Stock Code: 6965

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

Consolidated Financial Statements and Independent Auditors' Review Report

Q1 of 2026 and 2025

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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 March 31, 2026 and 2025, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the period ended March 31, 2026 and 2025, 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

In our review, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the period ended March 31, 2026 and 2025 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 Wang Chun-Yu

May 12, 2026

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

Consolidated Balance Sheets

March 31, 2026, December 31, 2025, March 31, 2025

Unit: NT$ thousand

Code	Assets	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 4,071,288	23	$ 4,287,778	25	$ 6,385,759	31
1110	Financial assets at fair value through profit or loss - Current (Note 7)	3,636	-	3,830	-	-	-
1136	Financial assets measured at amortized cost - current (Notes 8 and 28)	19,797	-	80,429	-	318,509	2
1170	Accounts receivable (Note 9)	3,549,740	20	3,755,301	22	4,640,655	23
1180	Net accounts receivable - related parties (Note 27)	289,085	2	170,377	1	-	-
1200	Other receivables	35,900	-	45,557	-	74,771	-
1220	Income tax assets for the period	37,099	-	29,814	-	434	-
1310	Inventory (Note 10)	2,764,908	16	2,455,885	14	3,119,325	15
1470	Other current assets	334,469	2	350,708	2	497,690	2
11XX	Total current assets	11,105,922	63	11,179,679	64	15,037,143	73
	Non-current assets						
1550	Investments accounted for using the equity method (Note 12)	134,563	1	131,422	1	51,877	-
1600	Property, plant and equipment (Notes 13 and 28)	4,279,219	24	4,203,304	24	4,091,046	20
1755	Right-of-use assets (Note 14)	799,662	4	789,996	4	650,364	3
1780	Intangible assets	6,000	-	3,389	-	4,862	-
1840	Deferred income tax assets	472,984	3	450,383	3	428,707	2
1960	Prepaid investments (Note 15)	-	-	-	-	83,962	1
1920	Refundable deposits	17,045	-	15,801	-	20,504	-
1975	Net defined benefit assets	4,329	-	4,351	-	2,641	-
1990	Other non-current assets	799,697	5	692,201	4	142,414	1
15XX	Total non-current assets	6,513,499	37	6,290,847	36	5,476,377	27
1XXX	Total assets	$ 17,619,421	100	$ 17,470,526	100	$ 20,513,520	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 16 and 28)	$ -	-	$ -	-	$ 518,323	2
2120	Financial liabilities at fair value through profit or loss - Current (Note 7)	3,130	-	-	-	-	-
2170	Accounts payable	2,372,783	14	2,447,380	14	2,798,687	14
2180	Accounts payable - related parties (Note 27)	304,618	2	200,823	1	134,464	1
2200	Other payables (Note 17)	1,964,412	11	2,046,677	12	2,386,421	12
2230	Income tax liabilities for the period	79,970	-	49,031	-	312,409	1
2280	Lease liabilities - current (Note 14)	7,224	-	9,350	-	14,907	-
2320	Long-term loans due within one year (Notes 16 and 28)	-	-	-	-	37,835	-
2399	Other current liabilities	14,374	-	14,576	-	76,709	-
21XX	Total current liabilities	4,746,511	27	4,767,837	27	6,279,755	30
	Non-current liabilities						
2540	Long-term borrowings (Notes 16 and 28)	-	-	-	-	117,749	1
2570	Deferred income tax liabilities	6,662	-	12,850	-	24,841	-
2580	Lease liabilities - non-current (Note 14)	44,110	-	44,416	1	45,208	-
2630	Deferred income - non-current (Notes 14 and 25)	366,142	2	356,004	2	370,779	2
2645	Guarantee deposits received	12,024	-	11,620	-	16,429	-
25XX	Total non-current liabilities	428,938	2	424,890	3	575,006	3
2XXX	Total liabilities	5,175,449	29	5,192,727	30	6,854,761	33
	Equity attributable to owners of the Company (Note 19)						
3110	Share capital	1,563,360	9	1,563,360	9	1,557,500	7
3200	Capital reserve	5,454,416	31	5,454,416	31	5,411,262	26
3310	Statutory surplus reserve	171,178	1	171,178	1	-	-
3350	Undistributed earnings	5,426,369	31	5,527,051	32	6,278,735	31
3410	Exchange differences arising from the translation of the financial statements of foreign operations	(378,368)	(2)	(621,396)	(4)	142,763	1
3490	Employee unearned benefit	(20,419)	-	(32,670)	-	-	-
31XX	Total equity attributable to the owners of the Company	12,216,536	70	12,061,939	69	13,390,260	65
36XX	Non-controlling interests (Note 19)	227,436	1	215,860	1	268,499	2
3XXX	Total equity	12,443,972	71	12,277,799	70	13,658,759	67
	Total liabilities and equity	$ 17,619,421	100	$ 17,470,526	100	$ 20,513,520	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, 2026 and 2025

Unit: NTD thousand, except for earnings (loss) per share in NTD

Code		From January 1 to March 31, 2026		From January 1 to March 31, 2025	
		Amount	%	Amount	%
4000	Operating revenue (Notes 20 and 27)	$ 4,785,297	100	$ 6,108,069	100
5000	Operating costs (Notes 10, 21, and 27)	(4,304,340)	(90)	(5,312,260)	(87)
5900	Gross profit	480,957	10	795,809	13
	Operating expenses (Notes 9 and 21)				
6100	Marketing expenses	(83,534)	(2)	(94,298)	(2)
6200	Administrative expense	(294,140)	(6)	(336,030)	(5)
6300	R&D expenses	(181,407)	(4)	(182,523)	(3)
6450	Reversal gain on expected credit loss (impairment loss)	(2,752)	-	5,380	-
6000	Total operating expenses	(561,833)	(12)	(607,471)	(10)
6900	Net operating (loss) income	(80,876)	(2)	188,338	3
	Non-operating income and expenses (Note 21)				
7100	Interest income	21,841	1	21,116	-
7010	Other income	10,008	-	17,154	-
7020	Other gains and losses	(7,118)	-	33,614	1
7050	Financial costs	(975)	-	(9,553)	-
7060	Share of profit or loss of affiliates recognized using the equity method	1,412	-	5,234	-
7000	Total non-operating income and expenses	25,168	1	67,565	1
7900	Net profit (loss) before tax	(55,708)	(1)	255,903	4
7950	Income tax expense (Note 22)	(38,649)	(1)	(51,981)	(1)
8200	Net (loss) income of the period	(94,357)	(2)	203,922	3

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Code		From January 1 to March 31, 2026 Amount	%	From January 1 to March 31, 2025 Amount	%
	Other comprehensive income				
8310	Items not reclassified as profit or loss				
8341	Exchange differences arising from the conversion to presentation currency (Note 19)	$ 49,160	1	$ 133,260	2
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 19)	199,119	4	2,124	-
8300	Total other comprehensive income	248,279	5	135,384	2
8500	Total comprehensive income for the period	$ 153,922	3	$ 339,306	6
	Net (loss) income attributable to:				
8610	Owners of the Company	($ 100,682)	(2)	$ 184,287	3
8620	Non-controlling interests	6,325	-	19,635	-
8600		($ 94,357)	(2)	$ 203,922	3
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 142,346	3	$ 303,048	5
8720	Non-controlling interests	11,576	-	36,258	1
8700		$ 153,922	3	$ 339,306	6
	Earnings per share (Note 23)				
9710	Basic	($ 0.64)		$ 1.27	
9810	Diluted	($ 0.64)		$ 1.27	

