

**FENG TAY ENTERPRISES COMPANY LIMITED
AND ITS SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2021 and 2020**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Feng Tay Enterprises Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of Feng Tay Enterprises Company Limited and its subsidiaries (“the Group”), as of March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note (4)(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$11,144,178 thousand and \$17,193,698 thousand, constituting 25.41% and 40.32% of consolidated total assets as of March 31, 2021 and 2020, respectively; total liabilities amounting to \$4,585,097 thousand and \$4,203,689 thousand, constituting 19.59% and 18.30% of consolidated total liabilities as of March 31, 2021 and 2020, respectively, and total comprehensive income amounting to \$225,640 thousand and \$495,728 thousand, constituting 12.43% and 34.72% of consolidated total comprehensive income (loss) for the three months ended March 31, 2021 and 2020, respectively.

Furthermore, as stated in Note (6)(e), the other equity accounted investments of the Group in its investee companies of \$728,112 thousand and \$771,642 thousand as of March 31, 2021 and 2020, respectively, and its equity in net gain on these investee companies of \$5,859 thousand and the loss of \$12,188 thousand for the three months ended March 31, 2021 and 2020, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ying-Ju Chen and Rou-Lan Kuo.

KPMG

Taipei, Taiwan (Republic of China)

May 7, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ reviewreport and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ reviewreport and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2021, December 31, 2020, and March 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2021		December 31, 2020		March 31, 2020		Liabilities and Equity		March 31, 2021		December 31, 2020		March 31, 2020	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note (6)(a))	\$ 4,615,874	11	4,717,157	11	4,836,056	11	2100	Short-term borrowings (Note (6)(k))	\$ 3,710,314	8	3,496,883	8	5,092,306	12
1170	Notes and accounts receivable (Notes (6)(c) and (r))	7,556,909	17	7,388,850	17	6,071,727	14	2130	Current contract liabilities (Note (6)(r))	443	-	2,172	-	14,127	-
1180	Accounts receivable due from related parties, net (Notes (6)(c), (r) and (7))	12,520	-	12,988	-	26,728	-	2170	Notes and accounts payable	4,938,384	11	5,318,806	12	4,587,361	11
1200	Other receivables (Note (7))	398,139	1	392,943	1	429,315	1	2200	Other payables (Note (7))	3,653,765	8	4,877,657	11	3,901,015	9
1220	Current tax assets	174,013	-	217,593	-	161,347	-	2230	Current tax liabilities	2,969,798	8	2,333,204	6	1,841,399	4
130X	Inventories (Note (6)(d))	7,960,916	18	7,968,535	18	7,649,389	18	2280	Current lease liabilities (Note (6)(m))	20,889	-	21,389	-	280,103	1
1470	Other current assets (Note (8))	1,125,531	3	1,109,641	3	1,202,440	3	2320	Long-term liabilities, current portion (Note (6)(l))	77,505	-	77,833	-	-	-
	Total current assets	<u>21,843,902</u>	<u>50</u>	<u>21,807,707</u>	<u>50</u>	<u>20,377,002</u>	<u>47</u>	2399	Other current liabilities	65,967	-	44,469	-	52,193	-
									Total current liabilities	<u>15,437,065</u>	<u>35</u>	<u>16,172,413</u>	<u>37</u>	<u>15,768,504</u>	<u>37</u>
Non-current assets:								Non-Current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	420	-	422	-	434	-	2540	Long-term borrowings (Note (6)(l))	1,040,334	2	907,615	2	864,836	2
1550	Investments accounted for using equity method (Note (6)(e))	728,112	2	771,031	2	771,642	2	2570	Deferred tax liabilities	3,027,554	7	3,428,023	8	3,013,530	7
1600	Property, plant and equipment (Note (6)(g))	17,963,730	41	17,773,887	41	18,383,571	43	2580	Non-current lease liabilities (Note (6)(m))	502,967	1	522,659	1	557,878	2
1755	Right-of-use assets (Note (6)(h))	1,409,289	3	1,419,194	3	1,466,470	4	2640	Non-current net defined benefit liability	3,231,526	8	3,269,380	8	2,636,044	6
1760	Investment property, net (Note (6)(i))	62,827	-	75,030	-	73,268	-	2670	Other non-current liabilities	164,132	-	133,023	-	132,716	-
1780	Intangible assets (Note (6)(j))	385,395	1	378,242	1	378,175	1		Total non-current liabilities	<u>7,966,513</u>	<u>18</u>	<u>8,260,700</u>	<u>19</u>	<u>7,205,004</u>	<u>17</u>
1840	Deferred tax assets	1,053,368	2	1,097,106	2	865,351	2		Total liabilities	<u>23,403,578</u>	<u>53</u>	<u>24,433,113</u>	<u>56</u>	<u>22,973,508</u>	<u>54</u>
1980	Other non-current financial assets (Note (8))	75,191	-	75,557	-	73,291	-	Equity attributable to owners of parent (Note (6)(p)):							
1990	Other non-current assets	329,059	1	390,029	1	253,584	1	3110	Total capital stock	8,816,811	20	8,816,811	20	7,347,342	17
	Total non-current assets	<u>22,007,391</u>	<u>50</u>	<u>21,980,498</u>	<u>50</u>	<u>22,265,786</u>	<u>53</u>	3200	Capital surplus	50,008	-	50,025	-	49,429	-
									Retained earnings:						
								3310	Legal reserve	4,676,373	11	4,676,373	11	4,105,480	10
								3320	Special reserve	1,247,402	3	1,247,402	3	631,967	2
								3350	Unappropriated retained earnings	6,271,422	15	4,631,561	10	6,998,501	16
									Other equity interest:						
								3410	Exchange differences on translation of foreign financial statements	(2,091,196)	(5)	(2,082,107)	(5)	(1,214,158)	(3)
									Total equity attributable to owners of parent:	<u>18,970,820</u>	<u>44</u>	<u>17,340,065</u>	<u>39</u>	<u>17,918,561</u>	<u>42</u>
								36XX	Non-controlling interests	<u>1,476,895</u>	<u>3</u>	<u>2,015,027</u>	<u>5</u>	<u>1,750,719</u>	<u>4</u>
									Total equity	<u>20,447,715</u>	<u>47</u>	<u>19,355,092</u>	<u>44</u>	<u>19,669,280</u>	<u>46</u>
Total assets		<u>\$ 43,851,293</u>	<u>100</u>	<u>43,788,205</u>	<u>100</u>	<u>42,642,788</u>	<u>100</u>	Total liabilities and equity		<u>\$ 43,851,293</u>	<u>100</u>	<u>43,788,205</u>	<u>100</u>	<u>42,642,788</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2021		2020	
		Amount	%	Amount	%
4000	Total operating revenues (Notes (6)(r) and (7))	\$ 19,336,825	100	18,120,215	100
5000	Operating costs (Note (6)(d))	(14,614,896)	(76)	(14,154,348)	(78)
	Gross profit from operations	4,721,929	24	3,965,867	22
	Operating expenses:				
6100	Selling and administrative expenses	(1,754,691)	(9)	(1,850,895)	(10)
6300	Research and development expenses	(649,614)	(3)	(642,796)	(4)
	Total operating expenses	(2,404,305)	(12)	(2,493,691)	(14)
	Net operating income	2,317,624	12	1,472,176	8
	Non-operating income and expenses:				
7100	Interest income (Note (6)(t))	11,016	-	13,627	-
7010	Other income (Note (6)(t))	151,502	1	366,360	2
7020	Other gains and losses, net (Note (6)(t))	230,160	1	155,468	1
7050	Financial costs (Note (6)(t))	(24,558)	-	(38,944)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(e))	5,859	-	(12,188)	-
	Total non-operating income and expenses	373,979	2	484,323	3
	Profit from continuing operations before tax	2,691,603	14	1,956,499	11
7950	Less: Income tax expenses (Note (6)(o))	862,645	4	549,486	3
	Net profit	1,828,958	10	1,407,013	8
	Other comprehensive income:				
	Item that may be reclassified subsequently to profit or loss				
8360	Exchange differences on translation of foreign financial statements	(14,102)	-	14,793	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,074	-	6,318	-
8399	Income tax related to components of other comprehensive income that will may be reclassified to profit or loss	(89)	-	(526)	-
	Item that may be reclassified subsequently to profit or loss	(13,117)	-	20,585	-
	Other comprehensive income	(13,117)	-	20,585	-
8500	Total comprehensive income	\$ 1,815,841	10	1,427,598	8
	Net profit (loss), attributable to:				
8610	Net profit (loss), attributable to owners of parent	\$ 1,639,861	9	1,272,222	7
8620	Net profit (loss), attributable to non-controlling interests	189,097	1	134,791	1
		\$ 1,828,958	10	1,407,013	8
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 1,630,772	9	1,305,466	7
8720	Comprehensive income, attributable to non-controlling interests	185,069	1	122,132	1
		\$ 1,815,841	10	1,427,598	8
	Earnings per share (Note (6)(q))				
9750	Basic earnings per share	\$ 1.86		1.44	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings			Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			
Balance on January 1, 2020	\$ 7,347,342	49,429	4,105,480	631,967	5,726,279	(1,247,402)	16,613,095	2,120,046	18,733,141
Net profit	-	-	-	-	1,272,222	-	1,272,222	134,791	1,407,013
Other comprehensive income	-	-	-	-	-	33,244	33,244	(12,659)	20,585
Total comprehensive income	-	-	-	-	1,272,222	33,244	1,305,466	122,132	1,427,598
Changes in non-controlling interests	-	-	-	-	-	-	-	(491,459)	(491,459)
Balance on March 31, 2020	\$ 7,347,342	49,429	4,105,480	631,967	6,998,501	(1,214,158)	17,918,561	1,750,719	19,669,280
Balance on January 1, 2021	\$ 8,816,811	50,025	4,676,373	1,247,402	4,631,561	(2,082,107)	17,340,065	2,015,027	19,355,092
Net profit	-	-	-	-	1,639,861	-	1,639,861	189,097	1,828,958
Other comprehensive income	-	-	-	-	-	(9,089)	(9,089)	(4,028)	(13,117)
Total comprehensive income	-	-	-	-	1,639,861	(9,089)	1,630,772	185,069	1,815,841
Due to donated assets received	-	(17)	-	-	-	-	(17)	-	(17)
Changes in non-controlling interests	-	-	-	-	-	-	-	(723,201)	(723,201)
Balance on March 31, 2021	\$ 8,816,811	50,008	4,676,373	1,247,402	6,271,422	(2,091,196)	18,970,820	1,476,895	20,447,715

