

Chung Jye Investment Holding
Co., Ltd. and its Subsidiaries

Consolidated Financial Statements and
Independent Auditors' Review Report

The first quarter of 2025 and 2024

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Independent Auditors' Review Report

The Board of Directors and shareholders of Chung Jye Investment Holding Co., Ltd.

Introduction

We have audited the accompanying consolidated balance sheets of Chung Jye Investment Holding Co., Ltd. and its subsidiaries (the "Group") as of as of March 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the period ended March 31, 2025 and 2024, and the notes to consolidated financial statements, including a summary of significant accounting policies. It is the responsibility of management to prepare consolidated financial statements that are presented appropriately in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our review results.

Scope

We conducted our review in accordance with the Standard on Review Engagements 2410 "Review of Financial Statements". The procedures performed in reviewing the consolidated financial statements include inquiries (primarily with personnel responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review work is significantly smaller than that of the audit work. Therefore, we may not be able to detect all significant matters that could be identified through the audit work and are therefore unable to express an audit opinion.

Conclusion

Based on our review, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the period ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Deloitte Taiwan
CPA Chang Ching-Hsia

CPA Chiou Meng-Chieh

Approval number of the Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi No. 1090347472

Approval number of the Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi No. 1020025513

May 12, 2025

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

March 31, 2025, December 31, 2024, March 31, 2024

Unit: NT\$ thousand

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 6,385,759	31	\$ 3,603,548	19	\$ 4,646,167	25
1110	Financial assets at fair value through profit or loss - Current	-	-	-	-	372,156	2
1136	Financial assets measured at amortized cost - current (Notes 7 and 26)	318,509	2	557,555	3	1,662,331	9
1170	Accounts receivable (Note 8)	4,640,655	23	5,611,628	30	4,009,834	22
1180	Net accounts receivable - related parties (Note 25)	-	-	228	-	-	-
1200	Other receivables	74,771	-	57,461	-	59,668	-
1220	Income tax assets for the period	434	-	26,051	-	2,011	-
1310	Inventory (Note 9)	3,119,325	15	3,071,209	17	2,959,002	16
1470	Other current assets	497,690	2	500,602	3	401,160	2
11XX	Total current assets	15,037,143	73	13,428,282	72	14,112,329	76
	Non-current assets						
1550	Investments accounted for using the equity method	51,877	-	45,939	-	40,726	-
1600	Property, plant and equipment (Notes 11 and 26)	4,091,046	20	3,989,013	22	3,595,247	19
1755	Right-of-use assets (Note 12)	650,364	3	650,025	4	399,547	2
1760	Investment properties (Note 26)	-	-	8,739	-	45,157	-
1780	Intangible assets	4,862	-	5,389	-	4,944	-
1840	Deferred income tax assets	428,707	2	411,814	2	428,934	3
1960	Prepaid investments (Note 13)	83,962	1	-	-	-	-
1920	Refundable deposits	20,504	-	19,395	-	10,237	-
1975	Net defined benefit assets	2,641	-	2,665	-	1,722	-
1990	Other non-current assets	142,414	1	57,533	-	-	-
15XX	Total non-current assets	5,476,377	27	5,190,512	28	4,526,514	24
1XXX	Total assets	\$ 20,513,520	100	\$ 18,618,794	100	\$ 18,638,843	100
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 14 and 26)	\$ 518,323	2	\$ 1,018,935	5	\$ 2,561,769	14
2170	Accounts payable	2,798,687	14	3,475,278	19	2,798,344	15
2180	Accounts payable - related parties (Note 25)	134,464	1	161,681	1	100,834	1
2200	Other payables (Note 15)	2,386,421	12	2,519,542	14	2,274,839	12
2230	Income tax liabilities for the period	312,409	1	272,150	1	378,777	2
2280	Lease liabilities - Current (Note 12)	14,907	-	14,884	-	14,056	-
2320	Long-term loans due within one year (Notes 14 and 26)	37,835	-	171,158	1	162,144	1
2399	Other current liabilities	76,709	-	26,174	-	32,963	-
21XX	Total current liabilities	6,279,755	30	7,659,802	41	8,323,726	45
	Non-current liabilities						
2540	Long-term borrowings (Notes 14 and 26)	117,749	1	193,881	1	322,236	2
2570	Deferred income tax liabilities	24,841	-	15,522	-	32,919	-
2580	Lease liabilities - Non-current (Note 12)	45,208	-	47,137	-	40,756	-
2630	Deferred income - non-current (Notes 12 and 23)	370,779	2	257,876	2	146,217	1
2645	Guarantee deposits received	16,429	-	15,978	-	4,365	-
25XX	Total non-current liabilities	575,006	3	530,394	3	546,493	3
2XXX	Total liabilities	6,854,761	33	8,190,196	44	8,870,219	48
	Equity attributable to owners of the Company (Note 17)						
3110	Share capital	1,557,500	7	1,400,000	8	1,400,000	8
3200	Capital reserve	5,411,262	26	2,677,907	14	2,677,907	14
3300	Retained earnings	6,278,735	31	6,094,448	33	5,495,722	29
3410	Exchange differences arising from the translation of the financial statements of foreign operations	142,763	1	24,002	-	(69,401)	-
31XX	Total equity attributable to the owners of the Company	13,390,260	65	10,196,357	55	9,504,228	51
36XX	Non-controlling interests (Note 17)	268,499	2	232,241	1	264,396	1
3XXX	Total equity	13,658,759	67	10,428,598	56	9,768,624	52
	Total liabilities and equity	\$ 20,513,520	100	\$ 18,618,794	100	\$ 18,638,843	100

The notes attached hereto form an integral part of the consolidated financial statements.

Chairman: An-Che Liu

Manager: Yu-Hsuan Liu

Accounting Supervisor: Ying-Tzu Tsai

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
From January 1 to March 31, 2025 and 2024

Unit: NTD thousand
Earnings per share in NTD

Code		From January 1 to March 31, 2025		From January 1 to March 31, 2024	
		Amount	%	Amount	%
4000	Operating revenue (Note 18)	\$ 6,108,069	100	\$ 5,220,849	100
5000	Operating costs (Notes 9, 19 and 25)	(5,312,260)	(87)	(4,331,206)	(83)
5900	Gross profit	795,809	13	889,643	17
	Operating expenses (Notes 8 and 19)				
6100	Marketing expenses	(94,298)	(2)	(75,955)	(2)
6200	Management fees	(336,030)	(5)	(271,411)	(5)
6300	R&D expenses	(182,523)	(3)	(155,837)	(3)
6450	Gain on reversal of expected credit impairment loss	5,380	-	258	-
6000	Total operating expenses	(607,471)	(10)	(502,945)	(10)
6900	Net profit	188,338	3	386,698	7
	Non-operating income and expenses (Note 19)				
7100	Interest income	21,116	-	53,578	1
7010	Other income	17,154	-	27,566	-
7020	Other gains and losses	33,614	1	97,833	2
7050	Financial costs	(9,553)	-	(16,344)	-
7060	Share of profit or loss of affiliates recognized using the equity method	5,234	-	(448)	-
7000	Total non-operating income and expenses	67,565	1	162,185	3
7900	Net profit before tax	255,903	4	548,883	10
7950	Income tax expense (Note 20)	(51,981)	(1)	(154,449)	(3)
8200	Net profit for the period	203,922	3	394,434	7

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Code		From January 1 to March 31, 2025		From January 1 to March 31, 2024	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified as profit or loss				
8341	Exchange differences arising from the conversion to presentation currency (Note 17)	\$ 133,260	2	\$ 408,750	8
8360	Items that may be reclassified as profit or loss subsequently				
8361	Exchange differences arising from the translation of the financial statements of foreign operations (Note 17)	<u>2,124</u>	<u>-</u>	<u>(113,439)</u>	<u>(2)</u>
8300	Total other comprehensive income	<u>135,384</u>	<u>2</u>	<u>295,311</u>	<u>6</u>
8500	Total comprehensive income for the period	<u>\$ 339,306</u>	<u>6</u>	<u>\$ 689,745</u>	<u>13</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 184,287	3	\$ 343,058	7
8620	Non-controlling interests	<u>19,635</u>	<u>-</u>	<u>51,376</u>	<u>1</u>
8600		<u>\$ 203,922</u>	<u>3</u>	<u>\$ 394,434</u>	<u>8</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 303,048	5	\$ 640,758	12
8720	Non-controlling interests	<u>36,258</u>	<u>1</u>	<u>48,987</u>	<u>1</u>
8700		<u>\$ 339,306</u>	<u>6</u>	<u>\$ 689,745</u>	<u>13</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 1.27</u>		<u>\$ 2.45</u>	
9810	Diluted	<u>\$ 1.27</u>		<u>\$ 2.44</u>	

The notes attached hereto form an integral part of the consolidated financial statements.

Chairperson: An-Che Liu

Manager: Yu-Hsuan Liu

Accounting officer: Ying-Tzu Tsai

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Consolidated Statement of Changes in Equity
From January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

		Equity attributable to the owners of the Company								
		Capital reserve				Other equity items				
Code		Capital	Premium of share capital	Differences between the price for the acquisition or disposal of equity of subsidiaries and the carrying amount	Changes in the ownership equity in subsidiaries	Retained earnings	Exchange differences arising from the translation of the financial statements of foreign operations	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2024	\$ 1,400,000	\$ 2,591,805	\$ 69,209	\$ 16,893	\$ 5,152,664	(\$ 367,101)	\$ 8,863,470	\$ 215,409	\$ 9,078,879
D1	Net profit from January 1 to March 31, 2024	-	-	-	-	343,058	-	343,058	51,376	394,434
D3	Other comprehensive income (loss) from January 1 to March 31, 2024	-	-	-	-	-	297,700	297,700	(2,389)	295,311
D5	Total comprehensive income from January 1 to March 31, 2024	-	-	-	-	343,058	297,700	640,758	48,987	689,745
Z1	Balance on March 31, 2024	<u>\$ 1,400,000</u>	<u>\$ 2,591,805</u>	<u>\$ 69,209</u>	<u>\$ 16,893</u>	<u>\$ 5,495,722</u>	(<u>\$ 69,401</u>)	<u>\$ 9,504,228</u>	<u>\$ 264,396</u>	<u>\$ 9,768,624</u>
A1	Balance on January 1, 2025	\$ 1,400,000	\$ 2,591,805	\$ 69,209	\$ 16,893	\$ 6,094,448	\$ 24,002	\$ 10,196,357	\$ 232,241	\$ 10,428,598
E1	Cash capital increase	157,500	2,723,553	-	-	-	-	2,881,053	-	2,881,053
N1	Issuance of restricted stock awards (RSAs) by the Company	-	9,802	-	-	-	-	9,802	-	9,802
D1	Net profit from January 1 to March 31, 2025	-	-	-	-	184,287	-	184,287	19,635	203,922
D3	Other comprehensive income from January 1 to March 31, 2025	-	-	-	-	-	118,761	118,761	16,623	135,384
D5	Total comprehensive income from January 1 to March 31, 2025	-	-	-	-	184,287	118,761	303,048	36,258	339,306
Z1	Balance on March 31, 2025	<u>\$ 1,557,500</u>	<u>\$ 5,325,160</u>	<u>\$ 69,209</u>	<u>\$ 16,893</u>	<u>\$ 6,278,735</u>	<u>\$ 142,763</u>	<u>\$ 13,390,260</u>	<u>\$ 268,499</u>	<u>\$ 13,658,759</u>

The notes attached hereto form an integral part of the consolidated financial statements.