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 Changes in Equity

From January 1 to March 31, 2026 and 2025

Unit: NT$ thousand

		Equity attributable to the owners of the Company											
				Capital reserve			Retained earnings		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	Others	Statutory surplus reserve	Undistributed earnings	Exchange differences arising from the translation of the financial statements of foreign operations	Employee unearned benefit	Total	Non-controlling interests	Total equity
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	$ 1,557,500	$ 5,325,160	$ 69,209	$ 16,893	$ -	$ -	$ 6,278,735	$ 142,763	$ -	$ 13,390,260	$ 268,499	$ 13,658,759
A1	Balance on January 1, 2026	$ 1,563,360	$ 5,325,160	$ 69,209	$ 16,893	$ 43,154	$ 171,178	$ 5,527,051	($ 621,396)	($ 32,670)	$ 12,061,939	$ 215,860	$ 12,277,799
N1	RSAs	-	-	-	-	-	-	-	-	12,251	12,251	-	12,251
D1	Net (loss) profit from January 1 to March 31, 2026	-	-	-	-	-	-	(100,682)	-	-	(100,682)	6,325	(94,357)
D3	Other comprehensive income (loss) from January 1 to March 31, 2026	-	-	-	-	-	-	-	243,028	-	243,028	5,251	248,279
D5	Total comprehensive income from January 1 to March 31, 2026	-	-	-	-	-	-	(100,682)	243,028	-	142,346	11,576	153,922
Z1	Balance on March 31, 2026	$ 1,563,360	$ 5,325,160	$ 69,209	$ 16,893	$ 43,154	$ 171,178	$ 5,426,369	($ 378,368)	($ 20,419)	$ 12,216,536	$ 227,436	$ 12,443,972

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 Cash Flows

From January 1 to March 31, 2026 and 2025

Unit: NT$ thousand

Code		From January 1 to March 31, 2026	From January 1 to March 31, 2025
	Cash flow from operating activities		
A10000	Net profit (loss) before tax for the current period	($ 55,708)	$ 255,903
A20010	Items of income and expenses		
A20100	Depreciation expenses	143,265	144,658
A20200	Amortization expenses	555	592
A20300	(Reversal gain) on expected credit loss impairment loss	2,752	(5,380)
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(5,641)	(586)
A20900	Financial costs	975	9,553
A21900	Share-based payment for remuneration cost	12,251	9,802
A21200	Interest income	(21,841)	(21,116)
A22300	Share of profit or loss of affiliates recognized using the equity method	(1,412)	(5,234)
A22500	Net loss from the disposal of property, plant and equipment and right-of-use assets	17	42
A23700	Inventory devaluation and obsolescence losses	6,613	-
A29900	Amortization of deferred income	(2,541)	(2,348)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	9,060	586
A31150	Accounts receivable	202,809	976,353
A31160	Accounts receivable - Related parties	(118,708)	228
A31180	Other receivables	9,657	(17,310)
A31200	Inventories	(315,636)	(48,116)
A31240	Other current assets	16,239	2,912
A31990	Net defined benefit assets	22	24
A31990	Other non-current assets	(872)	-
A32150	Accounts payable	(74,597)	(676,591)
A32160	Accounts payable - Related parties	103,795	(27,217)
A32180	Other payables	(38,693)	(70,966)
A32230	Other current liabilities	(202)	50,535
A32250	Deferred income	-	110,571
A33000	Cash inflow from operations	(127,841)	686,895

(Cont'd)

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Code		From January 1 to March 31, 2026	From January 1 to March 31, 2025
A33100	Interest received	$ 21,841	$ 21,116
A33300	Interest paid	(975)	(9,470)
A33500	Income tax paid	(20,587)	(17,836)
AAAA	Net cash (outflow) inflow from operating activities	(127,562)	680,705
	Net cash flow from investing activities		
B00050	Disposal of financial assets measured at amortized cost	60,632	239,046
B02000	Increase in prepayment for investment	-	(83,962)
B02700	Acquisition of property, plant and equipment	(153,900)	(197,418)
B02800	Consideration from the disposal of property, plant and equipment and right-of-use assets	4,377	7
B03800	Increase in refundable deposits	(1,244)	(1,109)
B04500	Acquisition of intangible assets	(3,075)	-
B07100	Increase in prepayment for land	(106,643)	(142,088)
BBBB	Net cash outflow from investing activities	(199,853)	(185,524)
	Net cash flow from financing activities		
C00200	Decrease in short-term borrowings	-	(500,612)
C01700	Repayment of long-term borrowings	-	(209,455)
C03000	Receipt of guarantee deposits received	404	451
C04020	Repayment of principal for lease liabilities	(3,043)	(2,567)
C04600	Cash capital increase	-	2,881,053
CCCC	Net cash (outflow) inflow from financing activities	(2,639)	2,168,870
DDDD	Effects of exchange rate changes on cash and cash equivalents	113,564	118,160
EEEE	(Decrease) Increase in cash and cash equivalents	(216,490)	2,782,211
E00100	Balance of cash and cash equivalents at the beginning of the year	4,287,778	3,603,548
E00200	Balance of cash and cash equivalents at the end of the year	$ 4,071,288	$ 6,385,759

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
Notes to the Consolidated Financial Statements
From January 1 to March 31, 2026 and 2025
(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 Noble Success 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 Noble Success 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, 2026.

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 issued by the IASB but not yet endorsed and issued into effect by the FSC

New/amended/revised standards and interpretations	Effective date announced by the IASB (Note 1)
Amendment to IFRS10 and IAS28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be defined
IFRS18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS19 "Subsidiaries without Public Accountability: Disclosures" (including the amendments for 2025)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	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.

Note 2: The FSC announced on September 25, 2025, that enterprises in Taiwan shall apply IFRS 18 starting from January 1, 2028. Entities may also elect to apply IFRS 18 in advance after the FSC endorses the standard.

IFRS18 “Presentation and Disclosure in Financial Statements”

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

- The Consolidated Company shall assess whether it has specific primary operating activities of investing in certain types of assets and providing financing to customers, and accordingly classify the income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement shall present the operating profit or loss, profit or loss before tax before fundraising, and the subtotal and total of profit or loss.
- Provide guidelines to enhance the summarizing and separation requirements: The Consolidated Company shall identify assets, liabilities, equity, gains, expenses, and cash flow generated from individual transactions or other matters and carry out the classification and summary based on the common characteristics to allow the single line items reported in the major financial statements have 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.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- When preparing cash flows from operating activities using the indirect method, the Consolidated Company shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Consolidated Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Consolidated Company, upon assessment, has specific primary operating activities, it shall consider the categories in which dividend income, interest income, and interest expense are presented in the statement of profit or loss, and accordingly determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the aforementioned cash flows may be classified only within a single category in the statement of cash flows.

The Consolidated Company continues to evaluate the effects of each standard and interpretation on various amendments 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 11 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 2025 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 2025 consolidated financial statements.

VI. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and working capital	$ 5,702	$ 5,570	$ 5,144
Bank check and demand deposit	2,765,136	3,000,340	4,658,294
Cash equivalents (investment with an original maturity date of less than 3 months)			
Time deposits with banks	1,300,450	1,281,868	1,722,321
	$ 4,071,288	$ 4,287,778	$ 6,385,759

VII. Financial instruments measured at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets - current			
Mandatory measurement at fair value through profit or loss			
Derivative instruments (not designated as hedging instruments)			
- Forward exchange contracts	$ 3,636	$ 3,830	$ -
Financial liabilities - current			
Derivative instruments (not designated as hedging instruments)			
- Forward exchange contracts	$ 3,130	$ -	$ -

Forward exchange contracts not applying hedge accounting and outstanding at the balance sheet date are as follows:

March 31, 2026

	Currency	Maturity period	Contract amount (in thousands of NTD)
Purchase of forward exchange contracts	USD to RMB	From April 30 to June 30, 2026	USD 7,100/ CNY 49,883
Purchase of forward exchange contracts	USD:VND	From April 20 to October 16, 2026	USD 8,000/ VND 212,915,500

December 31, 2025

	Currency	Maturity period	Contract amount (in thousands of NTD)
Purchase of forward exchange contracts	USD to RMB	January 9, 2026 - June 30, 2026	USD 14,400/ CNY 101,542

The Consolidated Company engages in forward foreign exchange transactions primarily for the purpose of hedging the risks arising from exchange rate fluctuations of foreign currency assets and liabilities.

VIII. Financial assets measured at amortized cost - current

	March 31, 2026	December 31, 2025	March 31, 2025
Pledge of time deposits (I)	$ 3,000	$ 3,000	$ 165,353
Time deposits with original maturity dates of more than 3 months (II)	16,797	77,429	153,156
	$ 19,797	$ 80,429	$ 318,509

(I) As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest rates of the pledged time deposits ranged from 1.69%, 1.69%, and 1.69% to 4.95% per annum, respectively.

(II) As of March 31, 2026, December 31, 2025 and March 31, 2025, the interest rates of the time deposits with original maturity dates of more than 3 months ranged from 4.2% to 6.2%, 4.2% to 6.2% and 4.2% to 5.2% per annum, respectively.

