaggregation of revenue from contracts with customers

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

B. Contract liabilities

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

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Contract liabilities:				
- Advance sales receipts	$ 56,767	$ 58,397	$ 40,501	$ 109,061

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

	Three months ended June 30	
	2026	2025
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Advance sales receipts	$ 2,491	$ 1

	Six months ended June 30	
	2026	2025
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Advance sales receipts	$ 58,384	$ 108,803

(17) Interest income

	Three months ended June 30	
	2026	2025
Interest income from bank deposits	$ 39,972	$ 21,693
Interest income from financial assets measured at amortised cost	80	105
	$ 40,052	$ 21,798

	Six months ended June 30	
	2026	2025
Interest income from bank deposits	$ 63,338	$ 34,473
Interest income from financial assets measured at amortised cost	171	232
	$ 63,509	$ 34,705

(18) Other gains and losses

	Three months ended June 30	
	2026	2025
Foreign exchange (loss) gain	$ (24,157)	$ 157,299
(Loss) gain on disposals of property, plant and equipment	(422)	917
Gain on financial assets at fair value through profit or loss	550	-
Other gains and losses	(1,324)	(80,123)
	$ (25,353)	$ 78,093

	Six months ended June 30	
	2026	2025
Foreign exchange gain	$ 75,594	$ 333,569
Gain on disposals of property, plant and equipment	29	917
Loss on financial assets at fair value through profit or loss	(11,900)	-
Other gains and losses	(2,873)	(112,360)
	$ 60,850	$ 222,126

(19) Finance costs

	Three months ended June 30	
	2026	2025
Interest expense		
Bonds payable	$ 25,818	$ -
Bank borrowings	-	39,964
Lease liabilities	2,326	2,157
	$ 28,144	$ 42,121

	Six months ended June 30	
	2026	2025
Interest expense		
Bonds payable	$ 51,301	$ -
Bank borrowings	7,311	81,434
Lease liabilities	4,751	4,676
	$ 63,363	$ 86,110

(20) Expenses by nature

	Three months ended June 30	
	2026	2025
Employee benefit expense		
Wages and salaries	$ 2,196,886	$ 2,243,115
Labour and health insurance fees	59,990	56,452
Pension costs	223,638	213,201
Other personnel expenses	114,279	121,872
	$ 2,594,793	$ 2,634,640
Depreciation charges on property, plant and equipment	$ 279,361	$ 301,924
Depreciation charges on right-of-use assets	$ 22,505	$ 20,912
Amortisation charges	$ 2,113	$ 2,512

	Six months ended June 30	
	2026	2025
Employee benefit expense		
Wages and salaries	$ 4,400,167	$ 4,424,250
Labour and health insurance fees	122,082	118,005
Pension costs	456,151	441,858
Other personnel expenses	221,668	241,866
	$ 5,200,068	$ 5,225,979
Depreciation charges on property, plant and equipment	$ 568,243	$ 635,511
Depreciation charges on right-of-use assets	$ 43,911	$ 43,221
Amortisation charges	$ 4,416	$ 4,673

A. For the three months and six months ended June 30, 2026 and 2025, employees' compensation was accrued at $24,553, $22,436, $29,451 and $46,224, respectively; directors' remuneration was accrued at $14,731, $13,462, $17,670 and $27,735, respectively. The aforementioned amounts were recognised in salary expenses.

B. The employees' compensation and directors' remuneration were estimated and accrued based on 2.5% and 1.5% of distributable profit of current period for the six months ended June 30, 2026 and 2025.

C. Employees' compensation and directors' remuneration for 2025 as resolved at the meeting of the Board of Directors were in agreement with those amounts recognised in the 2025 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.

(21) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended June 30	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 228,661	$ 249,225
Prior year income tax underestimation	1,608	1,019
Total current tax	230,269	250,244
Deferred tax:		
Origination and reversal of temporary differences	$ 3,990	$ (7,868)
Total deferred tax	3,990	(7,868)
Income tax expense	$ 234,259	$ 242,376

	Six months ended June 30	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 290,504	$ 475,383
Prior year income tax underestimation	146	818
Total current tax	290,650	476,201
Deferred tax:		
Origination and reversal of temporary differences	$ 23,008	$ (4,126)
Total deferred tax	23,008	(4,126)
Income tax expense	$ 313,658	$ 472,075

B. The income tax returns of (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH through 2024 have been assessed and approved by the Tax Authority.