Chairperson: An-Che Liu

Manager: Yu-Hsuan Liu

Accounting officer: Ying-Tzu Tsai

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

From January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

Code		From January 1 to March 31, 2025	From January 1 to March 31, 2024
	Cash flow from operating activities		
A10000	Net profit before tax for the current period	\$ 255,903	\$ 548,883
A20010	Items of income and expenses		
A20100	Depreciation expenses	144,658	117,376
A20200	Amortization expenses	592	424
A20300	Gain on reversal of expected credit impairment loss	(5,380)	(258)
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(586)	(1,271)
A20900	Financial costs	9,553	16,344
A21900	Share-based payment for remuneration cost (Note 22)	9,802	-
A21200	Interest income	(21,116)	(53,578)
A22300	Share of profit or loss of affiliates recognized using the equity method	(5,234)	448
A22500	Net loss (gain) on disposal of property, plant, equipment and right-of-use assets	42	(1,152)
A23700	Inventory devaluation and obsolescence losses	-	6,429
A29900	Amortization of deferred income	(2,348)	(1,210)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	586	(370,885)
A31150	Accounts receivable	976,353	889,213
A31160	Accounts receivable - Related parties	228	-
A31180	Other receivables	(17,310)	(41,596)
A31200	Inventories	(48,116)	(566,233)
A31240	Other current assets	2,912	(47,804)
A31990	Net defined benefit assets	24	37
A32150	Accounts payable	(676,591)	117,509
A32160	Accounts payable - Related parties	(27,217)	(49,668)
A32180	Other payables	(70,966)	815
A32230	Other current liabilities	50,535	3,537
A32250	Deferred income	<u>110,571</u>	<u>2,746</u>
A33000	Cash inflow from operations	686,895	570,106

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Code		From January 1 to March 31, 2025	From January 1 to March 31, 2024
A33100	Interest received	\$ 21,116	\$ 53,578
A33300	Interest paid	(9,470)	(15,512)
A33500	Income tax paid	(17,836)	(6,625)
AAAA	Net cash inflow from operating activities	<u>680,705</u>	<u>601,547</u>
	Net cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	-	(605,168)
B00050	Disposal of financial assets measured at amortized cost	239,046	-
B02000	Increase in prepayment for investment	(83,962)	-
B02700	Acquisition of property, plant and equipment	(197,418)	(157,758)
B02800	Consideration from the disposal of property, plant and equipment and right-of-use assets	7	3,381
B03800	Increase in refundable deposits	(1,109)	(391)
B04500	Acquisition of intangible assets	-	(920)
B07100	Increase in prepayment for land	(142,088)	-
BBBB	Net cash outflow from investing activities	<u>(185,524)</u>	<u>(760,856)</u>
	Net cash flow from financing activities		
C00100	Increase (decrease) in short-term borrowings	(500,612)	212,060
C01700	Repayment of long-term borrowings	(209,455)	(37,658)
C03000	Receipt of guarantee deposits received	451	93
C04020	Repayment of principal for lease liabilities	(2,567)	(3,300)
C04600	Cash capital increase	<u>2,881,053</u>	-
CCCC	Net cash inflow from financing activities	<u>2,168,870</u>	<u>171,195</u>
DDDD	Effects of exchange rate changes on cash and cash equivalents	<u>118,160</u>	<u>174,027</u>
EEEE	Net increase in cash and cash equivalents	2,782,211	185,913
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>3,603,548</u>	<u>4,460,254</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 6,385,759</u>	<u>\$ 4,646,167</u>

The notes attached hereto form an integral part of the consolidated financial statements.

Chairperson: An-Che Liu

Manager: Yu-Hsuan Liu

Accounting officer: Ying-Tzu Tsai

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Notes to the Consolidated Financial Statements
From January 1 to March 31, 2025 and 2024
(Unless otherwise specified, all amounts are in NT\$ thousand)

I. Company history

Chung Jye Investment Holding Co., Ltd. (the "Company") was established in the British Cayman Islands in December 2018, and it was established for the organizational structure reorganization to apply for the listing of stocks with the Taiwan Stock Exchange Corporation (TWSE). The Company completed the organizational reorganization with Guicheng Group Limited by way of share exchange on December 1, 2022, and Chung Jye Investment Holding Co., Ltd. became the ultimate holding company.

The abovementioned share exchange is an organizational reorganization under joint control. The Company is the extension of Guicheng Group Limited. The financial statements for the comparison period prepared for the consolidation are not restricted by the establishment date.

The Company and its subsidiaries (the "Consolidated Company") are mainly engaged in the production and sale of leather shoes and sports and leisure outdoor shoes.

The Company's stocks were listed on the TWSE on March 7, 2025.

The Company's functional currency is the USD. To increase the comparability and consistency of financial statements, the consolidated financial statements are presented in NTD.

II. Date and procedure for the approval of financial statements

The consolidated financial statements were approved by the Board of Directors on May 12, 2025.

III. Application of new and amended standards and interpretations

- (I) initial applications of the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations (the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission ("FSC")
The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

(II) IFRS Accounting Standards endorsed by the FSC applicable in 2026

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by the IASB</u>
Amendments to IFRS9 and IFRS7 "Classification and Measurement Requirements of Financial Instruments" related to the amendments to the application guidelines for the classification of financial assets	January 1, 2026 (Note 1)

Note 1: It is applicable to the annual reporting periods beginning on or after January 1, 2026. Enterprises may also choose to apply it earlier than January 1, 2025.

As of the approval date for the publication of the consolidated financial statements, the Group continues to evaluate the impact of the amendments on its financial position and financial performance.

(III) IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by the IASB (Note 1)</u>
"IFRS Accounting Standards Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS9 and IFRS7 "Classification and Measurement Requirements of Financial Instruments" related to the amendments to the application guidelines for the derecognition of financial assets	January 1, 2026
Amendment to IFRS9 and IFRS7 "Contracts that Reference Nature-dependent Electricity"	January 1, 2026
Amendment to IFRS10 and IAS28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Not defined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless otherwise specified, the above new/amended/revised standards or interpretations are effective in the annual reporting periods beginning after the respective dates.

IFRS18 "Presentation and Disclosure in Financial Statements"

IFRS18 will supersede IAS1 "Presentation of Financial Statements," and the main changes of the standard include:

- The income statement should classify income and expense items into operating, investing, financing, income tax and discontinued operations.
- The profit and loss statement should present operating profit or loss, profit or loss before financing and income tax, and the subtotals and total of profit or loss.

- Provide guidance to strengthen aggregation and disaggregation requirements: A consolidated entity must identify the assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics, so that each line item presented in the primary financial statements possesses at least one similar characteristic. Items with non-similar characteristics shall be separated in the major financial statements and notes. The Consolidated Company may only mark such items as “others” when it is unable to find a more informative label.
- Enhance disclosure of management-defined performance measures: When a consolidated entity engages in public communications outside the financial statements and communicates with users of the financial statements regarding management's perspective on a particular aspect of the consolidated entity's overall financial performance, it shall disclose, in a single note to the financial statements, relevant information on the management-defined performance measure. This includes a description of the measure, how it is calculated, a reconciliation with subtotals or totals specified by IFRS Accounting Standards, and the tax and non-controlling interest impacts of the related reconciliation items.

Except for the abovementioned effects, the Consolidated Company continues to evaluate the other effects of the amended standards and interpretations on the financial position and financial performance; relevant effects will be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements did not contain all the disclosures required by IFRS Accounting Standards in the full annual financial statements.

(II) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit assets recognized based on the present value of defined benefit obligations less the fair value of plan assets, the consolidated financial statements are prepared based on historical costs.

Fair value measurement is divided into levels 1 to 3 according to the observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) of the same assets or liabilities available in the active market on the measurement date.
2. Level 2 input value: refers to the directly (i.e., price) or indirectly (i.e., derived from price) observable input value of assets or liabilities other than the quotation of level 1.
3. Level 3 input value: refers to the unobservable input value of assets or liabilities.

(III) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The consolidated statement of comprehensive income has included the operating gain or loss of subsidiaries acquired or disposed of from the date of acquisition or to the date of disposal. The financial statements of the subsidiaries have been adjusted so that their accounting policies are consistent with those of the Consolidated Company. In the preparation of the consolidated financial statements, all transactions, account balances, gains and expense losses among the entities have been eliminated. The total comprehensive income of the subsidiaries is attributable to the owners and is the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the Consolidated Company does not result in a loss of control, it shall be treated as an equity transaction. The book amounts of the consolidated company and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 10 and Table 5.

(IV) Other significant accounting policies

In addition to the following explanations, please refer to the summary of significant accounting policies in the 2024 consolidated financial statements.

1. Defined post-employment benefits

Pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the end of the previous year, from the beginning of the year to the end of the current period, and is adjusted for significant market fluctuations, major plan amendments, settlements or other significant one-time events during the period.

2. Share-based payment arrangements

The employee stock options granted to employees are recognized as expenses on a straight-line basis over the vested period based on the fair value of the equity instruments at the grant date and the best estimate of the amount expected to vest, with a simultaneous adjustment to capital reserve - employee stock options. If it is vested immediately on the grant date, the full amount is recognized as an expense on the grant date. The Company's cash capital increase reserved for employee subscription takes the date on which the number of shares subscribed by employees is confirmed as the grant date.

3. Income tax expenses

Income tax expense is the sum of current income tax and deferred income tax changes. Income tax for the interim period is assessed on an annual basis and is calculated by applying the tax rate expected to be applicable to the total annual profit to the pre-tax profit for the interim period.

V. Major sources of uncertainty of significant accounting judgments, assumptions, and estimates

For major sources of uncertainty in the significant accounting judgments, estimates and assumptions used in the Company's consolidated financial statements, please refer to the 2024 consolidated financial statements.

VI. Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	\$ 5,144	\$ 8,879	\$ 5,444
Bank check and demand deposit	4,658,294	3,317,114	3,681,878
Cash equivalents (investment with an original maturity date of less than 3 months)			
Time deposits with banks	<u>1,722,321</u>	<u>277,555</u>	<u>958,845</u>
	<u>\$ 6,385,759</u>	<u>\$ 3,603,548</u>	<u>\$ 4,646,167</u>

VII. Financial assets measured at amortized cost - current

	March 31, 2025	December 31, 2024	March 31, 2024
Pledge of time deposits (I)	\$ 165,353	\$ 228,786	\$ 949,097
Pledged demand deposit	-	-	49
Time deposits with original maturity dates of more than 3 months (II)	<u>153,156</u>	<u>328,769</u>	<u>713,185</u>
	<u>\$ 318,509</u>	<u>\$ 557,555</u>	<u>\$ 1,662,331</u>

- (I) As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates of the pledged time deposits ranged from 1.69% to 4.95%, 1.69% to 5.20%, and 1.57% to 5.55% per annum, respectively.
- (II) As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates of the time deposits with original maturity dates of more than 3 months ranged from 4.2% to 5.2%, 4.20% to 5.24% and 4.7% to 7.1% per annum, respectively.
- (III) For information on the pledged financial assets measured at amortized cost, please refer to Note 26.

VIII. Accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Measured at amortized cost			
Total carrying amount	\$ 4,710,820	\$ 5,686,226	\$ 4,075,519
Less: Loss allowance	(<u>70,165</u>)	(<u>74,598</u>)	(<u>65,685</u>)
	<u>\$ 4,640,655</u>	<u>\$ 5,611,628</u>	<u>\$ 4,009,834</u>

The average credit period of the Consolidated Company for commodity sales is approximately 90 days, and the accounts receivable are not subject to interest. In order to reduce credit risk, the management of the consolidated company has assigned a special team to be responsible for the decision of credit facilities, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue amounts receivable. In addition, the Consolidated Company will review the recoverable amounts of amounts receivable one by one on the balance sheet date to ensure that appropriate impairment loss has been provided for the receivables that cannot be recovered. Therefore, the management of the consolidated company thinks that the credit risk of the Consolidated Company has been significantly reduced.

The Consolidated Company shall recognize the provision for loss of notes receivable and accounts receivable according to the lifetime expected credit loss. Apart from the provision of impairment losses based on the credit impairment of individual customers, the Consolidated Company set up the expected credit loss rate with reference to the past default records and current financial position of customers and the economic development of the industry, taking into account the GDP forecasts and industry prospects. In addition, for accounts receivable aging over 365 days with no other credit guarantees provided, 100% of the loss allowance is recognized. As the historical experience of credit loss of the Consolidated Company shows that there is no significant difference in the loss pattern of different customer groups, the preparation matrix does not further distinguish customer groups, and only uses the overdue days of accounts receivable to determine the expected credit loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the Consolidated Company cannot reasonably expect the recoverable amount (i.e., if the transaction counterparty is in liquidation or the debt is overdue for over two years), the Consolidated Company will directly write off the relevant accounts receivables, but will continue the recourse activities, and the amount recovered due to recourse will be recognized as income.

