



中傑集團
Chung Jye Group

Stock Code: 6965

Chung Jye Investment Holding Co., Ltd.

2024 Annual Report



Website of the MOPS of Taiwan Stock Exchange:

<https://mops.twse.com.tw/mops/#/web/home>

Company website:

<http://www.chungjye.com>

Publication date: April 11, 2025

I. Name, title, contact No. and e-mail address of the Company's spokesperson and acting spokesperson

Name of Spokesperson	Liu, Yu-Hsuan	Title:	President
Tel.:	(886)4-2566-1116	E-mail address:	ir@chungjye.com.tw
Name of acting spokesperson:	Chen, Jung-Sung	Title:	Corporate Governance Officer
Tel.:	(886)4-2566-1116	E-mail address:	ir@chungjye.com.tw

II. Name, title, contact No., and e-mail address of litigious and non-litigious agent ad litem

Name:	Chen, Jung-Sung
Title:	Deputy Assistant Vice President
Tel.:	(886)4-2566-1116
E-mail address:	ir@chungjye.com.tw

III. Address and tel. of headquarters, branches and plants

(I) The Company

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Tel.: (886)4-2566-1116

(II) Subsidiary in Samoa

01. Name: Noble Success Group Limited

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Tel.: (886)4-2566-1116

02. Name: Smartlook Investments Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa

Tel.: (886)4-2566-1116

03. Name: Agile Gain Investment Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa.

Tel.: (886)4-2566-1116

04. Name: Better Power Group Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa.

Tel.: (886)4-2566-1116

05. Name: Trinity-Star Holdings Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa.

Tel.: (886)4-2566-1116

06. Name: Jewel Investment Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa.

Tel.: (886)4-2566-1116

07. Name: Chung Jye Shoes Holdings Limited

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa.

Tel.: (886)4-2566-1116

(III) Subsidiary in the British Virgin Islands

Name: Fortune Leader Industries CO., Ltd.

Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

Tel.: (886)4-2566-1116

(IV) Subsidiary in Belize

Name: Wealthy International Ltd.

Address: New Horizon Building, Ground Floor, 3 1/2 Miles Philip S.W. Goldson Highway, Belize City, Belize.

Tel.: (886)4-2566-1116

(V) Subsidiary in Taiwan

Name: Chung Jye Shoes Co., Ltd.

Address: No. 628, Sec. 4, Zhongqing Rd., Liubao Vil., Daya Dist., Taichung City

Tel.: (886)4-2566-1116

(VI) Taiwan Branch

01. Name: Trinity-Star Holdings Limited

Address: 3F, No. 270, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City

Tel.: (886)2-2631-2523

02. Name: Chung Jye Shoes Holdings Limited Taiwan Branch

Address: 3F, No. 270, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City

Tel.: (886)2-2631-2523

(VII) Subsidiary in China

01. Name: Chao Ching City Zhongjie Shoes Co., Ltd.

Address: Chengxi Industrial Park, Nan'an Town, Gaoyao District, Zaoqing City, Guangdong Province, China

Tel.: 0758-8363926

02. Name: Runan Chung Jye Shoes Industry Co., Ltd.

Address: No. 6, Xicheng Avenue Development Zone Industrial Park, East Side of Baocheng Road, Runan County Development Zone, Sanlidian Township, Runan County, Zhumadian City, Henan Province, China

Tel.: 0758-8363926

03. Name: Guangning Chung Bao Shoes Industry Co., Ltd.

Address: Nos. 1 and 2, Xiaojing Section (Langzai), Silianxian Highway, Team 2, Xiaojing Village Committee, Nanjie Town, Guangning County, Guangdong Province, China

Tel.: 0758-8363926

04. Name: Sihui Chung Jye Shoes Industry Co., Ltd.

Address: No. 3, Qingtang Avenue, Dongcheng District, Sishui City, Guangdong Province, China

Tel.: 0758-8363926

05. Name: Yifeng Chung Jye Shoes Industry Co., Ltd.

Address: Yifeng County Industrial Park, Yichun City, Jiangxi Province, China

Tel.: 0795-7126977

06. Name: Shanggao Chung Jye Shoes Industry Co., Ltd.

Address: No. 1, Yangguang Road, Huangjindui, Shanggao County Industrial Park, Yichun City, Jiangxi Province, China

Tel.: 0795-7126977

07. Name: Shanggao Chung Yi Industry Co., Ltd.
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Tel.: 0795-7126977
08. Name: Shanggao Chung Liang Shoe Industry Co., Ltd.
Address: No. 1, Changyong Road, Huangjindui Park, Shanggao County Industrial Park, Yichun City, Jiangxi Province
Tel.: 0795-7126977
09. Name: Zhaoqing Chung Jye Shoes Industry Co., Ltd.
Address: No. 7, Yifa Industrial Boulevard, Dawan Town Development Zone, Gaoyao District, Zaoqing City, Guangdong Province, China
Tel.: 0758-8363926
10. Name: Fengcheng Chung Jye Shoes Industry Co., Ltd.
Address: Yangguang Avenue, Shangtang Town, Fengcheng City, Yichun City, Jiangxi Province, China
Tel.: 0795-7126977
11. Name: Shanggao Jye Sheng Industry Co., Ltd.
Address: Huangjindui, Shanggao County Industrial Park, Yichun City, Jiangxi Province, China
Tel.: 0795-7127608
12. Name: Shanggao Da Zhong Shoes Materials Co., Ltd.
Address: Huangjindui Functional Area, Shanggao County Industrial Park, Jiangxi Province, China
Tel.: 0795-7127608

(VIII) China Branch

Name: Shanggao Chung Jye Shoes Industry Co., Ltd. Tianxin Branch
Address: Tianxing Industrial Part, Tianxin Town, Sshanggao County, Yichun City, Jiangxi Province, China
Tel.: 0795-7126977

(IX) Subsidiary in Vietnam

01. Name: VIET NAM CHUNG JYE SHOES MANUFACTURE CO,LTD
Address: QUYNH PHUC INDUSTRIAL ZONE (EXPAND), PHUC THANH COMMUNE, KIM THANH DIST., HAI DUONG PROVINCE, VIETNAM
Tel.: (84)02206-278188
02. Name: NINH BINH - VIET NAM CHUNG JYE SHOES MANUFACTURING COMPANY LIMITED
Address: KHANH NHAC INDUSTRIAL ZONE, KHANH NHAC COMMUNE, YEN KHANH DIST., NINH BINH PROVINCE, VIETNAM
Tel.: (84)02292-492008
03. Name: NEW HORIZON CORPORATION LIMITED COMPANY
Address: No BH05-04, Hai Phong Vinhomes Imperia Urban area, Thuong Ly ward, Hong Bang district, Hai Phong province, Viet Nam.
Tel.: (84)02206-278188
04. Name: TUYEN QUANG - VIET NAM CHUNG JYE SHOES MANUFACTURE COMPANY LIMITED
Address: TAN THANH INDUSTRIAL ZONE, NO. 2 VILLAGE, TAN THANH COMMUNE, HAM YEN DIST., TUYEN QUANG PROVINCE,

VIETNAM

Tel.: (84)02206-278188

05. Name: BACKAN-VIET NAM CHUNG JYE SHOES MANUFACTURE LTD

Address: HUYEN TUNG INDUSTRIAL ZONE, HUYEN TUNG WARD, BAC
KAN CITY, BAC KAN PROVINCE, VIET NAM

Tel.: (84)02206-278188

(X) Subsidiary in the U.S.

Name: Shoemaker American Inc.

Address: San Jose, 1798 Technolog Dr, Suite 298

Tel.: (1)510-996-2685

(XI) Subsidiary in Indonesia

Name: PT Chung Jye Indonesia

Address: Jalan Tanjung Sari Nomor 21 Sukomanunggal, Surabaya, Jawa Timur 60188

Tel.: -

IV. Name, address, website and tele. of the stock transfer agency

Name: Transfer Agency Department, CTBC Bank

Website: <http://www.ctbcbank.com/>

Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Tel.: (886)2-6636-5566

V. Name of CPAs for the financial statements of the most recent year, CPA firm, address, website, and tel.

Name of CPAs: CPA Zhang, Qing-Xia and CPA Qiu, Meng-Jie

Name of CPA
firm: KPMG Taiwan

Website: <https://www2.deloitte.com/tw/tc.html>

Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City

Tel.: (886)2-2725-9988

VI. Name of the trading site for securities listed overseas and how to search for the said overseas securities

Not applicable

VII. Company website: <http://www.chungjye.com>

VIII. List of Board Members:

Title	Name	Nationality	Major experience (educational background)
Chairman	Liu, An-Che	Republic of China	Southern Methodist University-OBBP Bachelor President, Chung Jye Shoes Co., Ltd.
Vice Chairman	Liu, Chiung-Wen	Republic of China	Southern Methodist University-OBBP Bachelor Executive Secretary of the Chairman, Chung Jye Shoes Co., Ltd.
Directors	Liu, Yu-Hsuan	Republic of China	Collin County Community College Vice President of Sales, Chung Jye Shoes Co., Ltd.
Independent Director	Cheng, Wen-Cheng	Republic of China	MBA, Feng Chia University Team leader, Taiwan Cooperative Bank Senior vice president, E.SUN Bank
Independent Director	Ko, Kuan-Cheng	Republic of China	PhD in Finance, National Central University Director, Asian Finance Association

Title	Name	Nationality	Major experience (educational background)
Independent Director	Tsai, Fu-Chiang	Republic of China	Department of Law, National Taipei University Human rights lawyers, Youth Forum on Law and Tax Reformation through Cultural and Economic Development Member, Human Rights Protection Committee, Taiwan Bar Association
Independent Director	Hsieh, Ming-Hui	Republic of China	Department of Accounting, National Taiwan University EMBA, National Chung Hsing University PhD in Finance, National Chung Hsing University Auditor, KPMG Taiwan Junior manager, Investment Banking Department, Yuanta Securities Specialist, Taipei Exchange CFO and spokesperson, KY2723 Gourmet Master Co. Ltd. Accountant, KSP

Content

	<u>Page</u>
ONE. SHAREHOLDERS' REPORT	1
TWO. CORPORATE GOVERNANCE REPORT	6
I. DIRECTORS, SUPERVISORS, PRESIDENT, VICE PRESIDENTS, AND SUPERVISORS OF DEPARTMENTS AND BRANCHES	6
II. REMUNERATION PAID TO DIRECTORS, SUPERVISORS, PRESIDENT, AND VICE PRESIDENTS.....	16
III. OPERATION OF CORPORATE GOVERNANCE	22
IV. INFORMATION ON CPA FEES	52
V. REPLACEMENT OF CPA: NONE.	52
VI. IF ANY OF THE COMPANY'S CHAIRMAN, PRESIDENT, OR MANAGERS IN CHARGE OF FINANCIAL OR ACCOUNTING AFFAIRS BEING EMPLOYED BY THE CPA FIRM OR ANY OF ITS AFFILIATES IN THE MOST RECENT YEAR, THE NAME, TITLE, AND THE PERIOD IN WHICH HE/SHE HOLD POSITIONS IN THE CPA FIRM OR ITS AFFILIATES SHALL BE DISCLOSED: NONE.....	52
VII. TRANSFER OF EQUITY AND CHANGES IN EQUITY PLEDGE BY A DIRECTOR, SUPERVISOR, MANAGER, OR SHAREHOLDER WITH A STAKE OF MORE THAN 10% IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THIS ANNUAL REPORT: NONE.....	52
VIII. SHAREHOLDERS WITH TOP TEN SHAREHOLDINGS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE 2ND DEGREE OF KINSHIP:	52
IX. THE NUMBER OF SHARES HELD BY THE COMPANY, THE DIRECTORS, SUPERVISORS, AND MANAGERS THEREOF, AND THE COMPANIES DIRECTLY OR INDIRECTLY CONTROLLED THEREBY IN THE SAME INVESTEE, AND THE CONSOLIDATED SHAREHOLDING RATIO	54
NOTE 1: COMPANIES LISTED WITH NO STOCKS HAVE NOT YET ISSUED ANY STOCK.	54
NOTE 2: INVESTMENTS OF THE COMPANY ACCOUNTED FOR USING THE EQUITY METHOD.	54
THREE. FUNDRAISING	55
I. CAPITAL AND SHARES	55
II. LIST OF MAJOR SHAREHOLDERS	55
III. THE COMPANY'S DIVIDEND POLICY AND ITS IMPLEMENTATION	56
IV. EFFECTS OF STOCK GRANTS DISCUSSED AT THE SHAREHOLDERS' MEETING ON THE BUSINESS PERFORMANCE AND EARNINGS PER SHARE OF THE COMPANY: THE COMPANY DID NOT DISTRIBUTE STOCK DIVIDENDS; THEREFORE, THERE IS NO EFFECT.....	56
V. REMUNERATION OF EMPLOYEES, DIRECTORS, AND SUPERVISORS	56
VI. REPURCHASE OF THE COMPANY'S SHARES BY THE COMPANY: NONE.	57
VII. CORPORATE BONDS: NONE.	57
VIII. PREFERRED SHARES: NONE.....	57
IX. GLOBAL DEPOSITORY RECEIPTS: NONE.	57
X. EMPLOYEE STOCK WARRANTS: NONE.	57
XI. RESTRICTED STOCK AWARDS: NONE.	57
XII. MERGERS OR RECEIPT OF NEW SHARES ISSUED BY OTHER COMPANIES: NONE.....	57
XIII. IMPLEMENTATION STATUS OF THE CAPITAL UTILIZATION PLAN	57
FOUR. BUSINESS OVERVIEW	59
I. BUSINESS CONTENT	59
II. MARKET AND PRODUCTION AND SALES OVERVIEW	63
III. INFORMATION ON EMPLOYEES IN THE MOST RECENT TWO YEARS AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT	69
IV. INFORMATION ON ENVIRONMENTAL PROTECTION EXPENDITURE.....	69
V. LABOR-MANAGEMENT RELATIONS.....	69
VI. CYBERSECURITY MANAGEMENT	70
VII. IMPORTANT CONTRACTS	74

FIVE.	REVIEW AND ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND RISKS	76
I.	FINANCIAL POSITION.....	76
II.	FINANCIAL PERFORMANCE.....	77
III.	CASH FLOW.....	78
IV.	IMPACTS OF MAJOR CAPITAL EXPENDITURES ON FINANCE AND BUSINESS IN THE MOST RECENT YEAR.....	78
V.	THE INVESTMENT POLICY IN THE MOST RECENT YEAR, THE MAIN REASONS FOR GAIN OR LOSS, THE IMPROVEMENT PLAN, AND THE INVESTMENT PLAN FOR THE COMING YEAR.....	79
VI.	FOR RISKS, ANALYZE AND ASSESS THE FOLLOWING MATTERS IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT	80
VII.	OTHER IMPORTANT MATTERS: NONE.....	84
SIX.	SPECIAL NOTES.....	85
I.	INFORMATION ON AFFILIATES:.....	85
II.	PRIVATE PLACEMENT OF SECURITIES IN THE MOST RECENT YEAR UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT: NONE.	90
III.	OTHER NECESSARY SUPPLEMENTARY INFORMATION: NONE.....	90
SEVEN.	DESCRIPTION OF MATERIAL DIFFERENCES FROM THE RIGHT AND INTEREST PROTECTION REQUIREMENTS IN TAIWAN	90
EIGHT.	SET OUT MATTERS WITH MATERIAL IMPACTS ON THE RIGHTS AND INTERESTS OF SHAREHOLDERS OR STOCK PRICES AS STATED IN SUBPARAGRAPH 2, PARAGRAPH 3, ARTICLE 36 OF THE ACT IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT.	93

One. Shareholders' Report

Dear shareholders, The Group's business performance and future outlook for 2024 are reported as follows:

I. Operating achievements for the preceding year

The operating income of the Company in 2024 reached a new high of NT\$26.986 billion, representing an increase of NT\$4.247 billion from NT\$22.739 billion in 2023, with an annual growth of 18.7%. The performance of the Company in the Chinese and the American market concurrently increased to 37% and 35%, accounting for 70% of the overall sales. The overall net profit after tax in 2024 was NT\$1.821 billion, representing a decrease of NT\$146 million or 7.42% compared to NT\$1.967 billion in 2023. The profit in 2024 declined slightly, mainly due to the full load of the production capacity of the Company at present. To provide services to brand customers, employees spared no effort in supporting the Company, increased their efficiency, and successfully made the shipment through overtime work before the delivery term. In 2024, the Company sold a total of 40.53 million pairs of shoes, recording a new historical high. To extend our appreciation to employees, in addition to overtime payments, the basic wages for plants in China and Vietnam increased, and bonuses were distributed. Furthermore, to actively increase production capacity, the Company had other costs and expenditures for the expansion of plants and training for new employees, resulting in effects on the Company's profit margin.

II. Overview of the business plan for the year and the future development strategy of the Company

The Company's production sites are located in Guangdong, Jiangxi, and Henan Provinces in China and Hai Duang, Ninh Binh, and Tuyen Quang Provinces in North Vietnam. In response to the order planning and requirements of brand owners, the Company actively expanded the other overseas production sites. In 2024, it planned to establish new plants in India and Bac Kan Province in Vietnam, and such plants will start to contribute to production capacity in 2025. The investment plan for the establishment of a plant in East Java in Indonesia has been approved by the Board in 2024. We disperse risks of production sites and tariff issues through global deployment and face the strong growing demand in the future with brand owners.

The Company continues to invest in automation, innovative technologies, procedure advancement, and R&D of eco-friendly shoe materials. It invested NT\$662,379 thousand in R&D in 2024, accounting for 2.5% of the overall operating income, representing an increase of NT\$58,575 thousand or approximately 9.7% as compared to the R&D amount of NT\$603,804 thousand in 2023. Our R&D targets are to improve production efficiency and satisfy customers' requirements for premium products and services and the fast response to the market. At the same time, we established an R&D Center for brand customers to ensure that processes from product R&D to mass production comply with customers' requirements, and thereby establishing long-term trustworthy and stable partner relationships with brand customers.

Chung Jye will incorporate the concept of sustainable development into its business management. In terms of environmental protection, we have installed solar power equipment for plants in China and Vietnam, aiming to achieve 50% of green energy consumption by 2025. For social responsibility, we are committed to providing safe and healthy working environments, protecting employees' rights and interests, and realizing the corporate philosophy of "Taken from the community, Giving back to society" through the care for poor families and the scholarships for children of employees. Regarding governance, we value the corporate governance system, maintain information transparency, and strengthen risk control and information security management to ensure the sustainable operation of the Company.

III. Impacts of the external competitive environment, regulatory environment and overall business environment

Chung Jye Group's corporate spirit is to "concentrate on work and treat people with sincerity." Chung Jye Group produces each pair of shoes with care and treats each stakeholder with sincerity. Despite facing multiple external environmental pressures and international crises (i.e., COVID-19 in 2019, the Russian-Ukrainian War in 2022, the destocking trend in 2023, and the tariff issues recently), Chung Jye steps forward with its firm mindset. This is not only the result of the persistence of the management team and the efforts of all employees but also the in-depth corporate culture and the ability to make flexible responses, turning each challenge into a momentum for progress. In 2024, Chung Jye recorded a historical high in its operating income and successfully passed the application for the initial listing. In March 2025, Chung Jye formally joined the line of listed enterprises. This important milestone represents a new page of the Chung Jye Group. After listing, we will continue to adhere to the core value of "concentrate on work." Together with the contribution of the capital market, the Group will accelerate its pace in terms of product innovations, technology upgrades, and market expansion.

Looking ahead to 2025, we are deeply aware of the ever-changing future; however, we also believe that challenges and opportunities co-exist. Regardless of global economic changes, the development of innovative technologies, or changes in consumer requirements, Chung Jye will actively respond to changes in the market with an attitude of flexible response in the future and will continue to invest in technology R&D, talent cultivation, and lean management. We believe that with our strong corporate spirit and the efforts of all employees, we can create sustainable and long-term value and give back to shareholders, employees, customers, and society.

On behalf Chung Jye, I would like to appreciate the support and encouragement of all shareholders, and I wish you all safe and sound!

Chairman Liu, An-Che

Chung Jye Investment Holding Co., Ltd.

2024 Business Report

I. Introduction:

Recently, benefiting from the active restocking of inventory by brand customers, the shoe manufacturing industry got rid of the awkward situation where brand customers have excessive inventory in 2023. Various economic data showed that the market is recovering rapidly, benefiting the companies in the supply chain for shoe manufacturing. According to Statista, under the effects of the pandemic, the global shoe market dropped to the bottom in 2020 and 2021, and then showed a recovery trend subsequently. In the long run, the CAGR of the global shoe market from 2022 to 2028 after the pandemic is approximately 3.62%. The market growth of various types of shoes in 2024 was: a growth of approximately 5.83% for sneakers, 4.42% for athletic footwear, 2.40% for leather footwear, and 3.27% for other shoes.

In response to the need for mass production orders in the future, the Company is actively expanding overseas production sites in the hope of creating more favorable and flexible space for the deployment of multiple brands and multiple plants. In 2025, the Company developed new production capacity in India and Bac Kan Province in Vietnam and commenced the plant establishment investment plan in Indonesia, which will effectively disperse risks of geopolitics, economy, and tariff barriers in different places. Furthermore, due to the healthy financial structure and sufficient capital level, the Company recorded favorable performance in terms of operating income and profit in 2024.

The operating income of the Company in 2024 was NT\$269.86 billion, representing an increase of NT\$4.247 billion from NT\$22.739 billion in 2023, with an annual growth of 18.7%. The overall net profit after tax in 2024 was NT\$1.821 billion, representing a decrease of NT\$146 million or 7.42% compared to NT\$1.967 billion in 2023. The slight decrease in profit in 2024 was affected by the increase in wages and the poor efficiency of the new production line. It is expected that the procedure efficiency will be optimized in 2025 to improve profitability.

The Company's production sites are located in Guangdong, Jiangxi, and Henan Provinces in China and Hai Duang, Ninh Binh, and Tuyen Quang Provinces in North Vietnam. In 2024, the ratio of production capacity in Mainland China and Vietnam was 59% and 41%, respectively. Regarding the ratio of sales regions (destination designated by brand customers) to operating income, American and Chinese regions are the main sales locations, accounting for approximately 35% and 37%, respectively. The growth in the ratio of Mainland China was mainly from the brands in Mainland China. Apart from the existing brands at present, the Company actively develops new international brands and continues to expand its production capacity to inject new growing momentum into its operations.

Despite the uncertainties in the international political and economic situation, there are infinite possibilities hidden in it. The Company adheres to the attitude of learning modestly and unites with employees to continue moving toward the targets of innovation, high quality, diversity, and sustainability. We are jointly committed to the control of costs and risks, implementing team inheritance and cultivation, building a solid management team of Chung Jye, and exerting the resilience of the Chung Jye team so as to jointly face challenges and grow together with brand customers. It is believed that the efforts made by the Chung Jye team will allow the Company to change for the better and improve its competitive strength for the creation of another business peak.

II. 2024 Business Report

(I) Implementation achievements of the business plan

Unit: NT\$ thousand

Accounting item	2024	2023	Amount increased (decreased)	Change ratio (%)
Net operating income	26,986,539	22,739,253	4,247,286	18.68
Gross profit	4,104,719	4,222,707	(117,988)	(2.79)
Net profit	1,802,475	2,137,307	(334,832)	(15.67)
Net profit before tax	2,343,542	2,351,137	(7,595)	(0.32)
Net profit after tax	1,821,034	1,966,807	(145,773)	(7.41)

(II) Budget implementation in 2024: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company did not disclose the financial forecast for 2024 and thus is not required to disclose the analysis of budget implementation in 2024.

(III) Analysis of financial income, expenditure and profitability

Unit: NT\$ thousand

Analysis item			2024	2023
Financial income and expenditure	Net operating income		26,986,539	22,739,253
	Gross profit		4,104,719	4,222,707
	Net profit after tax		1,821,034	1,966,807
Profitability	Return on assets (%)		10.26	11.97
	Return on equity (%)		18.67	22.70
	Ratio to paid-in capital (%)	Operating gain	128.75	152.66
		Net profit (loss) before tax	167.39	167.94
	Net profit margin		6.74	8.65
	Basic earnings per share (NT\$)		12.22	13.55

(IV) R&D

The Company continues to invest in various procedures and process technology innovations. In 2024, the Company invested NT\$662,379 thousand in R&D, accounting for 2.5% of the consolidated operating income, representing an increase of NT\$58,575 thousand or approximately 9.7% as compared to the R&D amount of NT\$603,804 thousand in 2023. The R&D expenses are mainly spent on the upgrades of shoe manufacturing technologies and the advances and improvements of various procedures. At present, the Company has established four R&D Centers to have close cooperation with brand customers during the period between product development to product prototype to provide better services and solutions and rapidly respond to various requirements under changes in the market so as to maintain and increase the market share of shoe foundry.

(V) Corporate responsibility

The Company upholds the philosophy of "Taken from the community, Giving back to

society" and has long been involved in various public welfare activities. The Chung Jye Foundation was established at the beginning of 2024 to serve as a leader in social feedback and participation. The relevant departments of overseas subsidiaries are responsible for the coordination of the activities of environmental safety and health, social and environmental affairs, and caring for the disadvantaged by plants.

In addition, the Company attaches great importance to and pays attention to the rights and interests of employees and the safety of employees and has established a friendly, diversified, fair and inclusive working environment. Overseas plants of the Group adopt sustainable operation and development as the target and promote various energy conservation and carbon reduction plans. The solar power panel green energy program was initiated at Jiangxi Plant and Ninh Binh Plant, and we invested in reduction equipment at Jiangxi Plant. We actively implement green energy, environmental protection, energy conservation, carbon reduction, and resource recycling and renewal to take action for the sustainability of the earth.

III. Conclusion

Looking ahead to 2025, in the face of the unpredictable and ever-changing international political and economic situations, geopolitics and tariff barriers, the Company has the confidence to respond to external changes and challenges with a practical spirit to turn crises into opportunities and growth and to continue to record outstanding results in 2025.

The management team of Chung Jye will continue to invest in technological innovations, procedure improvements, automation, lean management, talent cultivation, and sustainable corporate development. With the efforts of all employees of the Group, the corporate competitiveness will be improved in the hope of creating the maximum value for customers, employees, and shareholders.