(22) Earnings per share

	Three months ended June 30, 2026		
	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	$ 942,417	249,410	$ 3.78
Diluted earnings per share			
Profit attributable to the parent	942,417	249,410	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	25,358	20,292	
Employees' compensation	-	125	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 967,775	269,827	$ 3.59

	Three months ended June 30, 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	$ 861,549	249,400	$ 3.45
Diluted earnings per share			
Profit attributable to the parent	861,549	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	80	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 861,549	249,480	$ 3.45

	Six months ended June 30, 2026		
	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	$ 1,130,512	249,405	$ 4.53
Diluted earnings per share			
Profit attributable to the parent	1,130,512	249,405	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	63,291	20,297	
Employees' compensation	-	315	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,193,803	270,017	$ 4.42

	Six months ended June 30, 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	$ 1,775,010	249,400	$ 7.12
Diluted earnings per share			
Profit attributable to the parent	1,775,010	249,400	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	253	
Profit attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,775,010	249,653	$ 7.11

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

(23) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2026	2025
Purchase of property, plant and equipment	$ 509,602	$ 999,745
Add: Opening balance of payable on equipment	82,359	154,978
Add: Ending balance of prepayments for equipment	21,514	20,629
Less: Ending balance of payable on equipment	(85,293)	(116,019)
Less: Opening balance of prepayments for equipment	(31,489)	(159,377)
Add: Property, plant and equipment transferred to right-of-use assets	356,289	-
Cash paid during the period	$ 852,982	$ 899,956

	Six months ended June 30	
	2026	2025
Purchase of intangible assets	$ 1,816	$ 11,905
Add: Opening balance of payable	6,101	-
Add: Ending balance of prepayments	1,774	2,312
Less: Ending balance of payable	(2,367)	(5,830)
Less: Opening balance of prepayments	(1,889)	(4,424)
Cash paid during the period	$ 5,435	$ 3,963

B. Financing activities with no cash flow effect:

	Six months ended June 30	
	2026	2025
Payable on dividends	$ 1,745,800	$ 2,244,600
Cash from capital surplus	498,800	-
Convertible bonds converted into ordinary shares	208,821	-
	$ 2,453,421	$ 2,244,600

(24) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2026	$ 1,848,004	$ 4,689,228	$ 394,072	$ 6,931,304
Changes in cash flow from financing activities	(1,862,152)	-	(21,074)	(1,883,226)
Impact of changes in foreign exchange rate	14,148	-	(5,437)	8,711
Changes in other non-cash items	-	(157,634)	20,654	(136,980)
At June 30, 2026	$ -	$ 4,531,594	$ 388,215	$ 4,919,809

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

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)
CHUNG TE LI	Key management personnel of the Group (Chairman of the Group)
LIN CHANG YUNG	Key management personnel of the Group (Director of the Group)

(2) Significant related party transactions

A. Purchases

	Three months ended June 30	
	2026	2025
Purchases of services:		
Other related parties	$ 12,805	$ 8,025

	Six months ended June 30	
	2026	2025
Purchases of services:		
Other related parties	$ 19,448	$ 12,153

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

B. Payables to related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable:			
Associate	$ 6,676	$ 6,603	$ 6,192
Other related parties	2,337	1,498	2,664
	$ 9,013	$ 8,101	$ 8,856

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 in 2026 and 2025. Thus, the amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use assets.

(c) Acquisition of right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
ZHUO YIH	$ 318	$ 2,626	$ 2,626

(d) Lease liabilities

i. Outstanding balance

	June 30, 2026	December 31, 2025	June 30, 2025
AN LAC	$ 57,257	$ 63,776	$ 69,905
ZHUO YIH	19,945	23,435	27,146
	$ 77,202	$ 87,211	$ 97,051

ii. Interest expense

	Three months ended June 30	
	2026	2025
AN LAC	$ 814	$ 737
ZHUO YIH	165	206
	$ 979	$ 943

	Six months ended June 30	
	2026	2025
AN LAC	$ 1,685	$ 1,586
ZHUO YIH	344	425
	$ 2,029	$ 2,011

D. Endorsements and guarantees provided to related parties

	June 30, 2026	December 31, 2025	June 30, 2025
CHUNG TE LI/ LIN CHANG YUNG	$ -	$ 1,848,004	$ 2,103,249

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, Bank SinoPac, Mega Commercial Bank and Cathay United Bank.

(3) Key management compensation

	Three months ended June 30	
	2026	2025
Short-term employee benefits	$ 12,088	$ 8,669
Post-employment benefits	144	152
	$ 12,232	$ 8,821

	Six months ended June 30	
	2026	2025
Short-term employee benefits	$ 33,558	$ 32,237
Post-employment benefits	287	312
	$ 33,845	$ 32,549

8. Pledged Assets

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

	Book value			
Pledged asset	June 30, 2026	December 31, 2025	June 30, 2025	Purpose
Time deposits (shown as financial assets at amortised cost)	$ 20,881	$ 19,494	$ 15,691	Performance guarantee
Property, plant and equipment	101,088	901,122	884,295	Short-term borrowings
Right-of-use assets	11,077	185,400	176,606	Short-term borrowings
	$ 133,046	$ 1,106,016	$ 1,076,592	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

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

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	$ 648,653	$ 339,263	$ 203,243
Intangible assets	162	342	808
Investments accounted for under equity method	-	234,042	-
	$ 648,815	$ 573,647	$ 204,051