(III) For information on the pledged financial assets measured at amortized cost, please refer to Note 28.

IX. Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Measured at amortized cost			
Total carrying amount	$ 3,606,567	$ 3,808,390	$ 4,710,820
Less: Loss allowance	(56,827)	(53,089)	(70,165)
	$ 3,549,740	$ 3,755,301	$ 4,640,655

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 a certain amount of 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, 2026

	0 - 90 days	91 - 120 days	121 - 180 days	181 - 365 days	Over 365 days	Total
Expected credit loss rate	-	0.91%	-	99.11%	100.00%	
Total carrying amount	$ 3,410,109	$ 140,884	$ 15	$ 1,575	$ 53,984	$ 3,606,567
Loss allowance (expected credit losses during the life of the loan)	-	(1,282)	-	(1,561)	(53,984)	(56,827)
Amortized cost	$ 3,410,109	$ 139,602	$ 15	$ 14	$ -	$ 3,549,740

December 31, 2025

	0 - 90 days	91 - 120 days	121 - 180 days	181 - 365 days	Over 365 days	Total
Expected credit loss rate	-	-	-	-	100.00%	
Total carrying amount	$ 3,490,230	$ 169,142	$ 77,102	$ 18,827	$ 53,089	$ 3,808,390
Loss allowance (expected credit losses during the life of the loan)	-	-	-	-	(53,089)	(53,089)
Amortized cost	$ 3,490,230	$ 169,142	$ 77,102	$ 18,827	$ -	$ 3,755,301

March 31, 2025

	0 - 90 days	91 - 120 days	121 - 180 days	181 - 365 days	Over 365 days	Total
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)	(4,415)	(9,417)	(246)	-	(56,087)	(70,165)
Amortized cost	$ 4,490,211	$ 149,324	$ 1,117	$ 3	$ -	$ 4,640,655

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

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Balance of cash at the beginning of the period	$ 53,089	$ 74,598
Impairment loss recognized (reversed) for the current period	2,752	(5,380)
Currency exchange differences	986	947
Closing balance	$ 56,827	$ 70,165

X. Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 932,852	$ 544,255	$ 926,589
Semi-finished products	1,433,477	1,177,992	1,607,547
Finished goods	357,437	705,052	513,071
Inventories in transit	41,142	28,586	72,118
	$ 2,764,908	$ 2,455,885	$ 3,119,325

The operating costs related to inventories from January 1 to March 31, 2026 and 2025 were $4,304,340 thousand and $5,312,260 thousand, respectively.

Operating costs from January 1 to March 31, 2026 included inventory impairment losses of $6,613 thousand, respectively.

XI. 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, 2026	December 31, 2025	March 31, 2025	
The Company	Noble Success Group Limited	Holding company	100.00%	100.00%	100.00%	-
Noble Success 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%	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%	-

(Cont'd)

(Cont'd)

Name of investee	Name of subsidiary	Business nature	Shareholding ratio			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
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%	99.91%	1
Better Power Group Limited	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd. (Tuyen Quang 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%	3
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%	2
	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%	-
	Runan Chung Jye Shoes Industry Co., Ltd. (Runan Chung Jye)	Production of outdoor sports and leisure outdoor shoes	100.00%	100.00%	-	2
Chung Jye Shoes Co., Ltd. (Chung Jye Shoes)	Shoemaker American Inc	Brand customer relationship services	100.00%	100.00%	100.00%	-
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:

1. The Consolidated Company'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 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. Between February 13, 2025, and September 30, 2025, Noble

Success and Agile Ltd. invested another US$41 thousand and US$45,859 thousand, respectively. As of March 31, 2026, the Consolidated Company's total investment in PT was US$48,779 thousand.

2. In 2025, the Consolidated Company carried out an organizational restructuring. Shanggao Chung Jye acquired 100% of the shares in Runan Chung Jye from Zhaoqing Chung Jye. This transaction was an organizational restructuring under joint control, and the book value method is adopted for relevant transfers. Additionally, on August 30, 2024, the Consolidated Company's Board of Directors resolved that Shanggao Chung Jye would increase its capital investment in Runan Chung Jye by RMB 250,000 thousand. As of March 31, 2026, a total of RMB 119,000 thousand had been invested.
3. Furthermore, on May 12, 2025, the Consolidated Company's Board of Directors resolved to increase its investment in Noble Success to US$10,000 thousand. Noble Success would then increase its investment in its subsidiary, Better Power Group Limited, by US$10,000 thousand. Finally, Better Power Group Limited would contribute machinery and equipment to its subsidiary, BACKAN-VIET NAM CHUNG JYE SHOES MANUFACTURE LTD, as a capital increase of US$10,000 thousand. As of March 31, 2026, a total of US$1,248 thousand had been invested.

XII. Investments accounted for using the equity method

	March 31, 2026	December 31, 2025	March 31, 2025
Investment in affiliates			
Individually immaterial associates			
Fusionsole Footwear Private Limited	$ 73,870	$ 72,216	$ -
Jiangxi Junjie Shoe Material Co., Ltd.	60,693	59,206	51,877
	$ 134,563	$ 131,422	$ 51,877

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Share attributable to the Consolidated Company		
Net profit for the year of continuing operations	$ 1,412	$ 5,234
Other comprehensive income	-	-
Total comprehensive income	$ 1,412	$ 5,234

In response to its global production strategy to diversify production locations and strengthen supply chain management, on December 19, 2023, the Board of Directors approved a joint investment with Fusionsole Footwear Private Limited (hereinafter referred to as "Fusionsole") with the Indian company Farida Holdings Private Limited and signed a joint agreement. The Consolidated Company invested in 51% of Fusionsole's shares through its subsidiary Jewel Investment Limited and provided business and technical support.

In 2025, the Consolidated Company acquired 1,199 thousand ordinary shares of

Fusionsole for cash of NT$76,983 thousand, representing a 51% equity interest, thereby obtaining significant influence over the company. In accordance with the Articles of Association of Fusionsole, the Consolidated Company has the right to appoint two of the five directors on the Board of Directors of the company and therefore has significant influence over the company.

XIII. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Unfinished construction	Total
Cost							
Balance on January 1, 2026	$ 61,607	$ 3,523,375	$ 3,075,669	$ 116,156	$ 550,293	$ 264,215	$ 7,591,315
Increase	-	19,024	32,000	610	15,663	43,031	110,328
Disposal	-	-	(7,212)	(491)	(5,328)	-	(13,031)
Reclassification	-	69,498	16,680	-	1,008	(87,186)	-
Net exchange difference	-	85,299	81,728	3,547	17,844	8,125	196,543
Balance on March 31, 2026	$ 61,607	$ 3,697,196	$ 3,198,865	$ 119,822	$ 579,480	$ 228,185	$ 7,885,155
Accumulated depreciation							
Balance on January 1, 2026	$ -	$ 1,499,354	$ 1,469,867	$ 81,321	$ 337,469	$ -	$ 3,388,011
Depreciation expenses	-	45,934	71,262	2,290	13,569	-	133,055
Disposal	-	-	(3,154)	(442)	(5,041)	-	(8,637)
Reclassification	-	218	-	-	(218)	-	-
Net exchange difference	-	39,511	40,236	2,603	11,157	-	93,507
Balance on March 31, 2026	$ -	$ 1,585,017	$ 1,578,211	$ 85,772	$ 356,936	$ -	$ 3,605,936
Net amount on March 31, 2026	$ 61,607	$ 2,112,179	$ 1,620,654	$ 34,050	$ 222,544	$ 228,185	$ 4,279,219
Net amount as of December 31, 2025 and January 1, 2026	$ 61,607	$ 2,024,021	$ 1,605,802	$ 34,835	$ 212,824	$ 264,215	$ 4,203,304
Cost							
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	$ 61,607	$ 3,293,587	$ 3,103,195	$ 118,327	$ 601,056	$ 360,362	$ 7,538,134
Accumulated depreciation							
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	$ -	$ 1,435,351	$ 1,486,487	$ 77,156	$ 448,094	$ -	$ 3,447,088
Net amount as of March 31, 2025	$ 61,607	$ 1,858,236	$ 1,616,708	$ 41,171	$ 152,962	$ 360,362	$ 4,091,046

From January 1 to March 31, 2026 and 2025, the Consolidated Company 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 28.