Chairperson: Liu, An-Che

Manager: Liu, Yu-Hsuan

Accounting officer: Tsai, Ying-Tzu

Two. Corporate Governance Report

I. Directors, supervisors, President, Vice Presidents, and supervisors of departments and branches

(I) Directors and supervisors

1.Directors

Unit: share; %; April 11, 2025

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of the election		Number of shares held at present		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the 2nd degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Liu, An- Che	Male 41 to 50 years old	Republic of China	2023.06.15	2023.06.15	3 years	1,000,030	0.64%	1,000,030	0.64%	3,039,684	1.95%	8,590,023	5.52%	Educational background: Southern Methodist University-OBBP Bachelor Experience: President, Chung Jye Shoes Co., Ltd.	Chao Ching City Zhongjie Shoes Industry Co., Ltd. - Corporate representative Guangning Chung Bao Shoes Industry Co., Ltd. - Corporate representative Sihui Chung Jye Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Jye Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Liang Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Yi Industry Co., Ltd. - Corporate representative Yifeng Chung Jye Shoes Industry Co., Ltd. - Corporate representative Fengcheng Chung Jye Shoes Industry Co., Ltd. - Corporate representative Noble Success Group Limited - Director Chung Jye Shoes Co., Ltd. - Director	Vice Chairman and CFO	Liu, Chiung- Wen	Brother and sister	,
																Director and President	Liu, Yu- Hsuan	Brother s		
																Vice President and CSO	Lai, Yan- Liang	Spousal relative		
Directors	Liu, Chiung- Wen	Female 41 to 50 years old	Republic of China	2023. 06.15	2023. 06.15	3 years	1,000,030	0.64%	1,000,030	0.64%	3,290,998	2.11%	8,718,702	5.60%	Educational background: Southern Methodist University-OBBP Bachelor Experience: Executive Secretary of the Chairman, Chung Jye Shoes Co., Ltd.	Chao Ching City Zhongjie Shoes Co., Ltd. - Director Shanggao Chung Jye Shoes Industry Co., Ltd. - Director Shanggao Jye Sheng Industry Co., Ltd. - Director Shanggao Da Zhong Shoes Materials Co., Ltd. - Director Fengcheng Chung Jye Shoes Industry Co., Ltd. - Director Zhaoqing Yong Shin Shoe Materials Co., Ltd. - Director Chung Jye Shoes Holdings Limited Taiwan Branch - Responsible person Chung Jye Shoes Co., Ltd. - Chairman Trinity-Star Holdings Limited - Responsible person	Vice President and CSO	Lai, Yan- Liang	Spouse	,
																Chairman and CEO	Liu, An- Che	Brother and sister		
																Director and President	Liu, Yu- Hsuan	Brothers		

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of the election		Number of shares held at present		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the 2nd degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Directors	Liu, Yu-Hsuan	Male 31 to 40 years old	Republic of China	2023.06.15	2023.06.15	3 years	1,000,030	0.64%	1,000,030	0.64%	-	-	11,509,686	7.39%	Educational background: Guangning Chung Bao Shoes Industry Co., Ltd. - Supervisor Sihui Chung Jye Shoes Industry Co., Ltd. - Supervisor Experience: Vice President of Sales, Chung Jye Shoes Co., Ltd. - Director Shanggao Chung Jye Shoes Industry Co., Ltd. - Director Shanggao Chung Liang Shoe Industry Co., Ltd. - Supervisor Shanggao Chung Yi Industry Co., Ltd. - Supervisor Yifeng Chung Jye Shoes Industry Co., Ltd. - Supervisor Fengcheng Chung Jye Shoes Industry Co., Ltd. - Director Fortune Leader Industries CO., Ltd. - Director Wealthy International Ltd. - Director Smartlook Investments Ltd. - Director Better Power Group Limited. - Director Trinity-Star Holdings Limited. - Director Jewel Investment Limited. - Director Agile Gain Investment Limited. - Director Chung Jye Shoes Holding Limited - Director Chung Jye Shoes Co., Ltd. - Director	Chao Ching City Zhongjie Shoes Co., Ltd. - Director Guangning Chung Bao Shoes Industry Co., Ltd. - Supervisor Sihui Chung Jye Shoes Industry Co., Ltd. - Supervisor Shanggao Chung Jye Shoes Industry Co., Ltd. - Director Shanggao Chung Liang Shoe Industry Co., Ltd. - Supervisor Shanggao Chung Yi Industry Co., Ltd. - Supervisor Yifeng Chung Jye Shoes Industry Co., Ltd. - Supervisor Fengcheng Chung Jye Shoes Industry Co., Ltd. - Director Fortune Leader Industries CO., Ltd. - Director Wealthy International Ltd. - Director Smartlook Investments Ltd. - Director Better Power Group Limited. - Director Trinity-Star Holdings Limited. - Director Jewel Investment Limited. - Director Agile Gain Investment Limited. - Director Chung Jye Shoes Holding Limited - Director Chung Jye Shoes Co., Ltd. - Director	Chairman and CEO	Liu, An-Che	Brothers	
																	Vice Chairman and CFO	Liu, Chiung-Wen	Brother and	
																	Vice President and CSO	Lai, Yan-Liang	Spousal relative	
Independent Director	Cheng, Wen-Cheng	Male 61 to 70 years old	Republic of China	2023. 06.15	2023. 06.15	3 years	-	-	-	-	-	-	-	-	Educational background: MBA, Feng Chia University Experience: Team leader, Taiwan Cooperative Bank E.SUN Bank Senior vice president	Independent Director, SDI Corporation (2351) Independent Director, APEXDYNA (4583) Independent Director, Johnson Fine Chemical Co., Ltd. (7763)	-	-	-	-
Independent Director	Ko, Kuan-Cheng	Male 41 to 50 years old	Republic of China	2023. 06.15	2023. 06.15	3 years	-	-	-	-	-	-	-	-	Educational background: PhD in Finance, National Central University Experience: Director, Asian Finance Association	Dean, College of Management, National Chi Nan University Professor, Department of Finance, National Chi Nan University Vice secretary-general, The Taiwan Finance Association Secretary-general, Financial Engineering Association of Taiwan	-	-	-	-

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election	Term of office	Shareholding at the time of the election		Number of shares held at present		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in the Company and other companies	Other supervisors, Directors, or supervisors who are spouses or relatives within the 2nd degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Tsai, Fu-Chiang	Male 51 to 60 years old	Republic of China	2023.06.15	2023.06.15	3 years	-	-	-	-	-	-	-	-	Educational background: Department of Law, National Taipei University Experience: Human rights lawyers, Youth Forum on Law and Tax Reformation through Cultural and Economic Development Member, Human Rights Protection Committee, Taiwan Bar Association	Director, Tsai Fu-Cheng Attorney at Law	-	-	-	-
Independent Director	Hsieh, Ming-Hui	Female 41 to 50 years old	Republic of China	2024.05.10	2024.05.10	3 years	-	-	-	-	-	-	-	-	Educational background: Department of Accounting, National Taiwan University EMBA, National Chung Hsing University PhD in Finance, National Chung Hsing University Experience: Auditor, KPMG Taiwan Junior manager, Investment Banking Department, Yuanta Securities Specialist, Taipei Exchange CFO and spokesperson, KY2723 Gourmet Master Co. Ltd. Accountant, KSP	Director, Bochun CPA Firm Independent Director, GIS-KY (6456) Independent Director, Jhujian Catering (7723)	-	-	-	-

Note: The Chairman has been focusing on the industry for years and has high sensitivity and professionalism in the market. Considering his industry background and market sensitivity, his concurrent position as the CEO allows the business model of the Company to be mobile and flexible, improves the business efficiency, and allows the smooth decision-making and implementation of the Company to respond to the market demand that seeks novelty and changes. However, to improve corporate governance, the Company has elected four Independent Directors and established its Audit Committee to supervise the operations of the Company through the Audit Committee so as to enhance the operations and the supervisory function of the Board.

2. Supervisors: The Company has established its Audit Committee; therefore, there is no supervisor.
3. Major shareholders of corporate shareholders: Not applicable
4. Major shareholders of major corporate shareholders: Not applicable
5. Disclosure of the professional qualifications of Directors and supervisors and the independence of Independent Directors

Conditions Name	Professional qualifications and experience	Independence	Number of other public companies in which the Independent Director is also an independent director
Liu, An-Che	He is currently the Chairman of the Company and the CEO of the Group; For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business.	Not applicable	0
Liu, Chiung-Wen	She is currently the Vice Chairman of the Company and the HR Officer of the Group; For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business.	Not applicable	0
Liu, Yu-Hsuan	He is currently serving as the President of the Company; For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business.	Not applicable	0
Cheng, Wen-Cheng	For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business.	1. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company with specific relationships with the Company. 4. Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years. 5. For other matters, the verification had been made based on the independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC.	3

Conditions Name	Professional qualifications and experience	Independence	Number of other public companies in which the Independent Director is also an independent director
Ko, Kuan-Cheng	For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business, and is a professional in the relevant departments of a private university/college.	1. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company with specific relationships with the Company. 4. Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years. 5. For other matters, the verification had been made based on the independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC.	0
Tsai, Fu-Chiang	For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; He possesses work experience in business, legal affairs, finance, and accounting, or required for the Company's business, and is the managing partner of a law firm.	1. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company with specific relationships with the Company. 4. Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years. 5. For other matters, the verification had been made based on the independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC.	0
Hsieh, Ming-Hui	For relevant professional qualifications and experience, please refer to Two.I.(I)1. Directors; Work experience in commerce, law, finance, accounting or other fields related to the Company's business operations, and a CPA of accounting firms.	1. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2. The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3. Not a director, supervisor, or employee of a company with specific relationships with the Company. 4. Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years. 5. For other matters, the verification had been made based on the independence elements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC.	2

6. Board diversification and independence:

(1) Board diversification:

According to the "Corporate Governance Best Practice Principles" of the Company, to strengthen corporate governance and facilitate a healthy Board composition and structure and respect and promote the target of Board diversification, the Board diversification policy had been established. The election is based on the principles of meritocracy, with a focus on gender equality and the possession of knowledge, skills, and literacy required for the execution of duties, including basic conditions, professional background, and industry experience, to allow the overall Board to possess the abilities of business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market viewpoint, leadership, and decision-making capabilities.

Implementation status at present:

The Board has seven Directors, of which six members possess experience in large-scale enterprises and institutions and possess business management and decision-making background; one of them possesses a professional legal background, four of them possess accounting, finance, or investments expertise background, and one of them possess educational background in the finance academic sector. The Company values the gender equality of the Board. In 2023, there was one female Director. In 2024, one more female Independent Director was elected. There are currently two female Directors to implement the Board diversification policy and improve the overall business performance of the Company.

Concrete management targets:

The Company will continue to arrange continuing education for its Directors to develop their professional skills, including legal, financial, international, risk management and other decision-making abilities in response to the ever-changing international political and economic situations. In terms of the gender equality issue, the Board members of the Company include Directors of different genders. Male Directors account for 71% (five persons), and female Directors account for 29% (two persons). In the future, the Company will adopt having female Directors accounting for at least 33% of all Directors as the target to realize the Board diversification policy.

(2) Board independence:

The Board has a total of seven members at present, of which four Independent Directors account for over half (57%) of all Directors. The term of office of Independent Directors has not exceeded three sessions; Independent Directors comply with the specifications related to Independent Directors of the Securities and Futures Bureau, FSC, and there were no circumstances set out in paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. Over half of the Independent Directors are not spouses or relatives within the second degree of kinship. Furthermore, the Company has established its Audit Committee to strengthen the operations of the Board, allow the overall Board to possess independence, and allow Directors to objectively exercise their functions so as to optimize corporate governance and business development.

(II) President, Vice Presidents, and supervisors of departments and branches

Unit: share; %; April 11, 2025

Title	Name	Gender	Nationality	Date of (election) assumption	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in other companies	Managers who are spouses or relatives within the 2nd degree of kinship			Employee stock warrants obtained by managers	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Chairman and CEO (Note)	Liu, An-Che	Male	Republic of China	2023.06.15	1,000,030	0.64%	3,039,684	1.95%	8,590,023	5.52%	Educational background: Southern Methodist University-OBBP Bachelor Experience: President, Chung Jye Shoes Co., Ltd.	Chao Ching City Zhongjie Shoes Industry Co., Ltd. - Corporate representative Guangning Chung Bao Shoes Industry Co., Ltd. - Corporate representative Sihui Chung Jye Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Jye Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Liang Shoes Industry Co., Ltd. - Corporate representative Shanggao Chung Yi Industry Co., Ltd. - Corporate representative Yifeng Chung Jye Shoes Industry Co., Ltd. - Corporate representative Fengcheng Chung Jye Shoes Industry Co., Ltd. - Corporate representative Noble Success Group Limited - Director Chung Jye Shoes Co., Ltd. - Director	Chairman and Vice and CFO	Liu, Chiung-Wen	Brother and sister	-	-
													Director President	Liu, Yu-Hsuan	Brothers		
													Vice President and CSO	Lai, Yan-Liang	Spousal relative		
President	Liu, Yu-Hsuan	Male	Republic of China	2023.05.31	1,000,030	0.64%	-	-	11,509,686	7.39%	Educational background: Collin County Community College Experience: Vice President of Sales, Chung Jye Shoes Co., Ltd.	Chao Ching City Zhongjie Shoes Co., Ltd. - Director Guangning Chung Bao Shoes Industry Co., Ltd. - Supervisor Sihui Chung Jye Shoes Industry Co., Ltd. - Supervisor Shanggao Chung Jye Shoes Industry Co., Ltd. - Director Shanggao Chung Liang Shoe Industry Co., Ltd. - Supervisor Shanggao Chung Yi Industry Co., Ltd. - Supervisor Yifeng Chung Jye Shoes Industry Co., Ltd. - Supervisor Fengcheng Chung Jye Shoes Industry Co., Ltd. - Director Fortune Leader Industries CO., Ltd. - Director Wealthy International Ltd. - Director Smartlook Investments Limited. - Director Better Power Group Limited. - Director Trinity-Star Holdings Limited. - Directors Jewel Investment Limited. - Director Agile Gain Investment Limited - Director Chung Jye Shoes Holdings Limited. - Director Chung Jye Shoes Co., Ltd. - Director	Chairman and CEO	Liu, An-Che	Brothers	-	-
													Vice President and Chairman and CSO	Liu, Chiung-Wen	Brother and sister		
Vice Chairman and CFO	Liu, Chiung-Wen	Female	Republic of China	2023.06.15	1,000,030	0.64%	3,290,998	2.11%	8,718,702	5.60%	Educational background: Southern Methodist University-OBBP Bachelor	Chao Ching City Zhongjie Shoes Co., Ltd. - Director Shanggao Chung Jye Shoes Industry Co., Ltd. - Director	Vice President and CSO	Lai, Yan-Liang	Spouse	-	-

Title	Name	Gender	Nationality	Date of (election) assumption	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in other companies	Managers who are spouses or relatives within the 2nd degree of kinship			Employee stock warrants obtained by managers	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
											Experience: Executive Secretary of the Chairman, Chung Jye Shoes Co., Ltd.	Shanggao Jye Sheng Industry Co., Ltd. - Director Shanggao Da Zhong Shoes Materials Co., Ltd. - Director Fengcheng Chung Jye Shoes Industry Co., Ltd. - Director Zhaoqing Yong Shin Shoe Materials Co., Ltd. - Director Chung Jye Shoes Holdings Limited Taiwan Branch - Responsible person Chung Jye Shoes Co., Ltd. - Chairman Trinity-Star Holdings Limited - Responsible person	Director and President	Yu-Liu, Hsuan	Brother and sister		
Vice President and CSO	Lai, Yan-Liang	Male	Republic of China	2019.07.01	3,290,998	2.11%	1,000,030	0.64%	-	-	Educational background: Department of Industrial Management, Chung Hua University Experience: 2006 Deputy Assistant Vice President and Assistant Vice President of Chung Jye Group 2015 - Present Executive Vice President of Chung Jye Group	Chao Ching City Zhongjie Shoes Co., Ltd. - Supervisor Shanggao Chung Jye Shoes Industry Co., Ltd. - Supervisor Shanggao Jye Sheng Industry Co., Ltd. - Corporate representative Shanggao Da Zhong Shoes Materials Co., Ltd. - Corporate representative Fengcheng Chung Jye Shoes Industry Co., Ltd. - Supervisor Zhaoqing Yong Shin Shoe Materials Co., Ltd. - Supervisor Runan Chung Jye Shoes Industry Co., Ltd. - Supervisor Jiangxi Junjie Shoe Material Co., Ltd. - Supervisor Vietnam Chung Jye Shoes Industry Co., Ltd. - Corporate representative Vietnam Ninh Binh Chung Jye Shoes Co., Ltd. - Corporate representative Vietnam Tuyen Quang Chung Jye Shoes Co., Ltd. - Corporate representative New Horizon Co., Ltd. (Vietnam) - Corporate representative Director, Chung Jye Public Welfare Association	Vice Chairman and CFO	Liu, Chiung-Wen	Spouse		
												Chairman and CEO	Liu, An-Che	Spousal relative			
												Director and President	Liu, Yu-Hsuan	Spousal relative			
Executive Vice President	Liu, Cheng-Chih	Female	The People's Republic of China	2022.08.01	-	-	-	-	-	-	Educational background: XinYang College of Agriculture and Forestry, Henan Province Experience: 2001 Assistant manager of sales, manager, Deputy Assistant Vice President, Assistant Vice President, and Vice President of Chung Jye Group 2022/08 - Present Executive Vice President of Chung Jye Group	-	-	-	-	-	
Vice President	Lin, Wei-Chen	Male	Republic of China	2023.07.01	122,024	0.08%	2,320	0.001%	-	-	Educational background: Chienkuo Technology University Experience: 2006/07 Deputy Assistant Vice President, Assistant Vice President, and Executive Assistant Vice President of Chung Jye Group 2023/07 - Present Vice President of Chung	-	-	-	-	-	

Title	Name	Gender	Nationality	Date of (election) assumption	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in other companies	Managers who are spouses or relatives within the 2nd degree of kinship			Employee stock warrants obtained by managers	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
											Jye Group						
Vice President	Deng, Kuo-Hsiang	Male	Republic of China	2022.05.01	240,985	0.15%	-	-	-	-	Educational background: Ming-Der Vocational High School Experience: 1994 Joined Chung Jye Group 2022/05 - Present Vice President of Chung Jye Group	-	-	-	-	-	-
Vice President	Wang, Ying-Jen	Male	Republic of China	2024.08.30	-	-	-	-	-	-	Educational background: Department of Mold and Die Engineering, National Kaohsiung Institute of Technology Experience: Headquarters of Stella Romano Trading Limited in Vietnam, Bangladesh, and China 2023/09 Joined Chung Jye Grup as a special assistant in Vietnam	-	-	-	-	-	-
Vice President	Chan, Shih-Fei	Male	The People's Republic of China	2023.07.01	-	-	-	-	-	-	Educational background: Department of Geosciences, University of Science and Technology Beijing Experience: 1994/08 Section chief, assistant manager, and assistant vice president of Kingo Rubber Shoes Factory Ltd. 2012/07 Manager of Yong Jye Shoe Corporation 2014/06 Assistant Vice President and Executive Assistant Vice President of Chung Jye Group 2023/07 - Present Vice President of Chung Jye Group	-	-	-	-	-	-
Executive Assistant Vice President	He, Yi-Chun	Male	The People's Republic of China	2019.07.01	-	-	-	-	-	-	Educational background: Guangdong University of Education Experience: 1998 Joined Chung Jye Group as the division chief of sales, assistant manager, manager, Deputy Assistant Vice President, and Assistant Vice President 2019/07 - Present Executive Assistant Vice President of Chung Jye Group	-	-	-	-	-	-
Executive Assistant Vice President	Chen, Yi-Jie	Male	Republic of China	2021.09.01	121,024	0.08%	-	-	-	-	Educational background: Business Administration, Ling Tung University Experience: 2014 Deputy Assistant Vice President and Assistant Vice President of Chung Jye Group 2021/09 Executive Assistant Vice President, Chung Jye Group	-	-	-	-	-	-

Title	Name	Gender	Nationality	Date of (election) assumption	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major experience (educational background)	Positions held in other companies	Managers who are spouses or relatives within the 2nd degree of kinship			Employee stock warrants obtained by managers	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Assistant Vice President and Information Security Officer	Chang, Yuan-Ming	Male	Republic of China	2016.07.02	69,972	0.04%	-	-	-	-	Educational background: Department of Industrial and Systems Engineering, Chung Yuan Christian University Master in Industrial Engineering and Engineering Management, National Tsing Hua University Experience: 2012 Manager of Pou Chen Group 2016/07 - Present Assistant Vice President of the Information Center of Chung Jye Group	Director, Chung Jye Public Welfare Association	-	-	-	-	-
Finance and Accounting Officer	Tsai, Ying-Tzu	Female	Republic of China	2023.12.19	69,972	0.04%	-	-	-	-	Educational background: Department of Financial Management, National Sun Yat-sen University Experience: 2005/07 KPMG Taiwan 2018/04 - Present Assistant Vice President of Chung Jye Group	Director, Chung Jye Public Welfare Association	-	-	-	-	-
Chief Auditor	Huang, Chen-Chen	Female	Republic of China	2018.12.03	-	-	-	-	-	-	Educational background: Department of Accounting, Soochow University Experience: 2004/07 KPMG Taiwan 2007/06 Deloitte Touche Tohmatsu 2018/12 - Present, Chief Auditor of Chung Jye Group	-	-	-	-	-	-
Corporate Governance Officer	Chen, Jung-Sung	Male	Republic of China	2023.09.14	-	-	2,000	0.001%	-	-	Educational background: MBA, National Chung Hsing University Experience: Senior Manager, E.SUN Bank Union Commercial Bank Head Quarter, Tuek L'ak Branch, Olympic Branch, Phsar Daeum Kor Branch Senior Manager R.C. of Phnom Penh Capital Charter Director & Treasurer 2023/08 - Present, Corporate Governance Officer of Chung Jye Group	Fusionsole Footwear Private Limited-Director	-	-	-	-	-

Note: The Chairman has been focusing on the industry for years and has high sensitivity and professionalism in the market. Considering his industry background and market sensitivity, his concurrent position as the CEO allows the business model of the Company to be mobile and flexible, improves the business efficiency, and allows the smooth decision-making and implementation of the Company to respond to the market demand that seeks novelty and changes. However, to improve corporate governance, the Company has elected four Independent Directors and established its Audit Committee to supervise the operations of the Company through the Audit Committee so as to enhance the operations and the supervisory function of the Board.

II. Remuneration paid to Directors, supervisors, President, and Vice Presidents

(I) Remuneration of general Directors and Independent Directors (disclose names in aggregate and ranges)

December 31, 2024

Unit: NT\$ thousand; thousand shares; %

Title	Name	Remuneration of Directors								Sum of A, B, C, and D and as a percentage of net profit after tax		Relevant remuneration received from the concurrent position as an employee								Sum of A, B, C, D, E, F, and G <u>and</u> as a percentage of net profit after tax		Remuneration from investees other than subsidiaries or parent company	
		Compensation (A)		Severance pay and pension (B)		Remuneration of Directors (C)		Business execution allowance (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Remuneration of employees (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements						
Chairman	Liu, An-Che	-	-	-	-	18,000	18,000	-	-	18,000 1.05%	18,000 1.05%	-	25,599	-	261	18,144	-	18,144	-	36,144 2.11%	62,004 3.62%	-	
Directors	Liu, Chiung-Wen																						
Directors	Liu, Yu-Hsuan																						
Independent Director	Cheng, Wen-Cheng	3,859	3,859	-	-	-	-	246	246	4,105 0.24%	4,105 0.24%	-	-	-	-	-	-	-	-	4,105 0.24%	4,105 0.24%	-	
	Ko, Kuan-Cheng																						
	Tsai, Fu-Chiang																						
	Hsieh, Ming-Hui (Note)																						
1.	Please describe the policy, system, standard and structure of the remuneration paid to Independent Directors, and describe the correlation with the amount of remuneration based on the responsibilities, risks, time invested and other factors: The Company has established a Remuneration Committee consisting of three Independent Directors. The Remuneration Committee is responsible for setting and regularly examining the performance evaluation of Directors and managers and the policy, system, standard and structure of their remuneration while regularly evaluating and establishing the remuneration of Directors and managers. The remuneration of Directors is distributed based on the positions and the level of participation in the Company's operations and contributions. The remuneration of the President and Vice President is mainly based on the level of contribution of the Company and the personnel regulations of the Company with reference to the standards among peers.																						
2.	Except for the disclosures in the table above, remuneration received by Directors of the Company for the provision of services (i.e., being the non-employee consultant of the parent company/all companies included in the financial statements/investees) in the most recent year: None.																						

Note: Independent Director Hsieh, Ming-Hui was elected on May 10, 2024.

Table of Remuneration Range
2024

Remuneration range paid to the Directors of the Company	Name of Director			
	Total of A+B+C+D		Total of A+B+C+D+E+F+G	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Hsieh, Ming-Hui	Hsieh, Ming-Hui	Hsieh, Ming-Hui	Hsieh, Ming-Hui
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Cheng, Wen-Cheng; Ke, Kuan-Cheng; Tsai, Fu-Chiang	Cheng, Wen-Cheng; Ke, Kuan-Cheng; Tsai, Fu-Chiang	Cheng, Wen-Cheng; Ke, Kuan-Cheng; Tsai, Fu-Chiang	Cheng, Wen-Cheng; Ko, Kuan-Cheng; Tsai, Fu-Chiang
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan	Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)			Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan	
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
Total	7 people	7 people	7 people	7 people

(II) Remuneration of supervisors: The Company has no supervisor; therefore, this is not applicable.

(III) Remuneration paid to the President and Vice President in the most recent year (disclose names in aggregate and ranges)

December 31, 2024

Unit: NT\$ thousand; %; thousand shares

Title	Name	Salaries (A)		Severance pay and pension (B)		Bonuses and special allowances (C)		Remuneration of employees (D) (Note)				Sum of A, B, C, and D and as a percentage of net profit after tax (%)		Remuneration from investees other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman and CEO	Liu, An-Che	-	49,524	-	701	-	14,993	27,257	-	27,257	-	27,257 1.59%	92,475 5.40%	-
President	Liu, Yu-Hsuan													
Vice Chairman and CFO	Liu, Chiung-Wen													
Vice President and CSO	Lai, Yan-Liang													
Executive Vice President	Liu, Cheng-Chih													
Vice President	Lin, Wei-Chen													
Vice President	Deng, Kuo-Hsiang													
Vice President	Wang, Ying-Jen													
Vice President	Chan, Shih-Fei													

Note: The amount of remuneration of employees for 2024 approved by the Board for distribution.

Table of Remuneration Range
2024

Range of remuneration paid to the President and Vice Presidents by the Company	Name of the President and Vice Presidents	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Lin, Wei-Chen; Deng, Kuo-Hsiang ; Chan, Shih-Fei; Wang, Ying-Jen	
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Lai, Yan-Liang; Liu, Cheng-Chih	
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)		Chan, Shih-Fei
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan	Lin, Wei-Chen; Deng, Kuo-Hsiang ; Wang, Ying-Jen
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		Liu, An-Che; Liu, Chiung-Wen; Liu, Yu-Hsuan; Lai, Yan-Liang; Liu, Cheng-Chih
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	9 people	9 people

(IV) Names of managers distributing employee remuneration and the distribution status:

December 31, 2024; unit: NT\$ thousand

Item	Title	Name	Amount in stock	Amount in cash	Total	Total amount as a percentage of net profit after tax (%)
Manager	Chairman and CEO	Liu, An-Che	-	27,617	27,617	1.61%
	President	Liu, Yu-Hsuan				
	Vice Chairman and CFO	Liu, Chiung-Wen				
	Vice President and CSO (Note 1)	Lai, Yan-Liang				
	Executive Vice President	Liu, Cheng-Chih				
	Vice President	Lin, Wei-Chen				
	Vice President	Deng, Kuo-Hsiang				
	Vice President	Wang, Ying-Jen				
	Vice President	Chan, Shih-Fei				
	Executive Assistant Vice President	He, Yi-Chun				
	Executive Assistant Vice President	Chen, Yi-Jie				
	Assistant Vice President and Information Security Officer	Chang, Yuan-Ming				
	Finance and Accounting Officer	Tsai, Ying-Tzu				
	Chief Auditor	Huang, Chen-Chen				
	Corporate Governance Officer	Chen, Jung-Sung				

(V) Total amount of remuneration paid to the Company's Directors, supervisors, President, and Vice Presidents in the most recent two years by the Company and all companies included in the consolidated financial statements as a percentage of the profit after tax and a description of the policy, standard, and package for the payment of remuneration, the procedure for determining remuneration, and their correlation with operating performance and future risks.

1. Analysis of the total amount of remuneration paid to the Company's Directors, supervisors, President, and Vice Presidents by the Company in the most recent two years as a percentage of profit after tax

Unit: NT\$ thousand

Item	2023				2024			
	The Company		All companies included in the consolidated financial statements		The Company		All companies included in the consolidated financial statements	
	Total amount	As a percentage of net profit after tax	Total amount	As a percentage of net profit after tax	Total amount	As a percentage of net profit after tax	Total amount	As a percentage of net profit after tax
Directors	30,381	1.60%	30,381	1.60%	22,105	1.29%	22,105	1.29%
President and Vice Presidents	36,000	1.90%	111,449	5.88%	27,257	1.59%	92,475	5.40%

Note 1: The full re-election of the Directors of the Company was conducted on June 15, 2023.

