

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

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025**

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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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, 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 the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 \$14,854,810 thousand and \$15,002,071 thousand, constituting 28.65% and 30.45% of consolidated total assets as of June 30, 2026 and 2025, respectively; total liabilities amounting to \$4,375,362 thousand and \$4,418,296 thousand, constituting 16.52% and 16.59% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and total comprehensive income (loss) amounting to \$124,659 thousand, \$(1,093,077) thousand, \$215,528 thousand and \$(793,706) thousand, constituting 12.89%, 44.10%, 11.07% and 85.71% of consolidated total comprehensive income for the three months and six months ended June 30, 2026 and 2025, respectively.

Furthermore, as stated in Note (6)(d), the other equity accounted investments of the Group in its investee companies of \$1,482,623 thousand and \$1,245,578 thousand as of June 30, 2026 and 2025, respectively, and its equity in net earnings on these investee companies of \$50,348 thousand, \$80,980 thousand, \$27,751 thousand and \$72,109 thousand for the three months and six months ended June 30, 2026 and 2025, 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025 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 Kuo, Rou-Lan and Chen, Ying-Ju.

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2026

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)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2026, December 31, 2025, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025				June 30, 2026		December 31, 2025		June 30, 2025	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:		Current liabilities:													
1100	Cash and cash equivalents (Note (6)(a))	\$ 3,770,520	7	5,282,741	10	3,027,999	6	2100	Short-term borrowings (Note (6)(j))	\$ 3,401,691	7	2,697,941	5	2,284,283	5
1170	Accounts receivable (Notes (6)(b) and (q))	9,328,227	18	8,468,314	16	8,380,466	17	2130	Current contract liabilities (Note (6)(q))	1,248	-	1,098	-	992	-
1200	Other receivables (Note (7))	839,591	1	864,933	2	739,543	2	2170	Notes and accounts payable	4,059,502	8	3,998,596	8	3,705,548	8
1220	Current tax assets	360,584	1	360,490	1	331,098	1	2216	Dividends payable	4,048,680	8	-	-	5,040,257	10
130X	Inventories (Note (6)(c))	8,635,310	17	8,670,867	16	8,531,844	17	2200	Other payables	3,783,883	7	4,827,917	9	3,921,017	8
1476	Other current financial assets (Note (8))	576	-	8,591	-	858	-	2230	Current tax liabilities	2,133,340	4	2,108,570	4	2,038,030	4
1479	Other current assets, others	1,069,354	2	970,069	2	1,001,694	2	2280	Current lease liabilities (Note (6)(l))	35,838	-	38,559	-	33,715	-
	Total current assets	24,004,162	46	24,626,005	47	22,013,502	45	2320	Long-term liabilities, current portion (Note (6)(k))	-	-	68,001	-	63,060	-
Non-current assets:		Other current liabilities, others													
1550	Investments accounted for using equity method (Note (6)(d))	1,482,623	3	1,444,980	3	1,245,578	2	2399	Total current liabilities	32,585	-	28,651	-	55,827	-
1600	Property, plant and equipment (Note (6)(f))	21,697,029	42	22,075,343	42	21,039,379	43		Non-Current liabilities:	17,496,767	34	13,769,333	26	17,142,729	35
1755	Right-of-use assets (Note (6)(g))	1,615,399	3	1,639,907	3	1,569,750	3	2540	Long-term borrowings (Note (6)(k))	984,846	2	3,067,431	6	1,568,678	3
1760	Investment property, net (Note (6)(h))	6,858	-	6,858	-	40,260	-	2570	Deferred tax liabilities	3,618,050	7	3,612,742	7	3,452,276	7
1780	Intangible assets (Note (6)(i))	442,773	1	457,489	1	463,990	1	2580	Non-current lease liabilities (Note (6)(l))	538,908	1	554,172	1	515,222	1
1840	Deferred tax assets	1,917,581	4	1,699,644	3	1,899,456	4	2640	Non-current net defined benefit liability (Note (6)(m))	3,649,259	7	3,645,226	7	3,746,243	8
1980	Other non-current financial assets (Note (8))	99,538	-	94,327	-	89,414	-	2670	Other non-current liabilities, others	195,652	-	217,012	-	203,398	-
1990	Other non-current assets, others	578,907	1	646,437	1	904,737	2		Total non-current liabilities	8,986,715	17	11,096,583	21	9,485,817	19
	Total non-current assets	27,840,708	54	28,064,985	53	27,252,564	55		Total liabilities	26,483,482	51	24,865,916	47	26,628,546	54
		Equity attributable to owners of parent (Note (6)(o)):													
		Capital stock													
		Capital surplus													
		Retained earnings:													
		Legal reserve													
		Special reserve													
		Unappropriated retained earnings													
		Other equity interest:													
		Exchange differences on translation of foreign financial statements													
		Total equity attributable to owners of parent:													
		Non-controlling interests													
		Total equity													
		Total liabilities and equity													
		Total assets													

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenues (Note (6)(q))	\$ 20,379,724	100	20,399,718	100	39,614,623	100	41,122,541	100
5000	Operating costs (Note (6)(c))	(16,419,754)	(81)	(15,469,320)	(76)	(32,309,748)	(82)	(31,816,662)	(77)
	Gross profit from operations	3,959,970	19	4,930,398	24	7,304,875	18	9,305,879	23
	Operating expenses:								
6100	Selling and administrative expenses	(2,033,762)	(10)	(1,908,135)	(9)	(3,913,462)	(10)	(4,193,078)	(10)
6300	Research and development expenses	(719,996)	(3)	(686,494)	(3)	(1,415,880)	(3)	(1,387,931)	(4)
	Total operating expenses	(2,753,758)	(13)	(2,594,629)	(12)	(5,329,342)	(13)	(5,581,009)	(14)
	Net operating income	1,206,212	6	2,335,769	12	1,975,533	5	3,724,870	9
	Non-operating income and expenses:								
7100	Interest income (Note (6)(s))	14,646	-	15,668	-	31,709	-	26,880	-
7010	Other income (Notes (6)(s) and (7))	99,105	1	88,893	-	208,139	-	200,828	-
7020	Other gains and losses, net (Note (6)(s))	86,037	-	(860,148)	(4)	228,046	1	(646,675)	(1)
7050	Financial costs (Note (6)(s))	(46,246)	-	(59,045)	-	(102,632)	-	(122,228)	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(d))	50,348	-	80,980	-	27,751	-	72,109	-
	Total non-operating income and expenses	203,890	1	(733,652)	(4)	393,013	1	(469,086)	(1)
7900	Profit before tax	1,410,102	7	1,602,117	8	2,368,546	6	3,255,784	8
7950	Income tax expenses (Notes (4) and (6)(n))	(377,779)	(2)	(773,824)	(4)	(667,615)	(2)	(1,231,204)	(3)
8200	Net profit	1,032,323	5	828,293	4	1,700,931	4	2,024,580	5
	Other comprehensive income:								
8360	Item that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(66,617)	-	(3,320,125)	(16)	246,174	1	(2,962,704)	(7)
8399	Income tax related to components of other comprehensive loss that will may be reclassified to profit or loss (Note (6)(n))	1,160	-	13,476	-	(847)	-	12,080	-
	Item that may be reclassified subsequently to profit or loss	(65,457)	-	(3,306,649)	(16)	245,327	1	(2,950,624)	(7)
	Other comprehensive (loss) income, net	(65,457)	-	(3,306,649)	(16)	245,327	1	(2,950,624)	(7)
8500	Total comprehensive income (loss)	\$ 966,866	5	(2,478,356)	(12)	1,946,258	5	(926,044)	(2)
	Net profit, attributable to:								
8610	Net profit, attributable to owners of parent	\$ 1,013,962	5	719,630	3	1,687,937	4	1,868,394	5
8620	Net profit, attributable to non-controlling interests	18,361	-	108,663	1	12,994	-	156,186	-
		\$ 1,032,323	5	828,293	4	1,700,931	4	2,024,580	5
	Comprehensive income (loss) attributable to:								
8710	Comprehensive income (loss), attributable to owners of parent	\$ 943,328	5	(2,372,077)	(12)	1,896,750	5	(892,969)	(2)
8720	Comprehensive income (loss), attributable to non-controlling interests	23,538	-	(106,279)	-	49,508	-	(33,075)	-
		\$ 966,866	5	(2,478,356)	(12)	1,946,258	5	(926,044)	(2)
	Earnings per common share expressed in dollars (Note (6)(p))								
9750	Basic earnings per share (dollars)	\$ 1.03		0.73		1.71		1.89	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest			
	Share capital		Retained earnings			Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Balance at January 1, 2025	\$ 9,874,828	49,085	6,979,145	1,127,303	8,449,684	360,006	26,840,051	1,988,831	28,828,882
Net profit	-	-	-	-	1,868,394	-	1,868,394	156,186	2,024,580
Other comprehensive (loss) income	-	-	-	-	-	(2,761,363)	(2,761,363)	(189,261)	(2,950,624)
Total comprehensive income	-	-	-	-	1,868,394	(2,761,363)	(892,969)	(33,075)	(926,044)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	644,333	-	(644,333)	-	-	-	-
Reversal of special reserve	-	-	-	(1,127,303)	1,127,303	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,036,162)	-	(5,036,162)	-	(5,036,162)
Due to donated assets received	-	(99)	-	-	-	-	(99)	-	(99)
Changes in ownership interests in subsidiaries	-	(1,617)	-	-	-	-	(1,617)	1,617	-
Changes in non-controlling interests	-	-	-	-	-	-	-	(229,057)	(229,057)
Balance at June 30, 2025	\$ 9,874,828	47,369	7,623,478	-	5,764,886	(2,401,357)	20,909,204	1,728,316	22,637,520
Balance at January 1, 2026									
Balance at January 1, 2026	\$ 9,874,828	47,170	7,623,478	-	9,153,910	(894,893)	25,804,493	2,020,581	27,825,074
Net profit	-	-	-	-	1,687,937	-	1,687,937	12,994	1,700,931
Other comprehensive income	-	-	-	-	-	208,813	208,813	36,514	245,327
Total comprehensive income	-	-	-	-	1,687,937	208,813	1,896,750	49,508	1,946,258
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	525,743	-	(525,743)	-	-	-	-
Special reserve appropriated	-	-	-	894,893	(894,893)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,048,680)	-	(4,048,680)	-	(4,048,680)
Due to donated assets received	-	1	-	-	-	-	1	-	1
Changes in non-controlling interests	-	-	-	-	-	-	-	(361,265)	(361,265)
Balance at June 30, 2026	\$ 9,874,828	47,171	8,149,221	894,893	5,372,531	(686,080)	23,652,564	1,708,824	25,361,388