The Consolidated Company measures the provision for loss of accounts receivable according to the provision matrix as follows:

March 31, 2025

	<u>0 - 90 days</u>	<u>91 - 120 days</u>	<u>121 - 180 days</u>	<u>181 - 365 days</u>	<u>Over 365 days</u>	<u>Total</u>
Expected credit loss rate	0.10%	5.93%	18.05%	-	100%	
Total carrying amount	\$ 4,494,626	\$ 158,741	\$ 1,363	\$ 3	\$ 56,087	\$ 4,710,820
Loss allowance (expected credit losses during the life of the loan)	(<u>4,415</u>)	(<u>9,417</u>)	(<u>246</u>)	-	(<u>56,087</u>)	(<u>70,165</u>)
Amortized cost	<u>\$ 4,490,211</u>	<u>\$ 149,324</u>	<u>\$ 1,117</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,640,655</u>

December 31, 2024

	<u>0 - 90 days</u>	<u>91 - 120 days</u>	<u>121 - 180 days</u>	<u>181 - 365 days</u>	<u>Over 365 days</u>	<u>Total</u>
Expected credit loss rate	0.15%	9.00%	41.58%	-	100%	
Total carrying amount	\$ 5,536,085	\$ 86,696	\$ 8,067	\$ -	\$ 55,378	\$ 5,686,226
Loss allowance (expected credit losses during the life of the loan)	(8,064)	(7,802)	(3,354)	-	(55,378)	(74,598)
Amortized cost	<u>\$ 5,528,021</u>	<u>\$ 78,894</u>	<u>\$ 4,713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,611,628</u>

March 31, 2024

	<u>0 - 90 days</u>	<u>91 - 120 days</u>	<u>121 - 180 days</u>	<u>181 - 365 days</u>	<u>Over 365 days</u>	<u>Total</u>
Expected credit loss rate	0.21%	9%	-%	-%	100%	
Total carrying amount	\$ 3,987,130	\$ 34,337	\$ -	\$ -	\$ 54,052	\$ 4,075,519
Loss allowance (expected credit losses during the life of the loan)	(8,543)	(3,090)	-	-	(54,052)	(65,685)
Amortized cost	<u>\$ 3,978,587</u>	<u>\$ 31,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,009,834</u>

The changes in the loss allowance of accounts receivable are as follows:

	<u>From January 1 to March 31, 2025</u>	<u>From January 1 to March 31, 2024</u>
Balance of cash at the beginning of the period	\$ 74,598	\$ 63,278
Reversal of impairment loss in the current period	(5,380)	(258)
Currency exchange differences	947	2,665
Closing balance	<u>\$ 70,165</u>	<u>\$ 65,685</u>

IX. Inventories

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Raw materials	\$ 926,589	\$ 726,656	\$ 967,532
Semi-finished products	1,607,547	1,516,919	1,601,934
Finished goods	513,071	768,884	338,213
Inventories in transit	<u>72,118</u>	<u>58,750</u>	<u>51,323</u>
	<u>\$ 3,119,325</u>	<u>\$ 3,071,209</u>	<u>\$ 2,959,002</u>

The operating costs related to inventories from January 1 to March 31, 2025 and 2024 were \$5,312,260 thousand and \$4,331,206 thousand, respectively.

Operating costs from January 1 to March 31, 2025 and 2024 included inventory impairment losses of \$0 and \$6,429 thousand, respectively.

X. Subsidiaries

The entities included in the consolidated financial statements are as follows:

Name of investee	Name of subsidiary	Business nature	Shareholding ratio			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Guicheng Group Limited	Holding company	100.00%	100.00%	100.00%	-
Guicheng Group Limited	Chung Jye Shoes Holdings Limited (Samoa Chung Jye)	Import and export trade and sales of leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Better Power Group Limited	Holding company	100.00%	100.00%	100.00%	-
	Wealthy International Ltd.	Holding company	100.00%	100.00%	100.00%	-
	Fortune Leader Industries Co., Ltd.	Holding company	100.00%	100.00%	100.00%	-
	Smartlook Investments Limited	Holding company	100.00%	100.00%	100.00%	-
	Trinity-Star Holdings Limited	Holding company	68.09%	68.09%	68.09%	-
	Jewel Investment Limited	Holding company	100.00%	100.00%	100.00%	-
	Agile Gain Investment Limited	Holding company	100.00%	100.00%	100.00%	-
	Chung Jye Shoes Co., Ltd. (Chung Jye Shoes)	Import and export trade and sales of leisure outdoor shoes	100.00%	100.00%	100.00%	-
	PT Chung Jye Indonesia	Production of outdoor sports and leisure outdoor shoes	0.09%	0.09%	-	1
Fortune Leader Industries Co., Ltd.	Zhaoqing Chung Jye Shoes Industry Co., Ltd. (Zhaoqing Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Smartlook Investments Limited	Shanggao Chung Jye Shoes Industry Co., Ltd. (Shanggao Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Yifeng Chung Jye Shoes Industry Co., Ltd. (Yifeng Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Fengcheng Chung Jye Shoes Industry Co., Ltd. (Fengcheng Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Wealthy International Ltd.	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd (Hai Duong Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Ninh Binh - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd. (Ninh Binh Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Trinity-Star Holdings Limited	Shanggao Jye Sheng Industry Co., Ltd. (Shanggao Jye Sheng)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Agile Gain Investment Limited	PT Chung Jye Indonesia	Production of outdoor sports and leisure outdoor shoes	99.91%	99.91%	-	1
Better Power Group Limited	Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd. (Tuyen Chuan Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	BACKAN - VIET NAM CHUNG JYE SHOES MANUFACTURE LTD	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Zhaoqing Chung Jye Shoes Industry Co., Ltd. (Zhaoqing Chung Jye)	Runan Chung Jye Shoes Industry Co., Ltd. (Runan Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Sihui Chung Jye Shoes Industry Co., Ltd. (Sihui Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Guangning Chung Bao Shoes Industry Co., Ltd. (Guangning Chung Bao)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Shanggao Chung Yi Industry Co., Ltd.	Zhaoqing Yong Xin Shoe Industry Co., Ltd. (Zhaoqing Yong Xin)	Production of outdoor sports and leisure outdoor shoes	90.00%	90.00%	90.00%	-
Shanggao Chung Jye Shoes Industry Co., Ltd.	Shanggao Chung Liang Shoes Industry Co., Ltd. (Shanggao Chung Liang)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
	Shanggao Chung Yi Industry Co., Ltd. (Shanggao Chung Yi)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	100.00%	-
Chung Jye Shoes Co., Ltd. (Chung Jye Shoes)	Shoemaker American Inc.	Brand customer relationship services	100.00%	100.00%	100.00%	-
Shanggao Jye Sheng Industry Co., Ltd. (Shanggao Jye Sheng)	Shanggao Da Zhong Shoes Materials Co., Ltd. (Shanggao Da Zhong)	Production of outdoor sports and leisure outdoor shoes	-	-	100.00%	2
Ninh Binh - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd. (Ninh Binh Chung Jye)	New Horizon Corporation Limited Company	Property lease	100.00%	100.00%	100.00%	-

Note:

- The Group's Board of Directors approved the investment in PT Chung Jye Indonesia (hereinafter referred to as "PT") in May 2024. Between July and November 2024, Noble Success Group Limited ("Noble Success") and Agile Gain Investment Limited ("Agile Ltd.") invested US\$3,000 thousand and US\$2,876 thousand, respectively, totaling US\$2,879 thousand. On February 13, 2025, the Board of Directors of the Group resolved to increase the investment in Noble Success to US\$50,000 thousand, and Noble Success increased its investment in its subsidiary Agile Ltd. by US\$49,957 thousand. Finally, Noble Success and Agile Ltd. increased their investment in the Indonesian subsidiary PT according to their shareholding ratios. From February 13, 2025 to March 31, 2025, Noble Success and Agile Ltd. invested another US\$12 thousand and US\$12,988 thousand,

respectively. As of March 31, 2025, the Group's total investment in PT was US\$15,879 thousand.

2. The shareholders' meeting of Shanggao Jye Sheng resolved to absorb and combine with Shanggao Da Zhong in February 2024, and Shanggao Da Zhong completed the cancelation procedures in July 2024.

XI. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Unfinished construction	Total
<u>Cost</u>							
Balance on January 1, 2025	\$ 53,390	\$ 3,231,468	\$ 2,984,880	\$ 117,554	\$ 540,303	\$ 352,426	\$ 7,280,021
Increase	-	28,708	92,978	-	25,686	45,015	192,387
Disposal	-	-	(137)	(663)	(169)	-	(969)
Reclassification	8,217	2,003	(5,900)	(28)	27,899	(39,579)	(7,388)
Net exchange difference	-	31,408	31,374	1,464	7,337	2,500	74,083
Balance on March 31, 2025	<u>\$ 61,607</u>	<u>\$ 3,293,587</u>	<u>\$ 3,103,195</u>	<u>\$ 118,327</u>	<u>\$ 601,056</u>	<u>\$ 360,362</u>	<u>\$ 7,538,134</u>
<u>Accumulated depreciation</u>							
Balance on January 1, 2025	\$ -	\$ 1,406,511	\$ 1,412,640	\$ 74,392	\$ 397,465	\$ -	\$ 3,291,008
Depreciation expenses	-	43,447	68,956	2,378	21,882	-	136,663
Disposal	-	-	(171)	(597)	(152)	-	(920)
Reclassification	-	529	(10,512)	-	23,844	-	13,861
Net exchange difference	-	(15,136)	15,574	983	5,055	-	6,476
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 1,435,351</u>	<u>\$ 1,486,487</u>	<u>\$ 77,156</u>	<u>\$ 448,094</u>	<u>\$ -</u>	<u>\$ 3,447,088</u>
Net amount as of March 31, 2025	<u>\$ 61,607</u>	<u>\$ 1,858,236</u>	<u>\$ 1,616,708</u>	<u>\$ 41,171</u>	<u>\$ 152,962</u>	<u>\$ 360,362</u>	<u>\$ 4,091,046</u>
Net amount as of December 31, 2024 and January 1, 2025	<u>\$ 53,390</u>	<u>\$ 1,824,957</u>	<u>\$ 1,572,240</u>	<u>\$ 43,162</u>	<u>\$ 142,838</u>	<u>\$ 352,426</u>	<u>\$ 3,989,013</u>
<u>Cost</u>							
Balance on January 1, 2024	\$ 19,714	\$ 3,077,235	\$ 2,516,144	\$ 104,357	\$ 503,635	\$ 54,671	\$ 6,275,756
Increase	-	11,878	69,552	14,054	6,661	48,759	150,904
Disposal	-	-	(25,106)	-	(3,444)	-	(28,550)
Reclassification	-	9,247	24,938	-	-	(47,052)	(12,867)
Net exchange difference	-	86,400	80,280	3,940	17,980	1,487	190,087
Balance on March 31, 2024	<u>\$ 19,714</u>	<u>\$ 3,184,760</u>	<u>\$ 2,665,808</u>	<u>\$ 122,351</u>	<u>\$ 524,832</u>	<u>\$ 57,865</u>	<u>\$ 6,575,330</u>

(Cont'd)

(Cont'd)

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Unfinished construction	Total
<u>Accumulated depreciation</u>							
Balance on January 1, 2024	\$ -	\$ 1,184,705	\$ 1,175,300	\$ 70,108	\$ 368,782	\$ -	\$ 2,798,895
Depreciation expenses	-	42,087	60,672	1,419	7,854	-	112,032
Disposal	-	-	(23,222)	-	(3,099)	-	(26,321)
Reclassification	-	11	-	-	1,975	-	1,986
Net exchange difference	-	41,085	37,330	2,627	12,449	-	93,491
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 1,267,888</u>	<u>\$ 1,250,080</u>	<u>\$ 74,154</u>	<u>\$ 387,961</u>	<u>\$ -</u>	<u>\$ 2,980,083</u>
Net amount on March 31, 2024	<u>\$ 19,714</u>	<u>\$ 1,916,872</u>	<u>\$ 1,415,728</u>	<u>\$ 48,197</u>	<u>\$ 136,871</u>	<u>\$ 57,865</u>	<u>\$ 3,595,247</u>

From January 1 to March 31, 2025 and 2024, the Group did not recognize or reverse any impairment losses.