Note 2: The net profit after tax of the Company in 2023 and 2024 was NT\$1,896,687 thousand and NT\$1,710,942 thousand, respectively.

2. The policy, standard, and package for the payment of remuneration, the procedure for determining remuneration, and their correlation with operating performance and future risks are described as follows:

- i. According to the Articles of Incorporation, if the Company records a profit for the year, it shall appropriate at least 0.1% and at most 3% as the remuneration of employees for the Board to resolve whether to make the distribution in stock or cash. The distribution counterparty includes employees of subordinates, and the Board determines the distribution qualifications. The Board may resolve to appropriate up to 3% as the

remuneration of Directors (excluding Independent Directors) based on the abovementioned amount of profit and distribute it in cash. The proposal for the remuneration of employees and remuneration of Directors shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, the Company shall first reserve an amount to offset the losses.

- ii. The Company has its Remuneration Committee composed of three Independent Directors, which is responsible for determining and examining the performance evaluation of Directors and managers and the policy, system, standard and structure of their remuneration while regularly evaluating and establishing the remuneration of Directors and managers with reference to the payment standards among peers. Regarding the remuneration of the President, Vice Presidents, and other managers, different levels of remuneration are distributed by taking into account the work achievements and the level of contribution to the Company's operations after being discussed by the Remuneration Committee and submitted to the Board for the approval as a resolution.

III. Operation of corporate governance

(I) Operation of the Board:

The Board held a total of 12 meetings [A] in the most recent year (2024) and up to the publication date of the annual report; the attendance (presence) of Directors and Independent Directors is as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (B/A) %	Remarks
Chairman	Liu, An-Che	12	0	100%	
Directors	Liu, Chiung-Wen	12	0	100%	
Directors	Liu, Yu-Hsuan	12	0	100%	
Independent Director	Cheng, Wen-Cheng	12	0	100%	
Independent Director	Ko, Kuan-Cheng	12	0	100%	
Independent Director	Tsai, Fu-Chiang	12	0	100%	
Independent Director	Hsieh, Ming-Hui	10	0	100%	Directors who are newly appointed on May 10, 2024 shall attend ten meetings

Other information to be disclosed:

- I. If any of the following circumstances exists with respect to the operation of the Board, the date and session of the Board meeting, the content of the proposal, the opinions of all Independent Directors, and the Company's handling of the opinions shall be specified:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act
The Company has established its Audit Committee; therefore, Article 14-3 of the Securities and Exchange Act is not applicable. For the description of matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee.
 - (II) Board meeting resolutions to which Independent Directors raised objections or qualified opinions recorded or stated in writing, other than those aforementioned: None.
- II. For the recusal of a Director from a proposal due to a conflict of interest, the name of the Director, the content of the proposal, the reason for recusal, and his/her participation in voting shall be disclosed:

Date/session of the Board meeting	Name of the recused Director	Content of the proposal	Reasons for the recusal	Participation in voting
2024.02.07	Liu, An-Che Liu, Chiung-Wen Liu, Yu-Hsuan	Proposal for the donations made by subsidiary "Chung Jye Shoes Holdings Limited Taiwan Branch" to "Chung Jye Public Welfare Association."	The Directors have interests in the donation proposal; therefore, they recused themselves for the conflicts of interest.	Apart from the Directors below, who recused themselves according to the law, all attending Directors agreed to approve the proposal as proposed after inquiries made by the acting chairperson.
2024.04.29	Liu, An-Che Liu, Chiung-Wen Liu, Yu-Hsuan	Proposal for the distribution of remuneration of Directors and employees.	The Directors have interests; therefore, they recused themselves for the conflicts of interest.	Apart from the Directors below, who recused themselves according to the law, all attending Directors agreed to approve the proposal as proposed after inquiries made by the acting chairperson.
2025.02.13	Liu, An-Che Liu, Chiung-Wen Liu, Yu-Hsuan	Proposal for the donations made by subsidiary "Chung Jye Shoes Holdings Limited Taiwan Branch" to "Chung Jye Public Welfare Association."	The Directors have interests in the donation proposal; therefore, they recused themselves for the conflicts of interest.	Apart from the Directors below, who recused themselves according to the law, all attending Directors agreed to approve the proposal as proposed after inquiries made by the acting chairperson.
2025.02.13	Liu, Yu-Hsuan	Proposal for the release of the non-competition restrictions on Directors of the Company	The Directors have interests; therefore, they recused themselves for the conflicts of interest.	Apart from the Directors below, who recused themselves according to the law, all attending Directors agreed to approve the proposal as proposed after inquiries made by the acting chairperson.
2025.03.12	Liu, An-Che Liu, Chiung-Wen Liu, Yu-Hsuan	Proposal for the distribution of remuneration of Directors and employees.	The Directors have interests; therefore, they recused themselves for the conflicts of interest.	Apart from the Directors below, who recused themselves according to the law, all attending Directors agreed to approve the proposal as proposed after inquiries made by the acting chairperson.

III. TWSE/TPEX listed companies shall disclose the cycle, period, scope, method, and items of the self-evaluation (or peer evaluation) of the Board and fill in the implementation status of the Board evaluation in the following table:

To strengthen the operating efficiency of the Board and enhance the functions of the Board, the Board approved the "Regulations for the Performance Evaluation of the Board and Functional Committees" on September 14, 2023; the performance evaluation of the Board was implemented in January 2025, and the evaluation results were reported to and examined by the Board on February 13, 2025.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Once a year	2024.01.01~ 2024.12.31	The overall Board	Internal self-evaluation of the Board	1.Level of participation in the Company's operations 2.Improvement in the decision-making quality of the Board;

				3.Board composition and structure 4.Election and continuing education of Directors 5.Internal control
		Individual Board member	Self-evaluation of all Directors	1.Comprehension of the Company's targets and missions 2.Awareness of Directors' duties 3.Level of participation in the Company's operations 4.Internal relationship management and communication 5.Professional and continuing education of Directors 6.Internal control
		Functional committees	Self-evaluation of members of functional committees	1.Level of participation in the Company's operations 2.Awareness of the functional committee's duties 3.Improvement in the decision-making quality of the functional committee 4.Functional committee composition and member election 5.Internal control

IV. Targets for the enhancement of the functionality of the Board in the current year and the most recent year (i.e., the establishment of the Audit Committee and the improvement in information transparency) and the evaluation thereof:

- (I) The Company has established the "Regulations Governing the Procedure for Board Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for observation.
- (II) The Company elected one female Independent Director on May 10, 2024, and she was appointed as a member of the Audit Committee. The Board composition possesses diversified backgrounds, including different industries, academics, laws, and other professional backgrounds, and there are two female Directors.
- (III) The Company established the 1st Remuneration Committee on June 15, 2023. All Directors unanimously approved to appoint Independent Directors Cheng, Wen-Cheng, Ko, Kuan-Cheng, and Tsai, Fu-Chiang as the committee members. Regularly assess and examine the remuneration policy and system of the Company's Directors and managers.
- (IV) The Company values the rights and interests of investors and stakeholders. After each Board meeting, the important resolutions of the Board are immediately announced, and the Company participates in investment conferences from time to time to enhance information transparency.

(II) Operation of the Audit Committee:

The Company established its Audit Committee on June 15, 2023. The Audit Committee consists of four Independent Directors. The Audit Committee held 12 meetings [A] in the most recent year (2024) and up to the publication date of the annual report; the attendance (presence) of Independent Directors is as follows:

Title	Name	Number of attendance (presence) in person (B)	Number of attendance by proxy	Attendance (presence) rate (B/A) %	Remarks
Independent Director	Cheng, Wen-Cheng	12	0	100%	
Independent Director	Ko, Kuan-Cheng	12	0	100%	
Independent Director	Tsai, Fu-Chiang	12	0	100%	
Independent Director	Hsieh, Ming-Hui	10	0	100%	Directors who are newly appointed on May 10, 2024 shall attend ten meetings
Other information to be disclosed:					
I. If any of the following circumstances exists with respect to the operation of the Audit Committee, the date and session of the Audit Committee meeting, the content of the proposal, the objections, qualified opinions, or material suggestions from Independent Directors, the resolutions of the Audit Committee, and the Company's handling of the opinions of Audit Committee members shall be specified:					
(I) Matters listed in Article 14-5 of the Securities and Exchange Act:					
Date/session of the meeting	Content of the proposal			Audit Committee's resolution	The Company's handling of the opinions of Audit Committee members
2024.02.07 3rd meeting of the 1st session	1.Proposal for the donations made by subsidiary "Chung Jye Shoes Holdings Limited Taiwan Branch" to "Chung Jye Public Welfare Association" 2.Proposal for the earning distribution for the first half of 2023			Approved by all attending members	Approved as proposed
2024.04.29 4th meeting of the 1st session	1.2023 Business Report and financial statements 2.Proposal for the earning distribution for 2023 3.2023 Statement of internal Control System 4.Proposal for the application of the initial listing back in Taiwan with the Taiwan Stock Exchange 5.Statement of Internal Control System from April 1, 2023 to March 31, 2024 6.Proposal for the AQI report of the CPA firm and the evaluation of the independence and competence of CPAs for the financial statements 7.Establishment of the "Regulations for Acquisition or Disposal of Assets" and "Regulations for Loaning of Funds to Others and Endorsements and Guarantees" 8.Proposal for the amendments to the Articles of Incorporation 9.Proposal for the capital increase in cash through the issuance of new shares for the underwriting of initial listing and the request to initial shareholders to waive the preemptive rights			Approved by all attending members	Approved as proposed
2024.05.31 5th meeting of the 1st session	1.2024 Q1 financial statements 2.Proposal for investments in Indonesia 3.Establishment of the "financial statements preparation ability improvement plan" 4.2024 Q2 and Q3 financial forecasts 5.Establishment of the Audit Committee Charter, Remuneration Committee Charter, and the control operations and management regulations for various operational cycles 6.Establishment of the "control operation for the filing of public information to the website designated by the competent authority" 7.Amendments to the control cycle operations of the "information cycle"			Approved by all attending members	Approved as proposed
2024.06.28 6th meeting of the 1st session	1.Proposal for the endorsements and guarantees provided by the subsidiary of the Group 2.2024 Q3 and Q4 financial forecasts			Approved by all attending members	Approved as proposed
Date/session of the meeting	Content of the proposal			Audit Committee's resolution	The Company's handling of the opinions of Audit Committee members
2024.07.03 7th meeting of the 1st session	1.2023 Statement of internal Control System 2.Statement of Internal Control System from April 1, 2023 to March 31, 2024 3.Proposal for the establishment of the "overseas issuance of securities and confidentiality and document management work systems related to listing" to comply with the regulations of the China Securities Regulatory Commission			Approved by all attending members	Approved as proposed

	(CSRC)		
2024.08.30 8th meeting of the 1st session	1.2024 Q2 consolidated financial statements 2.Proposal for the phase 2 investment in subsidiary Runan Chung Jye Shoes Industry Co., Ltd. 3.Proposal for the capital increase in cash through the issuance of new shares for public underwriting 4.Proposal for the amendments to the Articles of Incorporation 5.Proposal for authorizing Mr. Liu, An-Che to represent the Company to sign and affix seals for the public offering of stocks, the account opening with Taiwan Depository & Clearing Corporation (TDCC) and the scripless issuance	Approved by all attending members	Approved as proposed
2024.09.20 9th meeting of the 1st session	Statement of Internal Control System from July 1, 2023 to June 30, 2024	Approved by all attending members	Approved as proposed
2024.11.12 10th meeting of the 1st session	2024 Q3 consolidated financial statements	Approved by all attending members	Approved as proposed
2024.12.26 11th meeting of the 1st session	1.2025 Business Plan and budgets 2.Proposal for the establishment of the “Regulations for Sustainability Information Management” 3.2025 audit plan 4.Proposal for the change in the investment amount and investment venue for the proposal for investments in Indonesia	Approved by all attending members	Approved as proposed
2025.02.13 12th meeting of the 1st session	1.Proposal for investments in Sragen in Indonesia 2.Proposal for the increase in investments in subsidiary Noble Success Group Limited in the amount of US\$50 million and the capital increase in cash of PT Chung Jye Indonesia, an investee in Indonesia, through Noble Success Group Limited and Agile Gain Investment Limited 3.Proposal for the donations made by subsidiary “Chung Jye Shoes Holdings Limited Taiwan Branch” to “Chung Jye Public Welfare Association” to fulfill corporate social responsibility 4.2024 Statement of internal Control System	Approved by all attending members	Approved as proposed
2025.03.12 13th meeting of the 1st session	1.2024 Business Report and financial statements 2.Proposal for the earning distribution for 2024 3.Proposal for the distribution of cash dividends from earnings for 2024 4.Proposal for the AQI report of the CPA firm and the evaluation of the independence and competence of CPAs for the financial statements	Approved by all attending members	Approved as proposed
2025.04.08 14th meeting of the 1st session	1.Proposal for the issuance of restricted stock awards (RSAs) 2.Proposal for the list of pre-approved non-assurance services	Approved by all attending members	Approved as proposed
(II) Resolutions not passed by the Audit Committee but approved by two-thirds or more of all Directors, other than those aforementioned: None.			
II. For the recusal of an Independent Director from a proposal due to a conflict of interest, the name of the Independent Director, the content of the proposal, the reason for recusal, and his/her participation in voting shall be disclosed: None.			
III. Communication between Independent Directors and the Chief Internal Auditor and CPAs (shall include the material matters of communication for the finance and business of the Company, methods, and results):			
(I) The Chief Auditor of the Company presents at each Audit Committee meeting and regularly reports the audit results to the Audit Committee. Independent Directors have no dissenting opinions against the reporting items. The Chief Auditor and Independent Directors have favorable communications.			
(II) CPAs present at Board meetings to express their audit opinions for the internal control review of financial statements and other matters and have sufficient communication with Independent Directors.			
(III) CPAs, Chief Auditor, and Independent Directors had a separate meeting on December 26, 2024 to have sufficient discussions and communication on the following issues:			
1. Scope of audit, significant risks, and key audit matters (KAM) (income recognition) in 2024			
2. Description of the self-preparation of consolidated financial statements information and financial statements			
3. Requirements related to non-assurance services approved by IESBA			
4. CPA fees and the public disclosure of fees			
5. Quality management system of the CPA Firm			
6. Introduction to the IFRS Sustainability Disclosure Standards			
(IV) CPAs, Chief Auditor, and Independent Directors had a separate meeting on March 12, 2025 to have sufficient discussions and communication on the following issues:			
1. Type of audit report and scope of audit for 2024			
2. Description of KAM in 2024			
3. Audited financial position and financial performance in 2024			
4. Legal updates			

(III) The operation of corporate governance, any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and all corporate governance practices are subject to the Corporate Governance Best Practice Principles.	No significant deviation
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters and implement the procedures?	✓		In addition to the protection of shareholders' rights and interests in the Articles of Incorporation and the "Rules of Procedure for Shareholders' Meetings," the Company has a dedicated department in place to handle matters related to investor relations so as to properly handle shareholders' recommendations, queries and disputes.	No significant deviation
(II) Does the Company keep track of major shareholders who actually control the Company and their ultimate controllers?	✓		In addition to maintaining investor relations and the insider report system, the Company has dedicated personnel in place to handle relevant matters, and a professional stock affairs agency is engaged to handle stock affairs according to the law so as to understand the changes in the list of major shareholders and the ultimate controllers of major shareholders.	No significant deviation
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	✓		The Company has established the "internal control system," "Regulations for Job Substitutes and Agents," "Regulations for Related Party Transactions," "Regulations for Financial and Non-financial Information of the Group and Subsidiaries," "Regulations for the Supervision of Subsidiaries," "Regulations for Acquisition and Disposal of Assets," and "Regulations for Lending of Funds to Others and Endorsements and Guarantees" to specify that the management of personnel, assets, and finance shall be able to effectively assess risks and the establishment of appropriate firewalls.	No significant deviation
(IV) Has the Company established internal regulations to prohibit insiders from trading marketable securities using undisclosed information in the market?	✓		The Company has established the "Procedures for Handling Material Inside Information," "Regulations for Preventing Insider Trading," and "Procedures for Reporting of Changes in Insiders" to specify the refusal of insiders for the conflicts of interest related to their duties and the prohibition of utilizing undisclosed information that they acknowledged or leaking such information to others so as to prevent insider trading and carry out education and promotion for laws and regulations related to insiders.	No significant deviation
III. Board composition and duties				
(I) Has the Board formulated and implemented any diversification policies, set specific management goals, and implemented the goals?	✓		The Company has established the "Corporate Governance Best Practice Principles" to require that the composition of the Board is based on diversification and that the members of the Board shall have the knowledge, skills and literacy required to perform their duties, and they are implemented accordingly.	No significant deviation
(II) Has the company voluntarily established other functional committees in addition to establishing a Remuneration Committee and an Audit Committee as required by law?	✓		The Company established the Remuneration Committee and Audit Committee in 2023 and the Sustainable Development Committee in 2024 to enhance its attention to sustainable development and implementation.	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
(III) Has the Company established procedures and methods for evaluating the performance of the Board, conducted annual performance evaluations regularly, reported the results of the performance evaluations to the Board, and used them as a reference for individual Directors' remuneration and nomination for re-appointment?	✓		The Company has established the "Regulations for the Performance Evaluation of the Board and Functional Committees" and implemented the operations according to the "Regulations for the Rules of Procedure of Board Meetings." To implement corporate governance and improve the board's functions, we established performance targets to enhance the board's operating efficiency, and the Board will gradually refine the evaluation method.	No significant deviation
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		The Company regularly evaluates the professional qualifications and independence of the appointed CPAs. The Company's CPA firm has strict requirements for the independence of its CPAs. An internal rotation system is in place for CPAs to comply with the principle of independence, and the Board shall resolve the appointment. The Declaration of Independence of the CPAs has been obtained for 2024.	No significant deviation
IV. Has the TWSE/TPEX listed company appointed an appropriate number of competent corporate governance personnel and designated a Corporate Governance Officer to be in charge of corporate governance-related matters (including but not limited to providing Directors and supervisors with the information needed to perform their duties, assisting Directors and supervisors in compliance with laws and regulations, handling matters related to Board meetings and shareholders' meetings in accordance with the law, and preparing minutes of Board meetings and shareholders' meetings)?	✓		The Board resolved to approve the establishment of the Corporate Governance Officer on September 14, 2023. The Officer possesses three years or more of experience as a supervisor of departments related to legal compliance, internal audit, and finance and is appointed to be responsible for corporate governance-related affairs.	No significant deviation
V. Has the Company created channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and appropriately responded to important corporate social responsibility issues of stakeholders' concern?	✓		The Company has a spokesperson and an acting spokesperson as the channels for the Company to express opinions to the public, and they handle related responses in accordance with the requirements. A stakeholder section is also set up on the corporate website to serve as a communication channel for opinion exchanges at all times.	No significant deviation
VI. Has the Company commissioned a professional stock affairs agency to handle shareholders' meeting affairs?	✓		The Company has appointed the Transfer Agency Department of CTBC Bank to handle affairs of shareholders' meetings.	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
VII. Information disclosure				
(I) Has the Company set up a website to disclose its financial, business, and corporate governance information?	✓		The Company has set up its website and set up financial and business information and corporate governance information of the Company.	No significant deviation
(II) Has the Company adopted other means of information disclosure (e.g., setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the proceedings of investor conferences on the Company's website)?	✓		There are dedicated departments responsible for information collection and disclosure, and the spokesperson and acting spokesperson are responsible for information disclosures regarding questions related to the Company. The convening of investor conferences is subject to the requirements of TWSE. The disclosure of other information is implemented according to relevant laws, regulations, and systems.	No significant deviation
(III) Has the Company announced and reported its annual financial statements within two months after the end of each fiscal year and announced and reported its financial statements for Q1, Q2, and Q3 and the operations of each month prior to the prescribed deadline?	✓		After obtaining the valid filing of the public offering, the Company has announced its quarterly statements and the operations of each month according to the requirements.	No significant deviation
VIII. Does the Company have other important information that is helpful in understanding the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of Directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the purchase of liability insurance for Directors and supervisors)?	✓		1.Employee rights and interests: The Company has harmonious labor-management relations and protects the legal rights and interests of employees in accordance with the labor laws of each operating location. The Company has not experienced any major labor-management disputes and has not been imposed with any disciplinary penalty by the competent authority due to any major labor-management disputes or major violations of labor laws. 2.Employee Care: The Company provides reasonable remuneration and various bonuses to employees. Each plant organizes various employee welfare measures according to local/national laws and regulations. Gift money is offered for important holidays (i.e., Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival), and there are group recreation activities, gatherings, travel subsidies, subsidies for marriages, funerals, and celebrations, emergency relief, and other welfare measures. Favorable labor-management relations with trust and reliance are established. 3.Investor relations: The Company has set up a corporate website and continues to enrich the content. It has also set up a spokesperson system to establish unblocked communication channels to ensure the rights and interests of investors. 4.Supplier relations: The Company adheres to ethical corporate management, conducts fair trade with suppliers, and maintains favorable long-term cooperative relations. 5.Stakeholders' rights and interests: To protect the rights and interests of stakeholders, the Company has established favorable and unblocked communication channels and upholds the principle of integrity and responsibility to make arrangements appropriately and fulfill its corporate social responsibility. 6.Continuing education of Directors and supervisors: The Company has established the Audit Committee to replace the functions of supervisors. All the Directors of the Company have professional	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
			backgrounds, have participated in securities regulation seminars and corporate governance courses according to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," and have complied with the requirements of the continuing education hours. 7.Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations and performs various risk management and assessments. 8.Implementation of the customer policy: The Company has a dedicated department to handle customer inquiries and complaint channels, and it maintains stable and healthy relationships with customers to generate profit. 9.Purchase of liability insurance for Directors and supervisors by the Company: The Company has established the relevant regulations for the liability insurance of Directors in the "Corporate Governance Best Practice Principles" and has purchased liability insurance for Directors to reduce and separate the risk of material damages to the Company's shareholders due to mistakes or negligence of Directors.	
IX. Please describe the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year and propose prioritized enhancements and measures for deficiencies that have not yet been corrected. (Not required for companies not included in the evaluation):			The Company is not included in the evaluation; therefore, this is not applicable.	

(IV) If the Company has established its Remuneration Committee, the composition, duties and operation shall be disclosed:

1. Information of the Remuneration Committee Members

April 11, 2025

Identity (Note 1)	Conditions Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of concurrent positions of remuneration committee member in other public companies
Independent Director	Cheng, Wen-Cheng (convener)	He possesses business, legal affairs, finance, business management abilities, and other work experiences required for the Company's business. For relevant academic background and experience, please refer to Two.I.(I)5. Disclosure of the professional qualifications of Directors and supervisors and the independence of Independent Directors. None of the conditions described in Article 30 of the Company Act occurred.	The compliance with independence is as follows: 1.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3.Not a director, supervisor, or employee of a company with specific relationships (with reference to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) with the Company. 4.Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years.	2
Independent Director	Ko, Kuan-Cheng	He possesses business, legal affairs, finance, business management abilities, and other work experiences required for the Company's business. For relevant academic background and experience, please refer to Two.I.(I)5. Disclosure of the professional qualifications of Directors and supervisors and the independence of Independent Directors. None of the conditions described in Article 30 of the Company Act occurred.	The compliance with independence is as follows: 1.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director, supervisor, or employee of the Company or its affiliate. 2.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3.Not a director, supervisor, or employee of a company with specific relationships (with reference to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) with the Company. 4.Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years.	0
Independent Director	Tsai, Fu-Chiang	He possesses business, legal affairs, finance, business management abilities, and other work experiences required for the Company's business. For relevant academic background and	The compliance with independence is as follows: 1.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship is not a Director,	0

Identity (Note 1)	Conditions	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of concurrent positions of remuneration committee member in other public companies
	Name			
		experience, please refer to Two.I.(I)5. Disclosure of the professional qualifications of Directors and supervisors and the independence of Independent Directors. None of the conditions described in Article 30 of the Company Act occurred.	supervisor, or employee of the Company or its affiliate. 2.The Independent Director, his/her spouse, or relative within the 2nd degree of kinship (or in the name of others) does not hold shares of the Company. 3.Not a director, supervisor, or employee of a company with specific relationships (with reference to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) with the Company. 4.Not receiving compensation for providing business, legal affairs, financial, or accounting services to the Company or its affiliates in the most recent two years.	

2.Duties of the Remuneration Committee Operation of the Remuneration Committee

(1). The Company's Remuneration Committee consists of 3 members.

(2). The term of office of the current members: From June 14, 2023 to June 14, 2026.
The Remuneration Committee held 8 meetings [A] in the most recent year (2024) and up to the publication date of the annual report; the qualifications and attendance of members are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Attendance rate (B/A) %	Remarks
Convener	Cheng, Wen-Cheng	8	0	100%	-
Member	Ko, Kuan-Cheng	8	0	100%	-
Member	Tsai, Fu-Chiang	8	0	100%	-
Other information to be disclosed:					
I. If the Board does not adopt or amend the suggestions of the Remuneration Committee, the date and session of the Board meeting, the content of the proposal, the resolutions of the Board, and the Company's handling of the Remuneration Committee's opinions shall be disclosed (if the remuneration passed by the Board is higher than that suggested by the Remuneration Committee, the difference and the reasons therefor shall be specified): None.					
II. If a member has a dissenting or qualified opinion on a resolution of the Remuneration Committee and it is on record or stated in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members, and the handling of the opinions shall be specified: None.					