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

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

The Group monitors capital by reviewing the debt ratios periodically. The debt ratios at June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total liabilities	$ 11,043,082	$ 10,932,414	$ 8,434,188
Total assets	$ 35,352,760	$ 36,093,968	$ 30,329,352
Debt ratio	31%	30%	28%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit or loss	$ 4,347	$ 16,450	$ -
Financial assets at amortised cost			
Cash and cash equivalents	$ 6,351,692	$ 7,988,223	$ 4,179,847
Financial assets at amortised cost	23,041	21,630	17,694
Accounts receivable	6,896,465	7,375,158	6,397,398
Other receivables	7,847	8,325	8,439
Guarantee deposits paid	34,187	34,775	35,708
	$ 13,313,232	$ 15,428,111	$ 10,639,086
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ -	$ 1,848,004	$ 2,103,197
Notes payable	40	6	43
Accounts payable (including related parties)	1,746,066	1,704,937	1,589,530
Other accounts payable	3,735,380	1,677,229	3,671,063
Bonds payable	4,531,594	4,689,228	-
	$ 10,013,080	$ 9,919,404	$ 7,363,833
Lease liability	$ 388,215	$ 394,072	$ 379,966

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, VND and IDR expenditures. Natural hedges are adopted by group companies to minimise the foreign exchange risk exposure with the Group treasury.

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

	June 30, 2026		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 490,359	31.85	$ 15,617,948
USD:VND	225,231	26,283	7,173,603
USD:IDR	15,200	17,794	484,110
Financial liabilities			
Monetary items			
USD:NTD	$ 260,777	31.85	$ 8,305,739
USD:VND	61,922	26,283	1,972,205
USD:IDR	34,316	17,794	1,092,958

	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

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

iv. The total exchange gain and losses, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2026 and 2025, amounted to losses $24,157, gain $157,299, gain $75,594 and gain $333,569, respectively.

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

	Six months ended June 30, 2026		
	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%	$ 780,897	$ -
USD:VND	5%	358,680	-
USD:IDR	5%	24,206	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 415,287	$ -
USD:VND	5%	98,610	-
USD:IDR	5%	54,648	-

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

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 fair value of financial instruments would change due to the uncertainty in the Company's stock price. If the Company’ stock prices had increased/decreased by 5% with all other variables held constant, profit, net of tax for the six months ended June 30, 2026 would have increased by $955 and decreased by $45, respectively, as a result of gains/losses on financial assets at fair value through profit or loss. There was no such transaction for the six months ended June 30, 2025.

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 six months ended June 30, 2026 and 2025, the Group’s borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six months ended June 30, 2025 would have increased/decreased by $9,945. The main factor is that changes in interest expense result in floating-rate borrowings. There was no such transaction for the six months ended June 30, 2026.

(b) Credit risk

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

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

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

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

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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

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

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

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

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

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

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

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2026, December 31, 2025 and June 30, 2025, 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
June 30, 2026					
Expected loss rate	0.0118 %	8.22 %	27.61 %	100.00 %	
Total book value	$ 6,896,529	$ 499	$ 402	$ 99	$ 6,897,529
Loss allowance	$ 813	$ 41	$ 111	$ 99	$ 1,064
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
June 30, 2025					
Expected loss rate	0.0210 %	6.07 %	0.00 %	100.00 %	
Total book value	$ 6,378,119	$ 21,952	$ -	$ 26	$ 6,400,097
Loss allowance	$ 1,340	$ 1,333	$ -	$ 26	$ 2,699

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

	2026
	Accounts receivable
At January 1	$ 1,639
Reversal of impairment loss	(575)
At June 30	$ 1,064

	2025
	Accounts receivable
At January 1	$ 18,219
Reversal of impairment loss	(15,520)
At June 30	$ 2,699

(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 on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

ii. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

Floating rate	June 30, 2026	December 31, 2025	June 30, 2025
Expiring within one year	$ 10,414,950	$ 6,003,130	$ 6,188,651

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

June 30, 2026	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:					
Notes payable	$ 40	$ -	$ -	$ -	$ -
Accounts payable (including related parties)	1,746,066	-	-	-	-
Other payable	3,735,380	-	-	-	-
Lease liability	169,340	25,664	46,569	85,009	136,253
Bonds payable	-	-	-	4,779,500	-

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 payable	1,677,229	-	-	-	-
Lease liability	21,252	177,366	47,687	85,883	138,433
Bonds payable	-	-	-	5,000,000	-

June 30, 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	$ 2,116,274	$ -	$ -	$ -	$ -
Notes payable	43	-	-	-	-
Accounts payable (including related parties)	1,589,530	-	-	-	-
Other payable	3,671,063	-	-	-	-
Lease liability	20,701	25,021	184,950	89,356	131,974

(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 option of the convertible bonds issued by the Group is 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.

	June 30, 2026			
		Fair Value		
	Book value	Level 1	Lavel 2	Lavel 3
Financial liabilities:				
Bonds payable	$ 4,531,594	$ -	$ 4,515,693	$ -

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

There was no such transaction as of June 30, 2025.

(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 is as follows:

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

June 30, 2026	Level 1	Lavel 2	Lavel 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value throughprofit or loss				
-Call options of convertible bonds	$ -	$ -	$ 4,347	$ 4,347

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

There was no such transaction as of June 30, 2025.