The depreciation expenses are provided on a straight-line basis over the estimated useful lives as shown:

Buildings	50 to 60 years
Machinery and equipment	5 to 10 years
Transportation equipment	5 to 10 years
Other equipment	3 to 10 years

For the amount of property, plant and equipment provided as collateral for borrowings, please refer to Note 26.

XII. Lease agreements

(I) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Land	\$ 617,322	\$ 614,119	\$ 354,164
Buildings	30,597	33,404	42,644
Others	2,445	2,502	2,739
	<u>\$ 650,364</u>	<u>\$ 650,025</u>	<u>\$ 399,547</u>

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Depreciation expenses of right-of-use assets		
Land	\$ 4,650	\$ 2,096
Buildings	3,254	3,143
Others	90	87
	<u>\$ 7,994</u>	<u>\$ 5,326</u>

(II) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 14,907</u>	<u>\$ 14,884</u>	<u>\$ 14,056</u>
Non-current	<u>\$ 45,208</u>	<u>\$ 47,137</u>	<u>\$ 40,756</u>

The discount rate range of lease liabilities is as follows:

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Land	9.46%~10.2%	9.46%~10.2%
Buildings	4.35%~5.43%	1.32%~5.43%
Others	3.69%	3.69%

(III) Major lease activities and terms

In September 2024, the Consolidated Company acquired the land use rights in Runan County, Zhumadian City, Henan Province, Mainland China, for the land for the future plant and office. The area acquired totaled 22.97 hectares, and the leasing period is 50 years.

In October 2024, the Consolidated Company acquired the land use rights in Backan Province, Vietnam, for the land for the future plant and office. The area acquired totaled 13.05 hectares, and the leasing period is 50 years.

On May 31, 2024, the Board of Directors of the Group resolved to obtain the land use rights required for the construction of Ngawi plant from its Indonesian subsidiary PT Chung Jye Indonesia. The total land area is approximately 8.3 hectares, and the total cost of the acquisition was approximately US\$3,157 thousand. Subsequently, due to the increase in the area of land use rights expected to be acquired, the Group's Board of Directors resolved on December 26, 2024 to increase the area of land investment originally resolved by the Board of Directors on May 31, 2024 to 10.4 hectares, and the total estimated acquisition cost was increased to US\$4,680 thousand. As of March 31, 2025, the Group had paid NT\$142,088 thousand and recognized it in other non-current assets. It will be reclassified to right-of-use assets after the relevant registration of land ownership transfer is completed.

The Consolidated Company leased certain buildings, lands, and buildings in Vietnam and Mainland China for operating use as plants and offices, and the leasing period is 5 to 50 years. Upon the termination of the leasing period, the Consolidated Company has no right of first refusal for the land and buildings it leased.

Partial subsidiaries in Mainland China obtained governmental subsidies for the acquisition of land use rights in previous years. Such subsidies have been recorded as deferred income and will be transferred to profit or loss over the useful lives of the related assets. From January 1 to March 31, 2025 and 2024, other incomes of \$2,348 thousand and \$1,210 thousand were recognized, respectively.

(IV) Other lease information

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Short-term lease expenses	<u>\$ 206</u>	<u>\$ 198</u>
Low-value assets lease expenses	<u>\$ 18</u>	<u>\$ 21</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,786</u>	<u>\$ -</u>
Total cash (outflow) from lease	<u>(\$ 6,888)</u>	<u>(\$ 4,280)</u>

XIII. Prepaid investments

In response to the global deployment of production strategies, the Group dispersed its production locations and strengthened supply chain management. On December 19, 2023, the Board of Directors approved a resolution to jointly invest in Fusionsole Footwear Private Limited (hereinafter referred to as "Fusionsole") with the Indian company Farida Holdings Private Limited and signed a joint agreement. The Group invested in 51% of Fusionsole's shares through its subsidiary Jewel Investment Limited (hereinafter referred to as "Jewel") and provided business and technical support. As of March 31, 2025, the Group had paid \$83,962 thousand of investment, but the registration of equity change has not yet been completed.

XIV. Loaning of funds

(I) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank loans (Note 26)	<u>\$ 296,262</u>	<u>\$ 791,562</u>	<u>\$ 2,341,330</u>
Credit limit borrowings	<u>222,061</u>	<u>227,373</u>	<u>220,439</u>
	<u>\$ 518,323</u>	<u>\$ 1,018,935</u>	<u>\$ 2,561,769</u>

The interest rates of bank revolving loans ranged from 1.8% to 2.9%, 1.8% to 2.9% and 1.72% to 3.1% on March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(II) Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured loans</u> (Note 26)			
Bank borrowings (1)	\$ 29,584	\$ 30,039	\$ 31,379
Bank borrowings (2)	<u>126,000</u>	<u>335,000</u>	<u>453,001</u>
	155,584	365,039	484,380
Less: Portion presented as due within one year	(<u>37,835</u>)	(<u>171,158</u>)	(<u>162,144</u>)
Long-term borrowings	<u>\$ 117,749</u>	<u>\$ 193,881</u>	<u>\$ 322,236</u>

1. The bank borrowings are secured by the Group's self-owned land and buildings. The maturity date of the borrowings is January 7, 2039. As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates of the borrowings were 2.32%, 2.32% and 2.19%, respectively, and are amortized and repaid over 20 years.
2. These borrowings are secured by the Group's bank deposits. The maturity dates are from May 2026 to September 2026. As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rates of the borrowings were 2.00%, 2.00% to 2.05%, and 1.93% to 2.11%, respectively.

XV. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Insurance premiums payable	\$ 1,378,816	\$ 1,390,457	\$ 1,370,418
Salaries and bonuses payable	533,461	668,395	570,444
Remuneration of employees and Directors payable	48,907	47,000	37,436
Equipment payments payable	42,807	105,045	29,030
Taxes payable	23,514	41,639	37,443
Others (Note)	<u>358,916</u>	<u>267,006</u>	<u>230,068</u>
Total	<u>\$ 2,386,421</u>	<u>\$ 2,519,542</u>	<u>\$ 2,274,839</u>

Note: Mainly refer to freight and processing fees payable.

XVI. Post-employment benefit plans

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2025 and 2024 were calculated using the actuarially determined pension cost rates as of December 31, 2024 and 2023, and the amounts were \$37 thousand and \$38 thousand, respectively.

XVII. Equity

(I) Share capital Common shares

	March 31, 2025	December 31, 2024	March 31, 2024
Number of authorized shares (thousand shares)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Authorized share capital	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of issued and fully paid shares (thousand shares)	<u>155,750</u>	<u>140,000</u>	<u>140,000</u>
Issued share capital	<u>\$ 1,557,500</u>	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>

To facilitate the initial public offering before listing, the Company conducted a cash capital increase by issuing 15,750 thousand common shares at a par value of NT\$10 per share. The minimum underwriting price for the cash capital increase through competitive auction was set at NT\$100 per share, with allotments awarded to the highest bidders. Each successful bidder subscribed at their respective bid price, and the weighted average price based on the bid prices and quantities was NT\$197.85 per share. The public offering price was NT\$128 per share, and the total fund raised was NT\$2,887,053 thousand. Except for the aforementioned total fund raised of \$157,500 thousand, which was recognized as share capital, the remaining \$2,723,553 thousand was recognized as capital reserve - stock premium after deducting the direct issuance costs. This cash capital increase was approved by the Taiwan Stock Exchange on October 17, 2024, and March 5, 2025 was the base date for the capital increase.

As part of the abovementioned cash capital increase, the Company reserved 160 thousand common shares for employee subscription. On the grant date, an employee compensation cost of \$9.802 million was recognized. The originally recorded capital surplus - employee stock options was reclassified to capital surplus - share premium upon completion of the capital increase.

(II) Capital reserve

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Can be used to cover losses, issue cash or supplement share capital (1)</u>			
Premium from share issuance	\$ 5,325,160	\$ 2,591,805	\$ 2,591,805
Differences between the price for the acquisition or disposal of equity of subsidiaries and the carrying amount	69,209	69,209	69,209
<u>Can only be used to cover losses</u>			
Recognition of changes in ownership interests in subsidiaries (2)	<u>16,893</u>	<u>16,893</u>	<u>16,893</u>
	<u>\$ 5,411,262</u>	<u>\$ 2,677,907</u>	<u>\$ 2,677,907</u>

1. Such capital reserve may be used to make up for losses and may also be used to distribute cash or be allocated as share capital when the Company has no losses, provided that the share capital allocation is limited to a certain proportion of the paid-in capital each year.
2. Such capital reserve is the effects of equity transactions recognized due to the changes in equity of subsidiaries when the Company has not acquired or disposed of the equity of subsidiaries.

(III) Retained earnings and dividend policy

According to the earning distribution policy of the Articles of Incorporation, during the listing period of shares in the Republic of China, if there are earnings after the annual final account, the Company shall pay taxes, compensate for accumulated losses, and appropriate 10% as the legal reserve; however, if the legal reserve has reached the paid-in capital of the Company, the appropriation is no longer required. For the remaining, appropriate or reverse the special reserve according to laws and regulations. If there is any balance, combine it with the accumulated undistributed earnings, and the Board shall formulate the proposal for earning distribution and submit it to the shareholders' meeting to resolve the distribution of shareholders' dividends. For the distribution policy of remuneration to employees and directors stipulated in the Company's Articles of Incorporation, please refer to Note 19(6) Remuneration to employees and directors.

In addition, according to the Articles of Incorporation, shareholders' dividends may be distributed in cash dividends or stock dividends, and the ratio of the distribution of cash dividends shall not be less than 30%, in principle.

The legal reserve shall be appropriated until the balance reaches the total paid-in capital of the Company. The legal reserve can be used for loss compensation. When the Company has no loss, the part of the legal reserve exceeding 25% of the total paid-in share capital may be distributed in cash in addition to being appropriated as share capital.

Furthermore, according to the earning distribution policy of the Articles of Incorporation, during the listing period of shares in the Republic of China, appropriate and reverse the special reserve according to Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 and the "Q&A for the Application of the Appropriation of the Special Reserve after the Adoption of International Financial Reporting Standards (IFRS Accounting Standards)."

The Company held a board meeting on March 12, 2025 and shareholders' meeting on May 10, 2024, and proposed and approved the following profit distribution proposals for 2024 and 2023:

	2024	2023
Statutory surplus reserve	\$ 171,178	\$ -
Cash dividends	\$ 934,500	\$ 770,000
Cash dividends per share (NT\$)	\$ 6	\$ 5.5

The proposal for earning distribution for 2024 is to be resolved by the annual shareholders' meeting to be convened on June 10, 2025.