(V) Implementation of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
I. Has the Company established a governance structure for the promotion of sustainable development and set up a full-time (or part-time) department to promote sustainable development, with the senior management authorized by the Board to manage the department? How does the Board supervise the department?	✓		The Board has approved the establishment of the “Sustainable Development Best Practice Principles” and the establishment of the “Sustainable Development Committee” on April 29, 2024. All Directors of the Company are members of the 1st session of the committee, and Vice President Lai, Yan-Liang was appointed as the CSO of the Company to be responsible for the promotion and implementation. In the future, the policy and the implementation status will be examined each year, and relevant information will be provided to the Board for supervision.	No significant deviation
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to corporate operations in accordance with the principle of materiality and established relevant risk management policies or strategies?	✓		The Company values integrity and the corporate culture of honesty and ethics. It has established the “Sustainable Development Best Practice Principles” and “Employee Handbook” to regulate the compliance of the management and employees and continues to communicate with stakeholders to continuously improve issues concerning them and to communicate. I. Environmental aspect: (I) Climate change risks 1. In response to relevant energy consumption policies of local governments, targets of cooperating brands, the Science-Based Targets initiative (SBTi), and the voluntary carbon reduction of MCAP, we promote the substitution with clean and low-carbon fuel, energy conservation and carbon reduction actions. The solar power consumption of Phase 1 China Plant was 2.1MW, and green power accounted for 30% of power consumption. The solar power consumption of the Phase 1 Vietnam Plant was 4.2 MW and green power accounted for 30% of power consumption. At present, the total power generation after the completion of the Phase 2 solar power installation in China and Vietnam Plants is estimated to increase by 18MW or above. The Group’s target is to consume green power of over 50% by 2025 to duly conserve energy and reduce carbon. 2. The Company conducts monthly inventory and analysis of the energy consumption and carbon emissions of shoe plants through continuous energy resource consumption inventory and source management. It intends to promote energy conservation and carbon reduction action plans. It is cooperating with a brand in the climate target assessment, a carbon footprint project, at the Guangdong Plant to complete carbon inventory and set relevant energy conservation targets so as to achieve carbon reduction effects through actions. (II) Updates of environmental protection laws and regulations: 1. Enhance the inventory of operating sites in compliance with local environmental protection regulations, regularly review the compliance of the EIA documents of the plants and track the improvement plans. 2. Actively invest in pollution control facilities and monitor and reinforce the compliance management of pollution substance discharge. 3. Continue to optimize the environmental safety and health indicator data management system and anomaly reporting system to effectively monitor the risk events in daily operations. (III) Fire safety in the field:	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons therefor
	Yes	No	Summary	
			1. Implement management and ensure the effectiveness of fire control facilities. 2. Continue to implement fire control measures and strictly implement fire source control. 3. Strengthen fire control awareness of employees, fire drills and safety patrol inspections. 4. Regularly carry out patrol inspections and audits with the government and a third party on a yearly basis to ensure the safety of the fire control systems in plants. II. Social aspect: (I) Human resource management: 1. Comply with the local labor regulations, recruitment operations, performance management, remuneration management, training and cultivation, employee management, and other matters where the operating sites are located to carry out risk control. 2. Increase diverse, local recruitment channels, reasonably reflect the market standards in the remuneration and improve employee care measures. (II) Infectious disease control risks: 1. Strengthen various epidemic prevention measures and employees' voluntary maintenance of the environment and hygiene in the plants and living areas. 2. Enhance the access control anomaly handling, and site sanitization measures of plants. 3. Implement employees' self-health management, health inspections, and the pandemic reporting system and store pandemic control supplies. (III) Employee safety and health: 1. Promote the safety culture of workplaces, continue to carry out occupational safety and health education and training for employees, engage external professional companies to visit the plants for seminars, and promote workplace fire drills. 2. Strengthen the protective measures and operational control for hazard risks and use labor safety protection equipment as required to ensure the safety of operating sites and production orders. 3. Regularly conduct general health inspections for all employees and occupational disease inspections for employees with special positions to track the changes in employees' health and discover and prevent hidden concerns of occupational hazards early. 4. Promote the ISO 45001 occupational safety and health management system, improve the policy and management system, and reduce injuries and diseases caused by the occupation. (IV) Social welfare: 1. Improve the management of community relations and fulfill corporate social responsibility (i.e., donations to the poor group for living and education). Install speed bumps at the crossroads of local communities in the hope of reducing the occurrence rate of car accidents; build water towers and replace filters for local schools to provide clean water sources, complying with SDG6: Ensure availability and sustainable management of water and sanitation for all. 2. The Board approved the proposal for the donations of the subsidiary to Chung Jye Public Welfare Association on February 13, 2025. III. Corporate Governance: (I) Functions of the Board: 1. The Company has four Independent Directors and has established the "Regulations for the Performance Evaluation of the Board and Functional Committees" to strengthen the functions of the Board. 2. The "Corporate Governance Best Practice Principles" were established to enhance corporate governance and legal compliance. The Company has appointed a dedicated officer for corporate governance who is responsible for matters related to Board meetings and shareholders' meetings. 3. Regarding Board diversification, the Board comprises seven Directors (including four Independent	

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons therefor
	Yes	No	Summary	
			Directors), and there are two female Directors. All members possess experience and professional backgrounds in industry, finance and accounting, legal, and management. (II) Ethical risk: 1. We have formulated the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct" to continue promoting the education, training, and promotion of the internal ethics and anti-corruption requirements for employees in November 2024. In addition, the promotion status was reported to the Board on December 26, 2024. 2. Establish whistleblowing and complaint channels to prevent illegal, unethical, or dishonest behaviors. 3. Strengthen the philosophy of ethical corporate management in the supply chain. (III) Information security risk: 1. The Board approved the establishment of the Information Security Officer and the information security team on February 4, 2024 to supervise and coordinate the formulation, promotion, and implementation of information security protective measures and policies. 2. Establish a remote backup system, ensure data security, and set up secured and reliable firewalls with a protection network to avoid hackers' attacks. (IV) Legal risks: 1. Continue to update internal regulations to comply with the latest laws and regulations. 2. Organize continuing education of Directors and insider education and training to avoid the violation of the Securities and Exchange Act. 3. Ban insider trading and protect the rights and interests of investors and stakeholders. (V) Product risk: 1. The Company has established the "Internal Control System," including the internal control management-related policies and procedures of procurement, production, sales, and other cycles. 2. Enhance the protective testing measures during the production process to protect the product use safety of consumers. 3. Improve quality certification of supplies in the supply chain and the continuity and effectiveness of the supply quality.	
III. Environmental issues (I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics?	✓		1. In response to the risks of climate change, the Company initiated the organizational GHG inventory in 2024. The Company has also moved toward low-carbon plants based on the mid-to-long-term SBTi verification. 2. In addition, the main operating sites of the Company are implementing the introduction of the ISO 14001 environmental management system to formulate management procedures and plans based on the environmental protection regulations where the operating sites are located, regularly examine the internal compliance performance, receive the Higg FEM third-party audit, reduce costs and risks brought by environmental factors, and reinforce environmental response resilience and environmental sustainability.	No significant deviation
(II) Has the Company made efforts to enhance energy efficiency and use recycled materials to reduce environmental impacts and burdens?	✓		1. In line with environmental protection and customers' development strategies, the Company's China and Vietnam Plants have installed Phase 1 solar power, with clean energy consumption totaling 6.3MW and green energy reaching 30% of electricity consumption. Phase 2 is under construction, and it is estimated to add 18MW of green electricity or above after completion. We will recycle and reuse waste and reduce carbon emissions to achieve corporate environmental protection and reduce impacts on the environmental load. 2. The Company continues to replace old and obsolete equipment, use energy-saving shoe manufacturing equipment and LED lighting, reduce power consumption, and improve the energy consumption efficiency of machinery and equipment.	No significant deviation
(III) Has the Company assessed the present and future potential risks	✓		1. The Company is undergoing the ISO14001 environmental management verification to respond to the GHG regulations in Europe, the global carbon reduction agreements, COP27 & 28 for reducing damages and abandoning	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons therefor
	Yes	No	Summary	
and opportunities of climate change and taken relevant countermeasures?			fossil fuel consumption, and the CBAM carbon fee levy in recent years, as well as the carbon reduction plans of customers for the supply chain. The Company has also implemented environmental improvement-related plans (i.e., solar power installation, wastewater recycling pool, catalyzing waste gas treatment facilities, and energy-saving equipment updates) and formulated the "Regulations for Climate Change and Energy Management" to not only comply with customers' carbon reduction plans that are binding to suppliers but also maintain the continuous supportive relationship between customers and suppliers in the future. 2.The Company officially established the "Sustainable Development Committee" and the sustainable development workforce in 2024 to assist in maintaining and implementing various sustainable development plans, keeping abreast of current and future potential risks and opportunities to enterprises, and ensuring the timely adoption of accurate countermeasures. 3.In 2024, the Company implemented climate-related risk and opportunity identification based on the Task Force on Climate-Related Financial Disclosure (TCFD), and it is estimated to disclose the identification results and relevant countermeasures in the 2024 Sustainability Report.	
(IV) Has the Company produced statistics on the GHG emissions, water consumption, and the total weight of waste in the most recent two years and established policies to reduce GHG emissions and water consumption or other waste management policies?		✓	1.The parent company of the Group implemented the Scope 1 and Scope 2 GHG inventory in 2024, and is estimated to select the parent company Ninh Binh Plant in Vietnam and Gaoyao Plant in China as the inventory boundary to obtain the GHG emissions of the entire year based on ISO14064-1 in 2025 and establish the GHG reduction data after confirming reaching the peak in the future in terms of carbon based on the data and the business development of the Company. 2.The Company has established the “Regulations for Climate Change and Energy Management,” regularly implemented employee education and training, and implemented and internalized them into employees’ daily lives.	No significant deviation
IV. Social issues (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	✓		1.The Plants of the Company formulate personnel management regulations, working rules, and various management systems and requirements based on local labor regulations. The Company also formulated the payroll and personnel cycle internal control system and complied with labor regulations and basic labor human rights principles to protect the legal rights and interests of employees. Plants establish labor unions and organize various employee welfare measures according to local/national laws and regulations while organizing labor rights and interests, salary and personnel bonus systems, and female employee training to ensure labor-management harmony. 2.The Company regularly examines the internal compliance performance and receives the SLCP third-party audit to ensure compliance with the code of social responsibility. In particular, Vietnam participated in the BetterWork three-year program to lead plants to become ultra-compliant plants through unannounced audits, consultation and rectification, training, seminars, and other actions.	No significant deviation
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits), and has employee remuneration appropriately reflected the Company’s business results or performance?	✓		The Company has established a reasonable remuneration system and combined it with the employee performance evaluation system and corporate policies to clearly distinguish rewards and punishments and achieve the principle of fairness and reasonableness. In terms of the welfare system, the Company provides free shuttle buses for employees to go to and leave work and provides free lunch, plus monthly additional meal services. It provides employees with sports space, establishes a children's scholarship application system, provides employees with a housing allowance plan to help repair houses to meet basic living needs, and provides a system for visiting outstanding and financially disadvantaged employees in rural areas every year.	No significant deviation
(III) Does the Company provide employees with a safe and healthy work environment and give them safety and health education on a regular basis?	✓		The Company provides employees with a safe and healthy working environment, including necessary health and first-aid facilities and personal labor insurance protective equipment. The Company also conducts pre-shift, on-shift, and post-shift health inspections for employees to track employees’ health status to discover and prevent occupational disasters as early as practicable. The Company regularly implements safety and health education and training for employees from time to time, promotes the ISO 45001 occupational safety and health management system, improves	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
			the policy and management system, and reduces injuries and diseases caused by the occupation. The Company also commissioned external fire companies to visit the plants to explain the use of fire extinguishing equipment, fire extinguishing latches, escape equipment, and other equipment and the regular maintenance of the equipment. In addition, the Company has commissioned professional healthcare companies to implement on-site employee education and training. The purpose is to help employees relieve pressure from daily work, extend their bodies during breaks, strengthen their physical fitness, and cultivate a healthy living model with exercises. The Company has also promoted obesity, high blood pressure, high blood sugar in the metabolic syndrome and the hazards of triglyceride and cholesterol and encouraged healthy diet, drinking more water, regular exercises, avoidance of staying up late, moderate pressure relief, and quitting cigarettes early to reverse the hazards of the Three Highs to bodies and prevent the risks of stroke or myocardial infarction. There was no material fire that occurred to the Company in 2024.	
(IV) Has the Company developed an effective career development training program for employees?	✓		The Company conducts internal and external training and training based on the annual education and training plan each year to establish effective professional training programs for employees and improve their career development abilities.	No significant deviation
(V) Has the Company complied with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and established relevant policies and complaint procedures for the protection of consumer rights?	✓		The Company's product sales and services comply with relevant laws, regulations, and international standards, and the products are clearly labeled. The Company has established the sales cycle operation of the internal control system and formulated the "Regulations for Customer Complaints" and "Regulations for Customer Returns and Discounts" to protect consumer's rights and interests.	No significant deviation
(VI) Has the Company had a supplier management policy in place to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? How is the policy implemented?	✓		The internal control of the Company has the procurement cycle operations in place to adopt dynamic management for suppliers and implement on-site visits when necessary. New suppliers are required to complete the supplier basic data form for relevant departments to carry out the evaluation; products and production shall not harm users. In addition, environmental safety and production shall comply with labor occupation safety laws and regulations of the industry and the producing country. If deficiencies are found in the audit, the suppliers are required to improve them within a prescribed period. If the deficiencies are not improved continuously, the suppliers will be included in the blacklist of the supply chain, and the cooperation relationship will be terminated.	No significant deviation
V. Has the Company prepared reports disclosing the Company's non-financial information, such as a Sustainability Report, in accordance with international reporting standards or guidelines? Have said reports obtained assurance from a third-party verification body?		✓	Since its establishment, the Company has continued to fulfill its corporate social responsibility. In 2025, the Company will prepare a Sustainable Report in accordance with the internationally accepted reporting standards.	The Company prepares its Sustainability Report in 2025.
VI. If the Company has established its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any deviation between its current practices and its Sustainable Development Best Practice Principles: The Company has established its Sustainable Development Best Practice Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,"				

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor	
	Yes	No	Summary		
and the operations and the deviations from the Principles are described above.					
VII. Other important information that is helpful in understanding the implementation of sustainable development:					
(I) Environmental sustainability: The Company responds to sustainable initiatives and is committed to environmental protection. At present, it is undergoing the Higg FEM evaluation for a third party to verify the performance of sustainable environmental development and, in turn, promote the continuous improvement of environmental sustainability and the ISO14001 environmental management system verification work while promoting the energy conservation and environmental protection management plans and making contributions to carbon reduction on earth. In the future, the Company will further implement a planting and forestation plan to increase the oxygen on earth in the hope of making continuous efforts for the mid-to-long-term targets of carbon neutrality and net zero emissions in the future. (II) Social welfare: According to Mother Teresa: "A little help from us can make a great difference in others."Adhering to the social service philosophy of“Taken from the community, Giving back to society,” the Company continues to participate in public welfare activities, supports culture education, donates to care for disadvantaged groups, and joins activities with employees. It also promotes the dream fulfillment plan for talent cultivation in the hope of becoming the corporate model of society and the world to lead the public, institutions, and groups to provide substantial help to different disadvantaged groups while committing to peace and happiness of society, peaceful, sustainable development, and the fulfillment of corporate social responsibility. (III) Corporate governance: The Company's website will have a corporate governance section and a finance and business section, and the Company will continue to update relevant laws and regulations and governance information to improve the transparency of corporate governance information.					

(VI) Climate-related information on TWSE/TPEX Listed Companies

According to the planned schedule of the Sustainable Development Roadmap of TWSE/TPEX Listed Companies (the "Sustainable Development Roadmap"), companies with a paid-in capital of less than NT\$5 billion shall complete the disclosure of GHG inventory and assurance information by 2028; therefore, this is not yet applicable to the Company. However, the implementation status of climate-related information disclosed by the Company early is as follows:

1.Climate-related information implementation status

Item	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board and the management.	The Board is the highest governing body of the Company for climate change, is responsible for directing the Company's response and decision-making for climate change, approving the scope and specifications of climate risk management and the level of approval, and is responsible for ensuring and supervising the effective implementation of the overall risk management system. The Company established the "Sustainable Development Committee" in 2024 and appointed Vice President Lai, Yan-Liang as the CSO to be responsible for promoting and implementing sustainability plans, regularly assessing climate-related risks and opportunities, and reporting to the Board reporting the promotion and implementation achievements of climate-related issues.
2. Describe how the identified climate	Climate risk effects:

Item	Implementation			
risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	Types of risk	Risk factor	Affecting period	Financial impact and response strategies
3. Describe the financial impact of extreme weather events and transition actions.	Transition risk - Policies and regulations	Improve reporting obligations for emissions	Short-term	To make enterprises respond to carbon reduction targets, the government published the “Sustainable Development Roadmap of TWSE/TPEX Listed Companies” to require all companies listed on TWSE/TPEX to complete GHG inventory and verification by 2029. The Company is required to carry out GHG inventory and establish inventory equipment and abilities, which causes increasing costs and makes the Company face the image pressure for carbon emissions.
	Types of risk	Risk factor	Affecting period	Financial impact and response strategies
	Physical risk - Long-term	Changes in rainfall (precipitation) patterns and extreme changes in climate patterns	Short-term	The extreme changes in climate patterns lead to unstable temperatures and rainfall (i.e., high temperatures and heavy rains), which affect employees' attendance, equipment damages, and supply chain interruptions, causing production delays, increases in equipment maintenance costs, and increases in operating costs.
	Transition risk - Technology	Cost of low-carbon technology transition	Mid-term	To reduce the environmental cost of the Company's operations, the Company invests in low-carbon transition equipment and promotes the automation of operating procedures. Despite the labor saved and the efficiency improved, the challenges of introducing new technologies and the uncertainties of achievements resulted in an increase in costs.
	Effects of climate opportunities:			
	Types of opportunity	Opportunity factor	Affecting period	Financial impact and response strategies
	Opportunity - Resource	Adopt more efficient	Short-term	Strategically manage production and distribution processes, together with the establishment of

Item	Implementation			
	efficiency	production and distribution processes		relevant departments to calculate working hours and labor costs, plan for the most effective work model to improve operating efficiency, reduce labor costs, and reduce the waste of supplies.
	Opportunity - Products and services	Development and/or increase of low-carbon products and services	Short-to-mid-term	The pressure from brands has forced the Company to develop relevant energy-saving and high-efficiency equipment, low-carbon energy, and recyclable materials to facilitate the decrease in costs and the increase in benefits. Low-carbon products are beneficial for developing different group markets and improving the Company's image.
	Opportunity - Resource efficiency	Use buildings with higher efficiency	Short-to-mid-term	The Company adopts green buildings and installs energy-saving facilities and smart monitoring equipment to improve resource efficiency, reduce water consumption and energy consumption, and reduce operating costs.
	Note: The definition of the scope of time: short-term 2024 to 2026; mid-term: 2027 to 2030; long-term: 2031 to 2050			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<u>Identification and assessment procedures for climate-related risks and opportunities</u> The Company's Sustainable Development Committee pays attention to the climate-related systems and strategies in various industries at home and abroad, follows the TCFD framework for the inventory of various risks and opportunities that climate change may cause, and conducts education and training for each department to deepen the climate change awareness. Then, the senior executives of each department evaluate the climate risks and opportunities faced by the Company during the course of operation, conduct the matrix analysis of risk and opportunities by considering the occurrence probability and the level of impacts, and deliver the identification results to relevant responsible departments to formulate relevant response strategies and indicator targets for risks and opportunities with high impacts to serve as the concrete measures for climate change management. <u>Assess process:</u> Step 1: Set the climate change scenarios Step 2: Assess the impact of climate change on the operating environment and stakeholders Step 3: Establish a risk and opportunity matrix to identify three types of climate risks and opportunities, respectively			
5. If scenario analysis is used to assess	The Company conducted climate change risk simulations under two scenarios: SSP5-8.5 and SSP1-2.6,			

Item	Implementation
resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	as stated in the IPCC Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC): a temperature increase of 6°C and 2°C, respectively. In the future, the Company will carry out dynamic analysis and assessments subject to the level of impact of climate change on the Company.
6. If there is a transition plan in response to the management of climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	● Establish a professional climate risk management team that is responsible for monitoring indicators and the implementation of improvement strategies ● Invest in low-carbon technology applications, with the number of production lines that have completed low-carbon technology modification by 2025 reaching 50% and reaching 100% by 2030. ● Invest at least 10% of the funds for the modification of infrastructure for climate adaptation facilities each year ● Purchase climate change risk-related insurance with a target of achieving 100% coverage rate ● Plan to complete the installation of the supply chain climate risk monitoring system in three years, track the resilience of upstream suppliers, and improve the stability of the supply chain ● Provide training to professional operating personnel and management personnel for the smart planning of the Company and the introduction of automation tools
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company does not use internal carbon pricing.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and amount of the carbon offsets or the amount of the RECs shall be described.	The Company currently does not adopt carbon offsets or RECs.
9. GHG inventory and assurance, as well as the reduction targets, strategies, and concrete action plans	Please refer to the description of [2. GHG inventory and assurance in the most recent two years] below.

2.GHG inventory and assurance in the most recent two years

(1) GHG inventory

Describe the GHG emissions (tCO ₂ e), intensity (tCO ₂ e/NT\$ million), and the scope of data coverage in the most recent two years.				
Scope	The Company in Taiwan	Shanggao in China	Ninh Binh in Vietnam	Total
Scope 1	0.53	-	7,343.11	7,343.64
Scope 2	51.07	6,394.39	14,588.97	21,034.43
Total	51.60	6,394.39	21,932.08	28,378.07
Intensity (tCO ₂ e/NT\$ million)	0.02	2.37	8.13	10.50

Note: As the Company in Taiwan has no production work, it is excluded from the energy intensity calculation.

Scope of data coverage:

- The inventory covers all GHGs generated within the scope of the reporting boundary from January 1, 2024 and December 31, 2024
- The scope of the reporting boundary includes the office of the Company in Taiwan, Shanggao Plant in China (Shanggao Chung Jye) and Ninh Binh Plant in Vietnam (Ninh Binh Chung Jye)

Note 1: Direct emissions (Scope 1, emissions directly from the emissions sources owned or controlled by the Company), indirect emissions from energy (Scope 2, indirect GHG emissions caused by the input electricity, heat, or steam), and other indirect emissions (Scope 3, emissions generated from the Company's activities that are not indirect emissions from energy but from the emissions sources owned or controlled by other companies).

Note 2: The scope of data coverage of direct emissions and indirect emissions from energy shall be arranged according to the schedule stated in paragraph 2, Article 4-1 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" (the "Regulations"), and the information on other indirect emissions may be disclosed voluntarily.

Note 3: GHG inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions may be calculated at product per unit/services or revenue; however, the data calculated based on the revenue (NT\$ million) shall at least be described.

(2) GHG assurance information

Describe the assurance status in the most recent two years, including the assurance scope, assurance institution, assurance standards, and assurance opinion.
The Company did not perform GHG assurance for the GHG inventory in 2024. According to the Sustainable Development Roadmap of TWSE/TPEX Listed Companies, the Company estimates to complete the GHG assurance after the inventory in 2027 and disclose the GHG assurance in the 2028 annual report.

3. GHG reduction targets, strategies, and concrete action plans

Describe the assurance status up to the publication date of the annual report, including the assurance scope, assurance institution, assurance standards, and assurance opinion.

Base year for GHG reduction and reduction targets

The Company has not yet set the base year for GHG reduction and reduction targets.

GHG reduction strategies and concrete action plans

The Company adopts a sustainable strategy to implement climate targets, including the procurement of low-carbon or sustainable materials to reduce carbon emissions and designing products within the green circular economy. The departments implement concrete actions for sustainability and carbon reduction. The Company promotes low carbon and green buildings for its plants and adopts green transportation and other strategy implementation actions for the reduction, recycling, and reuse of waste.

Achievement of reduction targets

The Company has not yet completed the GHG inventory for the inventory scope in the consolidated financial statements; it is estimated to complete the GHG inventory and set the reduction targets by 2026, and disclose the achievements in the following year.

(VII) Implementation of ethical management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Evaluation item		Operation (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
		Yes	No	Summary	
I. Establishment of ethical management policies and plans					
(I)	Has the Company established an ethical management policy, is it approved by the Board, and explicitly specified the Company’s policies and practices on ethical management, as well as the commitment of the Board and senior management to actively implement management policies in its regulations or external documents?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Code of Ethical Conduct” to specify the ethical corporate management policy of the Company and allow employees, managers, and Directors to duly acknowledge and comply with the implementation.	No significant deviation
(II)	Has the Company developed an assessment mechanism for the risk of unethical conduct, analyzed and assessed the business activities with a higher risk of unethical conduct within the business scope on a regular basis, and established a program for the prevention of unethical conduct accordingly, which at least cover preventive measures against the acts set forth in subparagraphs of paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has specified the regular analysis and assessments of risks of unethical behaviors within the scope of business in the “Procedures for Ethical Management and Guidelines for Conduct” and established the unethical behavior prevention plan accordingly, which covers the preventive measures set forth in subparagraphs of paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."	No significant deviation
(III)	Has the Company had operating procedures, behavioral guidelines, punishment and complaint systems specified in the program for the prevention of unethical conduct? Are they thoroughly implemented? Is the said program regularly reviewed and amended?	✓		The Company has established its “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct,” established the unethical behavior prevention plan, and specified the procedures, guidelines for conduct, and punishment and complaint systems for violations in the plans for implementation accordingly.	No significant deviation
II. Implementation of ethical corporate management					
(I)	Has the Company evaluated the record of the integrity of its counterparts and specified ethical behavior clauses in the contracts signed with the counterparts?	✓		The Company has established an evaluation system for suppliers and outsourcing contractors.	No significant deviation
(II)	Has the Company set up a dedicated department subordinate to the Board to promote ethical corporate management, and has the department reported the Company’s ethical corporate management policies and programs for the prevention of unethical behaviors as well as their supervision and implementation to the Board (at least once a year)?	✓		To implement ethical corporate management, the Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and designated the Corporate Governance Department as the dedicated department and the audit department to supervise and implement. If there is any major violation of ethics, a report shall be made to the Board immediately.	No significant deviation
(III)	Has the Company formulated policies to prevent conflicts of interest, provided appropriate channels for communication, and implemented them thoroughly?	✓		The Company specified the policies and regulations for the prevention of conflicts of interest for different levels of personnel in the “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct,” provided appropriate description channels, and implemented them accordingly.	No significant deviation
(IV)	Has the Company established an effective accounting system and internal control system to implement ethical corporate management? Has the internal audit department drawn up relevant audit plans based on the assessment results for the risk of unethical behaviors and performed the audit of compliance with the program for the prevention of unethical behaviors accordingly, or commissioned CPAs to do so?	✓		The Company has established an effective accounting system and internal control system. In addition to engaging CPAs to perform audit certifications, the internal audit department implements audits in accordance with the audit plan and reports to the Board on a regular basis.	No significant deviation
(V)	Has the Company organized internal and external training on ethical corporate management on a regular basis?	✓		The Company promotes the concept and regulation of ethical corporate management through the training for new recruits, internal meetings and education and training.	No significant deviation

Evaluation item	Operation (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor
	Yes	No	Summary	
III. Operation of the Company's whistleblowing system				
(I) Has the Company established specific whistleblowing and reward systems, created a convenient channel for whistleblowing, and assigned appropriate dedicated personnel to reported subjects?	✓		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" to encourage insiders and external personnel to report unethical behaviors or misconduct and also specified the handling procedures for whistleblowing. Dedicated personnel are also designated for handling.	No significant deviation
(II) Has the Company established standard operating procedures for the investigation of reported matters, specified follow-up measures to be taken after the investigation is completed, and developed relevant confidentiality mechanisms?	✓		The Company has established standard operating procedures for the investigation of reported incidents; the whistle-blowing reports received, and the follow-up investigations are handled with confidentiality and rigor.	No significant deviation
(III) Has the Company taken measures to protect whistleblowers from improper treatment due to whistleblowing?	✓		The Company shall keep the identity of the whistleblowers and the content of the report in strict confidence, and it promises to protect the whistleblowers from any mistreatment due to the report.	No significant deviation
IV. Enhancement of information disclosure				
Has the Company disclosed its Ethical Corporate Management Best Practice Principles and the achievements of their implementation on its website and the MOPS?	✓		The Company discloses the information related to the Company's ethical corporate management through its website and other channels, and has set up a mailbox in the investor section on the website in the hope of realizing the responsibilities of ethical corporate management through diverse channels.	No significant deviation
V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any deviation between its current practices and its Ethical Corporate Management Best Practice Principles: The Company has established its “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct,” and its operations have no deviation from the Principles.				
VI. Other important information that is helpful in understanding the implementation of the Company's ethical corporate management: (i.e., the Company examines and amends the Ethical Corporate Management Best Practice Principles it established): In addition to the "Ethical Corporate Management Best Practice Principles," the Company has established other internal regulations (e.g., the Company's Procedures for Handling Material Inside Information and Regulations for Preventing Insider Trading). The Company arranges for Directors to participate in corporate governance courses, regularly promotes the Company's ethical corporate management policy to employees, and amends the Ethical Corporate Management Best Practice Principles in a timely manner depending on the Company's business development.				

(VIII) Other important information that allows for a better understanding of the implementation of the Company's corporate governance:

The Company's important information is announced on the MOPS in a timely manner as required by the competent authority. The Company's financial, business and corporate governance information is updated regularly or immediately in the "stakeholder" section of the Company's website. The Company complies with the amendments to the laws and regulations and considers the environmental changes to amend corporate governance regulations in a timely manner to serve as the guideline for Directors, managers and employees to follow. It has set up a "corporate governance section" on the Company's website to fully disclose relevant management procedures. Under the corporate sustainability philosophy, the Company will continue to improve corporate governance through the organizational structure, regulations and systems, and implementation examinations.