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Profit before tax	\$ 2,368,546	3,255,784
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	1,497,660	1,512,252
Amortization expense	40,663	40,926
Interest expense	102,632	122,228
Interest income	(31,709)	(26,880)
Share of profit of associates and joint ventures accounted for using equity method	(27,751)	(72,109)
(Gains) losses on disposal of property, plant and equipment	(5,085)	6,110
Gains on disposal of investment properties	-	(80,727)
Reversal of impairment loss	(1,437)	(1,593)
Total adjustments to reconcile profit	1,574,973	1,500,207
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(831,308)	(318,303)
Other receivables	34,330	93,256
Inventories	159,221	(296,659)
Other current assets, others	(89,049)	(136,719)
Other current financial assets	8,202	-
Total changes in operating assets	(718,604)	(658,425)
Changes in operating liabilities:		
Current contract liabilities	136	(30)
Notes and accounts payable	(42,497)	(206,738)
Other payable	(1,107,596)	(1,088,917)
Other current liabilities, others	2,806	15,596
Net defined benefit liability	(39,033)	188,459
Other non-current liabilities, others	(22,173)	(9,831)
Total changes in operating liabilities	(1,208,357)	(1,101,461)
Total changes in operating assets and liabilities	(1,926,961)	(1,759,886)
Total adjustments	(351,988)	(259,679)
Cash inflow generated from operations	2,016,558	2,996,105
Interest received	32,305	28,695
Interest paid	(103,975)	(124,206)
Income taxes paid	(809,810)	(459,623)
Net cash flows from operating activities	1,135,078	2,440,971
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(1,066,246)	(1,552,977)
Proceeds from disposal of property, plant and equipment	129,104	68,388
Acquisition of intangible assets	(24,854)	(56,882)
Proceeds from disposal of intangible assets	-	591
Proceeds from disposal of investment properties	-	92,984
Other non-current financial assets	(6,429)	3,121
Other non-current assets, others	4,200	(1,514)
Net cash flows used in investing activities	(964,225)	(1,446,289)
Cash flows used in financing activities:		
Increase (decrease) in short-term loans	689,140	(589,498)
Proceeds from long-term borrowings	34,696	50,561
Repayments of long-term borrowings	(2,201,708)	(1,623,243)
Payments of lease liabilities	(32,473)	(30,656)
Change in non-controlling interests	(360,771)	(208,483)
Net cash flows used in financing activities	(1,871,116)	(2,401,319)
Effect of exchange rate changes on cash and cash equivalents	117,316	(705,907)
Net decrease in cash and cash equivalents	(1,582,947)	(2,112,544)
Cash and cash equivalents at the beginning of period (restated) (Note 3(a))	5,353,467	5,140,543
Cash and cash equivalents at the end of period	\$ 3,770,520	3,027,999

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements
June 30, 2026 and 2025
(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, ice skates, ski boots, golf balls, soccer balls, backpacks, ice hockey helmets and sticks, footwear accessories, as well as shoe molds and tools. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on February 18, 1992. The Company has a headquarter located at the Yunlin Science and Industrial Park, wherein it conducts order management, product development, technology research, finished goods and 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 August 12, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The details of impact on the Group’s adoption of the new amendments beginning January 1, 2026 are as follows:

- (i) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

These amendments clarify that financial assets and financial liabilities can only be derecognized upon settlement of the payment and introduce new requirements for the derecognition of financial liabilities settled through electronic payment systems.

In accordance with the relevant amendments, for checks of the Group that have matured as of the balance sheet date, the date on which the financial liability is derecognized has been changed from the maturity date of the checks to the date on which the counterparty cashes them.

According to the transition of the amendments, the Group is not required to restate its comparative information for prior periods. On the date of initial application, the increase of \$70,726 thousand is recognized in cash and notes payable, respectively.

(Continued)

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

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

- (c) The impact of IFRS Accounting Standards 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:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

(4) Summary of material 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 Accounting Standards 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, 2025. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2025.

- (b) Basis of consolidation

- (i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company - GLO	PT Feng Tay Indonesia Enterprises	Manufactures athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	100.00 %	100.00 %	100.00 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid-in capital of USD27,000,000. (Note 1)

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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
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	Growth-Link Overseas Company Limited(GLO)	Investment holding.	100.00 %	100.00 %	100.00 %	Growth-Link Overseas Company Limited was established in Bermuda in 1991, and has paid-in capital of USD27,513,036 (including share premium of USD27,453,036).
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). (Note 1)
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	Manufactures 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 USD36,431,286. (Note 1)
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). (Note 1)
The Company	Great South Private Limited	Investing holding.	100.00 %	100.00 %	100.00 %	Great South Private Limited was established in Singapore in 2021, and has paid-in capital of SGD1,700,000. (Note 1)
The Company	India Tindivanam Footwear Private Limited	Manufactures athletic shoes, semi-finished footwear and footwear accessories.	96.49 %	96.49 %	96.28 %	India Tindivanam Footwear Private Limited was established in India in 2022, and has paid-in capital of INR5,687,949,690. (Note 1)
GLO	Fujian Da Feng Holdings Company Limited(DF)	Investment holding.	70.00 %	70.00 %	70.00 %	Fujian Da Feng Holdings Company Limited was established in Fujian Province, China in 1993, and has paid-in capital of USD23,000,000. (Note 1)

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
DF	Fujian Lifeng Footwear Industrial Development Company Limited(LF)	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Lifeng Footwear Industrial Development Company Limited was established in Fujian Province, China in 1988, and has paid-in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Fujian Xiefeng Footwear Company Limited was established in Fujian Province, China in 1989, and has paid-in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	80.00 %	Fujian San Feng Footwear Company Limited was established in Fujian Province, China in 1992, and has paid-in capital of USD15,000,000.
GLO	Fujian Putian Xie Feng Mold Company Limited(XM)	Manufactures and repairs molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	50.34 %	Fujian Putian Xie Feng Mold Company Limited was established in Fujian Province, China in 1991, and has paid-in capital of USD3,000,000. (Note 1)
GLO, DF, LF and XM	Fujian Great Hope Footwear Company Limited(GH)	Manufactures 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 Company Limited was established in Fujian Province, China in 1989, and has paid-in capital of USD7,950,000. (Note 1)
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. (Note 1)
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesaler and retailer of general merchandise, and related services.	- %	50.00 %	50.00 %	Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province, China in 1992, and was liquidated in May 2026.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding.	92.00 %	92.00 %	92.00 %	Dona Pacific Holdings Limited was established in British Virgin Islands in 2000, and has paid-in capital of USD13,558,901 (including share premium of USD13,533,901). (Note 1)
GLO	VX Mold Company Limited(VXM)	Investment holding.	93.00 %	93.00 %	93.00 %	VX Mold Company Limited was established in British Virgin Islands in 1999, and has paid-in capital of USD400,000. (Note 1)
GLO	Lotus Footwear Enterprises Private Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoes.	88.00 %	88.00 %	88.00 %	Lotus Footwear Enterprises Private Limited was established in British Virgin Islands in 2006. In May 2025, the company re-domiciled to Singapore, with a paid-in capital of USD79,141,400.
VXH	Dona Victor Footwear Co., Ltd.	Manufactures 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.	Manufactures 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.
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufactures 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.	Manufactures 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 USD41,000,000. (Note 1)
DOH	Vietnam Nam Ha Footwear Company Limited	Manufactures athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	100.00 %	Vietnam Nam Ha Footwear Company Limited was established in Vietnam in 2019, and has paid-in capital of USD62,000,000. (Note 1)

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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
			June 30, 2026	December 31, 2025	June 30, 2025	
DPH	Dona Pacific (Vietnam) Co., Ltd.	Manufactures 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.	Manufactures and repairs 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. (Note 1)
GLO and LUH	Cheyay SEZ Developers Private Limited	Development in India's Industrial Park.	100.00 %	100.00 %	100.00 %	Cheyay SEZ Developers Private Limited was established in Indian in 2006, and has paid-in capital of USD119,893,561. (Note 1)
LUH	East Wind Footwear Private Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	East Wind Footwear Private Limited was established in British Virgin Islands in 2010. In June 2026, the company re-domiciled to Singapore, and has paid-in capital of USD15,695,471. (Note 2)
LUH	Fairway Enterprises Private Limited	Investment holding and production of athletic shoes.	100.00 %	100.00 %	100.00 %	Fairway Enterprises Private Limited was established in British Virgin Islands in 2014. In June 2026, the company re-domiciled to Singapore, and has paid-in capital of USD42,749,526. (Note 2)

Note 1: This company is a non-significant subsidiary, its financial statements have not been reviewed.

Note 2: This company is a non-significant subsidiary, and the financial statements of the Indian branch have 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.

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

(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 IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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, 2025. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2025.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash	\$ 1,008	993	994
Demand deposits and check deposit	2,479,903	1,578,353	1,338,578
Time deposits	1,289,609	3,703,395	1,688,427
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 3,770,520</u>	<u>5,282,741</u>	<u>3,027,999</u>

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

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

(b) Accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable—measured at amortized cost	\$ 9,328,227	8,468,314	8,380,466
Less: Allowance for credit loss	-	-	-
	<u>\$ 9,328,227</u>	<u>8,468,314</u>	<u>8,380,466</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 accounts receivable. To measure the expected credit losses, accounts receivable 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 was determined as follows:

June 30, 2026			
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 8,680,550	0.00%	-
1 to 10 days past due	634,618	0.00%	-
11 to 60 days past due	12,771	0.00%	-
61 days to 1 year past due	288	0.00%	-
	<u>\$ 9,328,227</u>		<u>-</u>
December 31, 2025			
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,662,698	0.00%	-
1 to 10 days past due	769,410	0.00%	-
11 to 60 days past due	24,123	0.00%	-
61 days to 1 year past due	12,083	0.00%	-
	<u>\$ 8,468,314</u>		<u>-</u>
June 30, 2025			
	Gross carrying amount	Weighted- average loss rate	Allowance for credit loss provision
Current	\$ 7,796,504	0.00%	-
1 to 10 days past due	535,449	0.00%	-
11 to 60 days past due	46,697	0.00%	-
61 days to 1 year past due	1,816	0.00%	-
	<u>\$ 8,380,466</u>		<u>-</u>

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

As of June 30, 2026, December 31, 2025 and June 30, 2025, the accounts receivable of the Group were not pledged as collateral for its loan.