(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 six months ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six months ended June 30, 2026 and 2025:

	2026
	Embedded derivative instruments
At January 1	$ 16,450
Losses recognised in profit or loss (Note)	(11,900)
Settlements in the year	(203)
At June 30	$ 4,347

Note : Recorded as non-operating income and expense.

There was no such transaction for the six months ended June 30, 2025.

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 June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	$ 4,347	Binomial tree valuation model	Stock price volatility	53.43%	The higher the stock price volatility, the higher the fair value.
	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 was no such transaction as of June 30, 2025.

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 or loss from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			June 30, 2026	
			Recognised in profit or loss	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Call options of convertible bonds	Stock price volatility	±5%	$ 2,300	$ (569)

			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 was no such transaction as of June 30, 2025.

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 periods: Please refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

14. Segment Information

(1) General information

The Company and its subsidiaries are primarily engaged in the production and sales of sports and leisure shoes. Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions and has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Board of Directors evaluates the performance of the operating segments based on a measure of income/(loss) before tax.

(3) Reconciliation for segment revenue and income (loss)

The Group has only one reportable operating segment. Segment revenue and income (loss) in the financial statements are used to evaluate the performance of the operating segments.

(4) Information on products and services

The Group is primarily engaged in the production and sales of sports and leisure shoes.

(5) Geographical information

Geographical information for the six months ended June 30, 2026 and 2025 is as follows:

	Six months ended June 30	
	2026	2025
	Revenue (Note)	Revenue (Note)
US	$ 5,880,416	$ 7,550,404
Asia	3,376,942	2,991,587
Europe	3,088,967	2,456,540
Netherlands	2,571,140	3,247,682
Americas	2,364,281	2,952,183
UK	-	1,056,371
Others	619,313	747,813
	$ 17,901,059	$ 21,002,580

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Loans to others
Six months ended June 30, 2026

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 six months ended June 30, 2026 (Note3)	Balance at June 30, 2026 (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	$ 4,777,500	$ 2,548,000	$ 2,548,000	0	2	$ -	Operating capital	$ -	None	$ -	$ 4,663,011	$ 9,326,021	Note 9
1	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Other receivables (financing)	Yes	3,025,750	2,707,250	920,465	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Other receivables (financing)	Yes	318,500	-	-	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Other receivables (financing)	Yes	1,114,750	955,500	394,940	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Other receivables (financing)	Yes	637,000	477,750	254,800	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Other receivables (financing)	Yes	127,400	127,400	127,400	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	Other receivables (financing)	Yes	1,911,000	637,000	-	0	2	-	Operating capital	-	None	-	24,058,528	24,058,528	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Other receivables (financing)	Yes	637,000	318,500	35,035	1.5	2	-	Operating capital	-	None	-	4,811,706	9,623,411	
1	LAI YIH FOOTWEAR CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Other receivables (financing)	Yes	318,500	159,250	-	1.5	2	-	Operating capital	-	None	-	4,811,706	9,623,411	
1	LAI YIH FOOTWEAR CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Other receivables (financing)	Yes	127,400	127,400	-	4	2	-	Operating capital	-	None	-	4,811,706	9,623,411	
2	THRIVE FOISON LIMITED	TY BACH COMPANY LIMITED	Other receivables (financing)	Yes	2,070,250	1,751,750	1,090,863	1.5	2	-	Operating capital	-	None	-	5,027,438	5,027,438	
2	THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Other receivables (financing)	Yes	318,500	159,250	-	1.5	2	-	Operating capital	-	None	-	5,027,438	5,027,438	
2	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	955,500	955,500	302,575	1.5	2	-	Operating capital	-	None	-	5,027,438	5,027,438	
3	PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Other receivables (financing)	Yes	318,500	-	-	1.5	2	-	Operating capital	-	None	-	6,164,613	6,164,613	
4	KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD	Other receivables (financing)	Yes	159,250	-	-	1.5	2	-	Operating capital	-	None	-	2,543,644	2,543,644	
4	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	955,500	955,500	407,680	0	2	-	Operating capital	-	None	-	2,543,644	2,543,644	
5	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Other receivables (financing)	Yes	477,750	318,500	254,800	1.5	2	-	Operating capital	-	None	-	1,635,433	1,635,433	
6	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	1,592,500	1,433,250	1,071,753	0	2	-	Operating capital	-	None	-	2,515,867	2,515,867	
7	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Other receivables (financing)	Yes	955,500	637,000	541,450	0	2	-	Operating capital	-	None	-	5,689,207	5,689,207	
8	EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Other receivables (financing)	Yes	63,700	63,700	63,700	4	2	-	Operating capital	-	None	-	138,632	277,264	

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 six months ended June 30, 2026.

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, EVERYIELD CO., LTD. and (SAMOA) 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 FOOTWARE 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) 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 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.

(6) 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.

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

(8) 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.

(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 KING GLOBAL DEVELOPMENT CORP'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 (SAMOA) 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.