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,691,603	1,956,499
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	607,734	572,428
Amortization expense	10,380	10,424
Interest expense	24,558	38,944
Interest income	(11,016)	(13,627)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(5,859)	12,188
Loss (gain) on disposal of property, plan and equipment	6,019	3,230
Loss (gain) on disposal of investment properties	(110,364)	-
Impairment losses	3,867	1,161
Total adjustments to reconcile profit (loss)	525,319	624,748
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	(172,070)	561,390
Decrease (increase) in other receivables	(40,147)	4,733
Decrease (increase) in inventories	12,114	(447,700)
Decrease (increase) in other current assets	(14,182)	30,585
Decrease (increase) in other non-current assets	61,517	22,681
Total changes in operating assets	(152,768)	171,689
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	(1,725)	(5,218)
Increase (decrease) in notes and accounts payable	(381,019)	94,178
Increase (decrease) in other payable	(1,388,634)	(1,635,697)
Increase (decrease) in other current liabilities	24,751	16,478
Increase (decrease) in net defined benefit liability	(41,833)	(171,027)
Increase (decrease) in other non-current liabilities	27,585	(794)
Total changes in operating liabilities	(1,760,875)	(1,702,080)
Total changes in operating assets and liabilities	(1,913,643)	(1,530,391)
Total adjustments	(1,388,324)	(905,643)
Cash inflow generated from operations	1,303,279	1,050,856
Interest received	14,098	15,958
Interest paid	(24,017)	(39,246)
Income taxes paid	(539,292)	(350,186)
Net cash flows from (used in) operating activities	754,068	677,382
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(785,820)	(1,241,278)
Proceeds from disposal of property, plant and equipment	14,430	15,861
Acquisition of intangible assets	(17,482)	(15,166)
Proceeds from disposal of investment properties	122,311	-
Decrease (increase) in other financial assets	252	(12,757)
Decrease (increase) in other non-current assets	203	(11,707)
Dividends received	49,930	-
Net cash flows from (used in) investing activities	(616,176)	(1,265,047)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	211,970	1,421,272
Proceeds from long-term borrowings	130,350	820,209
Repayments of long-term borrowings	-	(759,558)
Payment of lease liabilities	(26,033)	(112,296)
Change in non-controlling interests	(519,461)	(5,761)
Net cash flows from (used in) financing activities	(203,174)	1,363,866
Effect of exchange rate changes on cash and cash equivalents	(36,001)	21,772
Net increase (decrease) in cash and cash equivalents	(101,283)	797,973
Cash and cash equivalents at beginning of period	4,717,157	4,038,083
Cash and cash equivalents at end of period	\$ 4,615,874	4,836,056

See accompanying notes to consolidated financial statements.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Feng Tay Enterprises Company Limited (hereinafter referred to as “the Company”), founded in 1971, is a manufacturer specialized in athletic shoes. Other business activities include developing and producing casual shoes, inline skates, ice skates, ski boots, cycling shoes, golf balls, soccer balls, backpack and handbags, ice hockey helmets and sticks, footwear accessories, as well as shoe molds and tools. The Company has a headquarter located at the Yunlin Science and Industrial Park, wherein it conducts product development, technology research, shoe material trade, and constant cultivation of multinational management talents, while its factories of mass production are spread throughout China, Vietnam, Indonesia, and India. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). Please refer to note 14 for related information of the Group entities’ main business activities.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the board of directors on May 7, 2021.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on April 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	PT Feng Tay Indonesia Enterprises	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	99.81 %	99.81 %	99.81 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000.(Note2)
The Company	Growth-Link Overseas Co., Ltd. (GLO)	Investment holding, selling of athletic shoes, and trading of footwear materials.	100.00 %	100.00 %	100.00 %	Growth-Link Overseas Co., Ltd. was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company、GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	92.13 %	VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923).(Note2)
The Company、GLO	Dona Orient Holdings Limited (DOH)	Investment holding.	100.00 %	100.00 %	100.00 %	Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817).
The Company、GLO	PT Rich Valley Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	100.00 %	100.00 %	100.00 %	PT Rich Valley Indonesia was established in Indonesia in 2019, and has paid in capital of USD7,142,857.(Note2)
The Company	Great Eastern Industries Limited	International trade services.	100.00 %	100.00 %	100.00 %	Great Eastern Industries Limited, was established in Hong Kong in 2019, and has paid in capital of USD1,000,000 (including share premium of USD999,000).(Note2)
GLO	Fujian Da Feng Holdings Co., Ltd. (DF)	Investment holding.	70.00 %	70.00 %	70.00 %	Fujian Da Feng Holdings Co., Ltd. was established in Fujian Province, China in 1993, and has paid in capital of USD30,000,000.(Note2)
DF	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. (LF)	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. was established in Fujian Province, China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Xiefeng Footwear Co., Ltd. was established in Fujian Province, China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	80.00 %	Fujian San Feng Footwear Co., Ltd. was established in Fujian Province, China in 1992, and has paid in capital of USD15,000,000.
GLO, DF, LF and XM	Fujian Great Hope Footwear Co., Ltd.(GH)	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	100.00 %	100.00 %	100.00 %	Fujian Great Hope Footwear Co., Ltd. was established in Fujian Province, China in 1989, and has paid in capital of USD7,950,000.(Note2)

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
GLO	Xie Feng Mold Co., Ltd. Putian, Fujian(XM)	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	50.34 %	Xie Feng Mold Co., Ltd. Putian, Fujian was established in Fujian Province,China in 1991, and has paid in capital of USD3,000,000.(Note2)
LF, GH and XM	Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	100.00 %	100.00 %	100.00 %	Suzhou Yufeng Plastic Technology Co., Ltd., was established in Jiangsu Province,China in 2009, and has paid in capital of USD2,562,738.(Note2)
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	50.00 %	50.00 %	50.00 %	Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province,China in 1992, and has paid in capital of USD4,500,000.(Note2)
GLO	Growth-Link Trade Services Co., Ltd.	Services related to import and export trade, customs clearance, accounting finance, and network support.	- %	- %	100.00 %	Growth-Link Trade Services Co., Ltd., was established in British Virgin Islands in 1993, and has paid in capital of USD1,102.It was dissolved on December 2020.
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding and sale of finished shoes.	92.00 %	92.00 %	92.00 %	Dona Pacific Holdings Ltd., was established in British Virgin Islands in 1990, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901).(Note2)
GLO	VX Mold Co., Ltd. (VXM)	Investment holding.	93.00 %	93.00 %	93.00 %	VX Mold Co., Ltd., was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.(Note2)
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoe.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Ltd., was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
GLO	Trade Continent Limited	Trading of athletic shoes.	- %	- %	- %	(Note1 and Note2)
VXH	Dona Victor Footwear Co., Ltd.	Producing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Victor Footwear Co.,Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.
DOH	Vietnam Dona Orient Co., Ltd.	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.
DOH	Vung Tau Orient Co., Ltd.	Producing golf balls, soccer balls, backpack and bags.	100.00 %	100.00 %	100.00 %	Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD20,000,000.(Note2)
DOH	Hold Gold Trading Co., Ltd.	Selling of finished shoes, golf balls, backpack, bags and soccer ball.	100.00 %	100.00 %	100.00 %	Hold Gold Trading Co.,Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD100,000 (including share premium of USD99,900).
DOH	Vietnam Nam Ha Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Nam Ha Footwear Co., Ltd., was established in Vietnam in 2019, and has paid in capital of USD 21,800,000.(Note2)
DPH	Dona Pacific (Vietnam) Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD20,000,000.
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufacturing and repair of molds, cutting dies, and processing of metal parts.	100.00 %	100.00 %	100.00 %	Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000.(Note2)
GLO · LUH	Cheyar SEZ Developers Private Ltd.	Development in India's Industrial Park.	100.00 %	100.00 %	100.00 %	Cheyar SEZ Developers Private Ltd., was established in Indian in 2006, and has paid in capital of USD86,679,587.(Note2)
LUH	East Wind Footwear Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	East Wind Footwear Co., Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD16,532,207 (including share premium of USD16,522,456).
LUH	Fairway Enterprises Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	Fairway Enterprises Co., Ltd., was established in British Virgin Islands in 2014, and has paid in capital of USD42,502,000 (including share premium of USD42,480,749).

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note1 : A special purpose entity (SPE) held by the Group for trading and investment purposes on December 31, 2017, wherein the Group does not, directly or indirectly, hold any of its shares. Based on the assessment of the actual relationship between the Group and the SPE and its risks and rewards. The group control the special purpose entity and include it in the scope of consolidation. This special purpose entity was dissolved in December 2020.

Note2 : This company is an non-significant subsidiary, its financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2020.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash	\$ 1,174	988	1,081
Demand deposits and check deposit	1,219,003	1,173,670	1,683,045
Time deposits	<u>3,395,697</u>	<u>3,542,499</u>	<u>3,151,930</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 4,615,874</u>	<u>4,717,157</u>	<u>4,836,056</u>

Please refer to Note 6(u) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through other comprehensive income

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Equity investments at fair value through other comprehensive income			
Stock unlisted in foreign markets	<u>\$ 420</u>	<u>422</u>	<u>434</u>

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term strategic purposes.

(ii) For credit risk and market risk, please refer to note 6(v).

(iii) As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group did not provide any financial assets at fair value through other comprehensive income as collateral for its loans.