(IX) Implementation status of the internal control system

1.Statement of Internal Control: The Company's Statement of Internal Control has been announced on the MOPS as required by the competent authority.

2.CPA Review Report shall be disclosed from the CPAs commissioned to review the internal control system:

Review of the internal control system
Independent Auditors' Report of Reasonable Assurance

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

We have implemented the necessary procedures for the design and implementation status of the internal control system related to the external financial reporting and the protection of asset security of Chung Jye Investment Holding Co., Ltd. and its subsidiaries as of December 31, 2024 and the statement for the effective design and implementation of the internal control system related to the external financial reporting and the protection of asset security as of December 31, 2024 issued on February 13, 2025 after an assessment.

Assurance target, information on assurance target, and applicable standards

The target and the information on target for the assurance case are the design and implementation status of the internal control system related to the external financial reporting and the protection of asset security of Chung Jye Investment Holding Co., Ltd. and its subsidiaries and the statement for the effective design and implementation of the internal control system related to the external financial reporting and the protection of asset security as of December 31, 2024 issued by Chung Jye Investment Holding Co., Ltd. and its subsidiaries on February 13, 2025 after an assessment; please refer to the attachment for details.

The applicable standards for measuring or assessing the abovementioned assurance target and information on target shall be the effectiveness judgment project for the internal control system in the “Regulations Governing Establishment of Internal Control Systems by Public Companies.”

Inherent limitation

As any internal control system has its inherent limitations, the abovementioned internal control system of Chung Jye Investment Holding Co., Ltd. and its subsidiaries may have errors or malpractices that cannot be prevented or detected. In addition, the future environment may change, and the degree of compliance with the internal control system may also be reduced. The effective internal control system in the current period does not mean that it will be effective in the future.

Responsibilities of the management

The management is responsible for establishing the internal control system and examining it at all times based on the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and relevant laws and regulations to maintain the continuous effectiveness of the design and implementation of the internal control system, and issuing the statement of internal control system after assessing the effectiveness.

Responsibilities of CPAs

We are responsible for implementing necessary procedures to obtain reasonable assurance based on the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and the TWSAE 3000 “assurance cases that are not audits or reviews of non-historical financial information” and achieving a conclusion regarding whether the assurance target and information on target comply with the applicable standards in all material aspects and whether they are appropriately expressed.

Independence and quality management regulations

We and our firm have complied with the relevant requirements of the Norm of Professional Ethics for Certified Public Accountants regarding independence and other ethical requirements. The basic principles of the Norm are honesty, impartiality, objectivity, professionalism, professional diligence, confidentiality, and professionalism. In addition, we are subject to the quality management standards of Statement of CPA Professional Ethics No. 1, "Quality Management of CPA Firm," which requires the CPA firm to design, pay for the implementation and execution of the quality management system and adhere to the policies or procedures related to the ethics, professional standards and applicable laws and regulations.

Description of the implemented procedures

We planned for and implemented necessary procedures based on our professional judgments to obtain evidence related to the target and information on the target. Procedures implemented include understanding the internal control system of the Company, assessing the processes adopted by the management in assessing the effectiveness of the overall internal control system, testing and assessing the effectiveness of the design and implementation of the internal control related to the external financial reporting and the protection of asset security, and other procedures that we consider necessary.

Assurance conclusion

In our opinion, the design and execution of the internal control system related to the external financial reporting and the protection of asset security of Chung Jye Investment Holding Co., Ltd. and its subsidiaries as of December 31, 2024 have complied with the sustainable effectiveness under the effectiveness judgment project for the internal control system in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” in all material aspects; the statement for the effective design and implementation of the internal control system related to the external financial reporting and the protection of asset security issued by Chung Jye Investment Holding Co., Ltd. and its subsidiaries on February 13, 2025 fairly expressed all material aspects.

KPMG Taiwan

CPA Zhang, Qing-Xia

CPA Qiu, Meng-Jie

March 12, 2025

(X) Important resolutions of the shareholders' meeting and the Board in the most recent year (2024) and up to the publication date of the annual report

1. Important resolutions of the shareholders' meeting

Date of meeting	Important resolutions
2024.05.10 Annual shareholders' meeting	I. Ratification 1. 2023 Business Report and consolidated financial statements. 2. Proposal for the earning distribution for 2023 II. Discussion 1. Proposal for the application of the initial listing back in Taiwan with the Taiwan Stock Exchange 2. Proposal for the amendments to the Articles of Incorporation 3. Proposal for the capital increase in cash through the issuance of new shares for the underwriting of initial listing and the request to initial shareholders to waive the preemptive rights 4. Proposal for the formulation of the "Rules of Procedure for Shareholders' Meetings" 5. Proposal for the formulation of the "Regulations for Acquisition or Disposal of Assets" 6. Proposal for the formulation of the "Regulations for Loaning of Funds to Others and Endorsements and Guarantees" III. Election 1. Election of a Director to fill a vacant seat IV. Other matters 1. Proposal for the release of the non-competition restrictions on new Directors
2024.9.20	I. Discussion 1. Proposal for the amendments to the Articles of Incorporation

2. Important resolutions of the Board

Date of meeting	Important resolutions
2024.02.07 4th meeting of the 2nd session	1. Proposal for the donations made by subsidiary "Chung Jye Shoes Holdings Limited Taiwan Branch" to "Chung Jye Public Welfare Association." 2. Proposal for the earning distribution for the first half of 2023. 3. Proposal for the distribution of the year-end bonuses of Directors and managers for 2023. 4. Proposal for the appointment of the Information Security Officer of the Company. 5. Proposal for the establishment of the "Ethical Corporate Management Best Practice Principles." 6. Proposal for the establishment of the "Code of Ethical Conduct."
2024.04.29 5th meeting of the 2nd session	1. Proposal for the distribution of remuneration of Directors and employees. 2. 2023 Business Report and financial statements. 3. Proposal for the earning distribution for 2023. 4. 2023 Statement of internal Control System. 5. Election of a Director to fill a vacant seat. 6. Proposal for the release of the non-competition restrictions on new Directors. 7. Proposal for the application of the initial listing back in Taiwan with the Taiwan Stock Exchange. 8. Statement of Internal Control System from April 1, 2023 to March 31, 2024. 9. Proposal for the appointment of the stock affairs agency. 10. Proposal for authorizing the person to sign and affix seals on documents related to the public offering. 11. Proposal for the amendments to the Articles of Incorporation. 12. Proposal for the capital increase in cash through the issuance of new shares for the underwriting of initial listing and the request to initial shareholders to waive the preemptive rights.

Date of meeting	Important resolutions
	13. Proposal for the scripless issuance of the Company's stocks. 14. Proposal for the establishment of the Sustainable Development Committee. 15. Proposal for the appointment of the CSO. 16. Proposal for the AQI report of the CPA firm and the evaluation of the independence and competence of CPAs for the financial statements. 17. Proposal for the submission of the "2024 filing and statements" to the Companies Register of the Cayman Islands. 18. Proposal for the submission of the "2023 ES notification" to the Cayman Islands. 19. Proposal for the formulation of the "Sustainable Development Best Practice Principles." 20. Proposal for the formulation of the "Procedures for Ethical Management and Guidelines for Conduct." 21. Proposal for the formulation of the "Rules of Procedure for Shareholders' Meetings." 22. Proposal for the formulation of the "Rules of Procedure for Board Meetings." 23. Establishment of the "Regulations for Acquisition or Disposal of Assets" and "Regulations for Loaning of Funds to Others and Endorsements and Guarantees." 24. Proposal for matters related to the convening of the 2024 shareholders' meeting.
2024.05.31 6th meeting of the 2nd session	1. 2024 Q1 financial statements. 2. Proposal for the investments in Indonesia. 3. Proposal for the Company to negotiate with the organizing underwriter for overallotment and the voluntary lockup of specific shareholders. 4. Proposal for the salary adjustment of managers. 5. Proposal for the establishment of the "financial statements preparation ability improvement plan." 6. 2024 Q2 and Q3 financial forecasts. 7. Proposal for the appointment of litigious and non-litigious agent ad litem. 8. Proposal for the formulation of the ex-dividend base day for the distribution of cash dividends from earnings and the distribution date of cash dividends. 9. Proposal for the appointment of CTBC Securities Co. Ltd. to assist in the compliance with securities laws and regulations of the Republic of China and the execution of the letter of appointment of a legal compliance consultant. 10. Appoint the dedicated institutions for the information disclosure on behalf of the Company in Taiwan. 11. Appoint the dedicated institutions for the tax payment on behalf of the Company in Taiwan. 12. Establishment of the Audit Committee Charter, Remuneration Committee Charter, and the control operations and management regulations for various operational cycles. 13. Establishment of the "control operation for the filing of public information to the website designated by the competent authority." 14. Establishment of the "Procedures for Handling Material Inside Information." 15. Establishment of the "Procedures for Reporting of Changes in Insiders." 16. Establishment of the "Regulations for the Establishment of Independent Directors and Matters of Compliance." 17. Amendments to the control cycle operations of the "information cycle."
2024.06.28 7th meeting of the 2nd session	1. Proposal for the endorsements and guarantees provided by the subsidiary of the Group. 2. 2024 Q3 and Q4 financial forecasts. 3. Establishment of the "Guidelines for the Continuing Education of Directors."
2024.07.03 8th meeting of the 2nd session	1. 2023 Statement of internal Control System. 2. Statement of Internal Control System from April 1, 2023 to March 31, 2024. 3. Proposal for the establishment of the "overseas issuance of securities and confidentiality and document management work systems related to listing" to

Date of meeting	Important resolutions
	comply with the regulations of the China Securities Regulatory Commission (CSRC).
2024.08.30 9th meeting of the 2nd session	1. 2024 Q2 consolidated financial statements. 2. Proposal for the phase 2 investment in subsidiary Runan Chung Jye Shoes Industry Co., Ltd.. 3. Proposal for the filing of the supplementary public offering with the competent authority. 4. Proposal for the capital increase in cash through the issuance of new shares for public underwriting. 5. Proposal for the establishment of the Regulations for Share Subscription by Employees under Capital Increase and the submission of the list for share subscription. 6. Proposal for the amendments to the Articles of Incorporation. 7. Proposal for personnel changes of the Company. 8. Proposal for authorizing Mr. Liu, An-Che to represent the Company to sign and affix seals for the public offering of stocks, the account opening with Taiwan Depository & Clearing Corporation (TDCC) and the scripless issuance. 9. Proposal for convening the 2024 extraordinary shareholders' meeting.
2024.09.20 10th meeting of the 2nd session	1. Statement of Internal Control System from July 1, 2023 to June 30, 2024.
2024.11.12 11th meeting of the 2nd session	1. 2024 Q3 consolidated financial statements. 2. Proposal for the application for the online banking of CTBC Bank Co., Ltd. and the authorization of a third party for transactions. 3. Proposal for the promotion and salary adjustment of managers. 4. Proposal for the establishment of the "Regulations for Election of Directors" 5. Proposal for the "Procedures for Application of Suspension and Resumption of Trading"
2024.12.26 12th meeting of the 2nd session	1. 2025 Business Plan and budgets 2. Proposal for the establishment of the "Regulations for Sustainability Information Management" 3. Proposal for the distribution of the year-end bonuses of Directors and managers for 2024 4. 2025 audit plan 5. Proposal for the submission of the "2025 filing and statements" to the Companies Register of the Cayman Islands 6. Proposal for the submission of the "2024 ES notification" to the Cayman Islands 7. Proposal for the amendments to the "Corporate Governance Best Practice Principles" 8. Proposal for the amendments to the "Regulations for Stock Affairs" 9. Proposal for the change in the investment amount and investment venue for the proposal for investments in Indonesia
2025.02.13 13th meeting of the 2nd session	1. Proposal for investments in Sragen in Indonesia 2. Proposal for the increase in investments in subsidiary Noble Success Group Limited in the amount of US\$50 million and the capital increase in cash of PT Chung Jye Indonesia, an investee in Indonesia, through Noble Success Group Limited and Agile Gain Investment Limited 3. Proposal for the donations made by subsidiary "Chung Jye Shoes Holdings Limited Taiwan Branch" to "Chung Jye Public Welfare Association" to fulfill corporate social responsibility 4. 2024 Statement of internal Control System 5. Proposal for the establishment of the "Sustainable Development Committee Charter" 6. Proposal for the amendments to the "Regulations for Preventing Insider Trading"

Date of meeting	Important resolutions
	7. Proposal for the release of the non-competition restrictions on Directors of the Company 8. Proposal for the release of the non-competition restrictions on managers of the Company
2025.03.12 14th meeting of the 2nd session	1. 2024 Business Report and financial statements 2. Proposal for the distribution of remuneration of Directors and employees 3. Proposal for the earning distribution for 2024 4. Proposal for the distribution of cash dividends from earnings for 2024 5. Proposal for the AQI report of the CPA firm and the evaluation of the independence and competence of CPAs for the financial statements 6. Proposal for matters related to the convening of the 2025 shareholders' meeting. 7. Proposal for matters related to the acceptance of shareholders' proposals for the 2025 annual shareholders' meeting
2025.04.08 15th meeting of the 2nd session	1. Proposal for the issuance of restricted stock awards (RSAs) 2. Proposal for the list of pre-approved non-assurance services 3. Proposal for the addition to the reason for the 2025 shareholders' meeting

(XI) The main content of any dissenting opinion from a Director or supervisor with respect to a material resolution adopted by the Board which has been on record or stated in writing in the most recent year and up to the publication date of this annual report: None.

IV. Information on CPA fees

- (I) The amount of the audit fees and non-audit fees for CPAs, the CPA firm, and its affiliates, and the content for non-audit services

Unit: NT\$ thousand

Name of CPA firm	Name of CPAs	CPA's audit period	Audit fees	Non-audit fees (Note)	Total	Remarks
KPMG Taiwan	Zhang, Qing-Xia	2024/01/01~2024/12/31	13,805	3,680	17,485	Note: The annual transfer pricing analysis, internal control project review, and overseas initial listing consultation work, System consultation services for consolidated financial statements
	Qiu, Meng-Jie					
Deloitte & Touche Risk Management Advisory Co., Ltd.	-	2024/01/01~2024/12/31	-	500	500	Note: The sustainable corporate management service project

- (II) If the CPA firm is replaced and the audit fees paid during the year of replacement are less than the audit fees paid in the year before the replacement, the amount of audit fees before and after the replacement and the reasons shall be disclosed: None.

- (III) If the audit fees are reduced by 10% or above as compared to the preceding year, the amount and ratio of audit fees reduced and the reasons shall be disclosed: None.

V. Replacement of CPA: None.

- VI. If any of the Company's Chairman, President, or managers in charge of financial or accounting affairs being employed by the CPA firm or any of its affiliates in the most recent year, the name, title, and the period in which he/she hold positions in the CPA firm or its affiliates shall be disclosed: None.

- VII. Transfer of equity and changes in equity pledge by a Director, supervisor, manager, or shareholder with a stake of more than 10% in the most recent year and up to the publication date of this annual report: None.

- (I) Changes in the equity of Directors, supervisors, managers, and major shareholders

- (II) Counterparties of the equity transfers of Directors, supervisors, managers, and major shareholders who are related parties: None.

- (III) Counterparties of the equity pledges of Directors, supervisors, managers, and major shareholders who are related parties: None.

- VIII. Shareholders with top ten shareholdings who are related parties, spouses, or relatives within the 2nd degree of kinship:

April 11, 2025; unit: share; %

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES HELD BY SPOUSE AND MINORS		TOTAL SHARES HELD IN THE NAME OF OTHERS		THE NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED, SPOUSES, OR RELATIVES WITHIN THE 2ND DEGREE OF KINSHIP TO EACH OTHER		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
He De Gui Limited Representative: Liu, Hsin-Kuo	24,505,597	15.73	-	-	-	-	Earn Great Investments Limited Yichun Investment Co., Ltd. Fengrui International Holdings Limited Long En Ci Co., Ltd. Ronggui Family Holdings Limited Furong Family Holdings Limited	The representative is a relative within the 2nd degree of kinship	

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES HELD BY SPOUSE AND MINORS		TOTAL SHARES HELD IN THE NAME OF OTHERS		THE NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED, SPOUSES, OR RELATIVES WITHIN THE 2ND DEGREE OF KINSHIP TO EACH OTHER		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
							Hongyao Investment Co., Ltd. Lai, Yan-Liang		
Earn Great Investments Limited Representative: Liu He, Yu-Lin	24,505,597	15.73	-	-	-	-	He De Gui Limited Yichun Investment Co., Ltd. Fengrui International Holdings Limited Long En Ci Co., Ltd. Ronggui Family Holdings Limited Furong Family Holdings Limited Hongyao Investment Co., Ltd. Lai, Yan-Liang	The representative is a relative within the 2nd degree of kinship	
Furong Family Holdings Limited Representative: He, Jung-Tsung	12,638,268	8.11	-	-	-	-	He De Gui Limited Earn Great Investments Limited Ronggui Family Holdings Limited Hongyao Investment Co., Ltd.	The representative is a relative within the 2nd degree of kinship	
Rong Gui Family Holding Limited Ronggui Family Holdings Limited Representative: He, Jung-Kuei	11,893,351	7.64	-	-	-	-	He De Gui Limited Earn Great Investments Limited Furong Family Holdings Limited Hongyao Investment Co., Ltd.	The representative is a relative within the 2nd degree of kinship	
Grand Kindness Company Limited Long En Ci Co., Ltd. Representative: Liu, Yu-Hsuan	11,509,686	7.39	-	-	-	-	He De Gui Limited Earn Great Investments Limited Yichun Investment Co., Ltd. Fengrui International Holdings Limited Lai, Yan-Liang	The representative is a relative within the 2nd degree of kinship	
Brilliant Fame International Limited Cuiyu International Co., Ltd. Representative: Huang, Dong-Ching	10,121,136	6.50	-	-	-	-	-	-	
E-Group Investments Limited Yichun Investment Co., Ltd. Representative: Liu, Chiung-Wen	8,718,702	5.60	-	-	-	-	He De Gui Limited Earn Great Investments Limited Fengrui International Holdings Limited Long En Ci Co., Ltd. Lai, Yan-Liang	The representative is a relative within the 2nd degree of kinship	
Richwell International Holding Limited Fengrui International Holdings Limited Representative: Liu, An-Che	8,590,023	5.52	-	-	-	-	He De Gui Limited Earn Great Investments Limited Yichun Investment Co., Ltd. Long En Ci Co., Ltd. Lai, Yan-Liang	The representative is a relative within the 2nd degree of kinship	
Macro Shine Investments Limited Hongyao Investment Co., Ltd. Representative: He, Man-Jing	4,986,144	3.20	-	-	-	-	He De Gui Limited Earn Great Investments Limited Ronggui Family Holdings Limited Furong Family Holdings Limited	The representative is a relative within the 2nd degree of kinship	
Lai, Yan-Liang	3,290,998	2.11	1,000,030	0.71	-	-	He De Gui Limited Earn Great Investments Limited Yichun Investment Co., Ltd. Fengrui International Holdings Limited Long En Ci Co., Ltd.	The representative is a relative within the 2nd degree of kinship	

IX. The number of shares held by the Company, the Directors, supervisors, and managers thereof, and the companies directly or indirectly controlled thereby in the same investee, and the consolidated shareholding ratio

December 31, 2024; unit: thousand shares; %

Investee	Investment of the Company		Investment of Directors, supervisors, managers, and the companies directly or indirectly controlled thereby		Consolidated investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Noble Success	2,249	100%	-	-	2,249	100%
Smartlook	1,000	100%	-	-	1,000	100%
Agile Gain	100	100%	-	-	100	100%
Better Power	1,000	100%	-	-	1,000	100%
Trinity	750	68.09%	-	-	750	68.09%
Jewel	1,100	100%	-	-	1,100	100%
Samoa Chung Jye	1,000	100%	-	-	1,000	100%
Fortune Leader	39	100%	-	-	39	100%
Wealthy	50	100%	-	-	50	100%
Chung Jye Shoes Industry	860	100%	-	-	860	100%
Chao Ching Zhongjie	Note 1	100%	-	-	Note 1	100%
Runan Chung Jye	Note 1	100%	-	-	Note 1	100%
Guangning Chung Bao	Note 1	100%	-	-	Note 1	100%
Sihui Chung Jye	Note 1	100%	-	-	Note 1	100%
Yifeng Chung Jye	Note 1	100%	-	-	Note 1	100%
Shanggao Chung Jye	Note 1	100%	-	-	Note 1	100%
Shanggao Chung Yi	Note 1	100%	-	-	Note 1	100%
Shanggao Chung Liang	Note 1	100%	-	-	Note 1	100%
Zhaoqing Yong Shin	Note 1	90%	-	-	Note 1	90%
Fengcheng Chung Jye	Note 1	100%	-	-	Note 1	100%
Shanggao Jye Sheng	Note 1	100%	-	-	Note 1	100%
Shanggao Da Zhong	Note 1	100%	-	-	Note 1	100%
Hai Duong Chung Jye	Note 1	100%	-	-	Note 1	100%
Ninh Binh Chung Jye	Note 1	100%	-	-	Note 1	100%
New Horizon	Note 1	100%	-	-	Note 1	100%
Tuyen Chuan Chung Jye	Note 1	100%	-	-	Note 1	100%
Bac Kan Chung Jye	Note 1	100%	-	-	Note 1	100%
Shoemaker	100	100%	-	-	100	100%
Indonesia Chung Jye	11,500	100%	-	-	11,500	100%
Junjie Shoe Material Co., Ltd.	Note 2	35%	-	-	Note 2	35%

Note 1: Companies listed with no stocks have not yet issued any stock.

Note 2: Investments of the Company accounted for using the equity method.

Three. Fundraising

I. Capital and shares

(I) Source of share capital:

1.The formation of share capital as of the publication date of the annual report

Unit: thousand shares; NT\$ thousand

Year/month	Issuance price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash as the capital contribution	Others
2018/12	10	300,000	3,000,000	0.001	-	Establishment registration (Note 1)	-	-
2022/12	10	300,000	3,000,000	140,000	1,400,000	Capital increase for the reorganization of the organization in the amount of 140,000 thousand shares (Note 1)	-	-
2025/03	10	300,000	3,000,000	155,750	1,557,500	Capital increase in cash of NT\$157,500 thousand (Note 2)	-	-

Note 1: According to Article 3 and Article 23 of the Company's Articles of Incorporation at the time, the Board may resolve to approve the issuance of new shares and the recovery of shares; therefore, the Board resolved to cancel 1 unpaid initial registration share on December 1, 2022 and issued 140,000 thousand new shares in exchange for all shares held by shareholders of the Noble Success Group Limited (Samoa).

Note 2: the capital increase in cash was filed and became effective under Letter Tai-Zheng-Shang-Er-Zi No. 11317044831 of the TWSE dated October 17, 2024.

2.Shelf registration system: The Company did not apply for fundraising through the offering of securities through the shelf registration method.

(II) Type of share capital:

Unit: Share

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	155,750,000	144,250,000	300,000,000	Stocks listed on TWSE

II. List of major shareholders

Name of shareholders with a shareholding ratio of 5% or above or with the top 10 shareholding ratio, the number of shares held, and the ratio

April 11, 2025; unit: share

Name of major shareholder	Share	Number of shares held	Shareholding ratio (%)
He De Gui Limited		24,505,597	15.73
Earn Great Investments Limited		24,505,597	15.73
Furong Family Holdings Limited		12,638,268	8.11
Ronggui Family Holdings Limited		11,893,351	7.64
Long En Ci Co., Ltd.		11,509,686	7.39
Cuiyu International Co., Ltd.		10,121,136	6.50
Yichun Investment Co., Ltd.		8,718,702	5.60
Fengrui International Holdings Limited		8,590,023	5.52
Hongyao Investment Co., Ltd.		4,986,144	3.20
Lai, Yan-Liang		3,290,998	2.11

III. The Company's dividend policy and its implementation

(I) Dividend policy defined in the Articles of Incorporation:

The Company's operation is in the growing stage. The Board formulates the proposal for the distribution of shareholders' dividends based on factors that it considers relevant, including but not limited to the earnings of each fiscal year, the overall development, financial planning, capital requirements, industry prospects, and the future prospects of the Company, and submit it to the shareholders' meeting for the resolution for distribution. During the listing period of shares in the Republic of China, the Board shall appropriate the following from earnings of each fiscal year first when formulating the proposal for earning distribution: (i) the reserve for the payment for relevant taxes of the fiscal year; (ii) the amount for compensating for prior losses; (iii) a 10% earnings reserve (the "legal reserve") (unless the legal reserve has reached the paid-in capital of the Company); and (iv) the special reserve required by the competent authority for securities in the Republic of China under rules for public companies.

The residual dividend policy is adopted as the dividend policy of the Company; therefore, if there is any remaining amount after appropriating subparagraphs (i) to (iv) above, the amount shall be combined with the entire or partial cumulative undistributed earnings from prior years. The Company may appropriate no less than 30% of the earnings after tax of the year as shareholders' dividends based on the Companies Act of the Cayman Islands and the rules for public companies by taking into account the investment environment of the Company at present and in the future, capital requirements, domestic and foreign competitive conditions, and capital budgets, with considerations given to the benefits of shareholders, the balanced dividends, and the long-term financial planning of the Company, and the distribution shall be made based on the shareholding ratio of shareholders; however, if there are no earnings available for distribution, the distribution of dividends may be waived. The distribution of shareholders' dividends adopted the combination of stock dividends and cash dividends; however, cash dividends shall not be lower than 30% of the sum of cash and stock dividends distributed during the year.

(II) Dividend distribution proposed at the shareholders' meeting:

The proposal for the earning distribution for 2024 was resolved and approved by the Board on March 12, 2025. According to the Articles of Incorporation, a shareholders' dividend in cash of NT\$934,500 thousand, with a cash dividend of NT\$6 per share, may be appropriated from the distributable earnings.

(III) Additional description shall be provided when it is expected that the dividend policy will have material changes: There was no significant change in the Company's dividend policy.

IV. Effects of stock grants discussed at the shareholders' meeting on the business performance and earnings per share of the Company: The Company did not distribute stock dividends; therefore, there is no effect.

V. Remuneration of employees, Directors, and supervisors

(I) Ratio or scope of remuneration of employees, Directors, and supervisors stated in the Articles of Incorporation:

During the period in which the shares of the Company are traded in the designated stock market, except for otherwise stated in the Companies Act of the Cayman Islands, the Articles of Incorporation, or the rights attached to the shares, if the Company records any "profit" (as defined below) of the year, it shall appropriate no less than 0.1% and no more than 3% as the remuneration of employees (the "remuneration of employees") and appropriate no more than 3% as the remuneration of Directors (excluding Independent Directors). However, if the Company has accumulated losses, the Company shall first reserve an amount to offset the losses. The remuneration of employees and remuneration of Directors shall be resolved by receiving the consent from over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors and shall be reported to the shareholders' meeting.

(II) The estimation basis for the amount of remuneration of employees and Directors is estimated during the period, the calculation basis for the number of shares of the remuneration of employees distributed in stocks, and the accounting treatment for any differences between the distribution amount and the estimated amount:

The remuneration of employees, Directors, and supervisors adopts the amount available for distribution in the Articles of Incorporation as the estimation basis. If there is any difference between the estimated expenses of the period and the resolution of the shareholders' meeting, the difference is adjusted and accounted for during the year of resolution.