Note 9: Since June 2026, The Company has extended loans to LAI YIH FOOTWARE CO.,LTD. Based on the most recent CPA-audited financial statements, the limit on loans granted to a single party is set at 20% of the Company's net assets in the financial statements, which amounts to $4,663,011.

As of June 30, 2026, the cumulative maximum loan amount reached USD 150,000,000, which, when converted at the exchange rate on June 30,2026, equals $4,777,500. The difference is mainly attributable to changes in the net worth basis, and therefore, there is no actual excess beyond the approved limit.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Six months ended June 30, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2026 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2026 (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.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	4	$ 24,058,528	$ 1,274,000	$ 1,274,000	$ -	$ -	5.30 %	$ 24,058,528	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	LAC TY II COMPANY LIMITED	4	24,058,528	477,750	477,750	-	-	1.99 %	24,058,528	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	YIH SHUO FOOTWEAR CO., LTD	4	24,058,528	637,000	637,000	-	-	2.65 %	24,058,528	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	TY BACH COMPANY LIMITED	4	24,058,528	1,911,000	955,500	-	-	3.97 %	24,058,528	N	N	N	
1	LAI YIH FOOTWEAR CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	4	24,058,528	477,750	477,750	-	-	1.99 %	24,058,528	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	YIH SHUO FOOTWEAR CO., LTD	4	2,515,867	319	319	319	-	0.01 %	2,515,867	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	VINH LONG FOOTWEAR CO., LTD	1	3,773,800	1,911	1,911	956	-	0.08 %	3,773,800	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY COMPANY LIMITED	1	525,574	319	319	-	-	0.01 %	3,773,800	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	LAC TY II COMPANY LIMITED	4	2,515,867	956	956	956	-	0.04 %	2,515,867	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	TSANG YIH COMPAMY LIMITED	4	2,515,867	637	637	-	-	0.03 %	2,515,867	N	N	N	
2	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	4	2,515,867	319	319	319	-	0.01 %	2,515,867	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 (SAMOA) 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.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more
Six months ended June 30, 2026

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	$ 1,438,130	8.03 %	60 days after receipt of goods	$ -	-	$ 433,525	6.29 %	Note 1, Note 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	1,303,532	7.28 %	60 days after receipt of goods	-	-	429,522	6.23 %	Note 1, Note 3
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	116,733	0.65 %	60 days after receipt of goods	-	-	41,776	0.61 %	Note 1, Note 3
CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	220,388	1.23 %	60 days after receipt of goods	-	-	42,748	0.62 %	Note 1
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Sales	355,566	1.99 %	60 days after receipt of goods	-	-	134,883	1.96 %	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMITED	Same ultimate parent company	Sales	530,482	2.96 %	60 days after receipt of goods	-	-	125,729	1.82 %	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	334,019	1.87 %	60 days after receipt of goods	-	-	130,165	1.89 %	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	399,166	2.23 %	60 days after receipt of goods	-	-	177,707	2.58 %	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	749,885	4.19 %	60 days after receipt of goods	-	-	102,930	1.49 %	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	112,876	0.63 %	60 days after receipt of goods	-	-	113,632	1.65 %	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,027,073	5.74 %	45 days after receipt of goods	-	-	316,602	4.59 %	Note 1, Note 3
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	432,957	2.42 %	75 days after receipt of goods	-	-	177,471	2.57 %	Note 1, Note 3
LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	104,849	0.59 %	Colleted based on the contract	-	-	23,007	0.33 %	Note 1, Note 2
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	4,349,849	24.30 %	75 days after receipt of goods	-	-	2,544,506	36.90 %	Note 1, Note 3
VINH LONG FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,200,407	29.05 %	45 days after receipt of goods	-	-	2,574,467	37.33 %	Note 1, Note 3
YIH SHUO FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,534,765	8.57 %	60 days after receipt of goods	-	-	840,040	12.18 %	Note 1, Note 3
TY BACH COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,651,861	14.81 %	60 days after receipt of goods	-	-	895,011	12.98 %	Note 1, Note 3
TY BACH COMPANY LIMITED	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Sales	101,271	0.57 %	60 days after receipt of goods	-	-	25,851	0.37 %	Note 1
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	365,232	2.04 %	60 days per month	-	-	148,757	2.16 %	Note 1
GRAND WISDOM COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	112,763	0.63 %	30 days per month	-	-	24,031	0.35 %	Note 1
TSANG YIH COMPAMY LIMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	405,160	2.26 %	60 days per month	-	-	134,554	1.95 %	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,405,644	7.85 %	45 days after receipt of goods	-	-	253,091	3.67 %	Note 1, Note 3
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	304,410	1.70 %	30 days per month	-	-	126,137	1.83 %	Note 1, Note 3
PT. ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	184,020	1.03 %	30 days per month	-	-	21,132	0.31 %	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 (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
June 30, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2026		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	$ 433,525	5.18	$ -	-	$ 212,919	$ -	Note 1, Note 4
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	429,522	7.62	-	-	150,351	-	Note 1, Note 4
CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Accounts receivable	134,883	5.21	-	-	47,507	-	Note 1
CHEER ACCESS LTD.	TY BACH COMPANY LIMITED	Same ultimate parent company	Accounts receivable	125,729	9.08	-	-	79,125	-	Note 1
CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	130,165	2.52	-	-	55,773	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	177,707	4.79	-	-	76,664	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Accounts receivable	102,930	14.97	-	-	71,802	-	Note 1
BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Accounts receivable	113,632	3.97	-	-	-	-	Note 1
POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	316,602	7.46	-	-	227,129	-	Note 1, Note 4
LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	177,471	4.90	-	-	78,827	-	Note 1, Note 4
LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,544,506	3.64	-	-	781,725	-	Note 1, Note 4
VINH LONG FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,574,467	4.01	-	-	836,504	-	Note 1, Note 4
YIH SHUO FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	840,040	3.24	-	-	107,842	-	Note 1, Note 4
TY BACH COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	895,011	6.23	-	-	454,309	-	Note 1, Note 4
GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	148,757	5.48	-	-	74,829	-	Note 1
TSANG YIH COMPAMY LIMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	134,554	6.06	-	-	71,824	-	Note 1
PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	253,091	7.11	-	-	253,091	-	Note 1, Note 4
PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	126,137	4.84	-	-	51,730	-	Note 1, Note 4
The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	2,548,000	-	-	-	-	-	Note 1, Note 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables	254,800	-	-	-	-	-	Note 1, Note 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables	920,465	-	-	-	103,022	-	Note 1, Note 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables	394,940	-	-	-	-	-	Note 1, Note 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Same ultimate parent company	Other receivables	127,400	-	-	-	62,780	-	Note 1, Note 2
(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	1,071,753	-	-	-	81,451	-	Note 1, Note 2
OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	541,450	-	-	-	-	-	Note 1, Note 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables	256,493	-	-	-	-	-	Note 1, Note 2
KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables	407,680	-	-	-	42,577	-	Note 1, Note 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMITED	Same ultimate parent company	Other receivables	1,090,863	-	-	-	113,485	-	Note 1, Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables	304,595	-	-	-	-	-	Note 1, Note 2
EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Same ultimate parent company	Other receivables	129,845	-	-	-	63,700	-	Note 1, Note 2