(IV) Exchange difference arising from the translation of the financial statements of foreign operations

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Balance of cash at the beginning of the period	\$ 24,002	(\$ 367,101)
Generated during the period		
Translation differences in foreign operations	(14,491)	(111,130)
Translation difference for the presentation currency	<u>133,252</u>	<u>408,830</u>
Closing balance	<u>\$ 142,763</u>	(<u>\$ 69,401</u>)

(V) Non-controlling interests

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Balance of cash at the beginning of the period	\$ 232,241	\$ 215,409
Net profit for the period	19,635	51,376
Other comprehensive income for the period		
Exchange differences arising from the translation of the financial statements of foreign operations	16,615	(2,309)
Translation difference for the presentation currency	<u>8</u>	(<u>80</u>)
Closing balance	<u>\$ 268,499</u>	<u>\$ 264,396</u>

XVIII. Revenue

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Income from contracts with customers		
Product sales income	<u>\$ 6,108,069</u>	<u>\$ 5,220,849</u>

XIX. Net profit from continuing operations

(I) Other income

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Government subsidy income	\$ 3,917	\$ 2,231
Others	<u>13,237</u>	<u>25,335</u>
	<u>\$ 17,154</u>	<u>\$ 27,566</u>

(II) Other gains and losses

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Net currency exchange gain or loss	\$ 33,481	\$ 107,219
Net gain or loss from the disposal of property, plant and equipment	(42)	1,152
Gains or loss on financial instruments measured at fair value through profit or loss	586	1,271
Depreciation expenses of investment property	(1)	(18)
Others	(410)	(11,791)
	<u>\$ 33,614</u>	<u>\$ 97,833</u>

(III) Financial costs

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Interests on bank borrowings	\$ 8,242	\$ 15,583
Interest on lease liabilities	1,311	761
	<u>\$ 9,553</u>	<u>\$ 16,344</u>

(IV) Depreciation and amortization

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Depreciation summarized by function		
Operating costs	\$ 126,901	\$ 104,989
Operating expenses	17,756	12,369
Other expenses	1	18
	<u>\$ 144,658</u>	<u>\$ 117,376</u>
Amortization summarized by function		
Operating expenses	<u>\$ 592</u>	<u>\$ 424</u>

(V) Employee benefit expenses

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Post-retirement benefits		
Defined benefit plan (Note 16)	\$ 37	\$ 38
Defined contribution plan	85,471	65,512
Other employee benefits	1,421,218	1,361,371
	<u>\$ 1,506,726</u>	<u>\$ 1,426,921</u>

(Cont'd)

(Cont'd)

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Summarized by function		
Operating costs	\$ 1,189,283	\$ 1,125,539
Operating expenses	<u>317,443</u>	<u>301,382</u>
	<u>\$ 1,506,726</u>	<u>\$ 1,426,921</u>

(VI) Remuneration of employees and remuneration of Directors

In accordance with the Articles of Incorporation, the Company allocates remuneration to employees and directors at a rate not less than 0.1% and not more than 3%, respectively, and not more than 3% based on the pre-tax profit before deducting the distribution of remuneration to employees and directors in the current year. The estimated remuneration to employees and directors from January 1 to March 31, 2025 and 2024 was as follows:

Estimation ratio

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Remuneration of employees	0.85%	2.38%
Remuneration of Directors	0.56%	1.88%

Amount

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Remuneration of employees	<u>\$ 1,987</u>	<u>\$ 8,523</u>
Remuneration of Directors	<u>\$ 1,303</u>	<u>\$ 6,750</u>

If there is still any change in the amount after the annual consolidated financial statements are approved and issued, it will be treated as a change in accounting estimate and adjusted in the following year.

The remuneration to employees and directors for 2024 and 2023 was resolved by the Board of Directors on March 12, 2025 and April 29, 2024, as follows:

Amount

	2024	2023
	Cash	Cash
Remuneration of employees	<u>\$ 27,617</u>	<u>\$ 36,000</u>
Remuneration of Directors	<u>\$ 18,000</u>	<u>\$ 28,500</u>

There is no difference between the actual distribution amount in 2023 and the amount recognized in the consolidated financial statements for 2023.

The Company held a board meeting on March 12, 2025 due to the difference in estimates, which resulted in the actual distribution amount of employees' compensation and directors' remuneration being different from the amount recognized in the annual consolidated financial statements. The difference was adjusted to the profit or loss of 2025.

	2024	
	Remuneration of employees	Remuneration of Directors
Distribution amount resolved by the Board of Directors	<u>\$ 27,617</u>	<u>\$ 18,000</u>
Amount recognized in the annual financial statements	<u>\$ 27,000</u>	<u>\$ 20,000</u>

For information on the remuneration of employees and remuneration of Directors resolved by the Board, please visit the "MOPS" of TWSE for inquiries.

XX. Income tax

(I) Income tax recognized in profit or loss

The main components of the income tax expenses are as follows:

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Current income tax		
Those generated during the year	\$ 51,037	\$ 119,698
Adjustments for prior years	1,818	-
Deferred income tax		
Those generated during the year	(874)	34,751
Income tax expenses recognized in profit or loss	<u>\$ 51,981</u>	<u>\$ 154,449</u>

- (II) The corporate income tax returns of domestic subsidiaries, Chung Jye Shoes Co., Ltd., Chung Jye Shoes Holdings Limited Taiwan Branch and Trinity-Star Holdings Limited Taiwan Branch, have been approved by the tax authorities up to 2023. The remaining subsidiaries shall file local income tax returns in accordance with local regulations.

XXI. Earnings per share

	Unit: NT\$ per share	
	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Basic earnings per share	<u>\$ 1.27</u>	<u>\$ 2.45</u>
Diluted earnings per share	<u>\$ 1.27</u>	<u>\$ 2.44</u>

The net profit and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Net profit attributable to the owners of the Company	<u>\$ 184,287</u>	<u>\$ 343,058</u>
<u>Number of shares</u>		Unit: Thousand shares
	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Weighted average number of ordinary shares used to calculate the basic earnings per share	144,725	140,000
Effects of potentially dilutive ordinary shares:		
Remuneration of employees	<u>208</u>	<u>658</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>144,933</u>	<u>140,658</u>

Suppose the Consolidated Company has the option to pay employees' remuneration in shares or cash. In that case, the calculation of diluted earnings per share is based on the assumption that the employees' remuneration will be issued in shares. The weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential common shares are diluted. When calculating the diluted earnings per share before the issuance of employees' remuneration shares in the next annual resolution, the dilution effect of such potential common shares shall also be considered.

XXII. Share-based payment arrangements

The Company's cash capital increase reserved for employee share options

The Company issued 15,750,000 common shares through cash capital increase in conjunction with the public underwriting before the initial listing. According to the resolution of the Board of Directors, 160,000 new shares were reserved for employee subscription, and the number of shares and price subscribed by employees were confirmed on February 20, 2025. The fair value of employee stock options through cash capital increase was \$61.26 per share.

The Company adopted the Black-Scholes valuation model to calculate the fair value of the cash capital increase through employee subscription on February 20, 2025, which was the grant date. The relevant information is as follows:

	Stock option plan
Market price on the grant date (NTD)	\$ 189.25
Exercise price (NTD)	\$ 128
Expected volatility	42,54%
Duration	7 days
Risk-free interest rate	0.31%

The cost of employees' remuneration recognized from January 1 to March 31, 2025 was \$9,802 thousand.

XXIII. Government subsidies

The Group obtained government subsidies of \$161,089 thousand for the purchase of land use rights from 2012 to 2021 (recorded as deferred income), and another \$110,571 thousand and \$2,746 thousand from January 1 to March 31, 2025 and 2024, respectively. The subsidies were recognized as income in installments based on the period of use of the land use rights. The amounts of government subsidy income recognized from January 1 to March 31, 2025 and 2024 were \$1,745 thousand and \$796 thousand, respectively.

The Group received government subsidies for capital expenditures (recorded as deferred income) and recorded government subsidy income of \$603 thousand and \$414 thousand from January 1 to March 31, 2025 and 2024, respectively.

The Group received and recognized government subsidy income of \$1,569 thousand and \$1,021 thousand from January 1 to March 31, 2025 and 2024, respectively, in accordance with other government subsidy regulations.

XXIV. Financial instruments

(I) Information on fair value - Financial instruments not measured at fair value
The management of the Consolidated Company considers that the carrying amount of financial assets and financial liabilities not measured at fair value approximates their fair value.

(II) Information on fair value - Financial instruments measured at fair value on a repetitive basis

1. Level of fair value
March 31, 2025: None
December 31, 2024: None
March 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Wealth management products	\$ -	\$ -	\$ 372,156	\$ 372,156

There were no transfers between Level 1 and Level 2 fair value measurements from January 1 to March 31, 2025 and 2024.

2. Reconciliation of financial instruments measured at Level 3 fair value

	Financial instruments measured at fair value through profit or loss	
	From January 1 to March 31, 2025	From January 1 to March 31, 2024
<u>Financial assets</u>		
Balance of cash at the beginning of the period	\$ -	\$ -
Recognized in profit or loss (other gains and losses)		
- Realized	586	1,271
Purchase	960,354	2,191,575
Disposal	(960,940)	(1,826,313)
Exchange rate impact	-	5,623
Closing balance	<u>\$ -</u>	<u>\$ 372,156</u>

3. Valuation techniques and inputs for Level 3 fair value measurement

The wealth management products in RMB purchased by subsidiaries adopted the quotation of the counterparty as the valuation technique and material unobservable input to calculate the expected income gain from holding such instruments.

(III) Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatory measurement at fair value through profit or loss	\$ -	\$ -	\$ 372,156
Financial assets measured at amortized cost (Note 1)	11,440,198	9,849,815	10,388,237
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	6,009,908	7,556,453	8,224,531

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, accounts receivable - related parties, other receivables, refundable deposits, and other financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable, accounts payable - related parties, other payables, long-term borrowings (including those due within one year), guarantee deposits received, and other financial liabilities measured at amortized cost.

(IV) Purpose and policy of financial risk management

The Consolidated Company's main financial instruments include accounts receivable, accounts payable, borrowings, and lease liabilities. The Financial Management Department of the consolidated company provides services for all business units, coordinates the entry into domestic and international financial

markets, and supervises and manages the financial risks related to the operation of the consolidated company by analyzing the internal risk report of the exposure according to the risk level and breadth. These risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risk caused by the operating activities of the consolidated company to the consolidated company is the foreign currency exchange rate change risk (refer to (1) below) and the interest rate change risk (refer to (2) below).

(1) Exchange rate risk

Multiple subsidiaries of the Consolidated engage in sales and purchases denominated in foreign currencies, which results in the exposure of the Consolidated Company to changes in the exchange rate. For the management of exchange rate exposure, the Consolidated Company adopts natural hedging measures for foreign currency positions generated from operating activities, and the financial and accounting departments will carefully select the timing of foreign exchange settlement and adjust the ratio of different foreign currency accounts to achieve the management of exchange rate risk.

For the carrying amount of the Group's monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date (including monetary items denominated in non-functional currencies written off in the consolidated financial statements), please refer to Note 28.

Sensitivity analysis

The consolidated company is mainly affected by fluctuations in the exchange rates of the USD and NTD.

The table below details the sensitivity analysis of the Consolidated Company when the exchange rate of the functional currency changes by 1% against relevant foreign currencies. The sensitivity analysis only includes the monetary items that are in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive numbers in the following table represent the amount of net profit before tax that will increase when the functional currency depreciates by 1% relative to each foreign currency; when the functional currency appreciates by 1% relative to each relevant foreign currency, its impact on the net profit before tax will be a negative number of the same amount.

	USD impact (Note 1)		NTD impact (Note 2)	
	From January 1 to March 31, 2025	From January 1 to March 31, 2024	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Profit or loss	\$ 23,406	\$ 30,502	(\$ 5,013)	(\$ 28,494)

Note 1: Note: It mainly comes from the Consolidated Company's outstanding cash and cash equivalents, accounts receivable, and accounts payable denominated in USD that are still outstanding on the balance sheet date without cash flow hedging.

Note 2: Mainly derived from cash and cash equivalents, accounts receivable, loans and accounts payable denominated in NTD that are still in circulation and not hedged on the Group's balance sheet date.

(2) Interest rate risk

Interest rate exposure is caused by the fact that entities in the Consolidated Company borrow funds at fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate profile of fixed and floating interest rates.

The carrying amounts of the financial assets and financial liabilities of the Consolidated Company subject to interest rate exposure on the balance sheet date are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Interest rate risk			
involving fair value			
Financial assets	\$ 2,037,830	\$ 832,110	\$ 2,621,127
Financial liabilities	286,115	797,021	1,977,812
Interest rate risk			
involving cash flow			
Financial assets	4,661,294	3,320,114	3,681,926
Financial liabilities	447,907	648,974	1,123,149

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments on the balance sheet date. For floating rate assets and liabilities, it is assumed that the amount of assets and liabilities outstanding on the balance sheet date is also outstanding during the reporting period. The change rate used within the Group to report interest rates to the key management is the increase/decrease in interest rate by 50 base points, which also represents the evaluation of the management regarding the scope of reasonable and possible changes in interest rate.

If the interest rate increases/decreases by 50 basis points, with all other variables remaining unchanged, the pre-tax net profit of the Group from January 1 to March 31, 2025 and 2024 will increase/decrease by \$5,267 thousand and \$3,198 thousand, respectively.

2. Credit risk

Credit risk refers to the risk of financial loss caused by default of contractual obligations of the counterparty. As of the balance sheet date, the maximum credit risk exposure of the Consolidated Company that may be due to financial losses caused by the failure of counterparties in performing the obligations is mainly from the carrying amount of financial assets recognized in the balance sheet.