(III) The distribution of remuneration approved by the Board:

- 1.If the amount of remuneration of employees, Directors, and supervisors distributed in cash or stock has any difference. from the estimated amount in the year of expense recognition, the difference, reasons, and treatment shall be disclosed

The Board resolved to distribute a remuneration of employees in cash and a remuneration of Directors in cash in the amount of NT\$27,617 thousand and NT\$18,000 thousand, respectively, on March 12, 2025. The amount of remuneration of Directors and employees in cash was reduced by a total of NT\$1,383 thousand from the remuneration of Directors and remuneration of employees estimated and recognized in the consolidated financial statements in 2024, primarily due to the estimation differences, and the difference is treated as changes in the accounting estimate and included in the profit or loss in 2025.

- 2.Ratio of the amount of remuneration of employees distributed in stock to the sum of the net profit after tax in the parent company only or individual financial statements and the total remuneration of employees: None.

(IV) Distribution of remuneration of employees and Directors in the preceding year (2023) (including the number of shares, the amount distributed, and the stock price), the difference between the remuneration of employees, Directors, and supervisors recognized, reasons, and the handling status:

The amount of remuneration of employees and remuneration of Directors recognized in the 2023 consolidated financial statements had no difference from the distribution amount in 2024.

- VI. Repurchase of the Company's shares by the Company: None.
- VII. Corporate bonds: None.
- VIII. Preferred shares: None.
- IX. Global depository receipts: None.
- X. Employee stock warrants: None.
- XI. Restricted stock awards: None.
- XII. Mergers or receipt of new shares issued by other companies: None.
- XIII. Implementation status of the capital utilization plan

For the issuances or private placements of securities that are not completed up to the quarter before the publication date of the annual report or those completed but the benefits of the plans have not emerged, the content of each of the issuance or private placement of securities above shall be described:

(I) Plan content:

1. Approval date and document No. of the competent authority: October 17, 2024; Tai-Zheng-Shang-Er-Zi No. 11317044831
2. Total fund required for the plan: NT\$2,887,053 thousand
3. Source of capital:

A capital increase in cash through the issuance of 15,750 thousand new shares with a par value of NT\$10 per share. The minimum underwriting price for the bid is NT\$100 per share, and persons who bid the highest shall win the bid first, and each bid winner shall make the subscription based on the bid-winning price. The public underwriting price shall be NT\$197.85 based on the price of each bid-winning form and the price calculated with the weighted average income of the quantity; however, the average price is 1.28 times higher than the minimum underwriting price; therefore, the public underwriting price is issued at the premium of NT\$128 per share; the total fund raised was NT\$2,887,053 thousand.

4. Plan items and estimated utilization progress:

Unit: NT\$ thousand

Plan item	Estimated completion date	Total funds required	estimated utilization progress of funds	
			2025 Q1	2025 Q2
Enrich working capital	2025 Q2	2,887,053	900,000	1,987,053
Estimated benefits		Allow abundant self-owned capital of the Company, improve the stability of long-term capital, increase the mid-to-long-term competitiveness, and reinforce the financial structure and solvency, which have positive help to the business growth and overall business development of the Company.		

5. Date of input to the information filing website designated by the FSC: 2025/01/08 and 2025/04/08
6. Changes in the content of plans, reasons for the changes, and the benefits before and after the changes: Not applicable.

(II) Implementation status:

1. Implementation status of plans:

Unit: NT\$ thousand

Plan item	Total funds required	Execution status in 2025 Q1			Reasons for being ahead or behind the progress and improvement plans
Enrich working capital	2,887,053	Amount withdrawn	Estimated	900,000	Being ahead of the progress is due to operational requirements and the increase in the expenditures for material purchases as compared to the estimation
			Actual	1,816,307	
		Implementation amount	Estimated	31.17%	
			Actual	62.91%	

2. Implementation benefits:

The capital plan is estimated to be completed in 2025 Q2; as of the publication date of the annual report, there is no financial data for 2025 Q1.

Four. Business overview

I. Business content

(I) Scope of business

1. Main content of the scope of business of the Company

The Company is mainly engaged in the manufacturing of OEM shoe products, including athletic footwear and casual shoes, and athletic footwear is the main focus. The Group is mainly engaged in the OEM of international brands, including Group A, Group B, Group D, Group C, and Group I.

2. The Company's main products and operating ratio at present

Unit: NT\$ thousand; %

Item \ Year	2023		2024	
	Operating income	Operating ratio (%)	Operating income	Operating ratio (%)
Athletic footwear	16,984,375	74.69	20,760,848	76.93
Casual shoes	5,545,130	24.39	5,818,252	21.56
Others	209,748	0.92	407,439	1.51
Total	22,739,253	100.00	26,986,539	100.00

3. New products (services) planned to be developed

At present, the global athletic footwear OEM/ODM production sites are mostly concentrated in China, India, Vietnam, and Indonesia in Asia, and they are the top four shoe production countries worldwide. The Company has established plants in China and Vietnam and has been actively making deployments in India and Indonesia. Even though the Company adopts the OEM model for brand customers, it also established exclusive R&D teams and R&D Centers for main brand customers to actively cooperate with brand customers in developing products and new application technologies. The Company provides development recommendations for various shoe types and shoe types with innovative concepts leveraging its shoe production experiences accumulated over the years. During the development process from product development to product prototype, the Company will discuss with the brand customers the selection of materials and production processes to play the role of development assistance in the hope of improving the Company's competitiveness in the shoe manufacturing industry and becoming a long-term cooperation partner of international brands.

(II) Industry overview

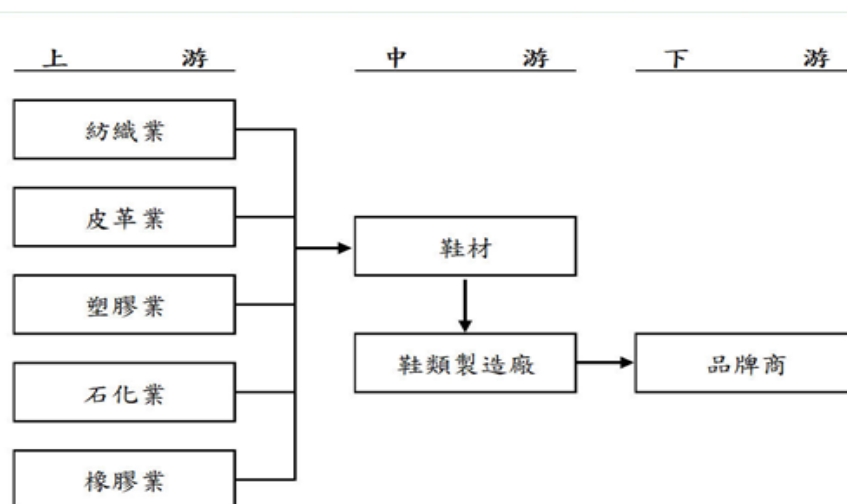
1. Current status and development of the industry

Shoes are one of the necessities in daily life. The consumption volume and amount are increasing with the population growth, and they also fluctuate with the changes in the overall economic environment and global fashion trends. In recent years, people's awareness of health has been increasing, and their interest in gym and sports activities has continued to grow. In addition, consumers have changed their preference for shoes that match their daily clothing. The increase in personal fashion awareness has led to an increase in the market demand for various types of shoes. According to the report of Grand View Research, the global market scale of shoes reached US\$403.2 billion in 2023. In addition, according to Statista, the consumption in the global shoe market will reach US\$412.9 billion in 2024. It is estimated that the growth rate of the global market scale of shoes from 2024 to 2028 will be 3.43%.

For the production market, the development of the shoe manufacturing industry is affected by a number of factors, including labor costs, land resources, material supply, environmental protection, and sales markets. In recent years, the shoe manufacturing industry has actively combined innovative automated equipment, advanced technology and green environmental protection awareness. Although machines are currently widely used in the shoe manufacturing process, many processes cannot be replaced by automated equipment in the procedures; therefore, shoe manufacturers invest in plant establishment in countries with abundant labor. In the past, China has been known for its huge consumer market and low labor cost, making it an important production site for the shoe manufacturing industry. In addition, due to the abundance of labor

resources in Southeast Asia and the relatively low labor cost compared to China, together with the preferential conditions of export tariffs and discounted foreign investment tax rates, Southeast Asian countries have also become the new foothold for shoe manufacturers in recent years. Most international brands have moved their main production sites (i.e., clothing and shoe manufacturing) to Southeast Asian countries, including Vietnam, Indonesia and Cambodia. The U.S. has announced its tariffs against global countries, and Southeast Asian countries are all listed; such tariffs have a greater impact. Different countries continue to negotiate with the U.S. to seek room to save the situation. The supply chains and brands of shoe manufacturing also pay attention to the tariff direction and respond immediately. According to the 2024 Annual Book of World Footwear, the shoe market is divided into five major regions: North America, South America, Europe, Africa and Asia. Among them, the production market in Asia accounts for 87.1% of the global market. The top ten ranking for exports of shoes shows that China, Vietnam, and Indonesia account for 63.8%, 9.5%, and 3.2% of the global market, respectively, indicating that the production of shoes is mainly concentrated in China and Vietnam.

2. Correlations between the upstream, midstream and downstream industry



Upstream of the industry mainly supplies raw materials (i.e., textiles, leather, and chemicals). As the shoe manufacturing industry has been in development for a long time, there is a wide variety of types of shoes and the market is huge. Therefore, the development of shoe materials has become a specialized application field (i.e., adopting thermoforming rubber base or EVA foam base as the soles of athletic footwear and adopting synthetic leather, mesh clothes, or leather (synthetic leather or real leather) for upper shoes). Shoe manufacturers/producers are responsible for developing shoe types and producing finished shoes to assemble shoe materials as a pair of shoes through multiple production processes. Downstream brands (i.e., NIKE and New Balance) are responsible for self-development or joint development and design with shoe manufacturers and then commissioning shoe manufacturers to produce the products. The products are then sold to consumers through the self-built channels or distributors of the brands.

The Company is a midstream shoe manufacturer/producer and producer of shoes, and the main customers of the Company are international brands with the OEM model adopted. In recent years, the Company has constantly been improving its shoe manufacturing technologies and procedure efficiency and providing exclusive R&D Centers to major brand customers to stably and healthily cultivate customer relations and cooperate with leading brands, ultimately, to serve as the company's competitive strength.

3.Product development trends

(1)Green industry and eco-friendly production

Sustainable global development has become a major trend in global economics. The green environmental protection industry will become the main leading direction in the future. Many environmental protection regulations in different countries will enact laws for new environmental issues. To meet the requirements of environmental protection regulations, many enterprises have also begun to seek eco-friendly and sustainable shoe manufacturing materials and invested in the R&D and innovation of recyclable materials in the hope of continuously creating a new blue ocean for green products and protecting the ecological environment. The materials used to create the fabrics for shoe manufacturing have become diversified, including recycled bottles, recycled old clothes, and biodegradable materials (i.e., corn and soybean). For example, MADE Responsively 998, launched by New Balance, was mainly produced with residual materials from the course of shoe manufacturing, and each pair of shoes has its uniqueness; the “Move to Zero” action proposed by Nike focused on the raw materials of products that are recycled and reproduced so as to realize net zero carbon emissions and zero waste.

(2)Procedure automation

In the past, the shoe manufacturing industry was limited by the difficulties in standardization of processes; therefore, manual operations were mostly adopted; the industry was deemed a traditional labor-intensive industry, and it is generally considered that the production procedures are hard to automate. However, as the labor cost in each region continues to rise, and with the gradual maturity of technology development, shoe manufacturing machines are becoming more advanced, and the shoe manufacturing industry has gradually commenced its automation and smart development.

The Industry 4.0 smart plants created new procedure ideas for the traditional shoe manufacturing industry. The support of smart equipment and innovative shoe materials, tool IoT, cloud computing, visual quality inspection, energy meter, standard action analysis, Big Data, and other technology applications, alongside the business management that advances with time, can assist in the optimization of production resources. Through production automation and the introduction of smart equipment control, introduce processes with high repetition and accurate action requirements in the production course into the automated control system (i.e., the use of computer sewing machine, computer cutting, automated printers, and manipulators) to reduce the reliance on people, which has become the joint direction for improvement of the industry.

(3)Product technologies turn to the development of smart shoes

With the economic and technological development, the application of smart shoes has become the trend in the market and research in recent years. Such shoes may include built-in sensors, Bluetooth connections and accelerometers to provide personalized health data (i.e., step analysis, sports monitoring, and calories burnt off), and the shoes can be connected to smartphones or health application procedures to provide users with accurate movement guidance or health monitoring, closely linking sports equipment with consumers lives to create new added values.

To satisfy the consumption pattern of the fast fashion society, innovation is the core competitiveness. 3D printing technology will make the shoe manufacturing process more flexible and personalized. Customers can tailor their shoes according to their personal needs. Regardless of size, color, or function, 3D printing can provide accurate and comfortable-fitting designs. This technology also helps to reduce production costs and shorten the time it takes to develop new shoes, opening up more possibilities and opportunities in the athletic footwear market.

4.Competition of products

The Company is engaged in the OEM of athletic footwear and casual shoes for international brands and is required to respond to the pursuit of sports fashion of consumers and comply with the high standards of requirements of international brands in terms of product delivery terms, quality, price, and services. The Company is required to continue investing resources in the R&D of core technologies and the advancement in production processes, constantly accumulate its own R&D capacity, and actively turn to OEM design and manufacturing. In addition, the Company has

separate production sites and extensive experience in plant management. It values and implements sustainable corporate development issues and thereby maintains its competitiveness in the shoe manufacturing industry.

(III) Technology and R&D overview

1.R&D expenses invested in the most recent year and up to the publication date of the annual report

Unit: NT\$ thousand; %

Item	2023	2024
R&D expenses	603,804	662,379
Net operating income	22,739,253	26,986,539
R&D expenses as a percentage of net operating income (%)	2.66%	2.45%

2.Technologies or products successfully developed by the Company

Year	Technologies of major research achievements
2019	Knitted surface Replacing No Sew with 3D foam printing
2020	Leather casual shoes Seven-color light reflection printing
2021	Graphene insulated midsole Printing with temperature-sensitive ink
2022	Shoes the replaceable upper Shoes with environmental protection concepts
2023	Shoes with outsole UV discoloration Supercritical midsole
2024	Shoes with no adhesives Shoes with no fold marks/lines
2025	UA technology water-proof boots Shoes with no adhesives v2 Shoes with temperature-sensitive yarns and UV discoloration Recycled sawdust for printing

(IV) Long-term and short-term business development plans

1.Short-term development plan

(1)Marketing strategy

A.In response to the fast fashion culture and the convenience of the consumer market, focus on the rapid development capability of products and quality and care for the effects of shoe materials on the environment. Continue to develop shoe types that comply with market trends, maintain business stability and increase order volume to solidify the profit foundation of the Company.

B.Train professional talents with shoe technologies through R&D capabilities, closely cooperate with customers for shape development, and deepen the trust of and relationships with customers.

(2)Production policy

A.To maximize the resource efficiency of plants, the Company duly evaluates the level of complexity of shoe types in orders and customers' requirements and allocates orders to appropriate plants for production to prevent the waste of resources while maintaining balanced costs and profit growth between plants.

B.Promote lean production of plants, precisely plan the workflow of production lines, and improve production efficiency.

(3)Business management

Improve the procurement ratio of local raw materials at the production sites, reduce the transportation time of supplies through optimized procurement, and reduce carbon footprint by promoting the procurement of local raw materials, machinery and equipment, which is beneficial for the dispersion of the overseas raw material supply chain to avoid risks of supplies being affected by politics, transportation, and other unstable factors and reduce shipping, air transport, and inventory costs.

2.Long-term development plan

(1)Marketing strategy

A.The Company establishes exclusive R&D teams and R&D Centers for main brand customers to have close cooperation with brand customers during the period from product development and product prototype. With professional, in-depth technological capacity for multiple shoe-manufacturing crafts (i.e., athletic footwear, casual shoes, and leather shoes) and experience in manufacturing management within the industry, the Company provides premium and innovative shoe products and services to brand customers.

B.Actively secure differentiated customers to respond to the changing trends in the overall shoe market and grasp the market share to become the leader among sports brand manufacturers to secure more renowned customers for global deployment.

(2)Production policy

A.In response to the growing number of orders, the Company has expanded its production capacity in third countries. In addition to actively expanding its plants in Vietnam, the Company has also continued to monitor the global dynamics and seek areas for investment and development. It has invested in India and Indonesia and made use of production sites in multiple countries to make its international deployment to face the ever-changing international situations and, in turn, expand the business scale of the Company and adjust the production capacity of plants in due course to maximize the benefits of the Group.

B.We improve production and R&D dynamics, improve the stability of production quality and efficiency, and continue to invest in automation, innovative technologies, procedures advancement, and shoe material development to satisfy the requirements of customers for premium products and services and the real-time sharing of information with brand customers to rapidly respond to the market and move toward smart plants to reduce the overall supply chain costs and increase benefits.

C.Due to the effects of the pandemic, geopolitics, and wars, the overly concentrated issue of the place of origin of the raw material supply chain under globalization in the past was highlighted. Therefore, the Company will continue to seek raw material suppliers that are acceptable to multiple brand customers to reduce losses resulting from supply chain interruptions as much as possible.

(3)Business management

To promote sustainable corporate development, the Company will commit to the fulfillment of corporate responsibility and the concepts of sustainable development, establishing solar power and green power products and clean energy, water source, and waste gas discharge processing products, and promoting the sustainable management of the supply chain while optimizing sustainable development indicators in cooperation with brand customers in the hope of realizing the Sustainable Development Roadmap step by step.

(4)Financial strategy

Utilize wealth management tools to secure capital utilization efficiency based on the principle of stable financial policies and create various added values.

II. Market and production and sales overview

(I) Market analysis

1.Sales (provision) regions of major products (services)

Unit: NT\$ thousand

Sales region \ Year	2023		2024	
	Amount	%	Amount	%
America (Note 1)	6,599,812	29.02	9,382,247	34.77
China	7,067,572	31.08	9,914,702	36.74
Europe	3,471,534	15.27	4,396,060	16.29
Asia (Note 2)	2,632,142	11.58	2,952,966	10.94
Others	2,968,193	13.05	340,564	1.26
Total	22,739,253	100.00	26,986,539	100.00

Note 1: Americas includes the U.S., Mexico, Chile, Peru, Uruguay, Colombia, Bolivia, Argentina, Canada, Panama, Paraguay, Brazil, and Ecuador.

Note 2: Asia includes Japan, Mongolia, South Korea, the Philippines, Vietnam, Thailand, Malaysia, Singapore, Indonesia, Israel, Lebanon, Turkey, and Saudi Arabia.

2. Market share

According to Statista's statistics, the main sneaker brands include Nike, Adidas, Skechers, Puma, Asics, Converse, and Under Armor. Among them, New Balance has also achieved excellent sales performance (accounting for approximately 6% of the market share). In 2024, it also achieved an outstanding performance in terms of annual sales worldwide in the amount of US\$7.8 billion, representing a growth of approximately 20% from 2023. The brand realized double-digit growth for four consecutive years, steadily securing a seat in the global sports market.

3. Future market supply, demand and growth

According to Statista's estimation, the global shoe market income will reach US\$505.7 billion in 2025, with an annual growth of 2.37% (CAGR from 2025 to 2029). The market growth rate may differ between products. In particular, the athletic footwear market is estimated to grow at a speed of 5.32% each year from 2025 to 2029. These figures clearly state the growing potential of the global athletic footwear market.

From the supply side, the shoe manufacturing supply chain turned to the trend of expanding non-China production capacity in recent years to avoid supply shortages and other issues caused by the trade war and political factors. Most of the companies considered the low labor costs, tariff advantages, and excellent production policies in Southeast Asian countries; therefore, the expansions were mainly in Vietnam and Indonesia, where they possess abundant labor. The U.S. has announced its tariffs against global countries, and Southeast Asian countries, including Vietnam and Indonesia are all listed; such tariffs have greater impacts. Different countries continue to negotiate with the U.S. to seek room to save the situation. The supply chains and brands of shoe manufacturing also pay attention to the tariff direction and respond immediately.

4. Competitive advantage

(1) The professional management team provides services to brand customers

The management team of the Company has long been cultivating in the shoe manufacturing industry and has continued to focus on the shoe manufacturing industry. The team possesses extensive knowledge in the professional field and abundant practical experience. Over the years, the Company has accumulated technologies (including development and production processes), talents, capital, scale (number of plants for mass production and production in multiple countries), and other professional services to make itself an indispensable material partner of customers through the accurate organizational structure and sensitive market observations, creating the competitive advantages that are different from other peers.

(2) Have production sites in multiple countries to satisfy customers' requirements

In recent years, the global outdoor recreation trend has continued to be popular, and the industry's mid-to-long-term growth trend has remained unchanged. In response to the need for mass production orders in the future, the Company is actively expanding overseas production sites in the hope of creating more favorable and flexible space for the deployment of multiple brands and multiple plants. The global production hubs have gradually shifted to Southeast Asia in recent years. The Company continues to set up the fourth production base in Vietnam and starts to plan for the plant establishment projects in India and Indonesia so as to effectively

separate the geopolitical and economic risks of different places.

(3)Stable quality in compliance with the standards of international brands

The Company is committed to becoming a world-class professional manufacturer of sports equipment and is persistent in checking and testing product crafts and production quality. Customers who consigned the Company for OEM services are leading international sports and outdoor recreation brands with their R&D technologies occupying the leading positions, and the Company has passed the strict certifications and plant inspections of such brands. It has also established exclusive R&D Centers and teams for main brand customers; data analysis is performed according to the requirements of brand customers, including the design drawings, main fabrics, shoe soles, and materials, to confirm the feasibility of designs, and the physical property test and environmental testing for materials are conducted to comply with customers' requirements, allowing shoe products produced by the Company to possess competitiveness and high growing momentum in the athletic footwear and casual shoes market and, in turn, improving the Company's advantages in the shoe foundry industry.

(4)Possess R&D capabilities to move toward automation and advanced procedures

The Company has invested a large amount of R&D resources in the past in the development and application of new materials for shoes and the introduction and refinement of manufacturing technologies. Currently, the Company has registered patents for automated equipment, including automated anti-mold agents, automated hot cutting of shoes, and other things. The Company continues to develop smart visual identification quality systems, 3D visual identification systems, modular robotic arm spraying machines, and other automated equipment to improve production efficiency (such as computer needle plates, computer cutting and printing, etc.). The Company will continue to invest in automation, innovative technologies, procedure refinement and development of shoe materials to satisfy the needs of brand customers for premium products and fast response to the market, and to deepen the cooperation with brand customers and solidify the Company's position in the shoe manufacturing industry.

5.Favorable and unfavorable factors for future prospects and countermeasures

(1)Favorable factors

A.Co-existence of globalization and regionalization due to the adjustments to the global supply chain

In recent years, labor awareness in China has improved, and labor costs and tax costs have increased. In addition, considering the geographical relationship, the Company commenced developing the production sites in Vietnam in 2015. Except for sales orders in the Chinese market being produced in China Plants, orders for sales to overseas markets other than China were adjusted to Vietnam Plants for production based on the production capacity. The production capacity in China is mainly provided to Chinese brands and orders for domestic requirements that are shipping to China so as to provide localized, rapid procurement and production, shorten the product transportation time, and reduce transportation and tariff costs. Vietnam possesses the labor cost advantage and the taxation discounts in terms of tariffs. In 2022, Vietnam executed 15 FTAs, CPTPP, and RECP, which is beneficial for the Company to produce in and export from Vietnam.

The Company will also continue to explore production sites with other cost advantages (i.e., the plant expansion projects under planning for Bac Kan Province in Vietnam, Runan in China, India, and Indonesia at present). The Company duly evaluates the level of complexity of shoe types in orders and customers' requirements and allocates orders to appropriate plants for production to prevent the waste of resources while maintaining balanced costs and profit growth between plants in the hope of continuously maintaining its competitive advantages.

B.The rising sports awareness worldwide has accelerated the development of related industries

The globally renowned shoe brands include Nike, New Balance, Adidas, Skechers, VF Corp., and Puma, and end consumers have relatively high customer loyalty for brands and products. In the shoe manufacturing industry, international brand customers and shoe foundries mainly appeal to the relationship of trust with long-term cooperation, and it is

required to fulfill the requirements of international brand customers by maintaining product quality and supply stability through product development, brand certification, product capacity in line with order requirements, on-time delivery of products, and internal management capabilities, and it is difficult for international brand customers to change their shoe foundries under the continuous challenges of the level of acceptance in the market regarding shoe types under cooperation. Regarding the long-term cooperation between the Company and Group A, the cooperation relationship remained stable, the product quality is deeply trusted by Group A, and the Company has secured a certain position among foundries.

The Company is committed to long-term cooperation with international brand customers and continues to expand international brand customers with favorable quality and services. By passing the internal certification of the Company and certifications of international brand customers, it is proven that its maintenance of product quality and stable supply through product development, production capacity in line with order requirements, on-time delivery of products, and internal management capabilities have satisfied customers' requirements and are more advantageous as compared to peers. In recent years, the Company has successfully secured orders from other international brand customers.

(2) Unfavorable factors and countermeasures

A. Intense market competition and fast replacement speed of shoe products

Due to the trending sports and recreation and the expansion of the sports equipment market, the competition between companies has become increasingly intense. Consumers tend to frequently purchase new shoe models to remain fashionable and trendy. Large-scale, internationally renowned companies are required to constantly launch new products to cater to the ever-changing preferences of consumers. Shoe products that are rapidly replaced require flexible and agile inventory management to ensure the supply of new products in a timely manner and the mitigation of risks of expired inventory. For shoe enterprises, being able to accurately predict market trends and reasonably plan for production and inventory is crucial. If companies cannot respond to changes in the market immediately, are incapable of launching new products rapidly, or have no outstanding or innovative R&D capabilities for launching leading products, they are very likely to be sifted out by the market.

Countermeasures:

In addition to continuously monitoring the changing trends in the overall industry and customers' operations, the Company is also committed to maintaining the relationship with existing brand customers. Apart from passing the stringent certifications and plant inspections of brand customers, the Company established exclusive R&D Centers and teams for main brand customers, actively cooperated with brand customers in developing new products and developing new application technologies to improve production efficiency and quality yields so as to build a long-term stable cooperating relationships by improving competitive advantages and gaining the high recognition of brand customers. The cooperation development content between both parties includes design drawings, main fabrics, shoe soles, and relevant materials. Data analysis is performed according to the requirements of brand customers, and the physical property test and environmental testing for materials are conducted. The Company closely cooperates with brand customers during the period from product development and product prototype. Leveraging the in-depth technological capacity and extensive industry experience, together with innovative ideas and materials, the Company is able to rapidly develop and provide shoe products and relevant solutions that comply with the quality requirements of brand customers and market trends so as to solidify the Company's profit foundation and allow the Company to become a long-term cooperating partner of brand customers.

B. Strict environmental protection standards

With the increasing focus attached to climate change, sustainable development, and eco-friendly materials worldwide, ESG is a topic valued and implemented by all enterprises, and no industry can neglect it. Regardless of the formulation of environmental protection laws and regulations by the Taiwanese government or governments in different countries, the threshold and standards are increasing, and the green transition trend is emerging. The use of volatile chemicals, effluent discharge, and energy consumption in the shoe

manufacturing processes will all cause harm to human health and have an impact on the environment.