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

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

Note 3: As of July 31, 2026.

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Footnote
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Sales	$ 1,438,130	Note 4	8.03 %	Note 5, Note 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Sales	1,303,532	Note 4	7.28 %	Note 5, Note 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	116,733	Note 4	0.65 %	Note 5, Note 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	CHEER ACCESS LTD.	Same ultimate parent company	Accounts receivable	433,525	Note 4	1.23 %	Note 5, Note 7
1	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	BILLION STAR INTERNATIONAL CO., LTD.	Same ultimate parent company	Accounts receivable	429,522	Note 4	1.21 %	Note 5, Note 7
2	CHEER ACCESS LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	220,388	Note 4	1.23 %	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Sales	355,566	Note 4	1.99 %	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMITED	Same ultimate parent company	Sales	530,482	Note 4	2.96 %	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	334,019	Note 4	1.87 %	Note 7
2	CHEER ACCESS LTD.	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Accounts receivable	134,883	Note 4	0.38 %	Note 7
2	CHEER ACCESS LTD.	TY BACH COMPANY LIMITED	Same ultimate parent company	Accounts receivable	125,729	Note 4	0.36 %	Note 7
2	CHEER ACCESS LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Accounts receivable	130,165	Note 4	0.37 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	399,166	Note 4	2.23 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	749,885	Note 4	4.19 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Sales	112,876	Note 4	0.63 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	177,707	Note 4	0.50 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Accounts receivable	102,930	Note 4	0.29 %	Note 7
3	BILLION STAR INTERNATIONAL CO., LTD.	GRAND WISDOM COMPANY LIMITED	Same ultimate parent company	Accounts receivable	113,632	Note 4	0.32 %	Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,027,073	Note 4	5.74 %	Note 5, Note 7
4	POLO INTERNATIONAL HOLDING LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	316,602	Note 4	0.90 %	Note 5, Note 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	432,957	Note 4	2.42 %	Note 5, Note 7
5	LAC TY COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	104,849	Note 4	0.59 %	Note 7
5	LAC TY COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	177,471	Note 4	0.50 %	Note 5, Note 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	4,349,849	Note 4	24.30 %	Note 5, Note 7
6	LAC TY II COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,544,506	Note 4	7.20 %	Note 5, Note 7
7	VINH LONG FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	5,200,407	Note 4	29.05 %	Note 5, Note 7
7	VINH LONG FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	2,574,467	Note 4	7.28 %	Note 5, Note 7
8	YIH SHUO FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,534,765	Note 4	8.57 %	Note 5, Note 7
8	YIH SHUO FOOTWEAR CO., LTD	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	840,040	Note 4	2.38 %	Note 5, Note 7
9	TY BACH COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	2,651,861	Note 4	14.81 %	Note 5, Note 7
9	TY BACH COMPANY LIMITED	YIH SHUO FOOTWEAR CO., LTD	Same ultimate parent company	Sales	101,271	Note 4	0.57 %	Note 7
9	TY BACH COMPANY LIMITED	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	895,011	Note 4	2.53 %	Note 5, Note 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Sales	365,232	Note 4	2.04 %	Note 7
10	GRAND WISDOM COMPANY LIMITED	VINH LONG FOOTWEAR CO., LTD	Same ultimate parent company	Sales	112,763	Note 4	0.63 %	Note 7
10	GRAND WISDOM COMPANY LIMITED	LAC TY II COMPANY LIMITED	Same ultimate parent company	Accounts receivable	148,757	Note 4	0.42 %	Note 7