(c) Notes and accounts receivables (including related parties)

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Note receivables—measured at amortized cost	\$ -	-	18
Trade receivables—measured at amortized cost	7,569,429	7,401,838	6,098,437
Less: Allowance for credit loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,569,429</u>	<u>7,401,838</u>	<u>6,098,455</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The Allowance for credit loss provision were determined as follows:

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,001,381	0.00%	-
1 to 60 days past due	567,665	0.00%	-
61 to 180 days past due	383	0.00%	-
181 days to 1 year past due	-	0.00%~50.00%	-
	\$ 7,569,429		-
	December 31, 2020		
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 6,642,882	0.00%	-
1 to 60 days past due	748,042	0.00%	-
61 to 180 days past due	10,604	0.00%	-
181 days to 1 year past due	310	0.00%~50.00%	-
	\$ 7,401,838		-
	March 31, 2020		
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 5,890,718	0.00%	-
1 to 60 days past due	200,342	0.00%	-
61 to 180 days past due	6,432	0.00%	-
181 days to 1 year past due	963	0.00%~50.00%	-
	\$ 6,098,455		-

The movement in the allowance for notes and trade receivable was as follows:

	For the three months ended March 31	
	2021	2020
Balance on March 31	\$ -	-

As of March 31, 2021, December 31, 2020 and March 31, 2020, none of the Group's notes and accounts receivable was pledged as collateral for loans and borrowings.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Inventories

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Raw materials and supplies	\$ 3,526,642	2,554,368	2,816,060
Work in process	914,536	969,369	945,689
Finished goods	2,313,273	3,052,562	2,411,240
Merchandise inventory	222,227	184,000	155,705
Inventory in transit	980,517	1,204,667	1,318,419
Others	3,721	3,569	2,276
	<u>\$ 7,960,916</u>	<u>7,968,535</u>	<u>7,649,389</u>

The details of operating cost were as follows:

	For the three months ended	
	March 31	
	<u>2021</u>	<u>2020</u>
Cost of goods sold	\$ 14,601,136	14,023,441
Unallocated production overheads	-	127,868
Net losses (gains) on inventories	460	(1)
Inventory scrap loss	1,352	1,363
Revenue from sale of scraps	(10,580)	(8,103)
Losses on obsolescence and inventory valuation	22,528	9,780
Total	<u>\$ 14,614,896</u>	<u>14,154,348</u>

Write-downs of inventories were due to the sluggish, obsolete or unusable inventory, wherein the amount of the net realizable value of the inventory which were lower than the cost was recognized as operating costs.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had not provided any inventories as collateral for its loans.

(e) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Joint ventures	\$ 728,112	771,031	771,642

(i) Joint ventures

Shoe Majesty Co., Ltd. is a joint venture under the Group's joint arrangements. The Group classified the joint agreement as a joint venture using the equity method.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's financial information on investments accounted for using the equity method that were individually insignificant was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Individually insignificant joint venture	\$ 728,112	771,031	771,642
	For the three months ended		
	March 31		
	2021	2020	
Attributable to the Group:			
Profit from continuing operation	\$ 5,859	(12,188)	
Other comprehensive income	985	5,792	
Comprehensive income (loss)	\$ 6,844	(6,396)	

(ii) Collateral

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had not provided any investment accounted for using equity method as collaterals for its loans.

(iii) The unreviewed financial statements of investments accounted for using equity method

Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(f) Material non-controlling interest of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests		
Subsidiaries	Main operation place	March 31, 2021	December 31, 2020	March 31, 2020
Da Feng Holdings	China	30.00 %	30.00 %	30.00 %

Co., Ltd.

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Da Feng Holdings Co., Ltd.'s collective financial information:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current assets	\$ 228,268	1,680,124	1,199,784
Non-current assets	2,170,373	1,938,421	2,332,413
Current liabilities	(64,465)	(46,444)	(1,128,291)
Net assets	<u>\$ 2,334,176</u>	<u>3,572,101</u>	<u>2,403,906</u>
Non-controlling interests	<u>\$ 700,253</u>	<u>1,071,630</u>	<u>721,172</u>

	For the three months ended	
	March 31	
	<u>2021</u>	<u>2020</u>
Net income	\$ 339,319	204,763
Other comprehensive income (loss)	64,956	(4,307)
Comprehensive income	<u>\$ 404,275</u>	<u>200,456</u>
Profit, attributable to non-controlling interests	<u>\$ 101,796</u>	<u>61,429</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 121,283</u>	<u>60,137</u>
Net cash flows from operating activities	\$ 654,633	1,385
Net cash flows from investing activities	378,919	-
Net cash flows from financing activities	(1,553,210)	-
Net increase (decrease) in cash and cash equivalents	<u>\$ (519,658)</u>	<u>1,385</u>

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2021 and 2020, were as follows:

Cost:	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Computer and communication equipment</u>	<u>Test equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Equipment to be inspected and construction in progress</u>	<u>Total</u>
Balance on January 1, 2021	\$ 1,596,826	12,966,118	18,104,311	402,740	105,054	316,652	523,656	83,541	1,099,299	35,198,197
Additions	-	1,076	36,173	13,194	1,491	926	3,555	1,430	706,089	763,934
Disposals	-	(15,417)	(183,750)	(3,098)	(10)	(3,177)	(14,400)	(928)	-	(220,780)
Reclassifications	-	2,642	652,777	3,309	2,008	20,380	2,249	-	(683,365)	-
Effect of changes in foreign exchange rates	747	(4,769)	10,947	139	-	221	411	58	217	7,971
Balance on March 31, 2021	<u>\$ 1,597,573</u>	<u>12,949,650</u>	<u>18,620,458</u>	<u>416,284</u>	<u>108,542</u>	<u>335,002</u>	<u>515,471</u>	<u>84,101</u>	<u>1,122,240</u>	<u>35,749,322</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Computer and communication equipment</u>	<u>Test equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Equipment to be inspected and construction in progress</u>	<u>Total</u>
Balance on January 1, 2020	\$ 1,422,793	11,464,219	17,120,318	355,000	107,262	308,224	607,203	82,247	2,770,837	34,238,103
Additions	-	14,593	129,576	11,794	761	3,502	9,468	963	1,163,407	1,334,064
Disposals	-	(12,794)	(396,617)	(4,790)	(403)	(9,254)	(96,657)	(175)	-	(520,690)
Reclassifications	-	808,628	833,202	15,038	-	11,294	7,956	-	(1,676,118)	-
Effect of changes in foreign exchange rates	1,739	(49,216)	58,067	482	-	746	1,071	265	(2,575)	10,579
Balance on March 31, 2020	\$ <u>1,424,532</u>	<u>12,225,430</u>	<u>17,744,546</u>	<u>377,524</u>	<u>107,620</u>	<u>314,512</u>	<u>529,041</u>	<u>83,300</u>	<u>2,255,551</u>	<u>35,062,056</u>
Depreciation and impairment loss:										
Balance on January 1, 2021	\$ -	6,168,537	10,234,841	299,195	90,445	182,901	387,310	61,081	-	17,424,310
Depreciation	-	126,452	428,431	12,675	1,649	8,747	12,256	1,695	-	591,905
Impairment loss	-	260	3,593	9	-	5	-	-	-	3,867
Disposals	-	(11,571)	(168,346)	(3,062)	(10)	(2,556)	(13,953)	(833)	-	(200,331)
Effect of changes in foreign exchange rates	-	(4,332)	(30,359)	119	-	50	322	41	-	(34,159)
Balance on March 31, 2021	\$ <u>-</u>	<u>6,279,346</u>	<u>10,468,160</u>	<u>308,936</u>	<u>92,084</u>	<u>189,147</u>	<u>385,935</u>	<u>61,984</u>	<u>-</u>	<u>17,785,592</u>
Balance on January 1, 2020	\$ -	5,891,584	9,637,930	266,056	86,947	166,992	448,901	58,356	-	16,556,766
Depreciation	-	116,868	399,278	11,661	2,047	8,725	11,924	1,625	-	552,128
Impairment loss	-	-	1,159	2	-	-	-	-	-	1,161
Disposals	-	(10,396)	(392,251)	(4,761)	(396)	(6,223)	(87,417)	(155)	-	(501,599)
Effect of changes in foreign exchange rates	-	(9,285)	77,487	359	-	373	906	189	-	70,029
Balance on March 31, 2020	\$ <u>-</u>	<u>5,988,771</u>	<u>9,723,603</u>	<u>273,317</u>	<u>88,598</u>	<u>169,867</u>	<u>374,314</u>	<u>60,015</u>	<u>-</u>	<u>16,678,485</u>
Carrying amounts:										
Balance on January 1, 2021	\$ <u>1,596,826</u>	<u>6,797,581</u>	<u>7,869,470</u>	<u>103,545</u>	<u>14,609</u>	<u>133,751</u>	<u>136,346</u>	<u>22,460</u>	<u>1,099,299</u>	<u>17,773,887</u>
Balance on March 31, 2021	\$ <u>1,597,573</u>	<u>6,670,304</u>	<u>8,152,298</u>	<u>107,348</u>	<u>16,459</u>	<u>145,855</u>	<u>129,536</u>	<u>22,117</u>	<u>1,122,240</u>	<u>17,963,730</u>
Balance on January 1, 2020	\$ <u>1,422,793</u>	<u>5,572,635</u>	<u>7,482,388</u>	<u>88,944</u>	<u>20,315</u>	<u>141,232</u>	<u>158,302</u>	<u>23,891</u>	<u>2,770,837</u>	<u>17,681,337</u>
Balance on March 31, 2020	\$ <u>1,424,532</u>	<u>6,236,659</u>	<u>8,020,943</u>	<u>104,207</u>	<u>19,022</u>	<u>144,645</u>	<u>154,727</u>	<u>23,285</u>	<u>2,255,551</u>	<u>18,383,571</u>

As of March 31, 2021, December 31, 2020 and March 31, 2020 the property, plant and equipment of the Group were not pledged as collateral for its loans.

(h) Right-of-use assets

The Group leases assets, including parking lots, plants, warehouses and telephone sets. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance on January 1, 2021	\$ 1,465,910	30,755	14,133	11,281	1,522,079
Additions	4,990	-	-	-	4,990
Effect of changes in foreign exchange rates	721	60	28	2	811
Balance on March 31, 2021	\$ <u>1,471,621</u>	<u>30,815</u>	<u>14,161</u>	<u>11,283</u>	<u>1,527,880</u>
Balance on January 1, 2020	\$ 1,466,820	14,688	42,418	9,932	1,533,858
Additions	23,321	23,584	-	1,431	48,336
Disposal/Write-off	(34,781)	(14,807)	(679)	-	(50,267)
Effect of changes in foreign exchange rates	2,519	122	348	-	2,989
Balance on March 31, 2020	\$ <u>1,457,879</u>	<u>23,587</u>	<u>42,087</u>	<u>11,363</u>	<u>1,534,916</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Other equipment</u>	<u>Total</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2021	\$ 86,461	7,490	1,116	7,818	102,885
Depreciation	12,861	1,933	556	403	15,753
Effect of changes in foreign exchange rates	(76)	24	5	-	(47)
Balance on March 31, 2021	<u>\$ 99,246</u>	<u>9,447</u>	<u>1,677</u>	<u>8,221</u>	<u>118,591</u>
Balance on January 1, 2020	\$ 42,749	7,041	2,924	6,252	58,966
Depreciation	12,883	1,965	1,412	358	16,618
Disposal/Write-off	-	(7,097)	(69)	-	(7,166)
Effect of changes in foreign exchange rates	(52)	57	23	-	28
Balance on March 31, 2020	<u>\$ 55,580</u>	<u>1,966</u>	<u>4,290</u>	<u>6,610</u>	<u>68,446</u>
Carrying amount:					
Balance on January 1, 2021	<u>\$ 1,379,449</u>	<u>23,265</u>	<u>13,017</u>	<u>3,463</u>	<u>1,419,194</u>
Balance on March 31, 2021	<u>\$ 1,372,375</u>	<u>21,368</u>	<u>12,484</u>	<u>3,062</u>	<u>1,409,289</u>
Balance on January 1, 2020	<u>\$ 1,424,071</u>	<u>7,647</u>	<u>39,494</u>	<u>3,680</u>	<u>1,474,892</u>
Balance on March 31, 2020	<u>\$ 1,402,299</u>	<u>21,621</u>	<u>37,797</u>	<u>4,753</u>	<u>1,466,470</u>