The policy adopted by the Consolidated Company is to conduct transactions only with reputable counterparties and obtain sufficient guarantees under necessary circumstances to reduce the risk of financial losses due to defaults. The Consolidated Company continues to monitor credit risks and the credit ratings of its counterparties, and controls credit exposure through regular examination and approval of credit limits of the counterparties.

Except for the top three customers, the Consolidated Company does not have any material credit exposure due to any single counterparty or a group of counterparties with similar features. When the counterparty is an affiliate, the Consolidated Company defines it as a counterparty with similar features. Among the balance of accounts receivable on March 31, 2025 and December 31, 2024 and March 31, 2024, the credit risk concentration regarding the top three customers did not exceed 30%, 45% and 28% of total monetary assets, respectively, and the credit risk concentration regarding other transaction counterparties did not exceed 12%, 15% and 9% of total monetary assets, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient cash positions to support the Group's operations and mitigate the impact of cash flow fluctuations. The management of the Consolidated Company supervises the use of the bank financing limit and ensures compliance with the terms of borrowing contracts.

Bank borrowings are an important source of liquidity for the Consolidated Company. For the Consolidated Company's unused financing limit, please refer to the description in (3) financing limit below.

- (1) Table of liquidity and interest rate risk of non-derivative financial liabilities
- The maturity analysis of the remaining contracts of non-derivative financial liabilities is based on the undiscounted cash flow (including principal and estimated interest) of financial liabilities on the earliest possible repayment date of the Consolidated Company. Therefore, the series of bank loans that the consolidated company may be required to repay immediately shall not take into account the probability of the bank executing the right immediately in the earliest period in the table

below; the maturity analysis of other non-derivative financial liabilities shall be prepared according to the agreed repayment date.

The following table is the maturity analysis of non-derivative financial liabilities with agreed repayment periods of the Consolidated Company summarized and presented based on the maturity date and the undiscounted maturity amount:

March 31, 2025

	less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Liabilities with no interest	\$ 5,158,339	\$ 161,233	\$ 16,429	\$ -
Lease liabilities	4,920	15,697	16,308	58,482
Instruments with floating interest rates	626	427,290	10,009	22,521
Instruments with fixed interest rate instruments	110,096	28,513	92,150	-
	<u>\$ 5,273,981</u>	<u>\$ 632,733</u>	<u>\$ 134,896</u>	<u>\$ 81,003</u>

December 31, 2024

	less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Liabilities with no interest	\$ 5,997,754	\$ 158,747	\$ 15,978	\$ -
Lease liabilities	4,625	15,213	19,066	59,036
Instruments with floating interest rates	626	629,498	10,009	22,729
Instruments with fixed interest rate instruments	144,287	431,916	168,674	-
	<u>\$ 6,147,292</u>	<u>\$ 1,235,374</u>	<u>\$ 213,727</u>	<u>\$ 81,765</u>

March 31, 2024

	less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Liabilities with no interest	\$ 4,984,663	\$ 189,354	\$ 4,365	\$ -
Lease liabilities	4,106	13,200	25,213	21,845
Instruments with floating interest rates	542,029	567,325	9,918	24,382
Instruments with fixed interest rate instruments	1,511,931	132,741	299,636	-
	<u>\$ 7,042,729</u>	<u>\$ 902,620</u>	<u>\$ 339,132</u>	<u>\$ 46,227</u>

(2) Financing limit

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank borrowing limit			
- Used amount	\$ 222,061	\$ 227,373	\$ 220,439
- Unused amount	<u>240,566</u>	<u>456,798</u>	<u>1,842,636</u>
	<u>\$ 462,627</u>	<u>\$ 684,171</u>	<u>\$ 2,063,075</u>
Secured bank borrowing limit			
- Used amount	\$ 451,846	\$ 1,156,601	\$ 2,825,710
- Unused amount	<u>8,204,406</u>	<u>7,528,209</u>	<u>3,462,498</u>
	<u>\$ 8,656,252</u>	<u>\$ 8,684,810</u>	<u>\$ 6,288,208</u>

XXV. Related party transactions

Transactions, account balances, gains and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated in full at the time of consolidation, so they are not disclosed in this note. In addition to those disclosed in other notes, the transactions between the Consolidated Company and other related parties are as follows.

(I) Name of related party and its relationship

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Jiangxi Junjie Shoe Material Co., Ltd.	Affiliate
Chung Jye Public Welfare Association	Other related parties

(II) Purchase

<u>Category/name of related party</u>	<u>From January 1 to March 31, 2025</u>	<u>From January 1 to March 31, 2024</u>
Affiliate	<u>\$ 174,811</u>	<u>\$ 145,483</u>

(III) Processing fee

<u>Category/name of related party</u>	<u>From January 1 to March 31, 2025</u>	<u>From January 1 to March 31, 2024</u>
Affiliate	<u>\$ 21,192</u>	<u>\$ 15,700</u>

(IV) Amounts received from related parties

<u>Item</u>	<u>Category/name of related party</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable	Affiliate	<u>\$ -</u>	<u>\$ 228</u>	<u>\$ -</u>

(V) Amounts paid to related parties

<u>Item</u>	<u>Category/name of related party</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable	Affiliate	<u>\$ 134,464</u>	<u>\$ 161,681</u>	<u>\$ 100,834</u>

(VI) Donation expense (recognized as management expense)

Category/name of related party	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Other related parties	<u>\$ 5,000</u>	<u>\$ -</u>

In order to fulfill corporate social responsibility, practice sustainable management philosophy, and promote social welfare and charity activities, the Board of Directors of the Company resolved on February 13, 2025 to donate NT\$15 million for Chung Jye Public Welfare Association to organize various charity activities.

(VII) Remuneration of the key management

	From January 1 to March 31, 2025	From January 1 to March 31, 2024
Short-term employee benefits	\$ 19,914	\$ 35,072
Post-retirement benefits	<u>193</u>	<u>187</u>
	<u>\$ 20,107</u>	<u>\$ 35,259</u>

The salaries of Directors and other key management are determined by the Remuneration Committee based on personal performance and market trends.

XXVI. Assets pledged

The following assets have been provided as collateral for bank borrowings and purchases:

	March 31, 2025	December 31, 2024	March 31, 2024
Pledged bank deposits (accounted for as financial assets measured at amortized cost)	\$ 165,353	\$ 228,786	\$ 949,146
Property, plant and equipment - Land	54,066	45,848	12,173
Net property, plant and equipment -Buildings	4,009	3,509	834
Investment property	<u>-</u>	<u>8,739</u>	<u>45,157</u>
	<u>\$ 223,428</u>	<u>\$ 286,882</u>	<u>\$ 1,007,310</u>

XXVII. Material events after the period

In order to integrate resources within the Group and simplify management processes, the Company's Board of Directors decided on May 12, 2025 to adjust the investment structure. Before the adjustment, Runan Chung Jye Shoes Industry Co., Ltd. was 100% owned by Chao Ching City Chung Jye Shoes Co., Ltd. After the equity transfer, Shanggao Chung Jye Shoes Industry Co., Ltd. held 100% equity of Runan Chung Jye Shoes Industry Co., Ltd. The targets of this investment structure adjustment are all subsidiaries in which the Company holds 100% direct or indirect shares, and there is no impact on the Company's overall consolidated profit or loss and shareholders' equity.

XXVIII. Information on significant financial assets and liabilities in foreign currencies

The following information is summarized and expressed in foreign currencies other than the functional currencies of each entity of the Consolidated Company. The disclosed exchange rate refers to the exchange rate converted from such foreign currencies to functional currencies. Financial assets and liabilities in foreign currencies with significant impact are as follows:

March 31, 2025

	Foreign currency	Exchange rate	Carrying amount
<u>Assets in foreign currencies</u>			
<u>Monetary item</u>			
USD	\$ 70,994	7.1775 (USD:RMB)	<u>\$ 2,357,341</u>
USD	23,613	25,360 (USD:VND)	<u>\$ 784,088</u>
NTD	188,008	0.0301 (NTD:USD)	<u>\$ 188,008</u>
<u>Liabilities in foreign currencies</u>			
<u>Monetary item</u>			
USD	25,849	7.1775 (USD:RMB)	<u>\$ 800,803</u>
NTD	689,319	0.0301 (NTD:USD)	<u>\$ 689,319</u>

December 31, 2024

	Foreign currency	Exchange rate	Carrying amount
<u>Assets in foreign currencies</u>			
<u>Monetary item</u>			
USD	\$ 64,187	7.1879 (USD:RMB)	<u>\$ 2,104,368</u>
USD	33,426	25,220 (USD:VND)	<u>\$ 1,095,870</u>
NTD	41,954	0.0305 (NTD:USD)	<u>\$ 41,954</u>
<u>Liabilities in foreign currencies</u>			
<u>Monetary item</u>			
USD	22,787	7.1879 (USD:RMB)	<u>\$ 747,074</u>
NTD	1,604,520	0.0305 (NTD:USD)	<u>\$ 1,604,520</u>

March 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Assets in foreign currencies</u>			
<u>Monetary item</u>			
USD	\$ 72,343	7.0938 (USD:RMB)	<u>\$ 2,314,983</u>
USD	40,982	24,610 (USD:VND)	<u>\$ 1,311,435</u>
NTD	94,870	0.0313 (NTD:USD)	<u>\$ 94,870</u>
 <u>Liabilities in foreign currencies</u>			
<u>Monetary item</u>			
USD	18,006	7.0938 (USD:RMB)	<u>\$ 576,185</u>
NTD	2,944,318	0.0313 (NTD:USD)	<u>\$ 2,944,318</u>

The Group had realized and unrealized foreign exchange gains and losses of \$33,481 thousand and \$107,219 thousand from January 1 to March 31, 2025 and 2024, respectively. Due to the wide variety of foreign currency transactions and functional currencies of the Group's entities, it is not possible to disclose foreign exchange gains and losses by each foreign currency that had a significant impact.

XXIX. Other disclosures

- (I) Information on significant transactions:
 1. Loaning of funds to others. (Table 1)
 2. Endorsements and guarantees for others (Table 2)
 3. Significant securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures). (None)
 4. The purchases or sales with related parties reaching NT\$100 million or more than 20% of the paid-in capital. (Table 3)
 5. The amount of receivables from related parties reaching NT\$100 million or 20% of the paid-in capital. (Table 4)
 6. Others: Business relationships between parent and subsidiaries and between subsidiaries, as well as major transaction details and amounts. (Table 7)
- (II) Information on Investees (Table 5)

(III) Information on investment in Mainland China:

1. The names of the investee companies in the Mainland China, their main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, carrying amount of investment at the end of the period, remitted investment profit and loss, and investment limit in the Mainland China. (Table 6)
2. The following major transactions with the investee companies in mainland China, directly or indirectly through a third region, and their prices, payment terms, and unrealized gains and losses:
 - (1) Purchase amount and ratio and the closing balance of relevant amounts payable and ratio.
 - (2) Sales amount and ratio and the closing balance of relevant amounts receivable and ratio.
 - (3) Property transaction amount and gain or loss amount generated thereof.
 - (4) Closing balance of endorsements or guarantees for notes or collateral provided and purposes.
 - (5) The highest balance, closing balance, interest rate range and total interests of the period of financing.
 - (6) Other transactions that have a significant impact on the current profit or loss or financial position (i.e., the provision or receipt of services).