XIV. Lease agreements

(I) Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of right-of-use assets			
Land	$ 766,394	$ 753,201	$ 617,322
Buildings	27,702	31,059	30,597
Others	5,566	5,736	2,445
	$ 799,662	$ 789,996	$ 650,364

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Depreciation expenses of right-of-use assets		
Land	$ 5,726	$ 4,650
Buildings	4,179	3,254
Others	305	90
	$ 10,210	$ 7,994

(II) Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of lease liabilities			
Current	$ 7,224	$ 9,350	$ 14,907
Non-current	$ 44,110	$ 44,416	$ 45,208

The discount rate range of lease liabilities is as follows:

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Land	9.46%~10.20%	9.46%~10.20%
Buildings	4.35%~5.43%	4.35%~5.43%
Others	3.69%	3.69%

(III) Major lease activities and terms

1. In September 2024, the Consolidated Company acquired the land use rights in Runan County, Zhumadian City, Henan Province, China, for the land for the future plant and office. The area acquired totaled 22.97 hectares, and the leasing period is 50 years.
2. 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.
3. In December 2025, the Consolidated Company acquired the land use rights in Jawa Timur, Indonesia, for the land for the future plant and office. The area acquired totaled 10.3 hectares, and the leasing period is 30 years.

4. On February 13, 2025, the Consolidated Company's Board of Directors resolved to obtain the land use rights required for the construction of the Sragen plant from its Indonesian subsidiary PT Chung Jye Indonesia. The total land area is approximately 56.3 hectares, and the total cost of the acquisition was approximately US$24,811 thousand. As of March 31, 2026, the Consolidated Company had paid NT$641,389 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.

5. The Consolidated Company leased certain buildings, lands, and buildings in Vietnam and 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, 2026 and 2025, other incomes of $1,943 thousand and $1,745 thousand were recognized, respectively.

(IV) Other lease information

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Short-term lease expenses	$ 91	$ 206
Low-value assets lease expenses	$ 28	$ 18
Variable lease payments not included in the measurement of lease liabilities	$ 2,619	$ 2,786
Total cash (outflow) from lease	($ 6,589)	($ 6,888)

XV. 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. The investment completed the registration amendment and was reclassified to investments accounted for using the equity method in Q4 2025. Please refer to Note 12 for details.

XVI. Loaning of funds

(I) Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured bank loans (Note 28)	$ -	$ -	$ 296,262
Credit limit borrowings	-	-	222,061
	$ -	$ -	$ 518,323

The interest rates on bank revolving loans were 1.8% to 2.9% as of March 31, 2025.

(II) Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured loans (Note 28)			
Bank borrowings (1)	$ -	$ -	$ 29,584
Bank borrowings (2)	-	-	126,000
	-	-	155,584
Less: Portion presented as due within one year	-	-	(37,835)
Long-term borrowings	$ -	$ -	$ 117,749

1. The bank borrowings are secured by mortgages on land and buildings owned by the Consolidated Company. The loan was scheduled to mature on January 7, 2039 and to be repaid over a 20-year period. The Consolidated Company prepaid the long-term loan in April 2025. As of March 31, 2025, the borrowing interest rate was 2.32%.
2. The borrowings were scheduled to mature in September 2026, and the Consolidated Company prepaid the long-term borrowings in April 2025. As of March 31, 2025, the borrowing interest rate was 2%.

XVII. Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Insurance premiums payable	$ 1,159,502	$ 1,195,375	$ 1,378,816
Salaries and bonuses payable	537,627	565,744	533,461
Remuneration of employees and Directors payable	750	9,219	48,907
Equipment payments payable	20,148	63,720	42,807
Taxes payable	38,832	4,557	23,514
Others (Note)	207,553	208,062	358,916
Total	$ 1,964,412	$ 2,046,677	$ 2,386,421

Note: Mainly refer to freight and processing fees payable.

XVIII. Post-employment benefit plans

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2026 and 2025 were calculated using the actuarially determined pension cost rates as of December 31, 2025 and 2024, and the amounts were $37 thousand and $37 thousand, respectively.

XIX. Equity

(I) Share capital

Common shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of authorized shares (thousand shares)	300,000	300,000	300,000
Authorized share capital	$ 3,000,000	$ 3,000,000	$ 3,000,000
Number of issued and fully paid shares (thousand shares)	156,360	156,360	155,750
Issued share capital	$ 1,563,360	$ 1,563,360	$ 1,557,500

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 thousand was recognized. The originally recorded

capital surplus - employee stock options was reclassified to capital surplus - share premium upon completion of the capital increase.

In order to attract and retain necessary professional talent, incentivize employees, and enhance employee loyalty, the Company's Board of Directors resolved on April 8, 2025, to issue restricted stock awards to employees, and the shareholders' meeting resolved on June 10, 2025, to issue restricted stock awards, with the total number of shares not exceeding 1,141 thousand ordinary shares. The aforementioned issuance of restricted stock awards was approved for registration and became effective by the FSC on July 23, 2025. The Company intends to issue the shares in tranches. The first tranche will consist of 586 thousand shares, and September 23, 2025, has been set as the capital increase record date.

(II) Capital reserve

	March 31, 2026	December 31, 2025	March 31, 2025
Can be used to cover losses, issue cash or supplement share capital (1)			
Premium from share issuance	$ 5,325,160	$ 5,325,160	$ 5,325,160
Differences between the price for the acquisition or disposal of equity of subsidiaries and the carrying amount	69,209	69,209	69,209
Can only be used to cover losses			
Recognition of changes in ownership interests in subsidiaries (2)	16,893	16,893	16,893
Exercise the right of disgorgement (3)	9	9	-
Not to be used for any purpose			
RSAs	43,145	43,145	-
	$ 5,454,416	$ 5,454,416	$ 5,411,262

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.
3. This type of capital surplus comes from the Company's exercise of the right of disgorgement under Article 157 of the Securities and Exchange Act. The gains from this disgorgement are recognized as "Capital surplus - other" and can only be used to offset losses.

(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 21(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 9, 2026 and shareholders' meeting on June 10, 2025, and proposed and approved the following profit distribution proposals for 2025 and 2024:

	2025	2024
Statutory surplus reserve	$ 53,828	$ 171,178
Special reserve	$ 621,396	$ -
Cash dividends	$ 781,680	$ 934,500
Cash dividends per share (NT$)	$ 5	$ 6

The proposal for earning distribution for 2025 is to be resolved by the annual shareholders' meeting to be convened on June 15, 2026.

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

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Balance of cash at the beginning of the period	($ 621,396)	$ 24,002
Generated during the period		
Translation differences in foreign operations	197,821	(14,491)
Translation difference for the presentation currency	45,207	133,252
Closing balance	($ 378,368)	$ 142,763

(V) Non-controlling interests

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Balance of cash at the beginning of the period	$ 215,860	$ 232,241
Net profit for the period	6,325	19,635
Other comprehensive income for the period		
Exchange differences arising from the translation of the financial statements of foreign operations	1,298	16,615
Translation difference for the presentation currency	3,953	8
Closing balance	$ 227,436	$ 268,499

XX. Revenue

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Income from contracts with customers		
Product sales income	$ 4,785,297	$ 6,108,069

XXI. Net (loss) profit from continuing operations

(I) Other income

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Government subsidy income	$ 4,346	$ 3,917
Others	5,662	13,237
	$ 10,008	$ 17,154

(II) Other gains and losses

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Net currency exchange gain or loss	($ 9,079)	$ 33,481
Net loss from the disposal of property, plant and equipment	(17)	(42)
Gains or loss on financial instruments measured at fair value through profit or loss	5,641	586
Depreciation expenses of investment property	-	(1)
Others	(3,663)	(410)
	($ 7,118)	$ 33,614

(III) Financial costs

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Interests on bank borrowings	$ 167	$ 8,242
Interest on lease liabilities	808	1,311
	$ 975	$ 9,553

(IV) Depreciation and amortization

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Depreciation summarized by function		
Operating costs	$ 115,390	$ 126,901
Operating expenses	27,875	17,756
Other expenses	-	1
	$ 143,265	$ 144,658
Amortization summarized by function		
Operating expenses	$ 555	$ 592

(V) Employee benefit expenses

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Post-retirement benefits		
Defined benefit plan (Note 18)	$ 37	$ 37
Defined contribution plan	40,384	85,471
Other employee benefits	1,340,601	1,421,218
	$ 1,381,022	$ 1,506,726
Summarized by function		
Operating costs	$ 1,093,497	$ 1,189,283
Operating expenses	287,525	317,443
	$ 1,381,022	$ 1,506,726

(VI) Remuneration of employees and remuneration of Directors

In accordance with the Articles of Incorporation, the Company shall appropriate employee remuneration at a rate of no less than 0.1% and no more than 3%, and director remuneration at a rate of no more than 3%, respectively, based on the pre-tax profit before deducting the distribution of remuneration to employees and directors in the current year. No employee remuneration or directors' remuneration was proposed for the period from January 1 to March 31, 2026 due to losses incurred during the period.