(i) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the three months ended March 31, 2021 and 2020 were as follows:

	<u>Owned property</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	
Cost:			
Balance on January 1, 2021	\$ 15,353	533,298	548,651
Disposals	-	(124,752)	(124,752)
Effect of changes in foreign exchange rates	16	(3,188)	(3,172)
Balance on March 31, 2021	<u>\$ 15,369</u>	<u>405,358</u>	<u>420,727</u>
Balance on January 1, 2020	\$ 15,801	526,465	542,266
Effect of changes in foreign exchange rates	73	(3,525)	(3,452)
Balance on December 31, 2020	<u>\$ 15,874</u>	<u>522,940</u>	<u>538,814</u>
Accumulated depreciation and impairment losses:			
Balance on January 1, 2021	\$ -	473,621	473,621
Depreciation	-	76	76
Disposals	-	(112,805)	(112,805)
Effect of changes in foreign exchange rates	-	(2,992)	(2,992)
Balance on March 31, 2021	<u>\$ -</u>	<u>357,900</u>	<u>357,900</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Owned property</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	
Balance on January 1, 2020	\$ -	465,128	465,128
Depreciation	-	3,682	3,682
Effect of changes in foreign exchange rates	-	(3,264)	(3,264)
Balance on March 31, 2020	<u>\$ -</u>	<u>465,546</u>	<u>465,546</u>
Carrying amount:			
Balance on January 1, 2021	<u>\$ 15,353</u>	<u>59,677</u>	<u>75,030</u>
Balance on March 31, 2021	<u>\$ 15,369</u>	<u>47,458</u>	<u>62,827</u>
Balance on January 1, 2020	<u>\$ 15,801</u>	<u>61,337</u>	<u>77,138</u>
Balance on March 31, 2020	<u>\$ 15,874</u>	<u>57,394</u>	<u>73,268</u>
Fair value:			
Balance on March 31, 2021			<u>\$ 337,688</u>
Balance on January 1, 2021			<u>\$ 469,704</u>
Balance on March 31, 2020			<u>\$ 768,445</u>

In November 2020, the Group signed a Letter of Intent (LOI), wherein the buyer, an entity, will purchase Yuanhong City real estate from the Group by phase, either by directly purchasing the property rights, or by purchasing equity shares. It is expected that the transaction will be completed in the second half of 2021. In January 2021, the first phase of the transaction, the transfer of property rights, has been carried out.

Investment property includes commercial property held for value appreciation; for rent income, please refer to Note 6(t).

The fair value of commercial property was evaluated by a qualified independent valuation expert based on market value.

The land held for value appreciation was evaluated based on the publicly available average price of latest transactions, public information, and the cost to reacquire the subject matter on the transaction date. In addition, the current status, economy, function, and other factors of the subject matter were taken into consideration to estimate its value.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Investment property of the Group was not pledged as collateral for its loans.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the three months ended March 31, 2021 and 2020 were as follows:

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Costs			
Balance on January 1, 2021	\$ 422,395	269,614	692,009
Additions	-	17,494	17,494
Disposals	-	(1,979)	(1,979)
Effect of changes in foreign exchange rates	<u>213</u>	<u>(64)</u>	<u>149</u>
Balance on March 31, 2021	<u>\$ 422,608</u>	<u>285,065</u>	<u>707,673</u>
Balance on January 1, 2020	\$ 428,215	264,657	692,872
Additions	-	14,943	14,943
Disposals	-	(12,001)	(12,001)
Effect of changes in foreign exchange rates	<u>951</u>	<u>(50)</u>	<u>901</u>
Balance on March 31, 2020	<u>\$ 429,166</u>	<u>267,549</u>	<u>696,715</u>
Accumulated amortization and impairment losses			
Balance on January 1, 2021	\$ 107,108	206,659	313,767
Amortization	-	10,380	10,380
Disposals	-	(1,979)	(1,979)
Effect of changes in foreign exchange rates	<u>203</u>	<u>(93)</u>	<u>110</u>
Balance on March 31, 2021	<u>\$ 107,311</u>	<u>214,967</u>	<u>322,278</u>
Balance on January 1, 2020	\$ 112,634	206,685	319,319
Amortization	-	10,424	10,424
Disposals	-	(12,001)	(12,001)
Effect of changes in foreign exchange rates	<u>902</u>	<u>(104)</u>	<u>798</u>
Balance on March 31, 2020	<u>\$ 113,536</u>	<u>205,004</u>	<u>318,540</u>
Carrying amounts:			
Balance on January 1, 2021	<u>\$ 315,287</u>	<u>62,955</u>	<u>378,242</u>
Balance on March 31, 2021	<u>\$ 315,297</u>	<u>70,098</u>	<u>385,395</u>
Balance on January 1, 2020	<u>\$ 315,581</u>	<u>57,972</u>	<u>373,553</u>
Balance on March 31, 2020	<u>\$ 315,630</u>	<u>62,545</u>	<u>378,175</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The carrying amount of goodwill on March 31, 2021 amounted to \$315,297 thousand (December 31, 2020: \$315,287 thousand and March 31, 2020: \$315,630 thousand).

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of March 31, 2021, December 31, 2020 and March 31, 2020, no impairment loss has been recognized.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group did not provide any intangible asset as collateral for its loans.

(k) Short-term borrowings

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured bank loans	\$ <u>3,710,314</u>	<u>3,496,883</u>	<u>5,092,306</u>
Range of interest rates	<u>0.53%~4.35%</u>	<u>0.51%~4.35%</u>	<u>0.45%~2.85%</u>

(l) Long-term borrowings

The details were as follows:

	<u>Currency</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured bank loans	USD	\$ 897,275	810,254	691,009
Other long-term borrowings	INR	<u>220,564</u>	<u>175,194</u>	<u>173,827</u>
		1,117,839	985,448	864,836
Less: current portion		<u>(77,505)</u>	<u>(77,833)</u>	<u>-</u>
Total		\$ <u>1,040,334</u>	<u>907,615</u>	<u>864,836</u>
Range of interest rates		<u>0.10%~1.37%</u>	<u>0.10%~1.40%</u>	<u>0.10%~2.05%</u>
Period		<u>110~115</u>	<u>110~113</u>	<u>110~113</u>

(m) Lease liabilities

The Group lease liabilities were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current	\$ <u>20,889</u>	<u>21,389</u>	<u>280,103</u>
Non-current	\$ <u>502,967</u>	<u>522,659</u>	<u>557,878</u>

For the maturities analysis, please refer to Note 6(u).

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2021</u>	<u>2020</u>
Interest on lease liabilities	\$ <u>11,766</u>	<u>19,920</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended	
	March 31	
	2021	2020
Total cash outflow for leases	\$ 37,799	132,216

(i) Real estate leases

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group leases land and buildings for its parking, factory and warehouse. The leases of office space typically run for a period of 1 to 50 years. Some leases include an option to renew the lease term for the same duration at the end of the original contractual period.

(ii) Other leases

The Group leased telephone sets, with lease terms of three to five years.

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

The expenses recognized in profit or loss for the Group amounted to \$92,107 thousand and \$88,313 thousand for the three months ended March 31, 2021 and 2020, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$229,456 thousand and \$178,641 thousand for the three months ended March 31, 2021 and 2020, respectively.

(o) Income taxes

The details of the Group's income tax expense were as follows:

	For the three months ended	
	March 31	
	2021	2020
Current tax expense		
Current period	\$ 854,901	549,953
Adjustment for prior periods	7,744	(467)
Income tax expense	\$ 862,645	549,486

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amount of income tax recognized in other comprehensive income for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended	
	March 31	
	2021	2020
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	<u>(89)</u>	<u>(526)</u>

The Company's tax returns for the years up to 2018 have been assessed by the R.O.C. tax authorities.

For the year of 2012 to 2016, some of the Group's subsidiaries were embroiled in disputes with tax authorities over tax returns, and the amended amounts thereof had been approved and adjusted for the respective years of approval. Each subsidiary has filed an administrative relief application, which has been under review by the authorities concerned.

For the year of 2006 to 2013, some of the Group's subsidiaries in China were involved in disputes with tax authorities over tax returns, against which each of the subsidiaries has filed an appeal, and negotiations were undergone. The estimated tax expense was recognized in 2016; as of the reporting date, the negotiations were still in progress.

The Group's income tax returns must be filed individually by each entity instead of on a consolidated basis; consequently, the Group's income taxes were calculated using the local tax rate applicable to each entity.

(p) Capital and other equity

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Company's total rated share capital was \$9,000,000 thousand, \$9,000,000 thousand and \$8,000,000 thousand, each with par value of \$10, and the number of shares was \$900,000 thousand ordinary shares, \$900,000 thousand ordinary shares and \$800,000 thousand ordinary shares, respectively. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 881,681 thousand ordinary shares, \$881,681 thousand ordinary shares and 734,734 thousand ordinary shares, respectively, and all the consideration from issued shares have been received.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reconciliations of shares outstanding for the three months ended March 31, 2021 and 2020 is as follows:

	Ordinary shares	
	For the three months ended	
	March 31	
(Expressed in thousands of shares)	2021	2020
Balance on January 1	881,681	734,734
Balance on March 31	881,681	734,734
Number of shares after adjustment		881,681

(i) Ordinary shares

On June 17, 2020, a resolution was reached in the general meeting of shareholders to transfer the unappropriated retained earnings of \$1,469,469 thousand to capital, which has also been approved by the Financial Supervisory Commission. The relevant statutory registration procedures of the capital increase dated August 24, 2020 have since been completed.