Countermeasures:

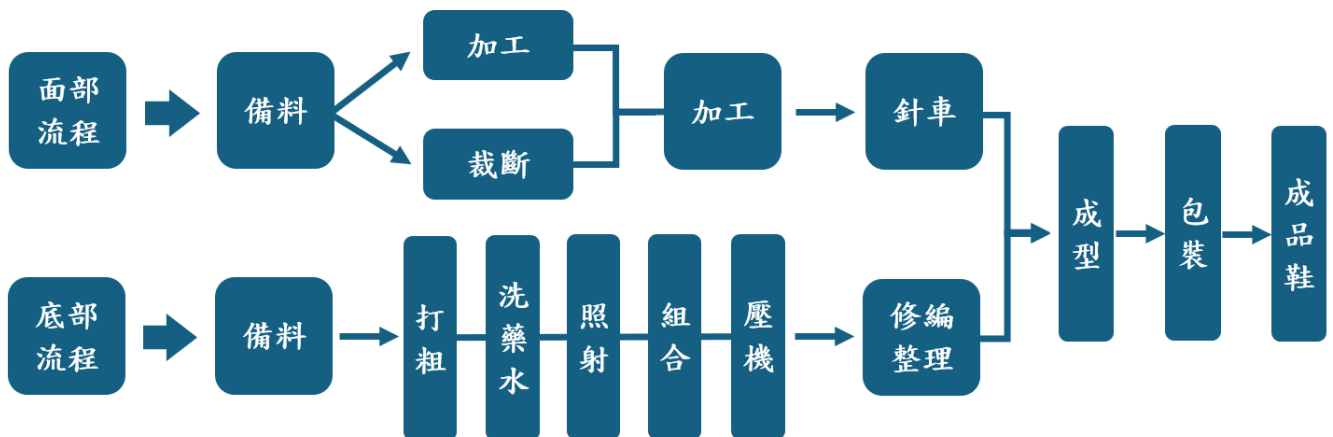
Regarding sustainable environmental development issues, plants of the Company and its subsidiaries have administrative right departments in place to be responsible for handling matters related to environmental safety and health, social and environmental affairs, and energy and GHG management for plants, keeping abreast of environmental protection-related specifications and requirements, understanding the future shoe manufacturing trends, purchasing and updating pollution control equipment, and promoting waste reduction plans and developing new procedures to comply with environmental protection regulations and product technologies required by customers.

(II) Important usage and production processes of main products

1. Important usage of main products

Main products	Usage
Athletic footwear	It is mainly applicable to slow running, hiking and other sports shoes.
Casual shoes	Casual shoes do not require the elastic force, support, vibration reduction, and durability that is required for athletic footwear for engaging in sports events

2. Production processes of main products



(III) Supply of main raw materials

Major raw materials	Major suppliers	Supply condition
Outsole accessories	Jye Sheng, Junjie, Group A, Company D, and Group N	Favorable
Leather	Group E, Company H, Group F, and Company G	Favorable
Synthetic leather	Group J, CTCL, Anan, Shih Chang, and Pony Leather	Favorable

(IV) The name of customers who account for over 10% of the total purchase (sales) in any of the most recent two years, the purchase (sales) amount, and the ratio

1. Information on main suppliers in the most recent two years

The Company's suppliers are dispersed. There is no purchase from the same supplier accounting for more than 10% of the total purchase in the most recent two years.

2. Information on main sales customers in the most recent two years

Unit: NT\$ thousand

Item	Name	2023			2024		
		Amount	As a percentage of net sales throughout the year (%)	Relationship with the issuer	Amount	As a percentage of net sales throughout the year (%)	Relationship with the issuer
1	Group A	12,183,452	53.58	None	14,848,305	55.02	None
2	Group B	2,469,725	10.86	None	2,026,579	7.51	None
3	Group D and C	2,013,062	8.85	None	2,866,904	10.62	None
4	Company I	1,939,621	8.53	None	2,482,769	9.20	None
	Others	4,133,393	18.18		4,761,982	17.65	
	Net sales	22,739,253	100.00		26,986,539	100.00	

Reasons for changes:

The Company's main sales targets are mainly large-scale, internationally renowned brands. There has been no material change in the main customers in the most recent two years, representing that the Company maintains stable cooperating relationships with main customers.

III. Information on employees in the most recent two years and up to the publication date of the annual report

Unit: person; %

Year		2023	2024	As of March 31 of the year
Number of employees	Manager	15	15	15
	Production line personnel	22,491	25,903	25,884
	General employees	5,791	6,467	6,501
	Total	28,297	32,385	32,400
Average age		39.50	40.40	40.73
Average seniority		3.46	3.38	3.48
Educational background distribution ratio	Ph.D.	-	-	-
	Master	0.05	0.05	0.05
	College campus	4.38	5.09	5.12
	Below high school (inclusive)	95.57	94.86	94.83

IV. Information on environmental protection expenditure

Losses suffered from environmental pollution (including the compensation and the violation of environmental protection regulations in the environmental protection audit, and the disposal date, disposal No., the regulatory provision violated, the content of regulations violations, and the content of disposal shall be specified) in the most recent year and up to the publication date of the annual report, and the estimated amount that may occur at present and in the future and countermeasures; if the amount is not able to be reasonably estimated, describe the fact that it is not able to be reasonably estimated: None.

V. Labor-management relations

(I) Employee welfare measures, continuing education, training, retirement systems and their implementation, labor-management agreements, and measures to protect the rights and interests of employees

1. Employee welfare measures and implementation

Plants of the Company provide relevant and necessary welfare measures based on national countries, and relevant specifications are subject to the labor regulations in different places. In addition, to provide better working environments and welfare, the provision items include paid leave for travel, meal allowances, free employee dormitory, lounges, gyms and sports equipment, the provision of excellence scholarships for children of employees, childcare services, donations to poor families, free shuttle buses, gifts for three major Chinese festivals, relevant marriage, funeral, and language allowances, and regular occupational disease and health inspections.

2. Employee continuing education and training

Plants of the Company and subsidiaries carry out employee continuing education based on the respective annual training plans, provide favorable training and learning environments, and open up diverse training courses and various professional in-service education and training based on the business targets of the Company and the requirements of employees from different departments, including new employee training, employee rights and interests, labor safety and health education and training, information security, machine operations, and various training courses related to duties.

Except for training for professional functions, the Company and its subsidiaries encourage employees to learn and engage in continuing education for diverse aspects and provide management and other skill courses, including language courses and courses related to leadership and management.

3. Retirement system and its implementation

The plants of the Company and its subsidiaries appropriate relevant pension funds or implement the pension system in compliance with regulations based on the labor regulations of different

countries.

4. Collective bargaining and maintenance measures for the rights and interests of employees

The Company has always placed great emphasis on communication and cooperation with employees. Therefore, the Company has maintained close contact with labor unions or employee representatives to ensure that the interests of both parties are fully respected and protected. Each plant has an employee representative meeting every quarter to allow employees to have opinion exchanges with the management. Furthermore, each plant has a compliant hotline in place. Employees may immediately contact relevant departments to handle any recommendations. Partial plants promote mobile phone applications in cooperation with brands; therefore, employees may also reflect relevant issues through the system to have real-time two-way communications so as to ensure that the Company can understand employee satisfaction and opinions in a timely manner.

We actively advocate for the building of stable and harmonious labor-management relations. Through communications with the labor union and the compliance with regulations of local governments, we established a series of labor-management agreements and provisions, including but not limited to the content of wages, working hours, welfare and packages, and safety protection, to ensure that sufficient protection is offered for employees' rights and interests.

The Company believes that employees are the most important resources of the Company. We actively implement various measures to protect the rights, interests and welfare of employees. The Company has established a comprehensive compliance system for labor laws and regulations to ensure that its management practices comply with the requirements of local labor regulations. The Company also provides a healthy working environment and safety protection measures and regularly organizes safety training to ensure the physical and mental health of employees. The Company is committed to passing these measures to establish fair, just, and harmonious labor-management relations and to protecting the rights, interests and well-being of each employee.

- (II) Losses suffered from labor disputes (including the violation of the Labor Standards Act in the labor inspection results, and the disposal date, disposal No., the regulatory provision violated, the content of regulations violations, and the content of disposal shall be specified) in the most recent year and up to the publication date of the annual report, and the estimated amount that may occur at present and in the future and countermeasures; if the amount is not able to be reasonably estimated, describe the fact that it is not able to be reasonably estimated: There was no major labor-management dispute.

VI. Cybersecurity management

- (I) Describe the information security risk management framework, information security policy, specific management plans, and resources invested in information security management.

1. Cybersecurity risk management structure

- (1) The Company has established an independent information security center that is equipped with appropriate human resources, materials, and financial resources. The Company has appointed an Information Security Officer and the subordinate Information security implementation team and information security emergency response team to be responsible for promoting, coordinating, supervising and reviewing information security management matters.
- (2) An information security management review meeting is held once a year to ensure the effective operation of the Company's information security management system (ISMS) and continuous improvements.
- (3) We cooperate with the audit department each year for the internal audit and the CPA firm for the external audit. According to the audit results, we formulate improvement measures to improve our information security level.

2. Cybersecurity policy

- (1) Purpose: The policy aims to protect the information assets of the organization, ensure its confidentiality, completeness and availability, and respect relevant laws, regulations, and industry standards.
- (2) Scope: This policy applies to all employees, contractors, and third-party cooperating partners and covers all information systems and data.
- (3) Roles and responsibilities:
 - Cybersecurity security manager: Responsible for the formulation, implementation and

monitoring of the policy.

- Department supervisor: Ensure that the department complies with policies and report any security incident.

- Employee: Comply with the policy, participate in the training, and report suspicious activities.

(4) Security control measures:

- Access control: Only authorized personnel may visit sensitive data and systems.

- Data encryption: Sensitive data is encrypted to protect the security during transmission and storage.

- Network security: Implement firewalls, invasion detection systems and other technologies and measures to protect networks from attacks.

(5) Compliance requirements: The Company complies with the "Guidelines for Cybersecurity Control of TWSE/GTSM Listed Companies" and other relevant laws and regulations.

(6) Training and awareness: All employees must participate in cybersecurity training to understand the content of the policy and the optimal security practices.

(7) Monitoring and review: Regularly monitor the implementation status of the policy and make updates and improvements based on the requirements.

3. Concrete cybersecurity management plan

(1) Policies and management:

- Establish a cybersecurity promotion organization, allocate appropriate human resources, and appoint a dedicated cybersecurity supervisor and personnel.

- Formulate the information security policy and targets and carry out regular examinations and updates.

- Introduce the ISO 27001 to help the organization establish, implement, maintain, and continuously improve the ISMS.

(2) Technical protection:

- Regularly perform an inventory of the cybersecurity systems, establish a list of core system information assets, and carry out information security risk assessments.

- Incorporate information security requirements into the required specifications for the development and maintenance of the cybersecurity system and regularly implement security testing.

- Install anti-virus software, firewalls, e-mail filters, invasion detection systems, MDR, SOC, and other information security control measures.

(3) System and network security:

- Implement strict access control measures and ensure that only authorized personnel can access the crucial systems and data.

- Establish a secured remote connection VPN and adopt an encrypted connection and multiple authentications.

- Keep the complete user operating audit trail and monitor abnormal operating behaviors alerted.

(4) Awareness training:

- Organize information security promotion courses for all personnel who use the information system each year and conduct professional training for dedicated information security personnel. Promote the information security culture participated by all employees and enhance the information security awareness and responsibility of employees.

- Joint TWCERT/CC and TWCISA to obtain information security intelligence and adopt corresponding handling measures.

- Conduct information security event simulation drills to ensure that employees are familiarized with the response processes.

(5) Risk assessment and management:

- Regularly conduct internal and external information security risk assessments and audits to identify and analyze potential threats.

- Carry out vulnerability tests and penetration tests to find and patch the security loopholes in the systems.

(6) Incident response and recovery:

- Formulate the information security incident response and reporting procedures, including

- the determination of incident impact and damage assessment, internal and external reporting procedures, the method to notify other affected agencies, and the contact and contact method.
- Establish a disaster recovery plan to ensure that the system can be quickly recovered for operations after a major incident.
- Immediately announce the material information when any material information security incident specified in the “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities” occurs.

4. “Implementation status of cybersecurity risk management” in the most recent year (2024)

- (1) Carried out the 2024 social engineering exercise, and the clicking rate was 7.71%, in line with the expectation. Completed the information security training for personnel who opened for clicked the link.
- (2) The anti-virus software and updates of the audit mainframe room are qualified, and the system updates and anti-virus software for office PCs were qualified. The complexity and strength of the account numbers and passwords met the standard.
- (3) Information security training:
 - Dedicated cybersecurity personnel: 15 hours of "cybersecurity professional course training" or "cybersecurity functional training" or more. Information personnel other than dedicated cybersecurity personnel: 8 hours of "cybersecurity professional course training" or "cybersecurity functional training" or more.
 - General users and supervisors: 3 hours of “cybersecurity general knowledge education and training” or more, with targets achieved.
- (4) Implemented two times of computer machine room electricity, A/C, fire control, and monitoring tests, with both qualified.
- (5) Implemented two times of system backup and recovery exercises with both achieved the targets.

5. Resources invested in cybersecurity management

- (1) Purchased and deployed new version firewalls, invasion detection systems, anti-virus software, and backup software/hardware to protect the security of networks and data.
- (2) Outsourced the information security health inspection to analyze potential information security loopholes in the information system.
- (3) Appointed personnel with ISO 27001 licenses to be dedicated to information security tasks.
- (4) Outsourced the deployment of SOC and MDR to reinforce information security monitoring.

6. Effects of information system damages on the Company's business and countermeasures

Effects of information system damages on the Company include business interruption, financial losses, damages to reputation, legal litigation, fines, and other risks; therefore, the Company formulated the following response SOP for information security incidents:

- (1) Confirm the type of information security incident:

Define different types of information security incidents, including denial-of-service (DOS), malicious ware, illegal access, and inappropriate use, and implement corresponding response procedures.
- (2) Implement reporting procedures:

Determine the level of the incident and report to parties being affected by the incident; the responsible personnel shall carry out the assessment based on the scope of effects, level of damages of the cybersecurity incident, and the response capacity of the Company.
- (3) Emergency response measures:

The information security emergency management team of the Information Security Office shall execute the damage control measures immediately, including isolation, locking, removing malicious ware, and patching the loopholes, to prevent the further expansion of the disaster and keep digital evidence (i.e., security system or equipment logs) for subsequent forensics and analysis.
- (4) System recovery:

Use the spare to replace malfunctioning equipment or use the backup system for system recovery to ensure all functions of the system are recovered to normality.
- (5) Subsequent measures and improvement:

Generate a detailed incident report that records the handling process of the incident and the results, analyzes the occurrence reason for the incident and the process, and concludes the experience and the lesson learned. Finally, improve the response plan based on the analysis results to improve the response capabilities in the future.

- (II) Losses suffered from material cybersecurity incidents in the most recent year and up to the publication date of the annual report, possible effects and countermeasures; if the amount is not able to be reasonably estimated, describe the fact that it is not able to be reasonably estimated

A network attached incurred to the Company on October 11, 2024, resulting in the inability of partial information systems to operate normally. Due to the complete backup system, the system resumed its normal operation on October 13, 2024, without data leakage for effects on the normal operation of the Company. The following measures are immediately planned for information security to serve as the information security loophole risk assessment of the dedicated information security department, and corresponding protective measures are formulated based on the assessment results. Introduced the latest firewalls, SOC, MDR, and other technological means to protect networks and systems. Purchased immutable backup equipment and a cloud disaster recovery system to ensure the completeness of data and the rapid recovery of business operations upon the occurrence of information security incidents.

VII. Important contracts

List the parties involved in the supply and sales contracts, technical cooperation contracts, construction contracts, long-term borrowing contracts, and other important contracts that may affect the rights and interests of shareholders that are valid up to the publication date of the annual report and expired in the most recent year, the main content, restrictive terms, and the start/end day of contracts

Contract nature	Parties involved	Start/end date of contract	Main content	Restrictive terms
Borrowing contract	Zhaoqing Branch, Bank of China	2024/01/28~2025/01/29	Short-term comprehensive limit RMB90,000 thousand	None
Borrowing contract	E.SUN Bank (China) Co., Ltd.	2024/07/24~2025/07/24	Short-term comprehensive limit RMB100,000 thousand	None
Borrowing contract	DBS Bank (China) Ltd.	2024/07/31~2025/07/31	Short-term comprehensive limit RMB80,000 thousand	None
Borrowing contract	Agricultural Bank of China Gaoyao City Branch	2024/05/17~2025/05/17	Short-term comprehensive limit RMB50,000 thousand	None
Borrowing contract	CTBC Bank	2024/07/01~2025/06/30	Long-term and short-term comprehensive limit of NT\$1,259,511.6 thousand	None
Guarantee contract	CTBC Bank	2024/07/01~2025/06/30	Bearing the joint settlement responsibility with Chung Jye Shoes Co., Ltd. within the maximum limit of NT\$10,000 thousand	None
Borrowing contract	KGI Bank	2024/07/01~2025/06/30	Short-term comprehensive limit of NT\$750,000 thousand	None
Borrowing contract	Cathay United Bank	2024/07/01~2025/07/01	Short-term comprehensive limit of US\$30,000 thousand	None
Borrowing contract	Cathay United Bank	2019/01/07~2034/01/07	Mortgage limit of NT\$40,600 thousand	None
Financial transaction contract	Cathay United Bank	2024/07/01~2025/07/01	Foreign exchange transaction limit of US\$3,000 thousand	None
Borrowing contract	DBS Bank Limited	2024/07/19 Credit period: 1 to 3 years	Long-term and short-term comprehensive limit of US\$45,000 thousand Foreign exchange transaction limit of US\$2,000 thousand	None
Borrowing contract	Taishin International Bank	2024/07/01~2025/06/30	Short-term comprehensive limit of NT\$800,000 thousand	None
Borrowing contract	E.SUN Bank	2024/8/13~2025/6/18	Short-term comprehensive limit of NT\$1,050,000 thousand	None
Sales contract	Group A	2018/07/01 - present	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties
Sales contract	Group B	2020/12/01 - present	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	Company I	2024/01/01~2025/12/31	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties
Manufacturing contract	Company C	2024/01/06~2025/01/06 2025/01/01~2026/01/05 (Renewal)	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties

Contract nature	Parties involved	Start/end date of contract	Main content	Restrictive terms
Sales contract	Company E	2024/6/12 - present	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties
Sales contract	Company G	2023/03/08 - present	Manufacturing and supply of brand products	Confidential information shall not be disclosed or used by third parties
Construction contract	Jiangxi Dongdou Construction Engineering Co., Ltd.	2024/10/31~2025/06/30	Fengcheng Chung Jye, a subsidiary in China Expansion work	None
Construction contract	Zhumadian Construction Co., Ltd.	2025/03/24~2026/01/10	Runan Chung Jye, a subsidiary in China Expansion work	None
Land-use-right contract	Runan County Natural Resources Bureau	2024/07/22 A land lease period of 50 years	Runan Chung Jye, a subsidiary in China Land development and construction	None
Construction contract	TAN VIET CONSTRUCTION COMPANY LIMITED	2024/06/08 - completion date (330 days from the construction commencement date)	Bac Kan Chung Jye, a subsidiary in Vietnam Plant construction project	None
Land-use-right contract	Bac Kan City Urban Public Service Management Commission	2024/10/16 A land lease period of 50 years	Bac Kan Chung Jye, a subsidiary in China Land lease	None

Five. Review and analysis of financial position, financial performance, and risks

I. Financial position

Main reasons for the material changes in assets, liabilities and equity in the most recent two years and the impacts, and the future countermeasures shall be described if the impacts are significant.

Unit: NT\$ thousand

Item \ Year	2023	2024	Differences	
			Amount	%
Current assets	13,183,156	13,428,282	245,126	2
Property, plant and equipment	3,476,861	3,989,013	512,152	15
Right-of-use assets	391,297	650,025	258,728	66
Investment property	45,175	8,739	(36,436)	(81)
Intangible assets	4,264	5,389	1,125	26
Other current assets	469,253	537,346	68,093	15
Total assets	17,570,006	18,618,794	1,048,788	6
Current liabilities	7,937,619	7,659,802	(277,817)	(4)
Non-current liabilities	553,508	530,394	(23,114)	(4)
Total liabilities	8,491,127	8,190,196	(300,931)	(4)
Share capital	1,400,000	1,400,000	-	-
Capital reserve	2,677,907	2,677,907	-	-
Retained earnings	5,152,664	6,094,448	941,784	18
Other equity	(367,101)	24,002	391,103	(107)
Non-controlling interests	215,409	232,241	16,832	8
Total equity	9,078,879	10,428,598	1,349,719	15
(I) Main reasons for the material changes and the impacts (changes of 20% or more with an amount of change of NT\$10 million or more): 1. Increase in right-of-use assets: Primarily due to the acquisition of the land-use-right assets in Bac Kan Province in Vietnam and in Runan in China during the year for the improvement in the production capacity of the Company and the expansion in the business scale of the Group. 2. Decrease in investment properties: Primarily due to the recovery of the Neihu Office in Taipei for self-use due to the requirements for the expansion of the operating organization. 3. Increase in other equity: Primarily due to the increase in the exchange differences arising from the translation of the financial statements of foreign operations. (II) Future countermeasures shall be described if the impacts are significant: The above changes do not have a significant adverse impact on the Company, and there is no significant abnormality in the overall performance of the Company; therefore, it is not required to formulate a response plan.				

II. Financial performance

- (I) Main reasons for the material changes in the operating income, net operating profit and net profit before tax in the most recent two years, the expected sales volume and its basis, the possible impact on the Company's future finance and business, and the countermeasures:

Unit: NT\$ thousand

Item \ Year	2023	2024	Differences	
			Amount	%
Net operating income	22,739,253	26,986,539	4,247,286	19
Cost of sales	(18,516,546)	(22,881,820)	(4,365,274)	24
Gross profit	4,222,707	4,104,719	(117,988)	(3)
Operating expenses	(2,085,400)	(2,302,244)	(216,844)	10
Net profit	2,137,307	1,802,475	(334,832)	(16)
Non-operating income and (expenses)	213,830	541,067	327,237	153
Net profit before tax	2,351,137	2,343,542	(7,595)	(0)
Income tax expenses	(384,330)	(522,508)	(138,178)	36
Net profit for the current year	1,966,807	1,821,034	(145,773)	(7)
Other comprehensive income (net after tax)	(212,574)	389,101	601,675	(283)
Total comprehensive income of the year	1,754,233	2,210,135	455,902	26
Main reasons for the material changes and the impacts (changes of 20% or more with an amount of change of NT\$10 million or more):				
1. Increase in cost of sales and decrease in gross profit: Primarily due to the decrease in gross profit as compared to the preceding year resulting from the increase in manufacturing costs during the year caused by the consolidated effects of the non-ideal production capacity efficiency as the additional production lines are in the learning stage of the curve for the improvement in the production capacity of the Company and the improvement in the business scale of the Group, as well as the increase in basic wages for plants in Vietnam and China. 2. Increase in non-operating income: Primarily due to the increase in non-operating income as compared to the preceding year resulting from the increase in the exchange gain or loss, interest income, and government subsidy income. 3. Increase in income tax expenses: Mainly due to the gap between the amount of R&D less income tax credits of subsidiaries during the two years. 4. Other comprehensive income (net) and total comprehensive income of the period: Primarily due to the exchange differences arising from the translation of the financial statements of foreign operations.				

- (II) The expected sales volume and its basis, the possible impact on the Company's future finance and business, and the countermeasures

The Company did not disclose its future financial forecast; therefore, it does not intend to disclose the expected sales volume.

III. Cash flow

(I) Analysis of changes in cash flow and in the most recent year and improvement plans for insufficient liquidity

Unit: NT\$ thousand

Item \ Year	2023	2024	Differences	
			Amount	%
Net cash inflow (outflow) from operating activities	3,016,560	1,786,735	(1,229,825)	(41)
Net cash inflow (outflow) from investing activities	(901,437)	(590,844)	310,593	(34)
Net cash inflow (outflow) from financing activities	(173,758)	(2,361,126)	(2,187,368)	1,259
1. Analysis of changes in cash flow:				
(1) Operating activities: The net cash inflow from operating activities of the year was NT\$1,786,735 thousand, primarily due to the operating income resulting from the continuous growth and profits from the operations.				
(2) Investing activities: The net cash outflow from investing activities of the year was NT\$590,844 thousand, primarily due to the increase in capital expenditures arising from the plant expansion for operations.				
(3) Financing activities: The net cash outflow from financing activities of the year was NT\$2,361,126 thousand, primarily due to the repayment of short-term borrowings of NT\$1,887,020 thousand and the distribution of cash dividends of NT\$770,000 thousand.				
2. Improvement plans for insufficient liquidity:				
The Company estimates to continue to gain profit in 2025; therefore, it is estimated that there will be net cash inflow from operating activities to offset cash outflow from investing activities, and there is no concern for insufficient liquidity.				

(II) Analysis of cash flow for the following year

Unit: NT\$ thousand

Balance of cash at the beginning of the period	Cash flow from operating activities throughout the year	Estimated cash inflow (outflow) throughout the year	Cash surplus (deficit)	Remedial measures for insufficient cash	
				Investment plan	Wealth management plan
3,603,548	1,884,409	(1,397,836)	4,090,121	-	-
1. Operating activities: Primarily due to the cash income from operating profits and net changes in amounts receivable, inventory, and amounts payable.					
2. Investing and financing activities: Primarily due to the expansion of plants, updates of production procedures, equipment purchased for the improvement in the operating benefits of production lines, repayment of borrowings, and the distribution of cash dividends.					

IV. Impacts of major capital expenditures on finance and business in the most recent year

(I) Utilization of major capital expenditures and source of capital

In 2024 and 2023, the amount of fixed assets acquired was NT\$799,815 thousand and NT\$406,457 thousand, which was due to the continuous expansion of production capacity by the Company in response to the market requirements.

The following table is the comparison table for the fixed asset and total asset turnover of the Company for the most recent three years, which showed that the turnover of the Company maintained at a certain level, and there was no adverse effect on the Company's financial and business position due to the increase in capital expenditures.

	2022	2023	2024
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Fixed assets turnover (%)	6.96	6.36	7.23
Total asset turnover (%)	1.68	1.35	1.49

(II) Expected benefits

The completion of plant expansion will improve the Company's production capacity and expand the business scale of the Group in the hope of satisfying the increase in the future order volume and the urgent order requirements of customers; it is expected that the future operating income will increase.

V. The investment policy in the most recent year, the main reasons for gain or loss, the improvement plan, and the investment plan for the coming year

(I) Investment policy of the Company

The investment policy of the Company adopts the operation of the main business as the core concern, and it does not engage in industries other than its main business. The Company has established the "investment cycle," "Regulations for Supervision and Management of Subsidiaries," "Regulations for Related Party Transactions," "Rules Governing Financial and Business Matters with Related Parties," and the "Procedures for Acquisition or Disposal of Assets"; if there is any investment plan in the future, it will be arranged subject to the abovementioned requirements.