(c) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 4,108,672	3,731,546	3,657,628
Work in process	1,352,542	1,431,695	1,327,931
Finished goods	2,009,949	2,380,920	2,312,740
Merchandise inventory	45,333	165,816	81,944
Inventory in transit	1,118,808	959,328	1,151,426
Others	<u>6</u>	<u>1,562</u>	<u>175</u>
	<u>\$ 8,635,310</u>	<u>8,670,867</u>	<u>8,531,844</u>

The details of operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Cost of goods sold	\$ 16,401,941	15,371,355	32,174,066	31,372,920
Unallocated production overheads	18,370	71,127	102,929	393,849
Net gains on physical inventory	(68)	(89)	(484)	(833)
Inventory scrap loss	20,334	10,884	41,472	29,426
Revenue from sale of scraps	(12,815)	(14,958)	(26,721)	(28,356)
(Reversal gains) losses on obsolescence and inventory valuation	<u>(8,008)</u>	<u>31,001</u>	<u>18,486</u>	<u>49,656</u>
Total	<u>\$ 16,419,754</u>	<u>15,469,320</u>	<u>32,309,748</u>	<u>31,816,662</u>

Write-down of inventory valuation is due to obsolescence or out of use, wherein the amount of the net realizable value of the inventory which is lower than the cost is recognized as operating costs. In addition, when the factors causing the net realizable value of inventory to be lower than the cost is disappeared due to scrapping or disposal, the increase in the net realized value is recognized as a deduction in operating costs.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the inventory of the Group was not pledged as collateral for its loan.

(d) Investments accounted for using equity method

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

	June 30, 2026	December 31, 2025	June 30, 2025
Individually insignificant joint venture	<u><u>\$ 1,482,623</u></u>	<u><u>1,444,980</u></u>	<u><u>1,245,578</u></u>
	For the three months ended June 30	For the six months ended June 30	
	2026	2025	2026
			2025
Attributable to the Group:			
Profit from continuing operation	\$ 50,348	80,980	27,751
			72,109
Other comprehensive income	<u>(12,767)</u>	<u>(148,361)</u>	<u>9,326</u>
			<u>(132,999)</u>
Comprehensive income	<u>\$ 37,581</u>	<u>(67,381)</u>	<u>37,077</u>
			<u>(60,890)</u>

(ii) Collateral

As of June 30, 2026, December 31, 2025 and June 30, 2025, the investment accounted for using equity method of the Group was not pledged as collateral for its loan.

(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.

(e) Material non-controlling interests of subsidiaries

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

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		June 30, 2026	December 31, 2025	June 30, 2025
Fujian Da Feng Holdings Company Limited	China	30.00 %	30.00 %	30.00 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRS Accounting Standards endorsed by the FSC. Included in this information are the fair value adjustment made during the acquisition and the relevant difference in accounting principles between the Group and its subsidiaries as at the acquisition date. Intra-group transactions were not eliminated in this information.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(i) Fujian Da Feng Holdings Company Limited's collective financial information:

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 34,445	440,064	150,925
Non-current assets	2,386,081	2,367,141	2,260,004
Current liabilities	(19,813)	(36,541)	(53,258)
Net assets	<u>\$ 2,400,713</u>	<u>2,770,664</u>	<u>2,357,671</u>
Non-controlling interests	<u>\$ 720,214</u>	<u>831,199</u>	<u>707,301</u>

	For the three months ended June 30 2026	2025	For the six months ended June 30 2026	2025
(Loss) profit for the period \$	(29,372)	173,848	(42,855)	222,023
Other comprehensive income (loss)	20,823	(308,850)	102,978	(273,349)
Total comprehensive (loss) income	<u>\$ (8,549)</u>	<u>(135,002)</u>	<u>60,123</u>	<u>(51,326)</u>
(Loss) profit, attributable to non-controlling interests	<u>\$ (8,812)</u>	<u>52,154</u>	<u>(12,857)</u>	<u>66,607</u>
Total comprehensive (loss) income, attributable to non-controlling interests	<u>\$ (2,565)</u>	<u>(40,501)</u>	<u>18,037</u>	<u>(15,398)</u>
Net cash flows from operating activities	\$ 1,002	27,600	8,511	14,959
Net cash flows from investing activities	264,378	353,496	264,378	353,432
Net cash flows used in financing activities	(431,956)	(260,449)	(431,956)	(260,449)
Net (decrease) increase in cash and cash equivalents	<u>\$ (166,576)</u>	<u>120,647</u>	<u>(159,067)</u>	<u>107,942</u>
Cash dividends to non-controlling interests	<u>\$ 91,695</u>	<u>78,135</u>	<u>91,695</u>	<u>78,135</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2026 and 2025 were as follows:

		Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:											
Balance at January 1, 2026	\$	1,889,786	17,191,778	26,977,764	622,054	118,683	628,376	815,282	110,221	3,037,925	51,391,869
Additions		-	4,936	164,857	7,631	611	2,357	8,514	1,691	1,045,030	1,235,627
Disposals		-	(22,377)	(502,666)	(7,742)	(2,003)	(14,821)	(24,010)	(372)	(1,148)	(575,139)
Reclassifications		-	35,184	611,045	13,609	-	15,397	3,778	878	(679,891)	-
Effect of changes in foreign exchange rates		5,705	110,305	408,095	6,336	-	9,974	3,028	365	(11,494)	532,314
Balance at June 30, 2026	\$	<u>1,895,491</u>	<u>17,319,826</u>	<u>27,659,095</u>	<u>641,888</u>	<u>117,291</u>	<u>641,283</u>	<u>806,592</u>	<u>112,783</u>	<u>3,390,422</u>	<u>52,584,671</u>
Balance at January 1, 2025	\$	1,655,182	17,751,741	26,915,429	593,077	115,367	614,205	824,475	110,137	2,793,987	51,373,600
Additions		-	18,781	261,129	15,758	225	2,609	11,069	1,386	1,398,592	1,709,549
Disposals		-	(83,814)	(366,057)	(10,270)	(918)	(4,799)	(10,225)	(1,698)	-	(477,781)
Reclassifications		-	124,048	918,812	33,397	2,466	12,045	20,613	-	(1,111,381)	-
Effect of changes in foreign exchange rates		(47,339)	(1,624,897)	(2,887,527)	(49,163)	-	(61,898)	(85,074)	(2,971)	(252,323)	(5,011,192)
Balance at June 30, 2025	\$	<u>1,607,843</u>	<u>16,185,859</u>	<u>24,841,786</u>	<u>582,799</u>	<u>117,140</u>	<u>562,162</u>	<u>760,858</u>	<u>106,854</u>	<u>2,828,875</u>	<u>47,594,176</u>
Depreciation and impairment loss:											
Balance at January 1, 2026	\$	-	9,143,948	18,491,876	481,496	107,703	376,741	623,276	91,486	-	29,316,526
Depreciation		-	318,783	985,435	36,958	2,816	73,712	33,985	4,019	-	1,455,708
Reversal of impairment loss		-	-	(1,437)	-	-	-	-	-	-	(1,437)
Disposals		-	(19,689)	(384,738)	(7,575)	(1,884)	(13,426)	(23,456)	(352)	-	(451,120)
Reclassifications		-	10,923	23,502	57	-	(34,482)	-	-	-	-
Effect of changes in foreign exchange rates		-	114,219	434,903	5,549	-	6,566	6,450	278	-	567,965
Balance at June 30, 2026	\$	<u>-</u>	<u>9,568,184</u>	<u>19,549,541</u>	<u>516,485</u>	<u>108,635</u>	<u>409,111</u>	<u>640,255</u>	<u>95,431</u>	<u>-</u>	<u>30,887,642</u>
Balance at January 1, 2025	\$	-	8,891,490	17,691,969	449,094	102,400	336,396	598,993	87,923	-	28,158,265
Depreciation		-	329,669	998,960	36,122	3,869	65,365	34,245	3,066	-	1,471,296
Reversal of impairment loss		-	-	(1,593)	-	-	-	-	-	-	(1,593)
Disposals		-	(80,681)	(296,227)	(9,812)	(863)	(4,382)	(9,888)	(1,430)	-	(403,283)
Reclassifications		-	7,012	2,286	1,142	-	(9,351)	(1,089)	-	-	-
Effect of changes in foreign exchange rates		-	(835,974)	(1,699,139)	(36,928)	-	(36,860)	(58,787)	(2,200)	-	(2,669,888)
Balance at June 30, 2025	\$	<u>-</u>	<u>8,311,516</u>	<u>16,696,256</u>	<u>439,618</u>	<u>105,406</u>	<u>351,168</u>	<u>563,474</u>	<u>87,359</u>	<u>-</u>	<u>26,554,797</u>
Carrying amounts:											
Balance at January 1, 2026	\$	<u>1,889,786</u>	<u>8,047,830</u>	<u>8,485,888</u>	<u>140,558</u>	<u>10,980</u>	<u>251,635</u>	<u>192,006</u>	<u>18,735</u>	<u>3,037,925</u>	<u>22,075,343</u>
Balance at June 30, 2026	\$	<u>1,895,491</u>	<u>7,751,642</u>	<u>8,109,554</u>	<u>125,403</u>	<u>8,656</u>	<u>232,172</u>	<u>166,337</u>	<u>17,352</u>	<u>3,390,422</u>	<u>21,697,029</u>
Balance at January 1, 2025	\$	<u>1,655,182</u>	<u>8,860,251</u>	<u>9,223,460</u>	<u>143,983</u>	<u>12,967</u>	<u>277,809</u>	<u>225,482</u>	<u>22,214</u>	<u>2,793,987</u>	<u>23,215,335</u>
Balance at June 30, 2025	\$	<u>1,607,843</u>	<u>7,874,343</u>	<u>8,145,530</u>	<u>143,181</u>	<u>11,734</u>	<u>210,994</u>	<u>197,384</u>	<u>19,495</u>	<u>2,828,875</u>	<u>21,039,379</u>

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

For the time being, a portion of the Company's land assets cannot be held in the name of the Company under the law; therefore, they have been respectively registered in the name of trustees—Chien-Hung Wang, Chairman of the Company, and Chien-Rong Wang, Vice Chairman of the Company, with whom the Company has entered into an agreement prescribing the rights and obligations of both parties. The land has been pledged to the Company. An amount of \$7,121 thousand was recognized as cost of land.

The Group has been constructing a new development center, plant, and expanding production line since the year 2021. As of June 30, 2026, the projects were still ongoing, with the costs recorded as construction in progress and equipment to be inspected. For significant unrecognized contractual commitments related to the acquisition of property, plant, and equipment, please refer to Note (9)(b).

As of June 30, 2026, December 31, 2025 and June 30, 2025 the property, plant and equipment of the Group were not pledged as collateral for its loan.