(ii) Capital surplus

The details of capital surplus were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Treasury share transactions	\$ 4,143	4,143	4,143
Gain on disposal of assets	32,980	32,980	32,980
Capital surplus-premium from merger	2,160	2,160	2,160
Donation from shareholders	1,859	1,876	1,280
Issued shares of subsidiaries not recognized in proportion to shareholding	8,866	8,866	8,866
	\$ 50,008	50,025	49,429

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of annual net earnings, after deducting accumulated deficit, shall be set aside as a legal reserve and a special reserve shall be appropriated or reserved pursuant to laws or regulations. A portion or all of the remainder, together with the unappropriated retained earnings for the prior year, may be further distributed as dividends.

Since the Company is experiencing stable growth, in response to its long term financial planning, as well as its objective to achieve stable development and sustainable operation, it is necessary for the Board of Directors to propose a dividend distribution plan based on budget and capital demand of the following year, and have it resolved at the shareholders' meeting. Dividend distribution shall account for no less than 50% of distributable earnings, and stock dividends shall not be exceed 80% of the distribution.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. However, if the Company has set aside a special earnings reserve pursuant to the provisions of the preceding paragraph, it shall make a supplement to the difference between the stated reduction amount and the net of other equity. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 23, 2021, the Company's board of directors resolved to appropriate the 2020 earnings. On June 17, 2020, the shareholder's meetings resolved to distribute the 2019 earnings. These earnings were appropriated as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Amount (dollar)</u>	<u>Total</u>	<u>Amount (dollar)</u>	<u>Total</u>
Dividends distributed to ordinary shareholders				
Cash	\$ 3.70	3,262,220	4.00	2,938,937
Shares	-	-	2.00	<u>1,469,469</u>
Total		<u>\$ 3,262,220</u>		<u>4,408,406</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity interest after tax

	Exchange differences on translation of foreign financial statement
Balance on January 1, 2021	\$ (2,082,107)
Exchange differences on translation of foreign financial statement	(10,074)
Exchange differences on associates accounted for using equity method	<u>985</u>
Balance on March 31, 2021	<u><u>\$ (2,091,196)</u></u>
Balance on January 1, 2020	\$ (1,247,402)
Exchange differences on translation of foreign financial statement	27,452
Exchange differences on associates accounted for using equity method	<u>5,792</u>
Balance on March 31, 2020	<u><u>\$ (1,214,158)</u></u>

(v) Non-controlling interests

	For the three months ended March 31	
	2021	2020
Balance on January 1	\$ 2,015,027	2,120,046
Shares attributed to non-controlling interests		
Net profit	189,097	134,791
Foreign currency translation differences for foreign operations	(4,028)	(12,659)
Cash dividends paid to Non-Controlling Interests (NCIs) by subsidiaries	<u>(723,201)</u>	<u>(491,459)</u>
Balance on March 31	<u><u>\$ 1,476,895</u></u>	<u><u>1,750,719</u></u>

(q) Earnings per share

For the three months ended March 31, 2021 and 2020, the Company's basic earnings per share were calculated as follows:

	For the three months ended March 31	
	2021	2020
Basic earnings per share		
Net profit attributable to ordinary shareholders of the Company	<u><u>\$ 1,639,861</u></u>	<u><u>1,272,222</u></u>
Weighted average number of ordinary shares (basic)	<u>881,681</u>	<u>881,681</u>
Basic earnings per share (dollars)	<u><u>\$ 1.86</u></u>	<u><u>1.44</u></u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees, directors, and the supervisors for the year ended December 31, 2021, was distributed in cash using the same method for the preceding three years.

(r) Revenue from contracts with customer

(i) Disaggregation of revenue

	For the three months ended March 31, 2021		
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 14,457,896	339,102	14,796,998
America	1,671,177	72,277	1,743,454
Mainland China	998,965	-	998,965
Switzerland	508,558	-	508,558
Mexico	461,217	3,882	465,099
Other countries	753,389	70,362	823,751
	\$ 18,851,202	485,623	19,336,825
Major products/services lines			
Manufacturing and sale of footwear	\$ 18,851,202	-	18,851,202
Other	-	485,623	485,623
	\$ 18,851,202	485,623	19,336,825
	For the three months ended March 31, 2020		
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 13,638,016	239,087	13,877,103
America	1,751,552	160,856	1,912,408
Mainland China	694,147	85	694,232
Switzerland	472,844	-	472,844
Mexico	390,281	6,719	397,000
Other countries	606,549	160,079	766,628
	\$ 17,553,389	566,826	18,120,215

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	For the three months ended March 31, 2020		
	Segments of footwear manufacturing and sales	Other Segments	Total
Major products/services lines			
Manufacturing and sale of footwear	\$ 17,553,389	-	17,553,389
Other	-	566,826	566,826
	\$ 17,553,389	566,826	18,120,215

(ii) Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020
Trade receivables (including related parties)	\$ 7,569,429	7,401,838	6,098,437
Less: allowance for impairment	-	-	-
Total	\$ 7,569,429	7,401,838	6,098,437
Contract liabilities	\$ 443	2,172	14,127

For details on trade receivables and allowance for impairment, please refer to Note 6(c).

(s) Compensation to employees and directors

The Company's Articles of Incorporation stipulate that if there is profit for the year, then, a minimum of 2.0% shall be allocated as employee compensation and a maximum of 1.8% as director compensation.

The Company estimated its employee compensation at respectively \$39,262 thousand and \$29,158 thousand for the three months ended March 31, 2021 and 2020, and estimated its director compensation at \$35,335 thousand and \$26,242 thousand for the three months ended March 31, 2021 and 2020, respectively. The estimated amounts, recognized as operating costs or expenses, were based on net profit before tax of for the respective periods, multiplied by the percentage of compensation to employees and directors, as specified in the Articles of Incorporation. If the actual amounts differ from the estimated amounts, the differences shall be accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

For the years ended December 31, 2020 and 2019, the remunerations to employees amounted to \$165,000 thousand and \$188,000 thousand; and directors amounted to \$108,550 thousand and \$143,000 thousand, respectively. The information is available on the Market Observation Post System website. There was no difference between the amounts approved by Board of Directors.

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(t) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended March 31	
	2021	2020
Interest income from bank deposits	\$ 11,016	13,434
Interest income from financial assets measured at amortized cost	-	193
	\$ 11,016	13,627

(ii) Other income

The details of the other income of the Group for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended March 31	
	2021	2020
Rent income	\$ 984	13,993
Government subsidy	10,574	73,747
Income from export incentives	-	76,345
Other income	139,944	202,275
	\$ 151,502	366,360

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended March 31	
	2021	2020
Foreign exchange gains	\$ 130,627	164,182
Losses on disposal of property, plant and equipment	(6,019)	(3,230)
Gains on disposal of investment property	110,364	-
Impairment loss	(3,867)	(1,161)
Others	(945)	(4,323)
	\$ 230,160	155,468

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iv) Financial costs

The details of the Group's financial cost for the three months ended March 31, 2021 and 2020 were as follows:

	For the three months ended March 31	
	2021	2020
	\$ 24,558	38,944
Interest expenses		

(u) Financial instruments

(i) Credit risks

1) Credit risk exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group.

2) The concentration of credit risk

On March 31, 2021, December 31, 2020 and March 31, 2020, 78%, 76% and 73% of the Group's total receivables were concentrated within a single overseas customer.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
March 31, 2021							
Non derivative financial liabilities							
Notes and accounts payable	\$ 4,938,384	4,938,384	4,905,276	33,108	-	-	-
Other payables	3,653,765	3,653,765	3,653,765	-	-	-	-
Unsecured bank loans	4,607,589	4,631,561	3,291,179	439,867	900,515	-	-
Other long-term borrowings	220,564	220,992	77,577	71	38,857	59,720	44,767
Lease liabilities	523,856	1,418,799	23,971	43,387	63,854	171,438	1,116,149
	\$ 13,944,158	14,863,501	11,951,768	516,433	1,003,226	231,158	1,160,916
December 31, 2020							
Non derivative financial liabilities							
Notes and accounts payable	\$ 5,318,806	5,318,806	5,284,678	34,128	-	-	-
Other payables	4,877,657	4,877,657	4,877,657	-	-	-	-
Unsecured bank loans	4,307,137	4,331,468	3,272,222	243,385	815,861	-	-
Other long-term borrowings	175,194	175,441	77,902	49	38,985	58,505	-
Lease liabilities	544,048	1,442,826	44,907	24,575	63,582	171,738	1,138,024
	\$ 15,222,842	16,146,198	13,557,366	302,137	918,428	230,243	1,138,024

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
March 31, 2020							
Non derivative financial liabilities							
Notes and accounts payable	\$ 4,587,361	4,587,361	4,587,361	-	-	-	-
Other payables	3,901,015	3,901,015	3,901,015	-	-	-	-
Unsecured bank loans	5,783,315	5,824,280	4,336,307	792,857	695,116	-	-
Other long-term borrowings	173,827	174,295	87	87	80,210	93,911	-
Lease liabilities	837,981	1,840,037	132,338	209,629	75,543	191,711	1,230,816
	<u>\$ 15,283,499</u>	<u>16,326,988</u>	<u>12,957,108</u>	<u>1,002,573</u>	<u>850,869</u>	<u>285,622</u>	<u>1,230,816</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risks

1) Exposure to currency risks

	March 31, 2021			
	<u>Foreign currency (In thousands)</u>		<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 249,751	USD : TWD	28.485	7,114,166
	25,978	USD : CNY	6.5712	739,971
	19	USD : VND	23,080	542
VND	126,953,851	VND : USD	0.00004	152,345
INR	1,490,921	INR : USD	0.0136	577,732
IDR	12,521,601	IDR : USD	0.0001	25,043
<u>Non monetary items</u>				
USD	25,561	USD : TWD	28.485	728,112
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	55,036	USD : TWD	28.485	1,567,699
	6,139	USD : CNY	6.5712	174,867
VND	1,073,583,527	VND : USD	0.00004	1,288,300
INR	2,075,152	INR : USD	0.0136	804,122
IDR	141,973,723	IDR : USD	0.0001	283,947