XXX. Segment information

The Group is principally engaged in the footwear manufacturing business. The chief operating decision maker uses the operating results and financial status of the entire company as information for allocating resources and evaluating performance. In addition, the Group's products and manufacturing processes are similar in nature, so it is regarded as a single operating unit.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Table of Loaning of Funds to Others
From January 1 to March 31, 2025

Table 1 Unit: Unless otherwise specified, in NTD thousand

No.	Creditor	Borrower	Item	Whether a related party	Highest balance in this period (Note 4)	Closing balance (Note 4)	Actual amount of expenditure (Note 5)	Interest rate range	Nature of capital loan (Note 1)	Amount of business transactions	Reasons for the need for short-term financing	Allowance for bad debt provided	Collateral		Loan limits for individual clients (Note 2)	Total limit of capital loan (Note 3)	Remarks
													Name	Value			
0	Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	Other receivables	Yes	\$ 996,150 USD 30,000	\$ 996,150 USD 30,000	\$ 996,150 USD 30,000	4%~5.5%	2	\$ -	Working capital	\$ -	—	\$ -	\$ 53,561,040	\$ 53,561,040	
1	Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	Other receivables	Yes	231,313 RMB 50,000	231,313 RMB 50,000	231,313 RMB 50,000	2.7%~3%	2	-	Working capital	-	—	-	13,607,504	13,607,504	
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Runan Chung Jye Shoes Industry Co., Ltd.	Other receivables	Yes	277,576 RMB 60,000	277,576 RMB 60,000	277,576 RMB 60,000	3%	2	-	Working capital	-	—	-	13,607,504	13,607,504	
3	Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Backan-Vietnam Chung Jye Shoes Manufacture Ltd	Other receivables	Yes	131,160 VND 100 billion	130,927 VND 100 billion	90,994 VND 69.5 billion	5%~6%	2	-	Working capital	-	—	-	2,745,760	2,745,760	

Note 1: (1) With business transactions.
(2) Those with the need for short-term financing

Note 2: For companies with business transactions with the Company, the individual loan amount shall not exceed the amount of business transactions between both parties, and shall not exceed 10% of net worth in the financial statements of the latest period certified by CPAs. For those with the need for short-term financing, the individual loan amount shall not exceed 10% of net worth in the financial statements of the latest period certified by CPAs. Loans between foreign companies in which the Company directly and indirectly holds 100% of shares with voting rights or a foreign company or between a foreign company in which the Company directly and indirectly holds 100% of shares with voting rights or a foreign company and the Company is not restricted by the limit on short-term financing; however, the limit on the counterparty of loans shall not exceed four times the net worth in the financial statements of the latest period certified by CPAs.

Note 3: For those who require loans due to business transactions with the Company, the total limit of loans shall not exceed 40% of net worth in the financial statements of the latest period certified by CPAs. For those with the need for short-term financing, the total limit of loans shall not exceed 40% of net worth in the financial statements of the latest period certified by CPAs. Loans between foreign companies in which the Company directly and indirectly holds 100% of shares with voting rights or a foreign company or between a foreign company in which the Company directly and indirectly holds 100% of shares with voting rights or a foreign company and the Company is not restricted by the limit on short-term financing; however, the limit on the total loans shall not exceed four times the net worth in the financial statements of the latest period certified by CPAs.

Note 4: The valuation was performed based on the exchange rate at the end of the period.

Note 5: Written off.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries

Endorsements and guarantees for others

From January 1 to March 31, 2025

Table 2

Unit: Unless otherwise specified, in NTD thousand

No.	Name of the endorsement or guarantee provider	Name of the counterparty of endorsement or guarantee		Endorsement guarantee limit for a single enterprise (Note 2)	Highest endorsement or guarantee balance during the period	Endorsement or guarantee balance at the end of the period	Amount withdrawn	Amount of endorsement or guarantee with property as collateral	Ratio of the accumulated endorsement and guarantee amount to the net worth of the latest financial statements (%)	Maximum limit of endorsement or guarantee (Notes 2 and 4)	Endorsement and guarantee provided by the parent company to subsidiaries	Endorsement and guarantee provided by subsidiaries to the parent company	Endorsement and guarantee provided in Mainland China	Remarks
		Name of company	Relationship (Note 1)											
0	Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	4	\$ 53,561,040	\$ 6,839,525	\$ 6,839,525	\$ 376,000	\$ 148,474	51.08	\$ 53,561,040	Y	N	N	
0	Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Industry Co., Ltd.	4	53,561,040	10,000	10,000	-	-	0.07	53,561,040	Y	N	N	
0	Chung Jye Investment Holding Co., Ltd.	Chao Ching City Chung Jye Shoes Co., Ltd.	4	53,561,040	832,727	832,727	-	-	6.22	53,561,040	Y	N	Y	Notes 5 and 6
0	Chung Jye Investment Holding Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	4	53,561,040	370,101	370,101	-	-	2.76	53,561,040	Y	N	Y	Note 6
0	Chung Jye Investment Holding Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	4	53,561,040	462,626	462,626	46,263	13,879	3.45	53,561,040	Y	N	Y	Note 5

Note 1: Relationship between the endorsement or guarantee provided and the counterparty of endorsement or guarantee:

- (1) Companies with business transactions with the Company.
- (2) Companies in which the Company directly and indirectly holds over 50% of shares with voting rights.
- (3) Companies that directly or indirectly hold over 50% of the Company's shares with voting rights.
- (4) Companies in which the Company directly and indirectly holds over 90% of shares with voting rights.

Note 2: The total endorsement and guarantee amount provided by the Company to external parties shall not exceed 40% of net worth in the financial statements of the latest period. The total endorsement and guarantee amount provided by the Company and its subsidiaries as a whole shall not exceed 40% of net worth in the financial statements of the latest period. The limit on endorsement and guarantee provided to a single enterprise shall not exceed 30% of net worth in the financial statements of the latest period. If the Company provides endorsement or guarantee to a company with business relations, except for otherwise stated by the regulations, the individual endorsement or guarantee amount shall be limited to the total accumulated transaction amount of the business transactions in the most recent 12 months, and shall not exceed 10% of net worth in the financial statements of the latest period.

Note 3: For endorsements and guarantees between the Company and a company in which the Company directly and indirectly holds over 50% of shares with voting rights, a company that directly or indirectly holds over 50% of the Company's shares with voting rights, or a company in which the Company directly and indirectly holds over 90% of shares with voting rights, the individual total endorsement and guarantee amount shall not exceed 10% of net worth in the financial statements of the latest period.

Note 4: Endorsements and guarantees between companies in which the Company directly and indirectly holds 100% of shares with voting rights are not subject to the restrictions in the preceding two paragraphs. The total endorsement and guarantee amount shall not exceed 10% of net worth in the financial statements of the latest period.

Note 5: The Company provided a joint guarantee to Yifeng Chung Jye Shoes Industry Co., Ltd. and Chao Ching City Zhongjie Shoes Co., Ltd. to obtain the bank borrowings of RMB100,000. The table above presented them separately and resulted in the double counting of the closing balance. They are joint endorsements and guarantees for obtaining a single credit limit.

Note 6: The Company provided a joint guarantee to Shanggao Chung Jye Shoes Industry Co., Ltd. and Chao Ching City Zhongjie Shoes Co., Ltd. to obtain the bank borrowings of RMB80,000. The table above presented them separately and resulted in the double counting of the closing balance. They are joint endorsements and guarantees for obtaining a single credit limit.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
The purchases or sales with related parties reaching NT\$100 million or more than 20% of the paid-in capital
From January 1 to March 31, 2025

Table 3

Unit: NT\$ thousand

Purchaser (seller)	Name of counterparty	Relationship	Transaction Status				Transaction conditions different from general transactions, and reasons		Notes and accounts receivable (payable)		Remarks
			(Purchases) sales	Amount	As a percentage of total (purchases) sales (%)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable) (%)	
Shanggao Jye Sheng Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Sales	\$ 140,792	35%	Approximately 90 days	Cost plus	No significant difference	\$ 103,405	37%	
Shanggao Jye Sheng Industry Co., Ltd.	Trinity-Star Holdings Limited Taiwan Branch	Brother company	Sales	127,122	31%	Approximately 90 days	Cost plus	No significant difference	79,464	28%	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	830,991	47%	Approximately 90 days	Cost plus	No significant difference	778,731	57%	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Purchases	(253,612)	(16%)	Approximately 90 days	Cost plus	No significant difference	(226,611)	(20%)	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Shanggao Jye Sheng Industry Co., Ltd.	Brother company	Purchases	(140,792)	(9%)	Approximately 90 days	Cost plus	No significant difference	(103,405)	(9%)	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Chao Ching City Zhongjie Shoes Co., Ltd.	Brother company	Purchases	(110,569)	(7%)	Approximately 90 days	Cost plus	No significant difference	(33,668)	(3%)	
Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	238,569	75%	Approximately 90 days	Cost plus	No significant difference	193,979	85%	
Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	198,999	64%	Approximately 90 days	Cost plus	No significant difference	-	-	
Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	267,526	100%	Approximately 90 days	Cost plus	No significant difference	299,022	100%	
Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	411,877	85%	Approximately 90 days	Cost plus	No significant difference	396,017	85%	
Chao Ching City Zhongjie Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	603,499	64%	Approximately 90 days	Cost plus	No significant difference	561,752	83%	
Chao Ching City Zhongjie Shoes Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Sales	110,569	12%	Approximately 90 days	Cost plus	No significant difference	33,668	5%	
Chao Ching City Zhongjie Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Purchases	(198,579)	(26%)	Approximately 90 days	Cost plus	No significant difference	(540,604)	(65%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Runan Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(238,569)	(5%)	Approximately 90 days	Cost plus	No significant difference	(193,979)	(5%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(180,681)	(4%)	Approximately 90 days	Cost plus	No significant difference	(117,246)	(3%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Chao Ching City Zhongjie Shoes Co., Ltd.	Brother company	Sales	198,579	4%	Approximately 90 days	Cost plus	No significant difference	540,604	12%	
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Sales	253,612	5%	Approximately 90 days	Cost plus	No significant difference	226,611	5%	
Chung Jye Shoes Holdings Limited Taiwan Branch	Chao Ching City Zhongjie Shoes Co., Ltd.	Brother company	Purchases	(603,499)	(13%)	Approximately 90 days	Cost plus	No significant difference	(561,752)	(15%)	

(Cont'd)

(Cont'd)

Purchaser (seller)	Name of counterparty	Relationship	Transaction Status				Transaction conditions different from general transactions, and reasons		Notes and accounts receivable (payable)		Remarks
			(Purchases) sales	Amount	As a percentage of total (purchases) sales (%)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable) (%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(\$ 830,991)	(19%)	Approximately 90 days	Cost plus	No significant difference	(\$ 778,731)	(21%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Trinity-Star Holdings Limited Taiwan Branch	Brother company	Purchases	(225,141)	(5%)	Approximately 90 days	Cost plus	No significant difference	(183,098)	(5%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Brother company	Purchases	(411,877)	(9%)	Approximately 90 days	Cost plus	No significant difference	(396,017)	(11%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Brother company	Purchases	(198,999)	(4%)	Approximately 90 days	Cost plus	No significant difference	-	-	
Chung Jye Shoes Holdings Limited Taiwan Branch	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Brother company	Purchases	(267,526)	(6%)	Approximately 90 days	Cost plus	No significant difference	(299,022)	(8%)	
Trinity-Star Holdings Limited Taiwan Branch	Shanggao Jye Sheng Industry Co., Ltd.	Brother company	Purchases	(127,122)	(50%)	Approximately 90 days	Cost plus	No significant difference	(79,464)	(48%)	
Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	225,141	76%	Approximately 90 days	Cost plus	No significant difference	183,098	99%	
Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	180,681	87%	Approximately 90 days	Cost plus	No significant difference	117,246	81%	

Note: The purchases and sales between the consolidation entities are written off.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Amounts receivable from related parties reaching NT\$100 million or more than 20% of the paid-in capital
March 31, 2025

Table 4

Unit: NT\$ thousand

Company with accounts receivable	Name of counterparty	Relationship	Balance of accounts receivable from related parties	Turnover rate (time)	Overdue amounts receivable from related parties		Amounts receivable from related parties recovered after the period	Amount of loss allowance provided	Remarks
					Amount	Treatment			
Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	\$ 778,731	3.89	\$ -	-	\$ 349,004	\$ -	—
Shanggao Jye Sheng Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	103,405	4.89	-	-	38,219	-	—
Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	299,022	3.32	-	-	-	-	—
Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	396,017	3.17	-	-	-	-	—
Chao Ching City Zhongjie Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	561,752	4.87	-	-	190,424	-	—
Chung Jye Shoes Holdings Limited Taiwan Branch	Chao Ching City Zhongjie Shoes Co., Ltd.	Brother company	540,604	1.65	-	-	66,781	-	—
Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	183,098	5.06	-	-	70,646	-	—
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	226,611	4.47	-	-	85,705	-	—
Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	193,979	7.34	-	-	129,408	-	—
Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	117,246	8.15	-	-	54,606	-	—
Shanggao Chung Jye Shoes Industry Co., Ltd.	Runan Chung Jye Shoes Industry Co., Ltd.	Brother company	277,576	不適用	-	-	-	-	Note
Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	Brother company	231,313	不適用	-	-	-	-	Note
Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	Parent and subsidiary	996,150	不適用	-	-	-	-	Note