The estimated remuneration to employees and directors from January 1 to March 31, 2025 was as follows:

Estimation ratio

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

Amount

	From January 1 to March 31, 2025
Remuneration of employees	$ 1,987
Remuneration of Directors	$ 1,303

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 2025 and 2024 was resolved by the Board of Directors on March 9, 2026 and March 12, 2025, as follows:

Amount

	2025	2024
	Cash	Cash
Remuneration of employees	$ 750	$ 27,617
Remuneration of Directors	$ -	$ 18,000

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	$ 27,617	$ 18,000
Amount recognized in the annual financial statements	$ 27,000	$ 20,000

The Company held a board meeting on March 9, 2026 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 2026.

	2025	
	Remuneration of employees	Remuneration of Directors
Distribution amount resolved by the Board of Directors	$ 750	$ -
Amount recognized in the annual financial statements	$ 9,219	$ -

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

XXII. 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, 2026	From January 1 to March 31, 2025
Current income tax		
Those generated during the year	$ 70,852	$ 51,037
Adjustments for prior years	(18,900)	1,818
Deferred income tax		
Those generated during the year	(13,303)	(874)
Income tax expenses recognized in profit or loss	$ 38,649	$ 51,981

(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 and 2024. The remaining subsidiaries shall file local income tax returns in accordance with local regulations.

XXIII. Earnings (loss) per share

Unit: NT$ per share

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Basic earnings (loss) per share	($ 0.64)	$ 1.27
Diluted earnings (loss) per share	($ 0.64)	$ 1.27

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, 2026	From January 1 to March 31, 2025
Net (loss) profit attributable to the owners of the Company	($ 100,682)	$ 184,287

Number of shares

Unit: Thousand shares

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Weighted average number of ordinary shares used to calculate the basic earnings per share	156,336	144,725
Effects of potentially dilutive ordinary shares:		
Remuneration of employees	-	208
Weighted average number of ordinary shares used to calculate diluted earnings per share	156,336	144,933

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. Due to the net loss incurred for the period from January 1 to March 31, 2026, the calculation of diluted loss per share would have had an anti-dilutive effect. Therefore, diluted loss per share was not calculated.

XXIV. Share-based payment arrangements

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

The Company issued 15,750 thousand 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 thousand 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.

(II) Issuance of RSAs by the Company

In order to attract and retain necessary professional talent, incentivize employees, and enhance employee loyalty, the Company's Board of Directors resolved on April 8, 2025, to issue restricted stock awards to employees, and the shareholders' meeting resolved on June 10, 2025, to issue restricted stock awards, with the total number of shares not exceeding 1,141 thousand ordinary shares. The aforementioned issuance of restricted stock awards was approved for registration and became effective by the FSC on July 23, 2025. The Company intends to issue the shares in tranches. The first tranche will consist of 586 thousand shares, and September 23, 2025, has been set as the capital increase record date.

1. Employees must meet the following conditions to have the RSAs vested after receiving the grant:
   (1) The employee must achieve the performance targets and remain employed within one year from the grant date of the RSAs.
   (2) There must be no violation of any contracts signed with the Group or the Company's work rules during each vesting period.
   (3) The employee must achieve the corporate and individual work performance evaluation indicators set by the Group during each vesting period.
2. The following rights are restricted for employees who receive the new shares before the vesting conditions are met:
   (1) The RSAs granted to the Group's employees under these regulations shall, prior to the satisfaction of the vesting conditions, be delivered to an institution designated by the Company for trust or custody. Employees shall cooperate in completing all procedures and signing related documents, and before the vesting conditions are achieved, the employee may not, for any reason or by any means, request the trustee or custodian bank to return the RSAs.
   (2) Except for the restrictions under the preceding custody agreement, the RSAs granted to the Group's employees under these regulations, specifically the shares that have not met the vesting conditions, may not be sold, mortgaged, transferred, gifted, pledged, or otherwise disposed of by the employee, except in the event of inheritance arising under these regulations.
   (3) The RSAs granted to employees under these regulations shall, prior to the satisfaction of the vesting conditions, still be eligible to participate in stock dividends, cash dividends, and cash capital increase subscriptions. These rights are the same as those of the ordinary shares already issued by the Group.

(4) Prior to the satisfaction of the vesting conditions, the employee's rights to attend, propose, speak, vote, and all other related shareholder matters at the shareholders' meetings held by the Group shall be entrusted to the trustee or custodian bank for exercise on their behalf.

(5) If the Group returns cash due to a capital reduction during the vesting period, the refund attributable to the non-vested shares shall be transferred to the trust. Once the vesting conditions and period are satisfied, this refund will be delivered to the employee without interest, along with the vested shares; however, if the conditions are not met upon the expiration of the period, the Group will recover the cash.

3. Treatment of RSAs when vesting conditions are not met

(1) If an employee resigns, is discharged, is laid off, or fails to return from unpaid leave for any reason after the issue date, they shall immediately forfeit the qualification to receive the RSAs that have not met the vesting conditions, effective from the date of such event. The Group shall recover the shares without compensation or repurchase the shares at the original issuance price and process the cancellation.

(2) For unvested RSAs resulting from physical disability or death due to occupational hazards, or general death, they shall be treated as follows:

a. For employees who are unable to continue their employment due to physical disability caused by occupational hazards, the unvested RSAs shall be deemed to have met all vesting conditions immediately upon the effective date of the employee's separation from employment.

b. For employees who die due to occupational hazards, the unvested RSAs shall be deemed to have met all vesting conditions on the date of the employee's death. Their heir may apply to receive the shares due for inheritance after completing the necessary legal procedures and providing relevant supporting documents.

c. For employees who die due to general death (non-occupational hazards), the unvested RSAs shall be deemed to have met all vesting conditions on the date of the employee's death. Their heir may apply to receive the shares due for inheritance after completing the necessary legal procedures and providing relevant supporting documents.

(3) For employees applying for retirement, upon submitting the "Retirement Application Form" and receiving approval from the Chairman, all unvested RSAs shall fully vest upon the employee's retirement.

(4) If the Group’s employee is required and approved by the Group to transfer to an affiliate of the Group due to operational needs, the employee's unvested shares with restricted rights shall continue to vest proportionally according to the vesting schedule set out in these regulations, and shall not be affected by the transfer.

(5) For the RSAs that have met the vesting conditions and are eligible for receipt, the employee or their heir shall receive them in accordance with the trust agreement under these regulations. If the employee or their heir is required to cooperate with the share receipt procedures due to the Group's operational needs, the employee or heir shall cooperate in completing the relevant procedures for receiving the shares within one year from the date of the Group's notice of receipt under these regulations. Those who fail to cooperate with the process by the deadline shall be deemed to have refused to accept the shares, and the Group shall have the right to recover the shares without compensation or repurchase the shares at the original issuance price and process the cancellation.

4. Information regarding the Company's issuance of RSAs to employees is as follows:

Unit: Thousand shares

	2025 Plan
Balance of cash at the beginning of the period	$ 586
Awards granted this period	-
Closing balance	$ 586
Weighted-average fair value of RSAs granted (NTD)	$ 83.63

The Company adopted the Black-Scholes valuation model to calculate the fair value of the cash capital increase through employee subscription on August 27, 2025, which was the grant date. The relevant information is as follows:

	Stock option plan
Market price on the grant date (NTD)	$ 96.8
Expected volatility	47.22%
Duration	1 year
Risk-free interest rate	1.22%

The cost of employees' remuneration recognized from January 1 to March 31, 2026 was $12,251 thousand.