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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December 31, 2020				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 239,309	USD : TWD	28.43	6,803,559
	2,451	USD : CNY	6.5248	69,681
	73	USD : VND	23,125	2,072
VND	86,692,097	VND : USD	0.00004	104,031
INR	1,095,371	INR : USD	0.0137	426,318
IDR	10,999,562	IDR : USD	0.0001	21,999
<u>Non monetary items</u>				
USD	27,120	USD : TWD	28.43	771,031
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	59,557	USD : TWD	28.43	1,693,215
	5,993	USD : CNY	6.5248	170,380
	2	USD : VND	23,125	64
VND	1,886,358,169	VND : USD	0.00004	2,263,630
INR	2,721,901	INR : USD	0.0137	1,059,364
IDR	54,412,311	IDR : USD	0.0001	108,825
March 31, 2020				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 68,355	USD : TWD	30.175	2,062,625
	3,902	USD : CNY	7.0852	117,730
	89	USD : VND	23,580	2,688
VND	92,150,229	VND : USD	0.00004	119,795
INR	1,099,764	INR : USD	0.0133	440,236
IDR	12,473,577	IDR : USD	0.0001	22,452
<u>Non monetary items</u>				
USD	25,572	USD : TWD	30.175	771,642

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2020			
	Foreign currency (In thousands)	Exchange rate		TWD
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	39,667	USD : TWD	30.175	1,196,951
	1,966	USD : CNY	7.0852	59,324
	2	USD : VND	23,580	68
VND	1,145,915,901	VND : USD	0.00004	1,489,691
INR	2,099,256	INR : USD	0.0133	840,332
IDR	91,550,945	IDR : USD	0.0001	164,792

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of the TWD against the USD, VND, INR and IDR for the three months ended March 31, 2021 and 2020, would have increased (decreased) the net profit before tax by \$224,543 thousand and \$49,282 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Gains or losses on foreign exchange

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2021 and 2020, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$130,627 thousand and \$164,182 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The change in interest rate reported to the Company's key management was based on 50 basis points, which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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If the interest rate increases or decreases by 50 basis points, with all other variable factors remaining constant, the Group's net profit before tax would have decreased or increased by \$166 thousand and \$839 thousand for the three months ended March 31, 2021 and 2020, respectively, due to the Company's borrowings at variable rates and banks deposits at variable rates. This was mainly due to the Company's deposits and borrowings at variable rates.

(v) Fair value information

1) Financial instruments not measured at fair value

The Group considered that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows :

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

		March 31, 2021			
		Fair Value			
Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	\$ <u>420</u>	-	-	<u>420</u>	<u>420</u>
		December 31, 2020			
		Fair Value			
Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	\$ <u>422</u>	-	-	<u>422</u>	<u>422</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2020				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	\$ 434	-	-	434	434

3) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income <u>Unquoted equity instruments</u>
Balance on January 1, 2021	\$ 422
Effect of changes in foreign exchange rates	(2)
Balance on March 31, 2021	<u>\$ 420</u>
Balance on January 1, 2020	\$ 456
Effect of changes in foreign exchange rates	(22)
Balance on March 31, 2020	<u>\$ 434</u>

(vi) Valuation techniques for financial instruments measured at fair value

The fair value of the unlisted stocks held the Group is mainly estimated using the discounted cash flow model method, with reference to the Group's future growth rate, net worth, and operation. Nonetheless, the assessment concluded that there was no significant difference between the assessed fair value and the information disclosed in Note 6(b) of the consolidated financial statements.

(v) Financial risk management

(i) Overview

The Group had exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risk. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statement.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

1) Trade and other receivables

Exposure to credit risk of the Group is mainly affected by the condition of each customer. However, the management also considers the demographics of the Group's customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

Management has established a credit policy, under which when available, and, in some cases, each new customer is analyzed individually for credit rating before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings bank references. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Group's benchmark credit rating may transact with the Company only on a prepayment basis.

In monitoring the credit risk of the customers, the Group groups them according to the credit characteristics of the customers; for example, by whether they are primary or secondary customers, region, industry, age and maturity date of receivables, and previously existing financial difficulties. The Group's accounts receivable were mainly due from Group's customers. Customers rated as high risk are classified as restricted customers and monitored, and those customers may transact with the Group only on a prepayment basis in the future.

The Group has established an allowance account for bad debts that represents its estimate of incurred losses in respect of trade receivables, other receivables, and investments. This allowance mainly comprises a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This allowance for the loss component is determined based on historical payment statistics of similar financial assets.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Investment

The credit risk exposure for the bank deposits and other financial instruments are measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

At March 31, 2021, December 31, 2020 and March 31, 2020, there was no guarantee outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of March 31, 2021, December 31, 2020 and March 31, 2020, amounted to \$11,728,229 thousand, \$12,020,462 thousand and \$4,124,274 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (TWD), US Dollars (USD) and China Yuan (CNY). The currencies used in these transactions are denominated in TWD, USD, VND, INR, IDR and CNY.

The interest is denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily TWD, USD and INR. This provided an economic hedge without derivatives being entered into, and therefore, hedge accounting was not applied in these circumstances.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

2) Interest rate risk

The Group's risk exposure on to changes in interest rates is mainly attributable to shortterm and longterm loans at floating rates. Any change in interest rates will cause the effective interest rates of short-term and long-term loans to change and thus cause the future cash flows to fluctuate over time.

3) Other market price risks

The Group did not enter into any commodity contract for purposes other than meeting the Group's expected consumption and sales demand; such contracts were not settled on a net basis.

(w) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders and other related parties, 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 dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shareholders, issue new shares or sell assets to settle any liabilities.

The Group's debt-to-equity ratios on the reporting dates were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Total liabilities	\$ 23,403,578	24,433,113	22,973,508
Less: cash and cash equivalents	<u>(4,615,874)</u>	<u>(4,717,157)</u>	<u>(4,836,056)</u>
Net debt	18,787,704	19,715,956	18,137,452
Total equity	<u>20,447,715</u>	<u>19,355,092</u>	<u>19,669,280</u>
Total capital	<u>\$ 39,235,419</u>	<u>39,071,048</u>	<u>37,806,732</u>
Debt to equity ratio on period end	<u>47.88 %</u>	<u>50.46 %</u>	<u>47.97 %</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Name of related parties and relationship

The followings are entities that had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Shoe Majesty Co., Ltd.	A joint venture under the Group's joint arrangement
Shoe Majesty Trading Co., Ltd.	"
Vietnam Shoe Majesty Co., Ltd.	"
Hong Kong Shoe Majesty Trading Co., Ltd.	"

(b) Significant transactions with related parties

(i) Operating income

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended	
	March 31	
	2021	2020
The Group is a joint venture under the joint agreement	\$ <u>23,385</u>	<u>30,908</u>

Sales prices for related parties were similar to those of the third-party customers.

(ii) Technical service income

The amounts of technical service income by the Group to related parties were as follows:

	For the three months ended	
	March 31	
	2021	2020
The Group is a joint venture under the joint agreement	\$ <u>-</u>	<u>904</u>

(iii) Receivables due from Related Parties

The receivables due from related parties of the Group were as follows:

<u>Account item</u>	<u>Category of related party</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Accounts receivable	The Group is a joint venture under the joint agreement	\$ 12,520	12,988	26,728
Other receivables	The Group is a joint venture under the joint agreement	1,349	1,746	1,257
		<u>\$ 13,869</u>	<u>14,734</u>	<u>27,985</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Payables to Related Parties

The payables due to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Other payables	The Group is a joint venture under the joint agreement	\$ -	-	<u>336</u>

(c) Key management personnel transactions

Key management personnel compensation comprised:

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 88,945	82,616
Post-employment benefits	929	893
	<u>\$ 89,874</u>	<u>83,509</u>

(8) Pledged assets:

The book values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Other current financial assets (other current assets)	Customs deposit and lease deposit	\$ 1,236	1,560	1,282
Other non-current financial assets	Customs deposit and lease deposit	<u>75,191</u>	<u>75,557</u>	<u>73,291</u>
		<u>\$ 76,427</u>	<u>77,117</u>	<u>74,573</u>

(9) Commitments and contingencies:

- (a) As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group has issued promissory notes for short-term and long-term borrowings of \$6,996,975 thousand, \$6,995,050 thousand and \$4,056,125 thousand, respectively.
- (b) As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had payables in respect of important construction contracts, amounting to \$370,896 thousand, \$448,517 thousand and \$448,447 thousand, respectively.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(12) Others:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31, 2021			For the three months ended March 31, 2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		3,943,745	1,393,659	5,337,404	3,503,633	1,706,247	5,209,880
Labor and health insurance		440,448	112,337	552,785	362,481	171,284	533,765
Pension		254,491	67,072	321,563	206,440	60,514	266,954
Other employee benefits		492,225	105,621	597,846	504,404	156,333	660,737
Depreciation		456,513	151,221	607,734	426,942	145,486	572,428
Amortization		1,024	9,356	10,380	925	9,499	10,424

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(13) Other disclosures

(a) Information on significant transactions

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2021:

- i. Loans to other parties : None
- ii. Guarantees and endorsements for other parties : None
- iii. Securities held as of March 31, 2021 (excluding investment in subsidiaries, associates and joint ventures) :

(In Thousands of New Taiwan Dollar)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Cheyyar SEZ Developers Private Ltd.	<u>Stock</u> Echanda Urja Private Limited	-	Non-current financial assets at fair value through other comprehensive income	108,500	420	5.07%	420	-

- iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock : None
- v. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock : None
- vi. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock : None
- vii. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock :

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Sale	437,708	2%	30days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	201,606	2%	-
"	"	"	Purchase	1,670,165	8%	20/30days	"	-	(179,165)	(2%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Feng Tay Enterprises Co., Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Parent and subsidiary	Sale	353,927	2%	15days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	78,328	1%	-
"	"	"	Purchase	1,892,285	9%	15/30/90 days	"	-	(527,258)	(7%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	878,184	4%	60days	"	-	684,274	6%	-
"	"	"	Purchase	1,547,177	7%	30/90days	"	-	(293,743)	(4%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	421,731	2%	15days	"	-	79,833	1%	-
"	"	"	Purchase	2,124,431	10%	30/90days	"	-	(707,749)	(10%)	-
"	Lotus Footwear Enterprises Ltd. (India Branch)	"	Sale	568,439	3%	60/90days	"	-	538,154	5%	-
"	"	"	Purchase	1,349,099	6%	30days	"	-	(441,429)	(6%)	-
"	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	"	Sale	159,841	1%	15days	"	-	24,167	-	-
"	"	"	Purchase	742,189	4%	15/30/90 days	"	-	(135,287)	(2%)	-
"	Fujian San Feng Footwear Co., Ltd.	"	Sale	171,186	1%	15days	"	-	33,815	-	-
"	"	"	Purchase	586,760	3%	15/30days	"	-	(107,942)	(2%)	-
"	Fujian Xiefeng Footwear Co., Ltd.	"	Sale	267,818	1%	15days	"	-	19,864	-	-
"	"	"	Purchase	867,390	4%	15/30/90days	"	-	(151,836)	(2%)	-
"	Fujian Great Hope Footwear Co., Ltd.	"	Purchase	141,784	1%	60days	"	-	(146,459)	(2%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sale	955,761	4%	90days	"	-	1,010,901	9%	-
"	"	"	Purchase	3,442,203	16%	30/60/75/90 days	"	-	(1,043,045)	(15%)	-
"	Vung Tau Orient Co., Ltd.	"	Sale	147,110	1%	90days	"	-	228,514	2%	-
"	"	"	Purchase	352,776	2%	30/60/90 days	"	-	(143,840)	(2%)	-
"	East Wind Footwear Co., Ltd.(India Branch)	"	Sale	421,574	2%	60/90days	"	-	449,259	4%	-
"	"	"	Purchase	614,257	3%	30/60days	"	-	(211,712)	(3%)	-
"	Fairway Enterprises Co., Ltd. (India Branch)	"	Sale	467,150	2%	90days	"	-	529,460	5%	-
"	"	"	Purchase	551,414	3%	30days	"	-	(240,043)	(3%)	-
Growth-Link Overseas Co., Ltd.	Fujian Great Hope Footwear Co., Ltd.	Parent and subsidiary	Purchase	135,109	46%	Payment after Delivery	"	-	(57,277)	(27%)	-
"	East Wind Footwear Co., Ltd.(India Branch)	"	"	156,532	54%	"	"	-	(152,660)	(72%)	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,670,165	100%	20/30days	"	-	179,165	100%	-
"	"	"	Purchase	437,708	38%	30days	"	-	(201,606)	(49%)	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	742,189	68%	15/30/90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	135,287	61%	-
"	"	"	Purchase	159,841	34%	15days	"	-	(24,167)	(14%)	-
Fujian Xiefeng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	867,390	66%	15/30/90 days	"	-	151,836	49%	-
"	"	"	Purchase	267,818	44%	15days	"	-	(19,864)	(12%)	-
Fujian San Feng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	586,760	66%	15/30days	"	-	107,942	55%	-
"	"	"	Purchase	171,186	35%	15days	"	-	(33,815)	(18%)	-
Fujian Great Hope Footwear Co., Ltd.	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	135,109	48%	Payment after Delivery	"	-	57,277	28%	-
"	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	"	141,784	50%	60days	"	-	146,459	71%	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Co., Ltd.	Associate	Sale	955,342	92%	Payment after Delivery	"	-	830,318	98%	-
Hong Kong Shoe Majesty Trading Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	955,342	100%	Payment after Delivery	"	-	(830,318)	(96%)	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	2,124,431	100%	30/90days	"	-	707,749	100%	-
"	"	"	Purchase	421,731	74%	15days	"	-	(79,833)	(20%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,892,285	94%	15/30/90 days	"	-	527,258	91%	-
"	"	"	Purchase	353,927	27%	15days	"	-	(78,328)	(20%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,547,177	73%	30/90days	"	-	293,743	49%	-
"	"	"	Purchase	878,184	86%	60days	"	-	(684,274)	(74%)	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	352,776	94%	30/60/90 days	"	-	143,840	86%	-
"	"	"	Purchase	147,110	94%	90days	"	-	(228,514)	(79%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	3,442,203	95%	30/60/75/90 days	"	-	1,043,045	92%	-
"	"	"	Purchase	955,761	86%	90days	"	-	(1,010,901)	(65%)	-
East Wind Footwear Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	Sale	156,532	20%	Payment after Delivery	"	-	152,660	42%	-
"	Feng Tay Enterprises Co., Ltd.	"	"	614,257	80%	30/60days	"	-	211,712	58%	-
"	"	"	Purchase	421,574	97%	60/90days	"	-	(449,259)	(91%)	-

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Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Lotus Footwear Enterprises Ltd.(India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	1,349,099	98%	30days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	441,429	97%	-
"	"	"	Purchase	568,439	100%	60/90days	"	-	(538,154)	(91%)	-
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	551,414	100%	30days	"	-	240,043	99%	-
"	"	"	Purchase	467,150	99%	90days	"	-	(529,460)	(92%)	-

Note : Reconciliated in the preparation of the consolidated report.

- viii. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock :

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note)	Turnover days	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	201,606	8.62	-	-	95,834	-
"	Vietnam Dona Orient Co., Ltd.	"	684,274	5.83	-	-	92,294	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	1,010,901	3.94	-	-	212,915	-
"	Vung Tau Orient Co., Ltd.	"	228,514	2.99	52,894	-	24,895	-
"	Lotus Footwear Enterprises Ltd. (India Branch)	"	538,154	4.26	-	-	44,096	-
"	East Wind Footwear Co., Ltd. (India Branch)	"	449,259	4.14	34,227	-	12,081	-
"	Fairway Enterprises Co., Ltd. (India Branch)	"	529,460	4.19	-	-	58,448	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	179,165	28.98	-	-	92,261	-
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	135,287	19.18	-	-	72,573	-
Fujian Xiefeng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	151,836	20.12	-	-	88,258	-
Fujian San Feng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	107,942	27.80	-	-	55,855	-
Fujian Great Hope Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	146,459	4.19	-	-	403	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Co., Ltd.	Associate	830,318	5.16	-	-	212,527	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	707,749	11.81	-	-	106,847	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of company	Related party	Nature of relationship	Ending balance (Note)	Turnover days	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	527,258	14.31	-	-	187,797	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	293,743	19.51	-	-	97,159	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	143,840	12.02	-	-	31,476	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	1,043,045	13.68	-	-	296,989	-
East Wind Footwear Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	152,660	6.04	-	-	-	-
"	Feng Tay Enterprises Co., Ltd.	"	211,712	12.78	-	-	39,374	-
Lotus Footwear Enterprises Ltd.(India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	441,429	14.11	-	-	76,886	-
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	240,043	9.18	-	-	50,068	-

Note : Reconciliated in the preparation of the consolidated report.

ix. Trading in derivative instruments : None

x. Business relationships and significant intercompany transactions :

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	1	Sales revenue	437,708	Note3	2.2636%
"	"	"	"	Cost of sales	1,670,165	Note3	8.6372%
"	"	"	"	Accounts receivable due from related parties	201,606	30days	0.4597%
"	"	"	"	Accounts payable to related parties	179,165	20/30days	0.4086%
"	"	Dona Pacific(Vietnam) Co., Ltd.	4	Sales revenue	353,927	Note3	1.8303%
"	"	"	"	Cost of sales	1,892,285	Note3	9.7859%
"	"	"	"	Accounts receivable due from related parties	78,328	15days	0.1786%
"	"	"	"	Accounts payable to related parties	527,258	15/30/90days	1.2024%
"	"	Vietnam Dona Orient Co.,Ltd.	"	Sales revenue	878,184	Note3	4.5415%
"	"	"	"	Cost of sales	1,547,177	Note3	8.0012%
"	"	"	"	Accounts receivable due from related parties	684,274	60days	1.5604%
"	"	"	"	Accounts payable to related parties	293,743	30/90days	0.6699%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	421,731	Note3	2.1810%
"	"	"	"	Cost of sales	2,124,431	Note3	10.9865%
"	"	"	"	Accounts receivable due from related parties	79,833	15days	0.1821%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Dona Victor Footwear Co., Ltd.	4	Accounts payable to related parties	707,749	30/90days	1.6140%
"	"	Lotus Footwear Enterprises Ltd. (India Branch)	"	Sales revenue	568,439	Note3	2.9397%
"	"	"	"	Cost of sales	1,349,099	Note3	6.9768%
"	"	"	"	Accounts receivable due from related parties	538,154	60/90days	1.2272%
"	"	"	"	Accounts payable to related parties	441,429	30days	1.0066%
"	"	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	"	Sales revenue	159,841	Note3	0.8266%
"	"	"	"	Cost of sales	742,189	Note3	3.8382%
"	"	"	"	Accounts receivable due from related parties	24,167	15days	0.0551%
"	"	"	"	Accounts payable to related parties	135,287	15/30/90days	0.3085%
"	"	Fujian San Feng Footwear Co., Ltd.	"	Sales revenue	171,186	Note3	0.8853%
"	"	"	"	Cost of sales	586,760	Note3	3.0344%
"	"	"	"	Accounts receivable due from related parties	33,815	15days	0.0771%
"	"	"	"	Accounts payable to related parties	107,942	15/30days	0.2462%
"	"	Fujian Xiefeng Footwear Co., Ltd.	"	Sales revenue	267,818	Note3	1.3850%
"	"	"	"	Cost of sales	867,390	Note3	4.4857%
"	"	"	"	Accounts receivable due from related parties	19,864	15days	0.0453%
"	"	"	"	Accounts payable to related parties	151,836	15/30/90days	0.3463%
"	"	Fujian Great Hope Footwear Co., Ltd.	"	Cost of sales	141,784	Note3	0.7332%
"	"	"	"	Accounts payable to related parties	146,459	60days	0.3340%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	955,761	Note3	4.9427%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Cost of sales	3,442,203	Note3	17.8013%
"	"	"	"	Accounts receivable due from related parties	1,010,901	90days	2.3053%
"	"	"	"	Accounts payable to related parties	1,043,045	30/60/75/90days	2.3786%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	147,110	Note3	0.7608%
"	"	"	"	Cost of sales	352,776	Note3	1.8244%
"	"	"	"	Accounts receivable due from related parties	228,514	90days	0.5211%
"	"	"	"	Accounts payable to related parties	143,840	30/60/90days	0.3280%
"	"	East Wind Footwear Co., Ltd.(India Branch)	"	Sales revenue	421,574	Note3	2.1802%

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Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	East Wind Footwear Co., Ltd.(India Branch)	4	Cost of sales	614,257	Note3	3.1766%
"	"	"	"	Accounts receivable due from related parties	449,259	60/90days	1.0245%
"	"	"	"	Accounts payable to related parties	211,712	30/60days	0.4828%
"	"	Fairway Enterprises Co., Ltd. (India Branch)	"	Sales revenue	467,150	Note3	2.4159%
"	"	"	"	Cost of sales	551,414	Note3	2.8516%
"	"	"	"	Accounts receivable due from related parties	529,460	90days	1.2074%
"	"	"	"	Accounts payable to related parties	240,043	30days	0.5474%
1	Growth-Link Overseas Co., Ltd.	Fujian Great Hope Footwear Co., Ltd.	6	Cost of sales	135,109	Note3	0.6987%
"	"	"	"	Accounts payable to related parties	57,277	Payment after Delivery	0.1306%
"	"	East Wind Footwear Co., Ltd.(India Branch)	"	Cost of sales	156,532	Note3	0.8095%
"	"	"	"	Accounts payable to related parties	152,660	Payment after Delivery	0.3481%

Note1 The numbers filled in as follows :

1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note2 Transactions labeled as follows:

1. represents transactions between the parent company and its subsidiaries.
2. represents transactions between the subsidiaries and the parent company.
3. represents transactions between subsidiaries.
4. represents transactions between the parent company and its sub-subsidiaries.
5. represents transactions between the sub-subsidiaries and the parent company
6. represents transactions between the subsidiaries and the sub-subsidiaries.
7. represents transactions between the sub-subsidiaries and the subsidiaries
8. represents transactions between sub-subsidiaries.