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
11	TSANG YIH COMPAMY LIMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Sales	$ 405,160	Note 4	2.26 %	Note 7
11	TSANG YIH COMPAMY LIMITED	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Accounts receivable	134,554	Note 4	0.38 %	Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	1,405,644	Note 4	7.85 %	Note 5, Note 7
12	PT. YIH QUAN FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	253,091	Note 4	0.72 %	Note 5, Note 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Sales	304,410	Note 4	1.70 %	Note 5, Note 7
13	PT. YIHFULL FOOTWEAR INDONESIA	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED TAIWAN BRANCH	Same ultimate parent company	Accounts receivable	126,137	Note 4	0.36 %	Note 5, Note 7
14	PT. ALNU SPORTING GOODS INDONESIA	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Sales	184,020	Note 4	1.03 %	Note 7
15	The Company	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	2,548,000	Note 4	7.21 %	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Same ultimate parent company	Other receivables (financing)	254,800	Note 4	0.72 %	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Same ultimate parent company	Other receivables (financing)	920,465	Note 4	2.60 %	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Same ultimate parent company	Other receivables (financing)	394,940	Note 4	1.12 %	Note 7
16	LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Same ultimate parent company	Other receivables (financing)	127,400	Note 4	0.36 %	Note 7
17	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	1,071,753	Note 4	3.03 %	Note 7
18	OVERSEA FAITH CO., LTD.	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	541,450	Note 4	1.53 %	Note 7
19	MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	256,493	Note 4	0.73 %	Note 7
20	KING GLOBAL DEVELOPMENT CORP	LAI YIH FOOTWEAR CO., LTD.	Same ultimate parent company	Other receivables (financing)	407,680	Note 4	1.15 %	Note 7
21	THRIVE FOISON LIMITED	TY BACH COMPANY LIMITED	Same ultimate parent company	Other receivables (financing)	1,090,863	Note 4	3.09 %	Note 7
21	THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Same ultimate parent company	Other receivables (financing)	304,595	Note 4	0.86 %	Note 7
22	EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Same ultimate parent company	Other receivables (financing)	129,845	Note 4	0.37 %	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 (SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED, which is regarded as the same entity in the consolidated financial statements.

Note 6: Related party transactions are disclosed only if the transaction amount equals or exceeds $100 million.