XXV. Government subsidies

The Consolidated Company recognized government grants received for the acquisition of land use rights under deferred income. During the period from January 1 to March 31, 2025, government grants amounting to NT$110,571 thousand were received, and such grants are recognized as income over the useful life of the land use rights. The amounts of government subsidy income recognized from January 1 to March 31, 2026 and 2025 were $1,943 thousand and $1,745 thousand, respectively.

The Consolidated Company received government subsidies for capital expenditures (recorded as deferred income) and recorded government subsidy income of $598 thousand and $603 thousand from January 1 to March 31, 2026 and 2025, respectively.

The Consolidated Company received and recognized government subsidy income of $1,805 thousand and $1,569 thousand from January 1 to March 31, 2026 and 2025, respectively, in accordance with other government subsidy regulations.

XXVI. 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, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 3,636	$ -	$ 3,636
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 3,130	$ -	$ 3,130

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 3,830	$ -	$ 3,830

March 31, 2025: None

There were no transfers between Level 1 and Level 2 fair value measurements from January 1 to March 31, 2026 and 2025.

2. Valuation techniques and inputs for Level 2 fair value measurement

The fair value of forward foreign exchange contracts is measured based on forward exchange rate quotations and the corresponding yield curves.

3. 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, 2026	From January 1 to March 31, 2025
Financial assets		
Balance of cash at the beginning of the period	$ -	$ -
Recognized in profit or loss (other gains and losses)		
- Realized	3,361	586
Purchase	1,936,861	960,354
Disposal	(1,940,222)	(960,940)
Exchange rate impact	-	-
Closing balance	$ -	$ -

4. 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, 2026	December 31, 2025	March 31, 2025
Financial assets			
Measured at fair value through profit or loss			
Held for trading.	$ 3,636	$ 3,830	$ -
Financial assets measured at amortized cost (Note 1)	7,982,855	8,355,243	11,440,198
Financial liabilities			
Measured at fair value through profit or loss			
Held for trading.	3,130	-	-
Financial liabilities measured at amortized cost (Note 2)	4,653,837	4,706,500	6,009,908

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 29.

   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 income 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 income tax will be a negative number of the same amount.

	USD impact (Note 1)		NTD impact (Note 2)	
	From January 1 to March 31, 2026	From January 1 to March 31, 2025	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Profit or loss	$ 16,356	$ 23,406	$ 39	($ 5,013)

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, 2026	December 31, 2025	March 31, 2025
Interest rate risk involving fair value			
Financial assets	$ 1,317,247	$ 1,359,297	$ 2,037,830
Financial liabilities	51,334	53,766	286,115
Interest rate risk involving cash flow			
Financial assets	2,768,136	3,003,340	4,661,294
Financial liabilities	-	-	447,907

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, 2026 and 2025 will increase/decrease by $3,460 thousand and $5,267 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, 2026 and December 31, 2025 and March 31, 2025, the credit risk concentration regarding the top three customers did not exceed 34%, 34% and 30% of total monetary assets, respectively, and the credit risk concentration regarding other transaction counterparties did not exceed 13%, 13% and 12% 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, 2026

	less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Liabilities with no interest	$ 4,497,102	$ 144,711	$ 12,024	$ -
Lease liabilities	3,693	7,332	16,748	59,097
	$ 4,500,795	$ 152,043	$ 28,772	$ 59,097

December 31, 2025

	less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Liabilities with no interest	$ 4,592,842	$ 102,038	$ 11,620	$ -
Lease liabilities	4,637	7,195	18,368	59,098
	$ 4,597,479	$ 109,233	$ 29,988	$ 59,098

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	-
	$ 5,273,981	$ 632,733	$ 134,896	$ 81,003

(2) Financing limit

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank borrowing limit			
- Used amount	$ -	$ -	$ 222,061
- Unused amount	14,737,520	14,236,325	240,566
	$ 14,737,520	$ 14,236,325	$ 462,627
Secured bank borrowing limit			
- Used amount	$ -	$ -	$ 451,846
- Unused amount	46,353	44,753	8,204,406
	$ 46,353	$ 44,753	$ 8,656,252

XXVII. 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

Name of related party	Relationship with the Consolidated Company
Jiangxi Junjie Shoe Material Co., Ltd. (hereinafter referred to as Jiangxi Junjie)	Associate
Fusionsole Footwear Private Limited (hereinafter referred to as "Fusionsole")	Associate (became a related party since October 2025)
Chung Jye Charity Foundation	Other related parties

(II) Sales

Category/name of related party	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Associate	$ 30,644	$ -

(III) Purchases

Category/name of related party	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Associate	$ 213,412	$ 174,811

(IV) Processing expenses

Category/name of related party	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Associate	$ 9,808	$ 21,192

(V) Amounts receivable from related parties

Item	Category/name of related party	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	Fusionsole	$ 283,754	$ 170,377	$ -
	Jiangxi Junjie	5,331	-	-
		$ 289,085	$ 170,377	$ -

(VI) Amounts payables to related parties

Item	Category/name of related party	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Fusionsole	$ 123,032	$ 90,374	$ -
	Jiangxi Junjie	181,586	110,449	134,464
		$ 304,618	$ 200,823	$ 134,464

(VII) Donation expense (recognized as management expense)

Category/name of related party	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Other related parties	$ -	$ 5,000

(VIII) Remuneration of the key management

	From January 1 to March 31, 2026	From January 1 to March 31, 2025
Short-term employee benefits	$ 19,195	$ 19,914
Post-retirement benefits	140	193
Share-based payment	5,812	-
	$ 25,147	$ 20,107

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

XXVIII. Assets pledged

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

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged bank deposits (accounted for as financial assets measured at amortized cost)	$ 3,000	$ 3,000	$ 165,353
Property, plant and equipment - Land	-	-	54,066
Net property, plant and equipment -Buildings	-	-	4,009
	$ 3,000	$ 3,000	$ 223,428

XXIX. 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, 2026

	Foreign currency	Exchange rate	Carrying amount
Assets in foreign currencies			
Monetary item			
USD	$ 22,081	6.9025 (USD:RMB)	$ 706,472
USD	41,209	26,140 (USD:VND)	$ 1,318,486
NTD	135,737	0.0313 (NTD:USD)	$ 135,737
Liabilities in foreign currencies			
Monetary item			
USD	12,169	6.9025 (USD:RMB)	$ 389,335
NTD	131,885	0.0313 (NTD:USD)	$ 131,885

December 31, 2025

	Foreign currency	Exchange rate	Carrying amount
Assets in foreign currencies			
Monetary item			
USD	$ 20,242	7.0230 (USD:RMB)	$ 636,193
USD	39,002	26,070 (USD:VND)	$ 1,225,825
NTD	346,119	0.0318 (NTD:USD)	$ 346,119
Liabilities in foreign currencies			
Monetary item			
USD	8,077	7.0230 (USD:RMB)	$ 253,851
NTD	247,269	0.0318 (NTD:USD)	$ 247,269

March 31, 2025

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

The Group had realized and unrealized foreign exchange gains and losses of $(9,079) thousand and $33,481 thousand from January 1 to March 31, 2026 and 2025, 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.