Note3 Selling price of goods is determined through negotiations and there are no other transactions with non-related parties to compare.

(b) Information on investment

The following is the information on investment for the three months ended March 31, 2021 (excluding information on investment in Mainland China) :

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,322,618	1,322,618	53,900	99.81%	935,350	54,196	54,096	Subsidiary (Note 5)
"	PT Rich Valley Indonesia	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	221,479	221,479	99,990	99.99%	204,189	(553)	(553)	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
Feng Tay Enterprises Co., Ltd.	Growth-Link Overseas Co., Ltd.	Bermuda	Investment holding, selling of athletic shoes, and trading of footwear materials	5,521,531	5,521,531	6,000,000	100.00%	12,398,891	707,490	707,490	Subsidiary (Note 5)
"	VX Holdings Ltd.	British Virgin Islands	Investment holding	447,734	447,734	38,280	47.26%	757,561	228,758	108,111	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	289,190	11,957	2,439	Investee under the equity method
"	Dona Orient Holdings Ltd.	"	Investment holding	1,529,723	1,529,723	44,753	40.97%	2,911,704	145,709	59,697	Sub-subsidiary (Note 5)
"	Great Eastern Industries Ltd.	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	32,978	1,938	1,938	Subsidiary (Note 5)
Growth-Link Overseas Co., Ltd.	VX Mold Co., Ltd.	British Virgin Islands	Investment holding	14,265	14,265	372,000	93.00%	189,673	49,387	45,930	Subsidiary (Note 5)
"	VX Holdings Ltd.	"	Investment holding	270,829	270,829	36,342	44.87%	760,496	228,758	102,637	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Ltd.	"	Investment holding and sale of finished shoes	355,327	355,327	23,000	92.00%	989,725	209,722	192,944	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	229,170	229,170	8,580	28.60%	421,066	11,957	3,420	Investee under the equity method
"	Dona Orient Holdings Ltd.	"	Investment holding	1,875,669	1,875,669	64,483	59.03%	4,476,392	145,709	86,012	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Ltd.	"	Investment holding business, and manufacturing and selling of finished shoe	1,938,119	1,938,119	34,020	88.00%	3,393,499	68,205	60,020	"
"	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	20	20	10	0.01%	20	(553)	-	Investee under the equity method (Note 5)
"	Cheyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	2,815	-	"
VX Holdings Ltd.	Dona Victor Footwear Co., Ltd.	Vietnam	Producing of athletic shoes, semi-finished footwear, and footwear accessories	939,555	939,555	Note4	100.00%	1,754,382	229,926	229,926	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Shoe Majesty Trading Co., Ltd.	British Virgin Islands	International trade services	11,679	11,679	410	100.00%	12,718	(8,189)	(8,189)	Subsidiary
"	Hong Kong Shoe Majesty Trading Co., Ltd.	Hong Kong	International trade services	5,697	5,697	200	100.00%	38,585	15,193	15,193	"
Shoe Majesty Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,053,945	1,053,945	Note4	100.00%	1,431,493	4,756	4,756	Subsidiary
Dona Orient Holdings Ltd.	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,253,340	1,253,340	Note4	100.00%	1,663,690	120,252	120,252	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,156,315	2,156,315	"	100.00%	4,472,350	42,894	42,894	"
"	Hold Gold Trading Co., Ltd.	British Virgin Islands	Selling of finished shoes, golf balls, backpack, bags and soccer ball	2,849	2,849	100	100.00%	17,414	1,531	1,531	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
Dona Orient Holdings Ltd.	Vung Tau Orient Co., Ltd.	Vietnam	Producing golf balls, soccer balls, and backpack, bags	433,633	433,633	Note4	100.00%	583,038	(16,771)	(16,771)	Subsidiary (Note 5)
"	Vietnam Nam Ha Footwear Co., Ltd.	"	Producing athletic shoes, semi-finished footwear, and footwear accessories	620,973	620,973	"	100.00%	616,199	(2,097)	(2,097)	"
VX Mold Co., Ltd.	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	88,304	88,304	Note4	100.00%	202,009	50,280	50,280	Subsidiary (Note 5)
Dona Pacific Holdings Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Producing athletic shoes, semi-finished footwear, and footwear accessories	569,700	854,550	Note4	100.00%	1,075,184	209,871	209,871	Subsidiary (Note 5)
Lotus Footwear Enterprises Ltd.	Cheyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	2,469,068	2,469,068	91,999,999	99.99%	2,077,875	2,815	2,815	Subsidiary (Note 5)
"	East Wind Footwear Co., Ltd.	British Virgin Islands	Investment holding and production of athletic shoes	470,920	470,920	9,751	100.00%	814,775	(62,620)	(62,620)	"
"	Fairway Enterprises Co., Ltd.	"	Investment holding and production of athletic shoes	1,210,669	1,125,214	21,251	100.00%	1,131,364	(55,098)	(55,098)	"

Note 1 : Includes overseas undertakings invested by the Company and re-investment of the overseas undertakings.

Note 2 : Carrying value refers to ending balance of investment recognized using the equity method, including investment gains or losses, and cumulative translation adjustments.

Note 3 : The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of March 31, 2021 reviewed by certified public accountants, except that some of the investees were presented based on the unreviewed financial statements as of March 31, 2021.

Note 4 : Unissued shares of the Vietnamese entities.

Note 5 : Included in the consolidated financial statements.

(c) Information on investment in mainland China

i. The names of investees in Mainland China, the main businesses and products, and other information

(In Thousands of New Taiwan Dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 6)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021 (Note 6)	Net income (losses) of the investee (Note 7)	Percentage of ownership	Investment income (losses) (Note 7)	Book value (Note 6)	Accumulated remittance of earnings in current period (Note 7)
					Outflow	Inflow						
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	128,183	Note1	156,085	-	-	156,085	46	50.00%	23	23,215	95,861
Xie Feng Mold Co., Ltd. Putian, Fujian	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	85,455	"	136,821	-	-	136,821	43,736	50.34%	22,014	106,794	781,308
Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	427,275	"	448,932	-	-	448,932	127,912	77.50%	99,132	513,790	592,243

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Name of investee	Main businesses and products	Total amount of capital surplus (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 6)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021 (Note 6)	Net income (losses) of the investee (Note 7)	Percentage of ownership	Investment income (losses) (Note 7)	Book value (Note 6)	Accumulated remittance of earnings in current period (Note 7)
					Outflow	Inflow						
Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	427,275	Note1	407,746	-	-	407,746	89,422	68.00%	60,807	253,979	561,916
Fujian Da Feng Holdings Co., Ltd.	Investment holding	854,550	"	857,721	-	-	857,721	339,319	70.00%	237,523	1,633,923	3,792,206
Fujian Great Hope Footwear Co., Ltd.	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products	226,456	"	451,880	-	-	451,880	23,528	84.73%	19,936	458,518	448,332
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	427,275	Note2	392,243	-	-	392,243	117,241	70.00%	82,068	563,421	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	73,000	"	-	-	-	-	36,218	66.07%	23,927	139,568	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of March 31, 2021 (Note 4 and 6)	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 5)
2,162,237	2,350,307	11,382,492

Note 1 : Indirect investment in the Company located in Mainland China through an existing company registered in the third region.

Note 2 : Investment in companies in Mainland China through the existing companies registered in Mainland China.

Note 3 : Recognized profit and loss from investment for the current period :

(1) The financial statements were reviewed by the parent company's certified public accountants.

(2) Based on unreviewed financial statements for the year ended March 31, 2021.

Note 4 : The investment amount has been deducted by accumulated remittance of earnings as of the current period of USD 222,542,955, capital increase from retained earnings of USD 3,939,944, capital stock inflows of USD 24,626,117, investment through a company registered in Mainland China of USD 31,576,154, including verified sale of the equity interests in Tianjin Tecnica and Beijing Tecnica of USD 118,206, and the investment in The Quest Group disposed of on September 28, 2008 of USD 9,600,595.

Note 5 : The higher of the 60 % of net or combined net value, as calculated based on the upper limit stipulated in "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Investment Commission on August 29, 2008.

Note 6 : Calculated based on the closing exchange rate of 28.4850 on March 31, 2021

Note 7 : Calculated based on the average closing exchange rate of 28.3517 between January and the end of March 2021.

iii Significant transactions :

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

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(d) Major shareholders

Shareholding Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	95,423,056	10.82 %
WANG, CHOU-HSIONG	82,987,033	9.41 %
CHEN, HUI-LING	57,044,655	6.46 %

Note : The main shareholder information in this table is based on the last business day at the end of each quarter set by Taiwan Depository & Clearing Corporation to calculate the shares of those shareholders who hold more than 5% of the Company's ordinary shares that have been delivered without physical registration.

(14) Segment information

- (a) The Group has reportable department, footwear manufacturing and sales department, which mainly engaged in the production and sales of various sports shoes. Other departments are mainly engaged in the manufacturing of sports balls and bags.

The Group's operating segment information and reconciliation are as follows :

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the three months ended				
March 31, 2021				
Revenue				
Revenue from external customers \$	18,851,202	485,623	-	19,336,825
Intersegment revenues	22,004,107	634,104	(22,638,211)	-
Total revenue	\$ 40,855,309	1,119,727	(22,638,211)	19,336,825
Reportable segment profit or loss	\$ 2,783,728	1,747	(93,872)	2,691,603

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	<u>Department of manufacturing and selling shoes</u>	<u>Other Departments</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
For the three months ended				
March 31, 2020				
Revenue				
Revenue from external customers	\$ 17,553,389	566,826	-	18,120,215
Intersegment revenues	20,602,038	763,497	(21,365,535)	-
Total revenue	\$ 38,155,427	1,330,323	(21,365,535)	18,120,215
Reportable segment profit or loss	\$ 1,980,340	21,132	(44,973)	1,956,499