(g) Right-of-use assets

The Group leases assets, including office, plants and warehouses. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2026	\$ 1,903,302	106,152	2,501	2,011,955
Additions	5,722	-	-	5,722
Effect of changes in foreign exchange rates	15,444	3,143	33	18,620
Balance at June 30, 2026	<u>\$ 1,924,468</u>	<u>109,295</u>	<u>2,534</u>	<u>2,036,297</u>
Balance at January 1, 2025	\$ 1,968,728	99,106	2,609	2,070,443
Additions	28,417	-	-	28,417
Effect of changes in foreign exchange rates	(210,623)	(9,735)	(278)	(220,636)
Balance at June 30, 2025	<u>\$ 1,786,522</u>	<u>89,371</u>	<u>2,331</u>	<u>1,878,224</u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2026	\$ 316,431	53,507	2,110	372,048
Depreciation	25,477	16,278	197	41,952
Effect of changes in foreign exchange rates	5,230	1,639	29	6,898
Balance at June 30, 2026	<u>\$ 347,138</u>	<u>71,424</u>	<u>2,336</u>	<u>420,898</u>
Balance at January 1, 2025	\$ 278,564	21,625	1,793	301,982
Depreciation	24,749	16,010	197	40,956
Effect of changes in foreign exchange rates	(31,257)	(3,001)	(206)	(34,464)
Balance at June 30, 2025	<u>\$ 272,056</u>	<u>34,634</u>	<u>1,784</u>	<u>308,474</u>
Carrying amount:				
Balance at January 1, 2026	<u>\$ 1,586,871</u>	<u>52,645</u>	<u>391</u>	<u>1,639,907</u>
Balance at June 30, 2026	<u>\$ 1,577,330</u>	<u>37,871</u>	<u>198</u>	<u>1,615,399</u>
Balance at January 1, 2025	<u>\$ 1,690,164</u>	<u>77,481</u>	<u>816</u>	<u>1,768,461</u>
Balance at June 30, 2025	<u>\$ 1,514,466</u>	<u>54,737</u>	<u>547</u>	<u>1,569,750</u>

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

(h) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the six months ended June 30, 2026 and 2025 were as follows:

	<u>Owned property</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance at January 1, 2026	\$ 6,858	-	6,858
Balance at June 30, 2026	<u>\$ 6,858</u>	<u>-</u>	<u>6,858</u>
Balance at January 1, 2025	\$ 6,858	404,980	411,838
Disposals	-	(122,567)	(122,567)
Effect of changes in foreign exchange rates	-	(32,490)	(32,490)
Balance at June 30, 2025	<u>\$ 6,858</u>	<u>249,923</u>	<u>256,781</u>
Accumulated depreciation and impairment losses:			
Balance at January 1, 2026	\$ -	-	-
Balance at June 30, 2026	<u>\$ -</u>	<u>-</u>	<u>-</u>
Balance at January 1, 2025	\$ -	355,110	355,110
Disposal	-	(110,310)	(110,310)
Effect of changes in foreign exchange rates	-	(28,279)	(28,279)
Balance at June 30, 2025	<u>\$ -</u>	<u>216,521</u>	<u>216,521</u>
Carrying amount:			
Balance at January 1, 2026	<u>\$ 6,858</u>	<u>-</u>	<u>6,858</u>
Balance at June 30, 2026	<u>\$ 6,858</u>	<u>-</u>	<u>6,858</u>
Balance at January 1, 2025	<u>\$ 6,858</u>	<u>49,870</u>	<u>56,728</u>
Balance at June 30, 2025	<u>\$ 6,858</u>	<u>33,402</u>	<u>40,260</u>

In April and September 2025, the Group signed agreements to sell Yuanhong City's real estate interests. As of June 30, 2025, the total sale price was \$92,984 thousand, and \$80,727 thousand was recognized as gain on disposal of assets. All of the remaining real estate interests have been fully disposed of and the related proceeds have been collected before the fourth quarter of 2025.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Investment property of the Group was not pledged as collateral for its loans.

The fair value of investment property was not significantly different from those disclosed in note 6(h) to the annual consolidated financial statements for the year ended December 31, 2025.

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

(i) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the six months ended June 30, 2026 and 2025 were as follows:

	<u>Goodwill</u>	<u>Computer software</u>	<u>Total</u>
Costs			
Balance at January 1, 2026	\$ 433,845	473,096	906,941
Additions	-	24,854	24,854
Disposal / Obsolescence	-	(8,850)	(8,850)
Effect of changes in foreign exchange rates	<u>1,630</u>	<u>6,430</u>	<u>8,060</u>
Balance at June 30, 2026	<u><u>\$ 435,475</u></u>	<u><u>495,530</u></u>	<u><u>931,005</u></u>
Balance at January 1, 2025	\$ 439,101	449,680	888,781
Additions	-	56,882	56,882
Disposal / Obsolescence	-	(17,675)	(17,675)
Effect of changes in foreign exchange rates	<u>(13,521)</u>	<u>(39,755)</u>	<u>(53,276)</u>
Balance at June 30, 2025	<u><u>\$ 425,580</u></u>	<u><u>449,132</u></u>	<u><u>874,712</u></u>
Accumulated amortization and impairment losses			
Balance at January 1, 2026	\$ 117,975	331,477	449,452
Amortization	-	40,663	40,663
Disposal / Obsolescence	-	(8,850)	(8,850)
Effect of changes in foreign exchange rates	<u>1,547</u>	<u>5,420</u>	<u>6,967</u>
Balance at June 30, 2026	<u><u>\$ 119,522</u></u>	<u><u>368,710</u></u>	<u><u>488,232</u></u>
Balance at January 1, 2025	\$ 122,967	306,362	429,329
Amortization	-	40,926	40,926
Disposal / Obsolescence	-	(17,084)	(17,084)
Effect of changes in foreign exchange rates	<u>(12,838)</u>	<u>(29,611)</u>	<u>(42,449)</u>
Balance at June 30, 2025	<u><u>\$ 110,129</u></u>	<u><u>300,593</u></u>	<u><u>410,722</u></u>
Carrying amounts:			
Balance at January 1, 2026	<u><u>\$ 315,870</u></u>	<u><u>141,619</u></u>	<u><u>457,489</u></u>
Balance at June 30, 2026	<u><u>\$ 315,953</u></u>	<u><u>126,820</u></u>	<u><u>442,773</u></u>
Balance at January 1, 2025	<u><u>\$ 316,134</u></u>	<u><u>143,318</u></u>	<u><u>459,452</u></u>
Balance at June 30, 2025	<u><u>\$ 315,451</u></u>	<u><u>148,539</u></u>	<u><u>463,990</u></u>

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

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	\$ <u>3,401,691</u>	<u>2,697,941</u>	<u>2,284,283</u>
Range of interest rates	<u>1.69%~4.73%</u>	<u>1.70%~4.60%</u>	<u>1.70%~6.30%</u>

(k) Long-term borrowings

The details were as follows:

	Currency	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	TWD	\$ -	1,500,000	-
Unsecured bank loans	USD	984,846	1,567,431	1,568,678
Other long-term borrowings	INR	<u>-</u>	<u>68,001</u>	<u>63,060</u>
		984,846	3,135,432	1,631,738
Less: current portion		<u>-</u>	<u>(68,001)</u>	<u>(63,060)</u>
Total		\$ <u>984,846</u>	<u>3,067,431</u>	<u>1,568,678</u>
Range of interest rates		<u>4.32%~4.62%</u>	<u>0.10%~4.75%</u>	<u>0.10%~5.31%</u>
Period		<u>2027</u>	<u>2026~2027</u>	<u>2026</u>

(l) Lease liabilities

The Group lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	\$ <u>35,838</u>	<u>38,559</u>	<u>33,715</u>
Non-current	\$ <u>538,908</u>	<u>554,172</u>	<u>515,222</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30 2026	2025	For the six months ended June 30 2026	2025
Interest on lease liabilities \$	<u>13,449</u>	<u>12,129</u>	<u>27,259</u>	<u>26,810</u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the six months ended June 30 2026	2025
Total cash outflow for leases	\$ <u>59,732</u>	<u>57,466</u>

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

(i) Real estate leases

The Group leases land and buildings for its office, factory and warehouse. The leases of office space typically run for a period of 1 to 99 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 photocopiers with lease terms of eight years.

(m) 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, 2025 and 2024.

The expenses recognized in profit or loss for the Group amounted to \$147,084 thousand, \$167,681 thousand, \$240,343 thousand and \$332,794 thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, respectively.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the pension plans amounted to \$234,587 thousand, \$243,126 thousand, \$472,084 thousand and \$508,381 thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, respectively.

(n) Income taxes

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Current tax expense				
Current period	\$ 444,766	575,273	876,694	1,337,590
Adjustment for prior periods	(1,089)	184,183	3,550	168,104
	<u>443,677</u>	<u>759,456</u>	<u>880,244</u>	<u>1,505,694</u>
Deferred tax expense				
Origination and reversal of temporary differences	(62,031)	14,368	(208,762)	(274,490)
Adjustment for prior periods	(3,867)	-	(3,867)	-
	<u>(65,898)</u>	<u>14,368</u>	<u>(212,629)</u>	<u>(274,490)</u>
Income tax expense	<u>\$ 377,779</u>	<u>773,824</u>	<u>667,615</u>	<u>1,231,204</u>

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

The amount of income tax benefit (expense) recognized in other comprehensive income (loss) for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income	\$ <u>1,160</u>	<u>13,476</u>	<u>(847)</u>	<u>12,080</u>

(i) Income Tax approval

The Company's tax returns for the years up to 2024 have been assessed by the R.O.C. tax authorities.

For the years from 2011 to 2021, some of the Group's subsidiaries were involved in disputes with tax authorities over tax returns, and the amended amounts of additional tax were approved for each of the approved years. Each subsidiary has filed an administrative relief application, which has been under review by the authorities concerned.

(ii) Global Minimum Tax (GMT)

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation (the "Pillar Two legislation"). As of June 30, 2026, the legislative status in the Group's major operating jurisdictions is as follows: the Income Inclusion Rule (IIR) and the Domestic Minimum Top-up Tax have been effective and implemented in Vietnam, where the subsidiaries operate, from January 1, 2024, as well as Indonesia, Singapore, and Hong Kong where the subsidiaries operate from January 1, 2025. In addition, the Undertaxed Profits Rule (UTPR) has been effective and implemented in Indonesia since January 1, 2026. Based on the Group's assessment for the second quarter of 2026, except for the British Virgin Islands, all operating jurisdictions of the Group meet at least one of the Transitional Safe Harbour Tests under the Global Anti-Base Erosion (GloBE) rules (including the De Minimis Test, the Simplified Effective Tax Rate Test, or the Routine Profits Test). Accordingly, no GloBE top-up tax calculation is required. The subsidiaries in the British Virgin Islands incurred a GloBE loss.

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

Based on the above assessment, as of June 30, 2026, the Pillar Two legislation has no material impact on the Group's current income tax. The Group will continue to monitor legislative developments in jurisdictions where the legislation has not yet been enacted and will dynamically assess the potential future impact on the Group's financial position and tax costs.

(iii) Profit-seeking enterprise income tax returns

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.

(o) Capital and other equity

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Company's total rated share capital amount to \$12,000,000 thousand, with a par value of \$10, and the number of shares all was 1,200,000 thousand ordinary shares. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 987,483 thousand ordinary shares, all the consideration for issued shares has been received.