XXX. 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).

XXXI. 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, 2026

Table 1

Unit: Unless otherwise specified, the unit is NT$ thousand

No.	Creditor	Borrower	Item	Whether a related party	Highest balance during the period (Note 4)	Closing balance (Note 4)	Amount withdrawn (Note 5)	Interest rate range	Nature of the loan (Note 1)	Amount of business transactions	Reasons for the need for short-term financing	Allowance for bad debt provided	Collateral		Limit of loans to individual counterparty (Note 2)	Total limit of loans (Note 3)	Remarks
													Name	Value			
0	Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	Other receivables	Yes	$ 2,223,750 USD 70,000	$ 1,279,800 USD 40,000	$ 607,905 USD 19,000	3.9%~4.5%	2	$ -	Working capital	$ -	—	$ -	$ 4,886,614	$ 4,886,614	
1	Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	Other receivables	Yes	417,176 CNY 90,000	417,176 CNY 90,000	324,470 CNY 70,000	2.3%~3%	2	-	Working capital	-	—	-	13,414,538	13,414,538	
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Runan Chung Jye Shoes Industry Co., Ltd.	Other receivables	Yes	278,117 CNY 60,000	278,117 CNY 60,000	- CNY -	3%	2	-	Working capital	-	—	-	13,414,538	13,414,538	
3	Shanggao Chung Jye Shoes Industry Co., Ltd.	Zhaoqing Chung Jye Shoes Co., Ltd.	Other receivables	Yes	278,118 CNY 60,000	278,118 CNY 60,000	231,765 CNY 50,000	2.3%	2	-	Working capital	-	—	-	13,414,538	13,414,538	
4	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Backan－Viet Nam Chung Jye Shoes Manufacture Ltd	Other receivables	Yes	85,337 VND 70 billion	4,284 VND3.5 billion	4,284 VND3.5 billion	6%~7%	2	-	Working capital	-	—	-	2,943,288	2,943,288	
5	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Backan－Viet Nam Chung Jye Shoes Manufacture Ltd	Other receivables	Yes	58,752 VND 48 billion	58,752 VND 48 billion	11,016 VND 9 billion	6%~8%	2	-	Working capital	-	—	-	7,744,013	7,744,013	
6	Chung Jye Shoes Holdings Limited	WEALTHY INTERNATIONAL LTD	Other receivables	Yes	159,975 USD 5,000	159,975 USD 5,000	144,617 USD 4,520	4.5%~5.2%	2	-	Working capital	-	—	-	8,998,653	8,998,653	

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. For companies in which the Company directly or indirectly holds more than 50% of the voting shares, the limit on loans of funds is not subject to the preceding restriction; however, both the individual limit and the aggregate limit shall not exceed 40% of the net worth of the lending company as stated in its most recent financial statements. Loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or between such foreign companies and the Company, are not subject to the limit on short-term financing; however, the limit for loans to any individual counterparty shall not exceed four times the net worth of the lending company as stated in its most recent financial statements.

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 or indirectly holds 100% of the voting shares, or between such foreign companies and the Company, are not subject to the limit on short-term financing; however, the aggregate limit on such loans shall not exceed four times the net worth of the lending company as stated in its most recent financial statements.

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, 2026

Table 2

Unit: Unless otherwise specified, the unit is NT$ 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 (Note 2)	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	$ 48,866,144	$ 7,179,300	$ 7,179,300	$ -	$ -	58.77%	$ 48,866,144	Y	N	N	
0	Chung Jye Investment Holding Co., Ltd.	Zhaoqing Chung Jye Shoes Co., Ltd.	4	48,866,144	1,007,043	1,007,043	-	-	8.24%	48,866,144	Y	N	Y	Notes 5 and 6
0	Chung Jye Investment Holding Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	4	48,866,144	543,515	543,515	-	-	4.45%	48,866,144	Y	N	Y	Note 6
0	Chung Jye Investment Holding Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	4	48,866,144	463,528	463,528	-	-	3.79%	48,866,144	Y	N	Y	Note 5
0	Chung Jye Investment Holding Co., Ltd.	Hai Duong-Viet Nam Chung Jye Shoes Manufacture Company Limited	4	48,866,144	63,990	63,990	-	-	0.52%	48,866,144	Y	N	N	Note 7
0	Chung Jye Investment Holding Co., Ltd.	Ninh Binh-Viet Nam Chung Jye Shoes Manufacture Company Limited	4	48,866,144	223,965	223,965	-	-	1.83%	48,866,144	Y	N	N	Note 7
0	Chung Jye Investment Holding Co., Ltd.	Tuyen Quang-Viet Nam Chung Jye Shoes Manufacture Company Limited	4	48,866,144	95,985	95,985	-	-	0.79%	48,866,144	Y	N	N	Note 7

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 Zhaoqing Chung Jye Shoes Co., Ltd. to obtain the bank borrowings of RMB100,000 thousand. 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 Zhaoqing Chung Jye Shoes Co., Ltd. to obtain the bank loans of RMB 100,000 thousand and US$2,500 thousand, respectively. 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 7: The Company provides joint guarantees for Hai Duong-Viet Nam Chung Jye Shoes Manufacture Company Limited (Hai Duong Chung Jye), Ninh Binh-Viet Nam Chung Jye Shoes Manufacture Company Limited (Ninh Binh Chung Jye), and Tuyen Quang-Viet Nam Chung Jye Shoes Manufacture Company Limited (Tuyen Quang Chung Jye) to obtain a bank credit facility of USD 10,000 thousand. The amounts are presented separately in the above table, resulting in double counting of the ending balance; in substance, this represents a joint endorsement and guarantee for a single credit facility.

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, 2026

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 Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Purchases	($ 171,393)	(17%)	Approximately 90 days	Cost plus	No significant difference	($ 187,227)	(22%)	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	292,469	28%	Approximately 90 days	Cost plus	No significant difference	110,530	18%	
Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	180,881	77%	Approximately 90 days	Cost plus	No significant difference	145,244	79%	
Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	177,750	66%	Approximately 90 days	Cost plus	No significant difference	111,172	77%	
Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	182,422	100%	Approximately 90 days	Cost plus	No significant difference	325,873	100%	
Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	402,361	85%	Approximately 90 days	Cost plus	No significant difference	804,976	92%	
Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	123,800	77%	Approximately 90 days	Cost plus	No significant difference	101,607	74%	
Zhaoqing Chung Jye Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	285,347	46%	Approximately 90 days	Cost plus	No significant difference	122,892	46%	
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Sales	171,393	5%	Approximately 90 days	Cost plus	No significant difference	187,227	6%	
Chung Jye Shoes Holdings Limited Taiwan Branch	Zhaoqing Chung Jye Shoes Co., Ltd.	Brother company	Purchases	(285,347)	(9%)	Approximately 90 days	Cost plus	No significant difference	(122,892)	(4%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(292,469)	(9%)	Approximately 90 days	Cost plus	No significant difference	(110,530)	(4%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Brother company	Purchases	(182,422)	(6%)	Approximately 90 days	Cost plus	No significant difference	(325,873)	(11%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Trinity-Star Holdings Limited Taiwan Branch	Brother company	Purchases	(231,045)	(7%)	Approximately 90 days	Cost plus	No significant difference	(168,881)	(6%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Brother company	Purchases	(402,361)	(12%)	Approximately 90 days	Cost plus	No significant difference	(804,976)	(27%)	

(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	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Brother company	Purchases	($ 177,750)	(5%)	Approximately 90 days	Cost plus	No significant difference	($ 111,772)	(4%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Runan Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(180,881)	(5%)	Approximately 90 days	Cost plus	No significant difference	(145,244)	(5%)	
Chung Jye Shoes Holdings Limited Taiwan Branch	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Brother company	Purchases	(123,800)	(4%)	Approximately 90 days	Cost plus	No significant difference	(101,607)	(3%)	
Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	Sales	231,045	98%	Approximately 90 days	Cost plus	No significant difference	168,881	98%	

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, 2026

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	$ 110,530	9.34	$ -	-	$ 109,622	$ -	—
Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	325,873	2.49	-	-	80,247	-	—
Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	804,976	2.06	-	-	115,357	-	—
Zhaoqing Chung Jye Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	122,892	8.42	-	-	86,065	-	—
Chung Jye Shoes Holdings Limited Taiwan Branch	Zhaoqing Chung Jye Shoes Co., Ltd.	Brother company	134,788	2.73	-	-	-	-	—
Trinity-Star Holdings Limited Taiwan Branch	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	168,881	5.30	-	-	57,135	-	—
Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	Brother company	187,227	4.68	-	-	45,989	-	—
Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	145,244	7.63	-	-	69,585	-	—
Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	101,607	6.62	-	-	29,222	-	—
Shanggao Chung Jye Shoes Industry Co., Ltd.	Zhaoqing Chung Jye Shoes Co., Ltd.	Brother company	231,765	Not applicable	-	-	-	-	Note
Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	Brother company	324,470	Not applicable	-	-	-	-	Note
Chung Jye Investment Holding Co., Ltd.	Chung Jye Shoes Holdings Limited	Parent and subsidiary	607,905	Not applicable	-	-	-	-	Note
Chung Jye Shoes Holdings Limited Taiwan Branch	FUSIONSOLE FOOTWEAR PRIVATE LIMITED	Other related parties	283,567	2.16	-	-	-	-	—
Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	Brother company	111,772	4.88	-	-	49,160	-	—
Chung Jye Shoes Holdings Limited	Wealthy International Ltd	Brother company	144,617	Not applicable	-	-	-	-	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, 2026