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

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Names, locations and other information of investee companies (not including investees in Mainland China)
Six months ended June 30, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as June 30, 2026			Net profit (loss) of the investee for the six months ended June 30, 2026	Investment income (loss) recognised by the Company for the six months ended June 30, 2026 (Note 4)	Footnote
				Balance as at June 30, 2026 (Note 3)	Balance as at December 31, 2025	Number of shares (Note 1)	Ownership (%)	Book value			
The Company	LAI YIH FOOTWEAR CO., LTD.	Samoa	Holding company	$ 5,010,005	$ 4,788,999	157,300	100 %	$ 24,058,528	$ 1,124,714	$ 1,124,714	
LAI YIH FOOTWEAR CO., LTD.	(SAMOA) FLOURISH THRIVE DEVELOPMENTS LIMITED	Samoa	Holding company	31,850	31,430	1,000	100 %	2,515,867	855,364	-	
LAI YIH FOOTWEAR CO., LTD.	CHEER ACCESS LTD.	Seychelles	Investment holdings and import and export trade	31,850	31,430	1,000	100 %	40,774	776	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	BILLION STAR INTERNATIONAL CO., LTD.	Seychelles	Investment holdings and import and export trade	31,850	31,430	1,000	100 %	41,283	1,288	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	PORTRICH TRADING LIMITED	Samoa	Holding company	5,374,688	4,832,363	168,750	100 %	6,164,613	126,319	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	OVERSEA FAITH CO., LTD.	Seychelles	Holding company	3,042,312	3,002,194	95,520	100 %	5,689,207	150,802	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	MEGA RIVER INVESTMENT CO., LTD.	Seychelles	Holding company	1,968,330	1,942,374	61,800	100 %	1,635,433	39,196	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	KING GLOBAL DEVELOPMENT CORP	Samoa	Holding company	1,935,190	1,909,671	60,760	100 %	2,543,644	9,019	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	THRIVE FOISON LIMITED	Samoa	Holding company	5,653,375	5,578,825	177,500	100 %	5,027,438	(29,469)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	POLO INTERNATIONAL HOLDING LTD.	Samoa	Investment holdings and production and sales of sports and casual shoes	2,224,723	2,195,386	69,850	100 %	2,007,757	96,946	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	EVERYIELD CO., LTD.	Anguilla	Holding company	1,235,780	1,219,484	38,800	100 %	693,159	(27,497)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	LAC TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	46,896	46,278	-	50 %	169,313	(40,085)	-	Note 2
LAI YIH FOOTWEAR CO., LTD.	JUMBO POWER ENTERPRISES LIMITED	British Virgin Islands	Holding company	254,800	251,440	8,000	50 %	396,962	(27,537)	-	Note 2
PORTRICH TRADING LIMITED	LAC TY II COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	4,782,677	4,248,159	-	100 %	5,386,307	126,687	-	Note 2
OVERSEA FAITH CO., LTD.	VINH LONG FOOTWEAR CO., LTD	Vietnam	Production and sales of sports and casual shoes	2,301,163	2,270,818	-	85 %	4,475,978	182,437	-	Note 2
KING GLOBAL DEVELOPMENT CORP	YIH SHUO FOOTWEAR CO., LTD	Vietnam	Production and sales of sports and casual shoes	2,096,224	2,068,581	-	85 %	2,122,546	10,096	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	YIH SHUO FOOTWEAR CO., LTD	Vietnam	Production and sales of sports and casual shoes	369,922	365,044	-	15 %	374,567	10,096	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	VINH TY COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	95,550	94,290	-	24 %	39,162	(36,104)	-	Note 2
JUMBO POWER ENTERPRISES LIMITED	SUPERB KING INVESTMENTS LIMITED	Hong Kong	Holding company	347,802	343,216	-	100 %	428,757	(27,320)	-	Note 2
THRIVE FOISON LIMITED	TY BACH COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	3,185,000	3,143,000	-	100 %	2,318,172	(64,036)	-	Note 2
THRIVE FOISON LIMITED	GRAND WISDOM COMPANY LIMITED	Vietnam	Production and sales of sports and casual shoes	1,051,050	1,037,190	-	100 %	1,012,162	(21,595)	-	Note 2
POLO INTERNATIONAL HOLDING LTD.	TSANG YIH COMPAMY LIMITED	Myanmar	Production and sales of sports and casual shoes	3,059,540	3,019,194	96,061	73 %	1,626,330	526	-	Note 2
EVERYIELD CO., LTD.	TSANG YIH COMPAMY LIMITED	Myanmar	Production and sales of sports and casual shoes	1,145,448	1,130,343	35,964	27 %	608,875	526	-	Note 2
MEGA RIVER INVESTMENT CO., LTD.	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,512,875	1,492,925	-	50 %	1,212,984	88,894	-	Note 2
THRIVE FOISON LIMITED	PT. YIH QUAN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	1,512,875	1,492,925	-	50 %	1,212,984	88,894	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	159,250	157,150	-	50 %	145,628	5,625	-	Note 2
PORTRICH TRADING LIMITED	PT. YIHFULL FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	159,250	157,150	-	50 %	145,628	5,625	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	705	696	-	50 %	-	-	-	Note 2
KING GLOBAL DEVELOPMENT CORP	PT. YIHXIN FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	705	696	-	50 %	-	-	-	Note 2
OVERSEA FAITH CO., LTD.	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	573,300	565,740	-	60 %	524,333	(11,865)	-	Note 2
PORTRICH TRADING LIMITED	PT. YIH YOU FOOTWEAR INDONESIA	Indonesia	Production and sales of sports and casual shoes	382,200	377,160	-	40 %	349,555	(11,865)	-	Note 2
EVERYIELD CO., LTD.	PT. ALNU SPORTING GOODS INDONESIA	Indonesia	Production and sales of sports and casual shoes	152,880	150,864	-	66.21 %	80,363	(44,320)	-	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 31.85:USD 1 prevailing on June 30, 2026.

Note 4: Investment income (loss) for the six months ended June 30, 2026 was calculated based on the financial statements which were audited by the Company's CPA.

LAI YIH FOOTWEAR CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Six months ended June 30, 2026

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)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income of investee for the six months ended June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2026 (Note 2)	Book value of investments in Mainland China as of June 30, 2026	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
YANGZHOU BAOYI SHOES MANUFACTURING CO., LTD.	Non-residential premises lease	$ 357,625	(2)	$ 357,625	$ -	$ -	$ 357,625	$ (27,286)	50%	$ (13,643)	$ 395,950	$ 941,636	Note 3

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Indirectly investment in mainland China through companies registered in a third region (JUMBO POEWR ENTERPRISES LIMITED).

(3) Other methods.

Note 2: The investment income (loss) for the six months ended June 30, 2026 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, 2026 and Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026 were converted at the exchange rate of NTD 31.85:USD 1 prevailing on June 30, 2026.

Note 4: The Company is an offshore entity and is therefore not subject to the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China."