(i) Capital surplus

The details of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
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	6,459	6,458	5,669
Issued shares of subsidiaries not recognized in proportion to shareholding	1,246	1,246	2,234
Difference between consideration and carrying amount of subsidiaries acquired or disposed	183	183	183
	\$ 47,171	47,170	47,369

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

(ii) 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 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 the FSC, 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 May 28, 2026, and May 28, 2025, the Company's shareholder's meetings resolved to distribute the 2025 and 2024 earnings, respectively. These earnings were appropriated as follows:

	2025		2024	
	Amount (dollar)	Total	Amount (dollar)	Total
Dividends distributed to ordinary shareholders				
Cash	\$ 4.10	<u><u>4,048,680</u></u>	5.10	<u><u>5,036,162</u></u>

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

(iii) Other equity interest after tax

	Exchange differences on translation of foreign financial statement
Balance at January 1, 2026	\$ (894,893)
Exchange differences on translation of foreign financial statement	208,813
Balance at June 30, 2026	<u><u>\$ (686,080)</u></u>
Balance at January 1, 2025	\$ 360,006
Exchange differences on translation of foreign financial statement	(2,761,363)
Balance at June 30, 2025	<u><u>\$ (2,401,357)</u></u>

(iv) Non-controlling interests (NCIs)

	For the six months ended June 30	
	2026	2025
Balance at January 1	\$ 2,020,581	1,988,831
Shares attributed to non-controlling interests		
Net profit	12,994	156,186
Foreign currency translation differences for foreign operations	36,514	(189,261)
Changes in ownership interests in subsidiaries	-	1,617
Earnings distribution to non-controlling interests	(252,446)	(229,057)
Capital returned to NCIs by subsidiaries on capital reduction and liquidation	(108,819)	-
Balance at June 30	<u><u>\$ 1,708,824</u></u>	<u><u>1,728,316</u></u>

(p) Earnings per share

For the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, the Company's basic earnings per share were calculated as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
Net profit attributable to ordinary shareholders of the Company	<u><u>\$ 1,013,962</u></u>	<u><u>719,630</u></u>	<u><u>1,687,937</u></u>	<u><u>1,868,394</u></u>
Weighted average number of ordinary shares (thousand shares)	<u>987,483</u>	<u>987,483</u>	<u>987,483</u>	<u>987,483</u>
Basic earnings per share (dollars)	<u><u>\$ 1.03</u></u>	<u><u>0.73</u></u>	<u><u>1.71</u></u>	<u><u>1.89</u></u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees and directors for the year ended December 31, 2026, was distributed in cash using the same method for the preceding three years.

(q) Revenue from contracts with customer

(i) Disaggregation of revenue

For the three months ended June 30, 2026			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 14,129,071	396,625	14,525,696
America	1,707,234	310,133	2,017,367
Switzerland	1,036,349	20,032	1,056,381
Mainland China	1,049,053	5,254	1,054,307
Mexico	510,556	8,750	519,306
Other countries	845,779	360,888	1,206,667
	\$ 19,278,042	1,101,682	20,379,724
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,278,042	-	19,278,042
Other	-	1,101,682	1,101,682
	\$ 19,278,042	1,101,682	20,379,724
For the three months ended June 30, 2025			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 14,913,986	459,069	15,373,055
America	1,601,097	303,856	1,904,953
Switzerland	1,167,674	3,677	1,171,351
Mainland China	441,228	5,185	446,413
Mexico	533,550	21,211	554,761
Other countries	645,365	303,820	949,185
	\$ 19,302,900	1,096,818	20,399,718
Major products/services lines			
Manufacturing and sale of footwear	\$ 19,302,900	-	19,302,900
Other	-	1,096,818	1,096,818
	\$ 19,302,900	1,096,818	20,399,718

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For the six months ended June 30, 2026			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 27,477,579	801,284	28,278,863
America	3,334,969	602,293	3,937,262
Switzerland	2,252,264	38,253	2,290,517
Mainland China	2,023,748	11,758	2,035,506
Mexico	1,049,213	17,169	1,066,382
Other countries	1,364,281	641,812	2,006,093
	\$ 37,502,054	2,112,569	39,614,623
Major products/services lines			
Manufacturing and sale of footwear	\$ 37,502,054	-	37,502,054
Others	-	2,112,569	2,112,569
	\$ 37,502,054	2,112,569	39,614,623
For the six months ended June 30, 2025			
	Segments of footwear manufacturing and sales	Other Segments	Total
Primary geographical markets			
Singapore	\$ 30,289,709	891,964	31,181,673
America	3,243,703	656,745	3,900,448
Switzerland	2,314,850	9,761	2,324,611
Mainland China	908,682	6,155	914,837
Mexico	1,044,601	29,239	1,073,840
Other countries	1,131,055	596,077	1,727,132
	\$ 38,932,600	2,189,941	41,122,541
Major products/services lines			
Manufacturing and sale of footwear	\$ 38,932,600	-	38,932,600
Others	-	2,189,941	2,189,941
	\$ 38,932,600	2,189,941	41,122,541

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

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	\$ 9,328,227	8,468,314	8,380,466
Less: allowance for credit loss	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,328,227</u>	<u>8,468,314</u>	<u>8,380,466</u>
Contract liabilities	<u>\$ 1,248</u>	<u>1,098</u>	<u>992</u>

Please refer to Note (6)(b) for the disclosure of accounts receivable and impairment.

(r) Compensation to employees and directors

On May 28, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. Under the revised Articles, if the Company reports profit for the year, the profit should first be used to offset against any accumulated deficit. Thereafter, a minimum of 2.0% of the remainder shall be allocated as employee compensation (of which no less than 30% shall be allocated to those based-level employees), and a maximum of 1.8% as director compensation.

Prior to the amendment, the Articles stipulated that if there is profit for the year, then, the profit should first be used to offset against any accumulated deficit. Thereafter, a minimum of 2.0% shall be allocated as employee compensation and a maximum of 1.8% as director compensation.

The Company estimated (reversed) its employee compensation at respectively \$34,501 thousand, \$(14,029) thousand, \$59,144 thousand and \$52,807 thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, and estimated its director compensation at \$20,639 thousand, \$18,708 thousand, \$35,381 thousand and \$45,132 thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, respectively. The estimated amounts, recognized as operating costs or expenses, were based on net profit before tax 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, 2025 and 2024, the remunerations to employees amounted to \$416,326 thousand and \$180,000 thousand; and directors amounted to \$88,400 thousand and \$105,300 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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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(s) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest income from bank deposits	\$ <u>14,646</u>	<u>15,668</u>	<u>31,709</u>	<u>26,880</u>

(ii) Other income

The details of the Group's other income for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Rent income	\$ 605	4,876	1,237	11,106
Government subsidy	8,862	10,419	23,137	25,549
Other income	<u>89,638</u>	<u>73,598</u>	<u>183,765</u>	<u>164,173</u>
	<u>\$ 99,105</u>	<u>88,893</u>	<u>208,139</u>	<u>200,828</u>

(iii) Other gains and losses

The details of the Group's other gains and losses for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Foreign exchange gains (losses)	\$ 105,633	(793,238)	251,453	(579,602)
Gains (losses) on disposal of property, plant and equipment	4,642	(6,501)	5,085	(6,110)
Gain on disposal of investment property	-	80,727	-	80,727
Reversal of impairment loss	993	1,490	1,437	1,593
Others	<u>(25,231)</u>	<u>(142,626)</u>	<u>(29,929)</u>	<u>(143,283)</u>
	<u>\$ 86,037</u>	<u>(860,148)</u>	<u>228,046</u>	<u>(646,675)</u>

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

(iv) Financial costs

The details of the Group's financial costs for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense	<u>\$ 46,246</u>	<u>59,045</u>	<u>102,632</u>	<u>122,228</u>

(t) 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 June 30, 2026, December 31, 2025 and June 30, 2025, 60%, 66% and 69% 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
June 30, 2026							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 4,059,502	4,059,502	4,059,013	489	-	-	-
Other payables	3,783,883	3,783,883	3,359,356	424,527	-	-	-
Dividends payable	4,048,680	4,048,680	4,048,680	-	-	-	-
Unsecured bank loans	4,386,537	4,460,391	3,121,018	349,856	989,517	-	-
Lease liabilities	574,746	1,395,613	34,343	55,248	68,841	181,780	1,055,401
	<u>\$ 16,853,348</u>	<u>17,748,069</u>	<u>14,622,410</u>	<u>830,120</u>	<u>1,058,358</u>	<u>181,780</u>	<u>1,055,401</u>
December 31, 2025							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 3,998,596	3,998,596	3,997,216	1,380	-	-	-
Other payables	4,827,917	4,827,917	4,566,666	261,251	-	-	-
Unsecured bank loans	5,765,372	5,936,499	2,742,722	68,910	3,124,867	-	-
Other long-term borrowings	68,001	68,001	68,001	-	-	-	-
Lease liabilities	592,731	1,422,278	58,381	33,577	77,202	179,039	1,074,079
	<u>\$ 15,252,617</u>	<u>16,253,291</u>	<u>11,432,986</u>	<u>365,118</u>	<u>3,202,069</u>	<u>179,039</u>	<u>1,074,079</u>

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

	<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>
June 30, 2025							
Non-derivative financial liabilities							
Notes and accounts payable	\$ 3,705,548	3,705,548	3,704,809	739	-	-	-
Other payables	3,921,017	3,921,017	3,352,251	568,766	-	-	-
Dividends payable	5,040,257	5,040,257	5,040,257	-	-	-	-
Unsecured bank loans	3,852,961	3,961,995	2,222,505	160,642	1,578,848	-	-
Other long-term borrowings	63,060	63,108	32	63,076	-	-	-
Lease liabilities	548,937	1,346,661	31,146	52,693	77,657	168,221	1,016,944
	<u>\$ 17,131,780</u>	<u>18,038,586</u>	<u>14,351,000</u>	<u>845,916</u>	<u>1,656,505</u>	<u>168,221</u>	<u>1,016,944</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

		June 30, 2026		
		<u>Foreign currency (In thousands)</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	300,905	USD : TWD	9,568,791
		13,967	USD : CNY	444,148
		2,618	USD : INR	83,238
VND		718,447,187	VND : USD	862,137
INR		1,945,869	INR : USD	654,590
IDR		27,553,857	IDR : USD	49,597
<u>Non-monetary items</u>				
USD		46,623	USD : TWD	1,482,623
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		41,626	USD : TWD	1,323,702
		8,845	USD : CNY	281,256
		122	USD : VND	3,868
VND		1,492,503,475	VND : USD	1,791,004
INR		3,183,564	INR : USD	1,070,951
IDR		99,473,861	IDR : USD	179,053