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.	Noble Success Group Limited	Samoa	Investment holding business	USD 40,777	USD 40,414	2,248,892	100%	USD 388,679	(USD 3,206)	(USD 3,206)	
Noble Success 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 70,208	USD 6,704	USD 6,599	
	Better Power Group Limited	Samoa	Investment holding business	USD 40,495	USD 40,132	1,000,000	100%	USD 36,093	(USD 1,755)	(USD 1,755)	
	Wealthy International Ltd.	Belize	Investment holding business	USD 67,879	USD 67,879	50,000	100%	USD 70,623	(USD 2,629)	(USD 2,629)	
	Fortune Leader Industries Co., Ltd.	British Virgin Island	Investment holding business	USD 20,000	USD 20,000	38,800	100%	USD 9,244	(USD 3,778)	(USD 3,778)	
	Smartlook Investments Limited	Samoa	Investment holding business	USD 82,050	USD 82,050	1,000,000	100%	USD 118,535	(USD 2,434)	(USD 2,434)	
	Trinity-Star Holdings Limited	Samoa	Investment holding business	USD 11,900	USD 11,900	750,000	68.09%	USD 14,950	USD 616	USD 300	
	Jewel Investment Limited	Samoa	Investment holding business	USD 2,550	USD 2,550	1,100,000	100%	USD 2,327	USD 64	USD 64	
	Agile Gain Investment Limited	Samoa	Investment holding business	USD 47,791	USD 47,791	100,000	100%	USD 47,762	USD 21	USD 21	
	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 3,051	USD 228	USD 228	
	PT Chung Jye Indonesia	Indonesia	Production of outdoor sports and leisure outdoor shoes	USD 44	USD 44	180	0.09%	USD 43	USD 22	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 16,059	(USD 566)	(USD 566)	
	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Ninh Binh Binh City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 62,992	USD 62,992	-	100%	USD 60,516	(USD 73)	(USD 73)	
Agile Gain Investment Limited	PT Chung Jye Indonesia	Indonesia	Production of outdoor sports and leisure outdoor shoes	USD 48,735	USD 48,735	199,820	99.91%	USD 47,706	USD 22	USD 22	
Better Power Group Limited	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Tuyen Quang City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 26,000	USD 26,000	-	100%	USD 23,001	(USD 422)	(USD 422)	
	Backan-Viet Nam Chung Jye Shoes Manufacture Ltd.	Backan City, Vietnam	Production of outdoor sports and leisure outdoor shoes	USD 16,248	USD 16,211	-	100%	USD 14,401	(USD 461)	(USD 461)	
Chung Jye Shoes Co., Ltd.	Shoemaker American Inc	USA	Brand customer relationship services	USD 100	USD 100	100,000	100%	USD 50	USD 96	USD 96	
Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	New Horizon CorporationLimited Company	Haiphong City, Vietnam	Property lease	VND 138,000 ($ million)	VND 138,000 ($ million)	-	100%	VND 97,283 ($ million)	(VND 1,580) ($ million)	(VND 1,580) ($ 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, 2026

Table 6

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

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 (Note 4)	Ratio of direct or indirect investment in the Company	Investment (losses) gains recognized during the 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.	Zhaoqing Chung Jye Shoes Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	$ 723,189 CNY 156,019	Note 1	$ -	-	-	$ -	($ 119,511) (CNY 26,261)	100.00%	($ 119,511) (CNY 26,261)	$ 295,234 CNY 63,693	$ -	
Zhaoqing Chung Jye Shoes Co., Ltd.	Sihui Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	46,353 CNY 10,000	Note 2	-	-	-	-	(5,034) (CNY 1,106)	100.00%	(5,034) (CNY 1,106)	(33,483) (CNY 7,223)	-	
	Guangning Chung Bao Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	22,713 CNY 4,900	Note 2	-	-	-	-	2,749 CNY 604	100.00%	2,749 CNY 604	(24,410) (CNY 5,266)	-	
Smartlook Investments Limited	Shanggao Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	1,760,251 CNY 379,751	Note 1	-	-	-	-	(68,354) (CNY 15,020)	100.00%	(68,354) (CNY 15,020)	3,355,697 CNY 723,947	-	
	Yifeng Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	339,459 CNY 73,234	Note 1	-	-	-	-	(3,218) (CNY 707)	100.00%	(3,218) (CNY 707)	48,475 CNY 10,458	-	
	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	466,193 CNY 100,575	Note 1	-	-	-	-	(5,410) (CNY 1,189)	100.00%	(5,410) (CNY 1,189)	385,180 CNY 83,098	-	
Shanggao Chung Jye Shoes Industry Co., Ltd.	Shanggao Chung Liang Shoe Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	21,265 CNY 4,588	Note 2	-	-	-	-	(552) (CNY 121)	100.00%	(552) (CNY 121)	42,300 CNY 9,295	-	
	Shanggao Chung Yi Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	49,771 CNY 10,738	Note 2	-	-	-	-	(171) (CNY 38)	100.00%	(171) (CNY 38)	76,825 CNY 16,574	-	
	Runan Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	746,280 CNY 169,000	Note 2	-	-	-	-	(13,399) (CNY 2,944)	100.00%	(13,399) (CNY 2,944)	547,442 CNY 118,103	-	
Trinity-Star Holdings Limited	Shanggao Jye Sheng Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	357,800 CNY 77,191	Note 1	-	-	-	-	1,967 CNY 432	100.00%	1,967 CNY 432	469,951 CNY 101,386	-	
Shanggao Chung Yi Industry Co., Ltd.	Zhaoqing Chung Jye Shoes Industry Co., Ltd.	Production of outdoor sports and leisure outdoor shoes	18,541 CNY 4,000	Note 2	-	-	-	-	1,111 CNY 244	90.00%	1,000 CNY 220	19,909 CNY 4,295	-	

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 = $4.635 as of the end of March 2026.

Note 4: The conversion was based on the average exchange rate of CNY1=$4.551 from January 1 to March 31, 2026.

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, 2026

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	$ 607,905	—	3%
1	Shanggao Jye Sheng Industry Co., Ltd.	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Sales income	66,841	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	97,870	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	Sales income	292,469	O/A with net 90 to 180 days	6%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Zhaoqing Chung Jye Shoes Co., Ltd.	3	Other receivables	231,765	—	1%
2	Shanggao Chung Jye Shoes Industry Co., Ltd.	Yifeng Chung Jye Shoes Industry Co., Ltd.	3	Other receivables	324,470	—	2%
3	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	177,750	O/A with net 90 to 180 days	4%
3	Tuyen Quang - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	3	Sales income	57,836	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	Accounts receivable	325,873	O/A with net 90 to 180 days	2%
4	Hai Duong - Viet Nam Chung Jye Shoes Manufacturing Co., Ltd	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	182,422	O/A with net 90 to 180 days	4%
5	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Accounts receivable	804,976	O/A with net 90 to 180 days	5%
5	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	402,361	O/A with net 90 to 180 days	8%
5	Ninh Binh - Vietnam Chung Jye Shoes Manufacturing Co., Ltd.	Trinity-Star Holdings Limited Taiwan Branch	3	Sales income	73,767	O/A with net 90 to 180 days	2%
6	Zhaoqing Chung Jye Shoes Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	285,347	O/A with net 90 to 180 days	6%
6	Zhaoqing Chung Jye Shoes Co., Ltd.	Wealthy International Ltd	3	Sales income	57,692	O/A with net 90 to 180 days	1%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	FUSIONSOLE FOOTWEAR PRIVATE LIMITED	3	Accounts receivable	283,567	O/A with net 90 to 180 days	2%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Zhaoqing Chung Jye Shoes Co., Ltd.	3	Sales income	77,012	O/A with net 90 to 180 days	2%
7	Chung Jye Shoes Holdings Limited Taiwan Branch	Shanggao Chung Jye Shoes Industry Co., Ltd.	3	Accounts receivable	187,227	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	171,393	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	48,995	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	231,045	O/A with net 90 to 180 days	5%
9	Fengcheng Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	123,800	O/A with net 90 to 180 days	3%
10	Runan Chung Jye Shoes Industry Co., Ltd.	Chung Jye Shoes Holdings Limited Taiwan Branch	3	Sales income	180,881	O/A with net 90 to 180 days	4%

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.