Note: Loaning of funds.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries

Name of investee, location, and other relevant information

From January 1 to March 31, 2025

Table 5

Unit: Unless otherwise specified, the unit is NT\$ thousand or thousand in foreign currency

Name of investee	Name of investee	Location	Main scope of business	Initial investment amount		Held at the end of the period			(Loss) profits of the investee of the period	Investment gains (losses) recognized during the period	Remarks
				At the end of the period	End of last year	Number of shares	Ratio (%)	Carrying amount			
Chung Jye Investment Holding Co., Ltd.	Guicheng Group Limited	Samoa	Investment holding business	USD 8,342	USD 3,342	2,248,892	100%	USD 329,605	USD 6,053	USD 6,053	
Guicheng Group Limited	Chung Jye Shoes Holdings Limited	Samoa	Import and export trade and sales of leisure outdoor shoes	USD 3,200	USD 3,200	1,000,000	100%	USD 49,092	USD 4,691	USD 4,632	
	Better Power Group Limited	Samoa	Investment holding business	USD 39,382	USD 39,382	1,000,000	100%	USD 35,665	(USD 76)	(USD 76)	
	Wealthy International Ltd.	Belize	Investment holding business	USD 67,879	USD 67,879	50,000	100%	USD 76,381	(USD 1,019)	(USD 1,019)	
	Fortune Leader Industries Co., Ltd.	British Virgin Island	Investment holding business	USD 20,000	USD 20,000	38,800	100%	USD 9,327	(USD 20)	(USD 20)	
	Smartlook Investments Limited	Samoa	Investment holding business	USD 82,050	USD 82,050	1,000,000	100%	USD 117,394	USD 1,792	USD 1,792	
	Trinity-Star Holdings Limited	Samoa	Investment holding business	USD 11,900	USD 11,900	750,000	68.09%	USD 16,997	USD 1,866	USD 1,101	
	Jewel Investment Limited	Samoa	Investment holding business	USD 2,550	USD -	1,100,000	100%	USD 2,547	USD 14	USD 14	
	Agile Gain Investment Limited	Samoa	Investment holding business	USD 15,088	USD 4,210	100,000	100%	USD 15,803	(USD 471)	(USD 471)	
	Chung Jye Shoes Co., Ltd.	Taichung City	Import and export trade and sales of leisure outdoor shoes	NTD 86,000	NTD 86,000	860,000	100%	USD 2,724	(USD 19)	(USD 19)	
	PT Chung Jye Indonesia	Indonesia	Production of outdoor sports and leisure outdoor shoes	USD 15	USD 3	180	0.09%	USD 14	(USD 492)	USD -	
Wealthy International Ltd.	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd.	Hai Duong City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 18,064	USD 18,064	-	100%	USD 17,355	USD 1,063	USD 1,063	
	Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Nih Binh City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 62,992	USD 62,992	-	100%	USD 57,964	(USD 418)	(USD 418)	
Agile Gain Investment Limited	PT Chung Jye Indonesia	Indonesia	Production of outdoor sports and leisure outdoor shoes	USD 15,864	USD 2,876	199,820	99.91%	USD 15,308	(USD 492)	(USD 492)	
Better Power Group Limited	Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Tuyen Chuan City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 26,000	USD 26,000	-	100%	USD 20,673	(USD 146)	(USD 146)	
	Backan-Viet Nam Chung Jye Shoes Manufacture Ltd.	Backan City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 15,000	USD 15,000	-	100%	USD 14,992	USD 70	USD 70	
Chung Jye Shoes Co., Ltd.	Shoemaker American Inc	USA	Brand customer relationship services	USD 100	USD 100	100,000	100%	USD 69	(USD 14)	(USD 14)	
Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	New Horizon Corporation Limited Company	Haiphong City, Vietnam	Property lease	VND 138,000 (\$ million)	VND 138,000 (\$ million)	-	100%	VND 103,475 (\$ million)	(VND 1,734) (\$ million)	(VND 1,734) (\$ million)	

Note 1: The abovementioned investees that are subsidiaries are included in the consolidated financial statements, and relevant investments and profit or loss are fully written off.

Note 2: For relevant information on the investee companies in Mainland China, please refer to Table 6.

Note 3: The unit of VND is a million.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries

Information on investment in Mainland China

From January 1 to March 31, 2025

Table 6

Unit: Unless otherwise specified,
in thousands of NTD or foreign currencies

Name of investee	Name of investee in Mainland China	Main scope of business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investee companies in the current period (Note 4)	Ratio of direct or indirect investment in the Company	Investment gains (losses) recognized in this period (Notes 4 and 5)	Carrying amount of investments at the end of the period (Notes 3 and 5)	Repatriated investment gains as of the current period	Remarks
						Remitted	Recovered							
Fortune Leader Industries Co., Ltd.	Chao Ching City Zhongjie Shoes Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	\$ 721,785 CNY 156,019	Note 1	\$ -	-	-	\$ -	(\$ 633) (CNY 138)	100.00%	(\$ 1,733) (CNY 378)	\$ 305,023 CNY 65,933	\$ -	
Chao Ching City Zhongjie Shoes Co., Ltd.	Sihui Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	46,263 CNY 10,000	Note 2	-	-	-	-	(587) (CNY 128)	100.00%	(587) (CNY 128)	(11,741) (CNY 2,538)	-	
	Guangning Chung Bao Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	22,669 CNY 4,900	Note 2	-	-	-	-	4,034 CNY 880	100.00%	4,034 CNY 880	(40,818) (CNY 8,823)	-	
	Runan Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	231,313 CNY 50,000	Note 2	-	-	-	-	14,591 CNY 3,183	100.00%	14,591 CNY 3,183	(27,938) (CNY 6,039)	-	
Smartlook Investments Limited	Shanggao Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	1,756,828 CNY 379,751	Note 1	-	-	-	-	40,651 CNY 8,868	100.00%	40,651 CNY 8,868	3,404,078 CNY 735,816	-	
	Yifeng Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	338,800 CNY 73,234	Note 1	-	-	-	-	4,589 CNY 1,001	100.00%	4,589 CNY 1,001	131,904 CNY 28,512	-	
	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	465,286 CNY 100,575	Note 1	-	-	-	-	13,715 CNY 2,992	100.00%	13,715 CNY 2,992	357,036 CNY 77,176	-	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Shanggao Chung Liang Shoe Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	21,225 CNY 4,588	Note 2	-	-	-	-	344 CNY 75	100.00%	344 CNY 75	44,380 CNY 9,593	-	
	Shanggao Chung Yi Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	49,677 CNY 10,738	Note 2	-	-	-	-	(261) (CNY 57)	100.00%	(261) (CNY 57)	86,104 CNY 18,612	-	
Trinity-Star Holdings Limited	Shanggao Jye Sheng Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	357,106 CNY 77,191	Note 1	-	-	-	-	24,405 CNY 5,324	100.00%	24,405 CNY 5,324	517,799 CNY 111,926	-	
Shanggao Chung Yi Industry Co., Ltd.	Zhaoqing Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	18,505 CNY 4,000	Note 2	-	-	-	-	445 CNY 97	90.00%	399 CNY 87	21,168 CNY 4,576	-	

Accumulated amount of investment in Mainland China remitted from Taiwan at the end of the period	Amount of investment approved by the Investment Commission, MOEA	The limit for investments in Mainland China set by the Investment Commission, MOEA
Note 8	Note 8	Note 8

Note 1: Investments in Mainland China through a holding company.

Note 2: Investments between companies in Mainland China.

Note 3: The conversion was based on the exchange rate of CNY1 = \$4.626 as of the end of March 2025.

Note 4: The conversion was based on the average exchange rate of CNY1=\$4.584 from January 1 to March 31, 2025.

Note 5: Calculated based on the financial statements audited and certified by the parent company's CPA in Taiwan.

Note 6: The recognition of relevant investment gain or loss is recognized at the profit or loss of investees after tax less side-stream transactions and realized and unrealized gains.

Note 7: Consolidated and written off upon the preparation of the consolidated financial statements.

Note 8: Not applicable, as the Company is not established in the Republic of China.

Chung Jye Investment Holding Co., Ltd. and Its Subsidiaries
Business relationships and major transactions between parent and subsidiaries and between subsidiaries
From January 1 to March 31, 2025

Table 7

Unit: NT\$ thousand

No. (Note 1)	Name of trader	Counterparty	Relationship with the trader (Note 2)	Transaction status			
				Item	Amount	Transaction conditions	As a percentage of consolidated total operating income or total assets (Note 3)
0	Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	1	Other receivables	\$ 996,150	—	5%
1	Shanggao Jye Sheng Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Sales income	140,792	O/A with net 90 to 180 days	2%
1	Shanggao Jye Sheng Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Accounts receivable	103,405	O/A with net 90 to 180 days	1%
1	Shanggao Jye Sheng Industry Co., Ltd.	Trinity-Star Holdings Limited Taiwan Branch	3	Sales income	127,122	O/A with net 90 to 180 days	2%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	778,731	O/A with net 90 to 180 days	4%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	830,991	O/A with net 90 to 180 days	14%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Runan Chung Jye Shoes Industry Co., Ltd.	3	Other receivables	277,576	—	1%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	3	Other receivables	231,313	—	1%
3	Tuyen Chuan - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	198,999	O/A with net 90 to 180 days	3%
4	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	299,022	O/A with net 90 to 180 days	1%
4	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	267,526	O/A with net 90 to 180 days	4%
5	Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	396,017	O/A with net 90 to 180 days	2%
5	Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	411,877	O/A with net 90 to 180 days	7%
5	Nih Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Trinity-Star Holdings Limited Taiwan Branch	3	Sales income	71,549	O/A with net 90 to 180 days	1%
6	Chao Ching City Zhongjie Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	561,752	O/A with net 90 to 180 days	3%
6	Chao Ching City Zhongjie Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	603,499	O/A with net 90 to 180 days	10%
6	Chao Ching City Zhongjie Shoes Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Sales income	110,569	O/A with net 90 to 180 days	2%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Chao Ching City Zhongjie Shoes Co., Ltd.	3	Accounts receivable	540,604	O/A with net 90 to 180 days	3%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Chao Ching City Zhongjie Shoes Co., Ltd.	3	Sales income	198,579	O/A with net 90 to 180 days	3%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Accounts receivable	226,611	O/A with net 90 to 180 days	1%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Sales income	253,612	O/A with net 90 to 180 days	4%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Runan Chung Jye Shoes Industry Co., Ltd.	3	Sales income	61,756	O/A with net 90 to 180 days	1%
8	Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	183,098	O/A with net 90 to 180 days	1%
8	Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	225,141	O/A with net 90 to 180 days	4%
9	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	117,246	O/A with net 90 to 180 days	1%
9	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	180,681	O/A with net 90 to 180 days	3%
10	Runan Chung Jye Shoes Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Sales income	67,683	O/A with net 90 to 180 days	1%
10	Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	193,979	O/A with net 90 to 180 days	1%
10	Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	238,569	O/A with net 90 to 180 days	4%
11	Chung Jye Shoes Holdings Limited	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Other receivables	996,150	—	5%

Note 1: The business information between the parent company and the subsidiaries shall be indicated in the number column respectively, and the number shall be filled in as follows:

(1) Fill in 0 for the parent company.

(2) Subsidiaries are numbered in sequence starting from number 1.

Note 2: There are three types of relationships with the trader; just indicate the type:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of the transaction to consolidated operating income or total assets, calculate as the ratio of balance at the end of the year to total consolidated assets for assets and liabilities or calculate as the ratio of the accumulated amount of the year to total consolidated operating income for profit or loss.

Note 4: The Company may decide whether to present the material transaction status in the table based on the principle of materiality.

Note 5: All transactions between the consolidated entities have been written off when preparing the consolidated financial statements.

Note 6: Related party transactions with an amount of over 1% of total consolidated operating income or total assets are disclosed; the other related party transactions will not otherwise be disclosed.