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

December 31, 2025					
		Foreign currency (In thousands)	Exchange rate		TWD
Financial assets					
Monetary items					
USD	\$	269,769	USD : TWD	31.380	8,465,347
		19,136	USD : CNY	7.0288	600,481
		1,027	USD : INR	89.8300	32,218
VND		776,060,430	VND : USD	0.00004	931,273
INR		2,743,066	INR : USD	0.0111	958,153
IDR		21,416,772	IDR : USD	0.0001	40,692
Non-monetary items					
USD		46,048	USD : TWD	31.380	1,444,980
Financial liabilities					
Monetary items					
USD		41,298	USD : TWD	31.380	1,295,924
		8,227	USD : CNY	7.0288	258,160
		151	USD : VND	26,227	4,752
VND		1,881,484,612	VND : USD	0.00004	2,257,782
INR		2,791,851	INR : USD	0.0111	975,193
IDR		1,111,067,063	IDR : USD	0.0001	2,111,027
June 30, 2025					
		Foreign currency (In thousands)	Exchange rate		TWD
Financial assets					
Monetary items					
USD	\$	299,336	USD : TWD	29.250	8,755,568
		30,944	USD : CNY	7.1586	905,105
		1,326	USD : INR	85.4340	38,796
		0.16	USD : VND	26,120	5
VND		627,449,755	VND : USD	0.00004	690,195
INR		1,564,434	INR : USD	0.0117	535,662
IDR		283,887,049	IDR : USD	0.0001	510,997
Non-monetary items					
USD		42,584	USD : TWD	29.250	1,245,578

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

June 30, 2025				
	Foreign currency (In thousands)		Exchange rate	TWD
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	35,509	USD : TWD	29.250	1,038,627
	9,170	USD : CNY	7.1586	268,223
	147	USD : VND	26,120	4,299
VND	1,425,691,576	VND : USD	0.00004	1,568,261
INR	3,193,807	INR : USD	0.0117	1,093,559
IDR	1,104,572,926	IDR : USD	0.0001	1,988,231

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 or depreciation of 5% of the TWD against the USD, VND, INR and IDR for the six months ended June 30, 2026 and 2025, would have increased or decreased the net profit before tax by \$350,633 thousand and \$273,756 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain on monetary items is disclosed by total amount. For the six months ended June 30, 2026 and 2025, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$251,453 thousand and \$(579,602) 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 Group'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.

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 \$4,918 thousand and \$6,286 thousand for the six months ended June 30, 2026 and 2025, respectively. This was mainly due to the Group's deposits and borrowings at variable rates.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(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 asset or liability that are not based on observable market data (unobservable inputs).

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

If the fair value of the unlisted stocks held by 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.

(u) 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 risk exposures, please refer to the respective notes in the accompanying financial statement.

(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.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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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.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(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 Group'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 Group 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
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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

As of June 30, 2026, December 31, 2025 and June 30, 2025, 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 June 30, 2026, December 31, 2025 and June 30, 2025, amounted to \$15,314,951 thousand, \$13,672,971 thousand and \$14,860,458 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, VND, INR and CNY. 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 short-term and long-term 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.

(v) 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 shares or sell assets to settle any liabilities.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Total liabilities	\$ 26,483,482	24,865,916	26,628,546
Less: cash and cash equivalents	(3,770,520)	(5,282,741)	(3,027,999)
Net debt	22,712,962	19,583,175	23,600,547
Total equity	25,361,388	27,825,074	22,637,520
Total capital	<u>\$ 48,074,350</u>	<u>47,408,249</u>	<u>46,238,067</u>
Debt-to-equity ratio on period end	<u>47.25 %</u>	<u>41.31 %</u>	<u>51.04 %</u>

(w) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the six months ended June 30, 2026 and 2025, were as follows:

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2026	Cash flows	Non-cash changes		June 30, 2026
			Foreign exchange movement	Others	
Long-term borrowings	\$ 3,135,432	(2,167,012)	16,426	-	984,846
Short-term borrowings	2,697,941	689,140	14,610	-	3,401,691
Lease liabilities	592,731	(32,473)	8,766	5,722	574,746
Total liabilities from financing activities	<u>\$ 6,426,104</u>	<u>(1,510,345)</u>	<u>39,802</u>	<u>5,722</u>	<u>4,961,283</u>

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	January 1, 2025	Cash flows	Non-cash changes		June 30, 2025
			Foreign exchange movement	Others	
Long-term borrowings	\$ 3,397,663	(1,572,682)	(193,243)	-	1,631,738
Short-term borrowings	2,983,008	(589,498)	(109,227)	-	2,284,283
Lease liabilities	616,871	(30,656)	(65,695)	28,417	548,937
Total liabilities from financing activities	<u>\$ 6,997,542</u>	<u>(2,192,836)</u>	<u>(368,165)</u>	<u>28,417</u>	<u>4,464,958</u>

(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
Vietnam Shoe Majesty Co., Ltd.	"
Hong Kong Shoe Majesty Trading Company Limited	"
PT Shoe Majesty Indonesia	"
WANG LIOU, MEI-HUEI	Related party in substance

(b) Significant transactions with related parties

(i) Other revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
The Group is a joint venture under the joint agreement	\$ <u>2,783</u>	<u>2,317</u>	<u>5,946</u>	<u>4,957</u>

(ii) 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>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Other receivables	The Group is a joint venture under the joint agreement	\$ <u>871</u>	<u>778</u>	<u>759</u>

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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(iii) Property transactions

Purchases of property, plant and equipment

To support the expansion of Feng Tay Plant Development Center, the Company purchased a parcel of land located in Douliu City, Yunlin County from a related party in May 2025, with the total contract amount of \$249,140 thousand, and an additional related cost of \$6,700 thousand. As of June 30, 2025, prepayments were totaling \$124,570 thousand, and the transfer of ownership was completed in the third quarter of 2025. The acquisition price of the land was determined with reference to a valuation report issued by Elite Real Estate Appraisers Joint Firm.

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 70,455	72,416	128,880	145,676
Post-employment benefits	1,510	1,316	2,907	2,799
	<u>\$ 71,965</u>	<u>73,732</u>	<u>131,787</u>	<u>148,475</u>

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	June 30, 2026	December 31, 2025	June 30, 2025
Other current financial assets	Customs deposit and lease deposit	\$ 576	8,591	858
Other non-current financial assets	Customs deposit and lease deposit	99,538	94,327	89,414
		<u>\$ 100,114</u>	<u>102,918</u>	<u>90,272</u>

(9) Commitments and contingencies:

- (a) As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group has issued promissory notes for short-term and long-term borrowings of \$9,362,000 thousand, \$9,324,200 thousand and \$9,132,500 thousand, respectively.
- (b) As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group had payables in respect of important construction contracts, amounting to \$611,820 thousand, \$978,206 thousand and \$1,338,432 thousand, respectively.

(Continued)

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

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(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 June 30, 2026			For the three months ended June 30, 2025		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 4,786,251	1,587,470	6,373,721	4,299,238	1,416,897	5,716,135
Labor and health insurance		540,540	147,512	688,052	482,051	142,378	624,429
Pension		297,598	84,073	381,671	317,102	93,705	410,807
Other employee benefits		357,765	109,594	467,359	482,019	137,552	619,571
Depreciation		509,188	234,797	743,985	492,846	236,333	729,179
Amortization		4,879	15,772	20,651	3,270	17,002	20,272

By item	By function	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		\$ 9,619,176	3,039,532	12,658,708	8,986,537	3,046,936	12,033,473
Labor and health insurance		1,072,422	300,483	1,372,905	1,039,259	302,534	1,341,793
Pension		551,670	160,757	712,427	655,087	186,088	841,175
Other employee benefits		692,716	214,300	907,016	1,036,433	300,538	1,336,971
Depreciation		1,024,798	472,862	1,497,660	1,034,123	478,129	1,512,252
Amortization		8,986	31,677	40,663	5,863	35,063	40,926

- (b) Seasonality of operation

The Group's operations are not affected by seasonal or cyclical factors.

(Continued)

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

(13) Other disclosures

(a) Information on significant transactions

The followings is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2026:

- i. Lending to other parties: None.
- ii. Guarantees and endorsements for other parties: None.
- iii. Information regarding material securities held at the reporting date (subsidiaries, associates and joint ventures not included): None.
- iv. Information regarding related-party purchases and/or sales exceeding 100 million or 20% of the Company’s paid-in capital:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Sale	622,050	1%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	323,111	3%	-
"	"	"	Purchase	2,821,692	7%	20 days	"	-	(650,866)	(8%)	-
"	India Tindivanam Footwear Private Limited	"	Sale	143,084	-	90 days	"	-	709,681	6%	-
"	"	"	Purchase	515,473	1%	10 days	"	-	(58,722)	(1%)	-
"	Lotus Footwear Enterprises Private Limited (India Branch)	"	Sale	1,094,386	2%	90 days	"	-	636,777	5%	-
"	"	"	Purchase	2,478,639	6%	30 days	"	-	(371,672)	(5%)	-
"	East Wind Footwear Company Limited (India Branch)	"	Sale	573,770	1%	60/90 days	"	-	432,377	4%	-
"	"	"	Purchase	1,514,321	4%	30 days	"	-	(274,214)	(4%)	-
"	Fairway Enterprises Company Limited (India Branch)	"	Sale	1,162,741	3%	30 days	"	-	404,949	3%	-
"	"	"	Purchase	2,259,266	5%	30 days	"	-	(414,092)	(5%)	-
"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sale	225,746	-	15 days	"	-	46,183	-	-
"	"	"	Purchase	740,157	2%	15 days	"	-	(48,540)	(1%)	-
"	Fujian San Feng Footwear Company Limited	"	Sale	203,182	-	90 days	"	-	117,592	1%	-
"	"	"	Purchase	125,161	-	15 days	"	-	(6,643)	-	-
"	Fujian Xiefeng Footwear Company Limited	"	Sale	357,615	1%	15 days	"	-	49,093	-	-
"	"	"	Purchase	1,537,033	4%	15 days	"	-	(126,239)	(2%)	-
"	Fujian Great Hope Footwear Company Limited	"	Purchase	366,704	1%	60 days	"	-	(133,888)	(2%)	-
"	Fujian Putian Xie Feng Mold Company Limited	"	Purchase	139,086	-	30 days	"	-	(28,097)	-	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Feng Tay Enterprises Co., Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Parent and subsidiary	Sale	726,764	2%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	63,553	1%	-
"	"	"	Purchase	3,157,118	7%	15 days	"	-	(380,556)	(5%)	-
"	Vietnam Dona Orient Co., Ltd.	"	Sale	1,353,747	3%	30 days	"	-	272,362	2%	-
"	"	"	Purchase	3,013,224	7%	30 days	"	-	(681,960)	(9%)	-
"	Dona Victor Footwear Co., Ltd.	"	Sale	676,531	1%	30 days	"	-	166,892	1%	-
"	"	"	Purchase	3,389,590	8%	30 days	"	-	(610,360)	(8%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sale	2,185,300	5%	15 days	"	-	291,104	2%	-
"	"	"	Purchase	8,031,613	19%	30 days	"	-	(1,640,551)	(21%)	-
"	Vung Tau Orient Co., Ltd.	"	Sale	607,842	1%	120 days	"	-	376,395	3%	-
"	"	"	Purchase	1,858,934	4%	20 days	"	-	(157,042)	(2%)	-
"	Vietnam Nam Ha Footwear Company Limited	"	Sale	332,256	1%	90 days	"	-	225,723	2%	-
"	"	"	Purchase	1,343,046	3%	10 days	"	-	(125,570)	(2%)	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,821,692	100%	20 days	"	-	650,866	100%	-
"	"	"	Purchase	622,050	36%	90 days	"	-	(323,111)	(64%)	-
Fujian Lifeng Footwear Industrial Development Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	740,157	60%	15 days	"	-	48,540	33%	-
"	"	"	Purchase	225,746	35%	15 days	"	-	(46,183)	(44%)	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,537,033	75%	15 days	"	-	126,239	64%	-
"	"	"	Purchase	357,615	30%	15 days	"	-	(49,093)	(33%)	-
Fujian San Feng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	125,161	10%	15 days	"	-	6,643	1%	-
"	"	"	Purchase	203,182	36%	90 days	"	-	(117,592)	(46%)	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	366,704	92%	60 days	"	-	133,888	92%	-
Fujian Putian Xie Feng Mold Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	139,086	42%	30 days	"	-	28,097	35%	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,389,590	100%	30 days	"	-	610,360	100%	-
"	"	"	Purchase	676,531	71%	30 days	"	-	(166,892)	(39%)	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,157,118	94%	15 days	"	-	380,556	90%	-
"	"	"	Purchase	726,764	78%	30 days	"	-	(63,553)	(17%)	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	3,013,224	73%	30 days	"	-	681,960	73%	-
"	"	"	Purchase	1,353,747	68%	30 days	"	-	(272,362)	(55%)	-
"	Vietnam Dona Standard Footwear Co., Ltd.	Associate	Purchase	135,082	7%	60 days	"	-	(25,723)	(5%)	-

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
Dona Victor Molds Mfg. Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	Associate	Sale	158,121	41%	60 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare with.	-	29,514	37%	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,858,934	100%	20 days	"	-	157,042	100%	-
"	"	"	Purchase	607,842	84%	120 days	"	-	(376,395)	(81%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	8,031,613	96%	30 days	"	-	1,640,551	95%	-
"	Vietnam Dona Orient Co., Ltd.	Associate	"	135,082	2%	60 days	"	-	25,723	2%	-
"	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Purchase	2,185,300	87%	15 days	"	-	(291,104)	(34%)	-
"	Dona Victor Molds Mfg. Co., Ltd.	Associate	"	158,121	6%	60 days	"	-	(29,514)	(3%)	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,343,046	100%	10 days	"	-	125,570	99%	-
"	"	"	Purchase	332,256	86%	90 days	"	-	(225,723)	(70%)	-
India Tindivanam Footwear Private Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	515,473	98%	10 days	"	-	58,722	80%	-
"	"	"	Purchase	143,084	78%	90 days	"	-	(709,681)	(93%)	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	1,514,321	94%	30 days	"	-	274,214	92%	-
"	"	"	Purchase	573,770	90%	60/90 days	"	-	(432,377)	(90%)	-
Lotus Footwear Enterprises Private Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,478,639	93%	30 days	"	-	371,672	89%	-
"	"	"	Purchase	1,094,386	96%	90 days	"	-	(636,777)	(94%)	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	2,259,266	97%	30 days	"	-	414,092	98%	-
"	"	"	Purchase	1,162,741	99%	30 days	"	-	(404,949)	(91%)	-

Note: The inter-company transactions were eliminated in the consolidated financial statements.

- v. Information regarding receivables from related parties exceeding 100 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	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	323,111	4.02	-	-	34,858	-
"	India Tindivanam Footwear Private Limited	"	709,681	0.40	605,626	-	479,343	-
"	Lotus Footwear Enterprises Private Limited (India Branch)	"	636,777	3.43	2,014	-	58,742	-

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

Name of company	Related party	Nature of relationship	Ending balance (Note 1)	Turnover	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	East Wind Footwear Company Limited (India Branch)	Parent and subsidiary	432,377	2.74	105,680	-	23,869	-
"	Fairway Enterprises Company Limited (India Branch)	"	404,949	6.88	20,829	-	110,670	-
"	"	"	122,133	Note 2	-	-	-	-
"	Fujian San Feng Footwear Company Limited	"	117,592	5.98	-	-	22,909	-
"	Vietnam Dona Orient Co., Ltd.	"	272,362	13.38	-	-	122,468	-
"	Dona Victor Footwear Co., Ltd.	"	166,892	11.42	-	-	84,185	-
"	Vietnam Dona Standard Footwear Co., Ltd.	"	291,104	24.08	-	-	160,962	-
"	Vung Tau Orient Co., Ltd.	"	376,395	2.90	-	-	38,450	-
"	Vietnam Nam Ha Footwear Company Limited	"	225,723	3.07	53,986	-	25,610	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	650,866	9.27	-	-	196,668	-
Fujian Xiefeng Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	126,239	17.69	-	-	126,239	-
Fujian Great Hope Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	133,888	5.61	-	-	69,547	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	610,360	10.92	-	-	352,824	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	380,556	18.91	-	-	380,556	-
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	681,960	9.18	-	-	544,171	-
Vung Tau Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	157,042	26.16	-	-	157,042	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	1,640,551	11.71	-	-	980,348	-
Vietnam Nam Ha Footwear Company Limited	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	125,570	30.91	-	-	125,534	-
East Wind Footwear Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	274,214	9.12	-	-	139,332	-
Lotus Footwear Enterprises Private Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	371,672	11.73	-	-	212,208	-
Fairway Enterprises Company Limited (India Branch)	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	414,092	12.02	-	-	231,719	-

Note 1: The inter-company transactions were eliminated in the consolidated financial statements.

Note 2: As the amount primarily relates to other receivables, it is not applicable for the calculation of turnover days.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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- vi. Significant transactions and business relationship between the parent company and its subsidiaries for the six months ended June 30, 2026:

(In Thousands of New Taiwan Dollar)

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.	PT Feng Tay Indonesia Enterprises	1	Sales revenue	622,050	Note 3	1.5703%
"	"	"	"	Cost of sales	2,821,692	Note 3	7.1229%
"	"	"	"	Accounts receivable due from related parties	323,111	90 days	0.6232%
"	"	"	"	Accounts payable to related parties	650,866	20 days	1.2554%
"	"	India Tindivanam Footwear Private Limited	"	Sales revenue	143,084	Note 3	0.3612%
"	"	"	"	Cost of sales	515,473	Note 3	1.3012%
"	"	"	"	Accounts receivable due from related parties	709,681	90 days	1.3689%
"	"	"	"	Accounts payable to related parties	58,722	10 days	0.1133%
"	"	Lotus Footwear Enterprises Private Limited (India Branch)	"	Sales revenue	1,094,386	Note 3	2.7626%
"	"	"	"	Cost of sales	2,478,639	Note 3	6.2569%
"	"	"	"	Accounts receivable due from related parties	636,777	90 days	1.2282%
"	"	"	"	Accounts payable to related parties	371,672	30 days	0.7169%
"	"	East Wind Footwear Company Limited (India Branch)	"	Sales revenue	573,770	Note 3	1.4484%
"	"	"	"	Cost of sales	1,514,321	Note 3	3.8226%
"	"	"	"	Accounts receivable due from related parties	432,377	60/90 days	0.8340%
"	"	"	"	Accounts payable to related parties	274,214	30 days	0.5289%
"	"	Fairway Enterprises Company Limited (India Branch)	"	Sales revenue	1,162,741	Note 3	2.9351%
"	"	"	"	Cost of sales	2,259,266	Note 3	5.7031%
"	"	"	"	Accounts receivable due from related parties	404,949	30 days	0.7811%
"	"	"	"	Accounts payable to related parties	414,092	30 days	0.7987%
"	"	Fujian Lifeng Footwear Industrial Development Company Limited	"	Sales revenue	225,746	Note 3	0.5699%
"	"	"	"	Cost of sales	740,157	Note 3	1.8684%
"	"	"	"	Accounts receivable due from related parties	46,183	15 days	0.0891%
"	"	"	"	Accounts payable to related parties	48,540	15 days	0.0936%
"	"	Fujian San Feng Footwear Company Limited	"	Sales revenue	203,182	Note 3	0.5129%
"	"	"	"	Cost of sales	125,161	Note 3	0.3159%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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.	Fujian San Feng Footwear Company Limited	1	Accounts receivable due from related parties	117,592	90 days	0.2268%
"	"	"	"	Accounts payable to related parties	6,643	15 days	0.0128%
"	"	Fujian Xiefeng Footwear Company Limited	"	Sales revenue	357,615	Note 3	0.9027%
"	"	"	"	Cost of sales	1,537,033	Note 3	3.8800%
"	"	"	"	Accounts receivable due from related parties	49,093	15 days	0.0947%
"	"	"	"	Accounts payable to related parties	126,239	15 days	0.2435%
"	"	Fujian Great Hope Footwear Company Limited	"	Cost of sales	366,704	Note 3	0.9257%
"	"	"	"	Accounts payable to related parties	133,888	60 days	0.2582%
"	"	Fujian Putian Xie Feng Mold Company Limited	"	Cost of sales	139,086	Note 3	0.3511%
"	"	"	"	Accounts payable to related parties	28,097	30 days	0.0542%
"	"	Dona Pacific (Vietnam) Co., Ltd.	"	Sales revenue	726,764	Note 3	1.8346%
"	"	"	"	Cost of sales	3,157,118	Note 3	7.9696%
"	"	"	"	Accounts receivable due from related parties	63,553	30 days	0.1226%
"	"	"	"	Accounts payable to related parties	380,556	15 days	0.7340%
"	"	Vietnam Dona Orient Co., Ltd.	"	Sales revenue	1,353,747	Note 3	3.4173%
"	"	"	"	Cost of sales	3,013,224	Note 3	7.6063%
"	"	"	"	Accounts receivable due from related parties	272,362	30 days	0.5253%
"	"	"	"	Accounts payable to related parties	681,960	30 days	1.3154%
"	"	Dona Victor Footwear Co., Ltd.	"	Sales revenue	676,531	Note 3	1.7078%
"	"	"	"	Cost of sales	3,389,590	Note 3	8.5564%
"	"	"	"	Accounts receivable due from related parties	166,892	30 days	0.3219%
"	"	"	"	Accounts payable to related parties	610,360	30 days	1.1773%
"	"	Vietnam Dona Standard Footwear Co., Ltd.	"	Sales revenue	2,185,300	Note 3	5.5164%
"	"	"	"	Cost of sales	8,031,613	Note 3	20.2744%
"	"	"	"	Accounts receivable due from related parties	291,104	15 days	0.5615%
"	"	"	"	Accounts payable to related parties	1,640,551	30 days	3.1643%
"	"	Vung Tau Orient Co., Ltd.	"	Sales revenue	607,842	Note 3	1.5344%
"	"	"	"	Cost of sales	1,858,934	Note 3	4.6925%
"	"	"	"	Accounts receivable due from related parties	376,395	120 days	0.7260%
"	"	"	"	Accounts payable to related parties	157,042	20 days	0.3029%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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.	Vietnam Nam Ha Footwear Company Limited	1	Sales revenue	332,256	Note 3	0.8387%
"	"	"	"	Cost of sales	1,343,046	Note 3	3.3903%
"	"	"	"	Accounts receivable due from related parties	225,723	90 days	0.4354%
"	"	"	"	Accounts payable to related parties	125,570	10 days	0.2422%
1	Vietnam Dona Standard Footwear Co., Ltd.	Vietnam Dona Orient Co., Ltd.	3	Sales revenue	135,082	Note 3	0.3410%
"	"	"	"	Accounts receivable due from related parties	25,723	60 days	0.0496%
2	Dona Victor Molds Mfg. Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	3	Sales revenue	158,121	Note 3	0.3991%
"	"	"	"	Accounts receivable due from related parties	29,514	60 days	0.0569%

Note 1: The numbers filled in as follows:

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

Note 2: 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.

Note 3: Selling price of goods is determined through negotiations and there are no other transactions with non-related parties to compare with.

Note 4: Revenue is calculated based on a certain ratio determined by the contract, and there are no other transactions with non-related party to compare with.

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

(b) Information on investment

The following is the information on investment for the six months ended June 30, 2026
(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 June 30, 2026			Net income (losses) of investee	Investment income (loss) recognized	Note (Note 6)
				June 30, 2026	December 31, 2025	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	1,324,722	1,324,722	53,999	99.99%	1,174,660	122,055	122,053	Subsidiary (Note 5)
"	PT Rich Valley Indonesia	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,063,389	1,063,389	519,990	99.99%	1,137,682	(2,780)	(2,780)	"
"	Growth-Link Overseas Company Limited	Bermuda	Investment holding	5,521,531	5,521,531	6,000,000	100.00%	15,728,039	281,188	281,188	"
"	VX Holdings Limited	British Virgin Islands	Investment holding	446,117	446,117	38,280	47.26%	672,319	(5,449)	(2,575)	"
"	Shoe Majesty Co., Ltd.	"	Investment holding	203,466	203,466	6,120	20.40%	604,234	56,635	11,553	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	1,529,928	1,529,928	44,753	40.97%	3,975,354	176,996	72,515	Subsidiary (Note 5)
"	Great Eastern Industries Limited	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	34,893	1,886	1,886	"
"	Great South Private Limited	Singapore	Investment holding	37,946	37,946	1,700	100.00%	22,717	660	660	"
"	India Tindivanam Footwear Private Limited	India	Manufacturing of athletic shoes, semi-finished footwear and footwear accessories	2,064,338	2,064,338	548,804,047	96.49%	1,053,452	(145,866)	(140,740)	Subsidiary (Note 3&5)
Growth-Link Overseas Company Limited	VX Mold Company Limited	British Virgin Islands	Investment holding	15,925	15,925	372,000	93.00%	295,456	89,459	83,197	Subsidiary (Note 5)
"	VX Holdings Limited	"	Investment holding	302,347	302,347	36,342	44.87%	654,944	(5,449)	(2,445)	Investee under the equity method (Note 5)
"	Dona Pacific Holdings Limited	"	Investment holding	396,679	396,679	23,000	92.00%	1,470,371	48,425	44,551	Subsidiary (Note 5)
"	Shoe Majesty Co., Ltd.	"	Investment holding	255,840	255,840	8,580	28.60%	878,389	56,635	16,198	Investee under the equity method
"	Dona Orient Holdings Limited	"	Investment holding	2,093,954	2,093,954	64,483	59.03%	5,995,743	176,996	104,481	Subsidiary (Note 5)
"	Lotus Footwear Enterprises Private Limited	Singapore	Investment holding business, and manufacturing and selling of finished shoes	2,163,672	2,163,672	34,020	88.00%	4,092,845	76,214	67,068	"

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Investment income (loss) recognized	Note (Note 6)
				June 30, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
Growth-Link Overseas Company Limited	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	23	23	10	0.01%	22	(2,780)	-	Investee under the equity method (Note 5)
"	PT Feng Tay Indonesia Enterprises	"	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	22	22	1	0.01%	22	122,055	2	"
"	Cheyyar SEZ Developers Private Limited	India	Development in India's Industrial Park	-	-	1	0.01%	-	2,082	-	"
VX Holdings Limited	Dona Victor Footwear Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,048,898	1,048,898	Note 4	100.00%	1,459,040	(4,777)	(4,777)	Subsidiary (Note 5)
Dona Orient Holdings Limited	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,399,200	1,399,200	Note 4	100.00%	2,619,621	193,025	193,025	Subsidiary (Note 5)
"	Vietnam Dona Standard Footwear Co., Ltd.	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,407,260	2,407,260	"	100.00%	4,970,009	(81,165)	(81,165)	"
"	Vung Tau Orient Co., Ltd.	"	Producing golf balls, soccer balls, and backpack, bags	1,151,898	1,151,898	"	100.00%	1,171,165	30,008	30,008	"
"	Vietnam Nam Ha Footwear Company Limited	"	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,971,600	1,971,600	"	100.00%	1,394,893	35,723	35,723	"
VX Mold Company Limited	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	98,580	98,580	Note 4	100.00%	316,265	90,016	90,016	Subsidiary (Note 5)
Dona Pacific Holdings Limited	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	636,000	636,000	Note 4	100.00%	1,595,168	48,977	48,977	Subsidiary (Note 5)
Lotus Footwear Enterprises Private Limited	Cheyyar SEZ Developers Private Limited	India	Development in India's Industrial Park	3,812,615	3,812,615	117,999,999	99.99%	2,697,724	2,082	2,082	Subsidiary (Note 5)
"	East Wind Footwear Private Limited	Singapore (Note 8)	Investment holding and production of athletic shoes	499,116	499,116	9,751	100.00%	835,243	(4,148)	(4,148)	"
"	Fairway Enterprises Private Limited	"	Investment holding and production of athletic shoes	1,359,435	1,377,722	29,501	100.00%	1,451,014	90,835	90,835	"

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 financial statements of the investees of Feng Tay Enterprises Co., Ltd. are based on the unreviewed financial statements as of June 30, 2026, except for certain investees whose financial statements are reviewed by certified public accountants.

Note 4: Unissued shares of the Vietnamese entities.

Note 5: Included in the consolidated financial statements.

Note 6: Represents the relationship between the investor and the investee.

Note 7: The difference between the investee company's profit or loss for the current period and the investment income recognized by the investing company for the current period is mainly due to the realization of sales gross profit.

Note 8: The investee was originally incorporated in the British Virgin Islands and was re-domiciled to Singapore in June 2026.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to 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 7)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026 (Note 7)	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2026 (Note 7)	Net income (losses) of the investee (Note 8)	Percentage of ownership	Investment income (losses) (Note 3 and 8)	Book value (Note 7)	Accumulated remittance of earnings in current period (Note 8)
					Outflow	Inflow						
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	- (Note 9)	Note 1	174,250	-	-	174,250	244	- (Note 9)	122	- (Note 9)	106,646
Fujian Putian Xie Feng Mold Company Limited	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	95,400	"	152,744	-	-	152,744	43,009	50.34%	21,648	140,096	1,435,826
Fujian Xiefeng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	477,000	"	180,377	-	-	180,377	(15,392)	77.50%	(11,929)	722,545	1,180,452
Fujian San Feng Footwear Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	477,000	"	288,609	-	-	288,609	(17,144)	68.00%	(11,658)	414,253	1,132,714
Fujian Da Feng Holdings Company Limited	Investment holding.	731,400	"	890,760	-	-	890,760	(42,855)	70.00%	(29,998)	1,680,499	7,130,425
Fujian Great Hope Footwear Company Limited	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	252,810	"	425,627	-	-	425,627	12,051	84.73%	10,212	405,235	806,145
Fujian Lifeng Footwear Industrial Development Company Limited	Producing athletic shoes, semi-finished footwear, and footwear accessories.	477,000	Note 2	-	-	-	-	(53,645)	70.00%	(37,551)	482,041	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	81,495	"	-	-	-	-	23,732	66.07%	15,679	169,704	-

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

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of June 30, 2026 (Note 4 and 7)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5 and 7)	Upper Limit on Investment (Note 6)
2,112,367	2,879,571	15,216,832

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 six months ended June 30, 2026.

Note 4: The cumulative investment amount has been deducted by capital increase from retained earnings of USD 3,939,943, capital repatriation of USD 20,185,981, but not yet deducted the cumulative amount of profit repatriation from Mainland China authorized by the Investment Commission of USD 373,860,894.

Note 5: The authorized investment amount is the original investment amounts authorized by investment Commission.

Note 6: 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 7: Calculated based on the closing exchange rate of 31.8 on June 30, 2026.

Note 8: Calculated based on the average closing exchange rate of 31.5417 between January and the end of June 2026.

Note 9: The company completed the distribution of its remaining assets upon liquidation in May 2026.

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".

(14) Segment information

(a) General Information

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 June 30, 2026				
Revenue				
Revenue from external customers \$	19,278,042	1,101,682	-	20,379,724
Intersegment revenues	22,540,636	1,361,582	(23,902,218)	-
Total revenue	\$ 41,818,678	2,463,264	(23,902,218)	20,379,724
Reportable segment profit or loss	\$ 1,400,099	4,145	(5,858)	1,410,102

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

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the three months ended June 30, 2025				
Revenue				
Revenue from external customers \$	19,302,900	1,096,818	-	20,399,718
Intersegment revenues	22,752,648	1,253,659	(24,006,307)	-
Total revenue	\$ 42,055,548	2,350,477	(24,006,307)	20,399,718
Reportable segment profit or loss	\$ 2,580,072	85,124	(1,063,079)	1,602,117

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the six months ended June 30, 2026				
Revenue				
Revenue from external customers \$	37,502,054	2,112,569	-	39,614,623
Intersegment revenues	43,044,372	2,606,653	(45,651,025)	-
Total revenue	\$ 80,546,426	4,719,222	(45,651,025)	39,614,623
Reportable segment profit or loss	\$ 2,326,625	39,538	2,383	2,368,546

	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
For the six months ended June 30, 2025				
Revenue				
Revenue from external customers \$	38,932,600	2,189,941	-	41,122,541
Intersegment revenues	46,376,032	2,444,169	(48,820,201)	-
Total revenue	\$ 85,308,632	4,634,110	(48,820,201)	41,122,541
Reportable segment profit or loss	\$ 4,245,881	98,642	(1,088,739)	3,255,784