(II) Main reasons for gain or loss of the investments in the most recent year (2024) and improvement plans

Unit: NT\$ thousand

Investee	Shareholding ratio (%)	Investment gain or loss recognized	Main reasons for gain or loss	Improvement plan
Noble Success	100	1,799,667	Investment gain or loss recognized by the holding company	Not applicable
Smartlook	100	625,276	Investment gain or loss recognized by the holding company	Not applicable
Agile Gain	100	7,803	Investment gain or loss recognized by the holding company	Not applicable
Better Power	100	67,504	Investment gain or loss recognized by the holding company	Not applicable
Trinity	68.09	237,986	Investment gain or loss recognized by the holding company	Not applicable
Jewel	100	(131)	Investment gain or loss recognized by the holding company	Not applicable
Samoa Chung Jye	100	1,313,826	Investment gain or loss recognized by the holding company	Not applicable
Fortune Leader	100	(303,917)	Investment gain or loss recognized by the holding company	Not applicable
Wealthy	100	(160,056)	Investment gain or loss recognized by the holding company	Not applicable
Chung Jye Shoes Industry	100	426	Favorable operating status	Not applicable
Chao Ching Zhongjie	100	(297,141)	Primarily due to the effects of changes in order-placing of brand customers, production capacity adjustments, and the increase in the R&D expenses actively invested by Chao Ching Zhongjie during the year	Continue to expand business to improve profitability
Runan Chung Jye	100	(76,795)	As the new plant of Runan Chung Jye is in the learning stage of the curve and the contribution to the production capacity efficiency is not significant, the operation is still recording losses	Continue to improve the production efficiency of procedures to improve profitability
Guangning Chung Bao	100	1,854	Favorable operating status	Not applicable
Sihui Chung Jye	100	(2,774)	Primarily due to the losses resulting from the reduction in orders and the effects of production capacity adjustments during the year.	Continue to expand the business to improve profitability.
Yifeng Chung Jye	100	25,413	Favorable operating status	Not applicable
Shanggao Chung Jye	100	622,338	Favorable operating status	Not applicable
Shanggao Chung Yi	100	4,122	Favorable operating status	Not applicable
Shanggao Chung Liang	100	1,403	Favorable operating status	Not applicable

Investee	Shareholding ratio (%)	Investment gain or loss recognized	Main reasons for gain or loss	Improvement plan
Zhaoqing Yong Shin	90	329	Favorable operating status	Not applicable
Fengcheng Chung Jye	100	(18,013)	As the new plant of Zhongjie in Fengcheng is still in the learning curve stage, the contribution to the production capacity efficiency is not significant. Therefore, the operation is in the stage of loss.	Continue to improve the production efficiency of procedures to improve profitability
Shanggao Jye Sheng	68.09%	49,672	Favorable operating status	Not applicable
Shanggao Da Zhong	68.09%	7,419	Favorable operating status	Not applicable
Hai Duong Chung Jye	100%	17,081	Favorable operating status	Not applicable
Ninh Binh Chung Jye	100%	72,389	Favorable operating status	Not applicable
New Horizon	100%	(7,164)	Primarily due to the effects of income generated from plants leased to an affiliate in Vietnam and the operating expenses generated from operations.	The Company will gradually increase the rent leased to the affiliate to improve profitability.
Tuyen Chuan Chung Jye	100%	54,226	Favorable operating status	Not applicable
Bac Kan Chung Jye	100%	13,343	Favorable operating status	Not applicable
Indonesia Chung Jye	100%	(2,918)	Initial expenditures generated from the stage planning for the plant construction	Not applicable
Shoemaker	100%	295	Favorable operating status	Not applicable
Junjie Shoe Material	35%	6,432	Favorable operating status	Not applicable

(III) Investment plan for the following year

Due to the long-term business development requirements and the improvement in the competitiveness of the global deployment, with considerations given to the risks of separating production countries, the Board resolved to approve the Sragen investment project in Indonesia on February 13, 2025, to expand its production capacity. In the hope of creating favorable and flexible spaces for order-taking in the future to achieve the effect of overall profit and advancement.

VI. For risks, analyze and assess the following matters in the most recent year and up to the publication date of the annual report

(I) Effects of changes in interest rates, exchange rates, and inflation on the Company's profit and loss, and future countermeasures

1. Effects of changes in interest rates on the Company's profit and loss, and future countermeasures

Unit: NT\$ thousand

Year Item	2023		2024	
	Amount	As a percentage of operating income (%)	Amount	As a percentage of operating income (%)
Interest income	176,473	0.78	224,517	0.83
Interest expenses	63,170	0.28	46,377	0.17

The interest income of the Company is primarily generated from the interests of bank deposits and time deposits. Interest expenses are primarily interest expenses for borrowings from financial institutions and interest expenses recognized by using the effective interests approach for lease liabilities. In 2023 and 2024, the ratio of interest income and interest expenses to net operating income of the year was insignificant, representing that changes in interest rates have no material effect on the Company's operation.

Concrete measures to respond to changes:

The Company's capital planning is based on the principle of conservatism and stability, and safety management is the first priority in capital allocation. The Company has a sound financial composition, and will raise the required funds by considering the sources of funds and the overall cost. In the future, we will pay close attention to the global economic development situations and evaluate the bank borrowing interest rates from time to time to secure preferential interest rates so as to achieve the maximum capital cost benefits.

2. Effects of changes in exchange rates on the Company's profit and loss, and future countermeasures

Unit: NT\$ thousand

Item \ Year	2023	2024
Exchange (loss) gain	35,145	247,163
As a percentage of operating income (%)	0.15	0.92

The main purchases and sales of the Company are denominated in USD and RMB; therefore, amounts receivable and payable for purchase and sales transactions can be offset to generate the effect of natural hedging. In 2023 and 2024, the ratio of exchange (loss) gain to net operating income was insignificant, representing that changes in exchange rates have limited effects on the Company's profits.

Concrete measures to respond to changes:

To avoid excessive exchange rate risks of changes in exchange rates on export sales and foreign purchases, the Company adopted the following measures to respond to the effects of changes in exchange rates on its profit or loss:

- A. Financial personnel collect real-time exchange market information at all times and determine the future exchange rate trend to provide it to the sales department as the reference for quotation.
- B. Utilize the feature of nature hedging to offset the payment and receipt of foreign currencies generated from export sales and foreign purchases to reduce the effects of changes in exchange rates.

3. Effects of inflation on the Company's profit and loss, and future countermeasures

The Company considered inflation risks when planning the annual business plan. As of the publication date of the annual report, there was no material effect on profit or loss due to the crisis of inflation or deflation above.

(II) Policy on engaging in high-risk and high-leverage investments, loaning of funds to others, endorsements and guarantees, and derivative transactions, main reasons for gain or loss, and future countermeasures

Based on the principle of stability and the business philosophy of pragmatism, the Company does not engage in high-risk and high-leverage investments beyond its business fields.

Loaning of funds to others and endorsements and guarantees by the Company is mainly between the Company and its subsidiaries or between foreign subsidiaries that the Company directly or indirectly holds 10% of shares with voting rights. Furthermore, the Company has established its "Regulations for Loaning of Funds to Others and Endorsements and Guarantees" and "Regulations for Acquisition or Disposal of Assets," and the Company conducts relevant operations based on the abovementioned regulations; therefore, the risks are limited.

(III) Future R&D plans and R&D expenses estimate to be invested

The R&D department of the Company is led by Chao Ching Zhongjie in Guangdong. Each production site supports the R&D implementation; apart from being responsible for new shoe models, mold development, sample pilot production and testing, the R&D department also actively engages in innovative technologies to improve production scheduling. For the future R&D plan, in addition to replacing old equipment with new ones, we will focus on production automation, intelligence, digitalization, and energy conservation and introduce procedure automation and the situation room system to carry out monitoring and improvement of the comprehensive efficiency of plant equipment by way of digital management thoroughly. It is estimated that the R&D expenses to be invested will account for approximately 2.5% to 3% of the consolidated net operating revenue.

(IV) Impacts of changes in important domestic and foreign policies and laws on the Company's finance and business, and countermeasures

The Company complies with the laws and relevant policies of the registration country and main production countries for the implementation of various businesses and keeps abreast of the changes and development trends at all times to respond to changes in the market environment and adopt appropriate countermeasures in due course. Therefore, as of the publication date of the annual report, changes in important domestic and foreign policies and laws have no material impact on the Company's finance and business.

(V) Impact of changes in technologies (including cybersecurity risks) and industry on the Company's finance and business, and countermeasures

The Company keeps abreast of the technologies, developments, and updates within the industry and grasps changes in technology or industry in a timely manner to adjust the development directions in due course. After the assessment, changes in technology (including cybersecurity risks) are expected to have the following potential effects on the finances and business of the Company:

- Financial losses: Cybersecurity incidents may result in direct financial losses (i.e., blackmail software attacks that require payment of redemption money).
- Operation disruption: Network attacks may interrupt the normal operation of the Company, affecting production and service delivery.
- Reputation damage: Cybersecurity incidents may damage the Company's reputation and affect customers' trust and market position.

The Company shall respond to such risks with a proactive attitude and adopt the following measures:

1. Establish a cybersecurity management structure: Establish a comprehensive cybersecurity management structure, including formulating a cybersecurity policy based on ISO27001, concrete management plans, and investing human resources for management in obtaining the cybersecurity certification
2. Information security assessment: Regularly conduct third-party information security assessment to identify and analyze potential cybersecurity risks and adopt corresponding protective measures.
3. Invest in information security technologies: Introduce advanced information security technologies and introduce the Security Operation Center (SOC) for dedicated personnel to provide monitoring service services 24 hours a day and provide different professional recommendations for different types of information security equipment, material systems, and operating system logs to ensure information security in advance.
4. Employee training: Carry out cybersecurity training for employees, improve their security awareness and skills, and prevent security incidents resulting from human negligence.
5. Emergency response plan: Formulate and have drills of emergency plans for cybersecurity incidents to ensure that security incidents can be effectively responded to upon their occurrence to minimize the effects on finance and business.
6. Supply chain management: Strengthen the cybersecurity management of the supply chain and ensure that suppliers and partners also comply with the corresponding security standards.

As of the publication date of the annual report, changes in technologies and the industry have no material impact on the Company's finances and business.

(VI) Impacts of changes in the corporate image on corporate crisis management and the countermeasures

The Company adheres to the business philosophy of honesty, trust, and sustainability. Since its establishment, the Company has focused on managing its main business, recording a favorable corporate image, and complying with relevant laws and regulations while maintaining harmonious labor-capital and community relations to maintain its excellent corporate image; therefore, as of the publication date of the annual report, there was no corporate crisis management caused by changes in the corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions and the countermeasures

In the most recent year and up to the publication date of the annual report, there is no plan for the merger or acquisition of other companies. In the future, if there is a plan for a merger or acquisition, the Company will also maintain a prudent attitude and fully consider the synergy of the merger or acquisition to ensure the protection of the rights and interests of shareholders.

(VIII) Expected benefits and possible risks of the expansion of plants and the

countermeasures

With the increasing optimism for the economic prospects of the overall shoe industry, to respond to future order-taking requirements, the Company also actively expands overseas production sites in the hope of creating a more favorable and flexible space for the deployment of multiple brands and multiple plants and reducing the risk of intense international relationships. After the dedicated department adequately considers the investment benefits and possible risks and evaluates them with due care, the Board resolved to approve choosing Bac Kan City in Vietnam as the fourth production site in Vietnam, plan for the expansion of production capacity in other Southeast Asian countries, and initiate the plan for the production investment project for plant construction in Indonesia and India in 2025. Currently, there is no significant risk associated with the Company's plant expansion. The investment in the plant expansion plan is expected to help the Company expand its production capacity and dispatch flexibility and increase its business scale and competitiveness.

(IX) Risks associated with concentrated purchases or sales and countermeasures

1. Risks associated with concentrated sales and countermeasures

In 2024 and 2023, the Company and its subsidiaries have a sales amount to Group A, a single customer, that exceeds 50% of the net operating income of each year, primarily due to the concentrated sales resulting from the increase in the requirements along with the performance growth of the brand customers of Group A as the Company as Group A have been cooperating for over 17 years, and the product quality produced by the Company won the recognition of brand customers. In addition to cultivating existing customers and maintaining healthy cooperating relationships, the Company also continues to develop new customers and focuses on new markets. In response to the trends of global brands, it adjusts the production lines of different plants, which makes orders of different brands increase or decrease, to reduce the risk of concentrated sales to a single customer.

2. Risks associated with concentrated purchases and countermeasures

In the most recent year and up to the publication date of the annual report, there was no single supplier accounting for more than 30% of purchases of the Company and its subsidiaries; therefore, there is no risk of concentrated purchases.

(X) Impacts and risks of mass transfer or exchange of equity by Directors, supervisors, or major shareholders holding more than 10% of all shares in the Company and the countermeasures

As of the publication date of the annual report, there was no impact on the Company's operation due to the mass transfer or exchange of equity by Directors or major shareholders holding more than 10% of all shares.

(XI) Impacts and risks of the change in the management on the Company and countermeasures

As of the publication date of the annual report, the Company has no change in the management that affects the Company's operations.

(XII) Litigious or non-litigious events

1. For major litigious, non-litigious or administrative disputes that have been adjudicated or are still underway, and the results which may have a significant impact on shareholders' equity or securities prices, disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the key parties involved in the lawsuit and the handling status as of the publication date of the annual report

Litigious/non-litigious/administrative disputes	Litigation counterparty	Reasons for litigation and process	Impact on the Company's finance and business
Contractual dispute under a civil litigation	Chen, Rong-Chung	On May 4, 2014, Chao Ching City Zhongjie Shoes Co., Ltd. and Chen, Rong-Chung entered into the "Plant Lease Contract." On March 16, 2020, the Company and Chen, Rong-Chung entered into the "Agreement" on an arm-length basis. The "Agreement" specified that both parties agreed to cancel the "Plant Lease Contract" entered into between both parties on May 4, 2014 on March 18, 2020, and Chen, Rong-Chung is required to return the lease contract guarantee of	No significant impact on the Company's finance and business

Litigious/non-litigious/administrative disputes	Litigation counterparty	Reasons for litigation and process	Impact on the Company's finance and business
		RMB150,000 to the Company in full by March 31, 2020. Chen, Rong-Chung refused to fulfill the commitment to return the guarantee of RMB150,000 on time; therefore, the Company filed litigation at the Zhaoqing City Gaoyao District People's Court to collect relevant economic losses of RMB757,607 resulted from the lease contract dispute, and the Gaoyao District People's Court ruled the Company win. On January 12, 2023, Chen, Rong-Chung had a dissenting opinion against the judgment of the Gaoyao District People's Court and proposed a retrial to the Zhaoqing City Intermediate People's Court; both parties reached a reconciliation after the retrial that Chen, Rong-Chung shall pay the settlement fund of RMB200,000 to the Company in six installments, and the settlement fund of RMB200,000 was fully paid on January 31, 2024.	

2. For major litigious, non-litigious or administrative disputes that the Company and its Directors, supervisors, President, substantive responsible persons, major shareholders holding more than 10% of its shares, and affiliates which have been adjudicated or are still underway, and the results which may have a significant impact on shareholders' equity or securities prices; disclose the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the key parties involved in the lawsuit and the handling status as of the publication date of the annual report: None.

(XIII) Other important risks and countermeasures

1. Risks associated with changes in the macroeconomy, political and economic environments, foreign exchanges, laws and regulations, and the protection of shareholders' rights and interests:

The Company is registered in the Cayman Islands, and its main business locations are in Mainland China, Vietnam and Taiwan. Therefore, changes in the macroeconomy and political environment and the fluctuation of foreign exchange rates of the place of registration and the place of main operations will all affect the Company's operating conditions. The Company will closely monitor changes in the economy and policies and formulate corresponding response strategies to respond to possible risks and challenges and ensure the stable development of the Company.

In addition, the Company has amended its Articles of Incorporation in accordance with the "Checklist for Protection of Rights and Interests of Shareholders in the Place of Registration of Foreign Issuers" prescribed by the Taiwan Stock Exchange; however, there are many differences between the laws and regulations of the place of registration, the place of main operations and Taiwan. Investors shall understand and consult experts in terms of relevant investment risks.

2. Restrictions on foreign securities trading, tax burden, and matters of notice for tax payment for foreign issuers in the place of registration and the place of listing

The Company is registered in the Cayman Islands, and the form of registration is an exempted company. There is no substantial operation in the region. The Company Act of the Cayman Islands currently does not restrict or prohibit foreigners from holding or trading the securities of exempted companies. According to the current laws in the Cayman Islands, except for the personal income tax of partial foreign workers, the government of the Cayman Islands does not levy direct taxes (i.e., capital gains tax, corporate income tax, real estate tax and estate tax). In conclusion, the Company's offering and issuance of securities in the place of registration shall not be subject to any restrictions on securities trading, tax burden and payment.

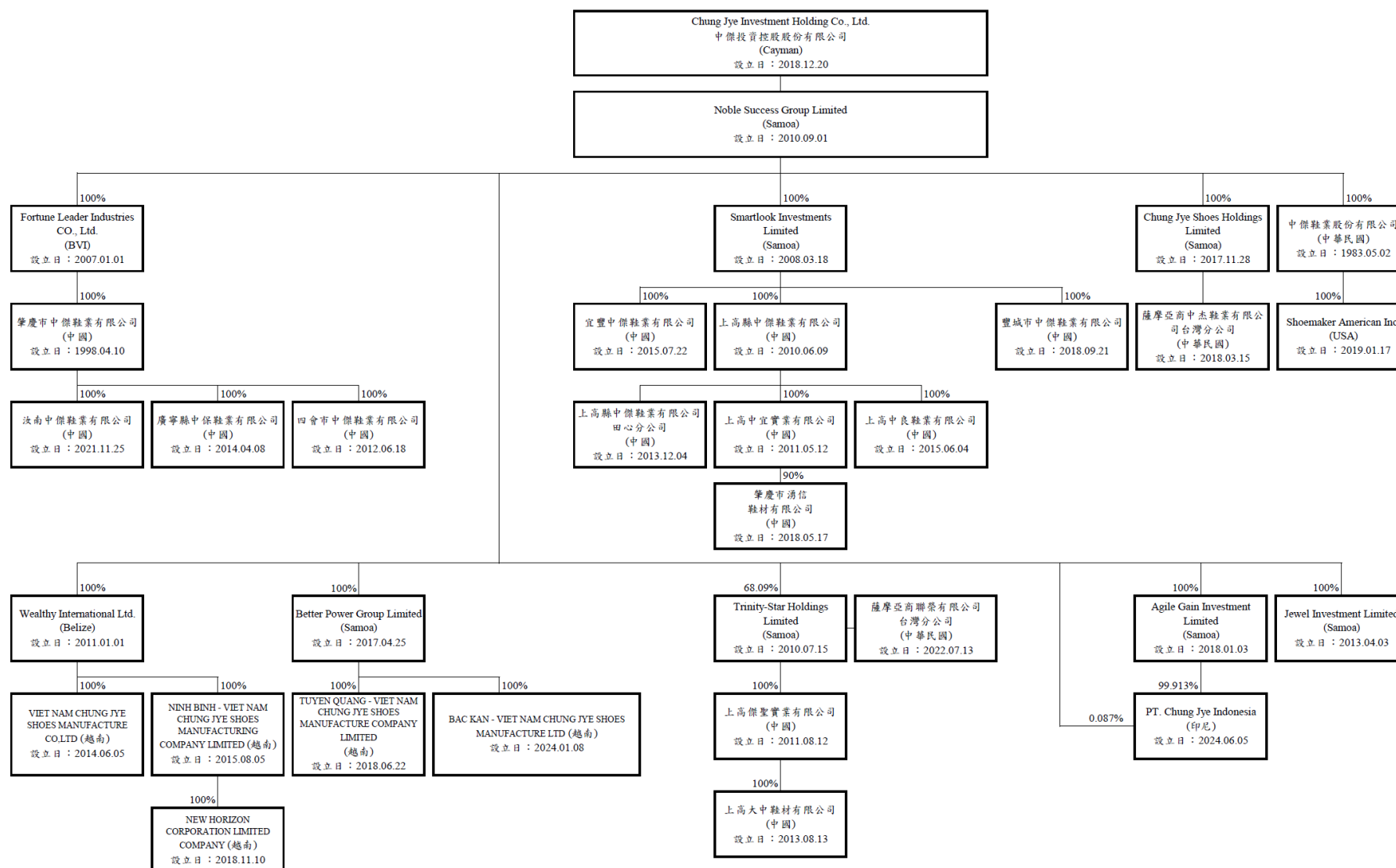
VII. Other important matters: None.

Six. Special notes

I. Information on affiliates:

(I) Consolidated Business Report of Affiliates

1. Organizational Chart of Affiliates



2. Basic information on affiliates

Unit: NT\$ thousand; date: December 31, 2024

Name of company	Establishment date	Address (Note)	Paid-in capital	Main scope of business
Chung Jye Investment Holding Co., Ltd. (the "Chung Jye Investment")	2018/12/20	British Cayman Islands	NT\$1,400,000	General investment.
Noble Success Group Limited /Noble Success Group Limited (the "Noble Success")	2010/09/01	Samoa	US\$3,342	General investment.
Smartlook Investments Limited (the "Smartlook")	2008/03/18	Samoa	US\$82,050	General investment.
Agile Gain Investment Limited (the "Agile Gain")	2018/01/03	Samoa	US\$4,210	General investment.
Better Power Group Limited (the "Better Power")	2017/04/25	Samoa	US\$39,382	General investment.
Trinity-Star Holdings Limited (the "Trinity")	2010/07/15	Samoa	US\$11,900	General investment.
Jewel Investment Limited (the "Jewel")	2013/04/03	Samoa	-	General investment.
Chung Jye Shoes Holdings Limited (the "Samoa Chung Jye")	2017/11/28	Samoa	US\$3,200	General investment.
Fortune Leader Industries CO., Ltd. (the "Fortune Leader")	2007/01/01	British Virgin Islands	US\$20,000	General investment.
Wealthy International Ltd. (the "Wealthy")	2011/01/01	Belize	US\$67,879	General investment.
Chung Jye Shoes Co., Ltd. (the "Chung Jye Shoes")	1983/05/02	Republic of China	NT\$86,000	Import and export trade and sales of purchase of shoe materials
Chung Jye Shoes Holdings Limited Taiwan Branch (the "Chung Jye Taiwan Branch")	2018/03/15	Republic of China	NT\$88,000	Import and export trade and sales of sneakers
Trinity-Star Holdings Limited (the "Trinity-Star Taiwan Branch")	2022/07/13	Republic of China	NT\$20,000	Import and export trade, manufacturing, processing, and sales and purchase
Chao Ching City Zhongjie Shoes Co., Ltd. (the "Chao Ching Zhongjie")	1998/04/10	China	RMB156,019	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
Runan Chung Jye Shoes Industry Co., Ltd. (the "Runan Chung Jye")	2021/11/25	China	RMB50,000	Manufacturing, processing, and sales and purchase of sneakers
Guangning Chung Bao Shoes Industry Co., Ltd. (the "Guangning Chung Bao")	2014/04/08	China	RMB4,900	Manufacturing, processing, and sales and purchase of sneakers
Sihui Chung Jye Shoes Industry Co., Ltd. (the "Sihui Chung Jye")	2012/06/18	China	RMB10,000	Manufacturing, processing, and sales and purchase of sneakers
Yifeng Chung Jye Shoes Industry Co., Ltd. (the "Yifeng Chung Jye")	2015/07/22	China	RMB73,234	Manufacturing, processing, and sales and purchase of sneakers
Shanggao Chung Jye Shoes Industry Co., Ltd. (the "Shanggao Chung Jye")	2010/06/09	China	RMB379,751	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
Shanggao Chung Yi Industry Co., Ltd. (the "Shanggao Chung Yi")	2011/05/12	China	RMB10,738	Lamination and processing of shoe materials and sales and purchase of shoe

Name of company	Establishment date	Address (Note)	Paid-in capital	Main scope of business
				materials
Shanggao Chung Liang Shoe Industry Co., Ltd. (the “Shanggao Chung Liang”)	2015/06/04	China	RMB4,588	Manufacturing, processing, and sales and purchase of sneakers
Zhaoqing Chung Jye Shoes Industry Co., Ltd. (the "Zhaoqing Yong Shin")	2018/05/17	China	RMB4,000	Lamination and processing of shoe materials and sales and purchase of shoe materials
Fengcheng Chung Jye Shoes Industry Co., Ltd. (the "Fengcheng Chung Jye")	2018/09/21	China	RMB100,575	Manufacturing, processing, and sales and purchase of sneakers
Shanggao Jye Sheng Industry Co., Ltd. (the "Shanggao Jye Sheng")	2011/08/12	China	RMB77,191	Import and export trade, manufacturing, production, and sales of shoe sole materials
Shanggao Da Zhong Shoes Materials Co., Ltd. (the "Shanggao Da Zhong")	2013/08/13	China	-	Manufacture, production and sale of insole materials
Shanggao Chung Jye Shoes Industry Co., Ltd. Tianxin Branch (the “Tianxin Branch”)	2013/12/04	China	-	Manufacturing, processing, and sales and purchase of sneakers
VIET NAM CHUNG JYE SHOES MANUFACTURE CO, LTD (the "Hai Duong Chung Jye")	2014/06/05	Vietnam	US\$18,064	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
NINH BINH - VIET NAM CHUNG JYE SHOES MANUFACTURING COMPANY LIMITED (the "Ninh Binh Chung Jye")	2015/08/05	Vietnam	US\$62,992	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
NEW HORIZON CORPORATION LIMITED COMPANY (the "New Horizon")	2018/11/10	Vietnam	VND138,000 (million)	Property and plant lease
TUYEN QUANG - VIET NAM CHUNG JYE SHOES MANUFACTURE COMPANY LIMITED (the "Tuyen Quang Chung Jye")	2018/06/22	Vietnam	US\$26,000	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
BAC KAN - VIET NAM CHUNG JYE SHOES MANUFACTURE LTD (the "Bac Kan Chung Jye")	2024/01/08	Vietnam	US\$15,000	Import and export trade, manufacturing, processing, and sales and purchase of sneakers
Shoemaker American Inc (the "Shoemaker")	2019/01/17	The U.S.	US\$100	Customer relation services of brands.
PT Chung Jye Indonesia (the "Indonesia Chung Jye")	2024/06/05	Indonesia	US\$2,879	Manufacturing, processing, and sales and purchase of sneakers

Note: For addresses and data on affiliates, please refer to “III. Address and tel. of headquarters, branches and plants.”

3.Information of the same shareholder presumed to have control and subordinate relation:

Not applicable.

4.Industries covered by the overall businesses of affiliates: For the details of the main business or production items of each affiliate, please refer to the “(1) Consolidated Business Report of Affiliates 2. Basic information on affiliates.”

5.Information on directors, supervisors and the President of affiliates

Name of company	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio %
Chung Jye Investment	Chairman	Liu, An-Che	1,000,030	0.64%
	Vice Chairman	Liu, Chiung-Wen	1,000,030	0.64%
	Director and President	Liu, Yu-Hsuan	1,000,030	0.64%
	Independent Director	Cheng, Wen-Cheng	-	-
	Independent Director	Ko, Kuan-Cheng	-	-
	Independent Director	Tsai, Fu-Chiang	-	-
	Independent Director	Hsieh, Ming-Hui	-	-
Noble Success	Directors	Liu, An-Che	-	-
Smartlook	Directors	Liu, Yu-Hsuan	-	-
Agile Gain	Directors	Liu, Yu-Hsuan	-	-
Better Power	Directors	Liu, Yu-Hsuan	-	-
Trinity	Directors	Liu, Yu-Hsuan	-	-
Jewel	Directors	Liu, Yu-Hsuan	-	-
Samoa Chung Jye	Directors	Liu, Yu-Hsuan	-	-
Fortune Leader	Directors	Liu, Yu-Hsuan	-	-
Wealthy	Directors	Liu, Yu-Hsuan	-	-
Chung Jye Shoes Industry	Chairman	Liu, Chiung-Wen	-	-
	Directors	Liu, An-Che	-	-
	Directors	Liu, Yu-Hsuan	-	-
	Supervisor	He, Jung-Tsung	-	-
Chung Jye Taiwan Branch	Chairman	Liu, Chiung-Wen	-	-
Trinity-Star Taiwan Branch	Chairman	Liu, Chiung-Wen	-	-
Chao Ching Zhongjie	Directors	Liu, An-Che	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Liu, Yu-Hsuan	-	-
	Supervisor	Lai, Yan-Liang	-	-
Runan Chung Jye	Directors	Liu, An-Che	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Liu, Yu-Hsuan	-	-
	Supervisor	Lai, Yan-Liang	-	-
Guangning Chung Bao	Directors	Liu, An-Che	-	-
	Supervisor	Liu, Yu-Hsuan	-	-
Sihui Chung Jye	Directors	Liu, An-Che	-	-
	Supervisor	Liu, Yu-Hsuan	-	-
Yifeng Chung Jye	Directors	Liu, An-Che	-	-
	Supervisor	Liu, Yu-Hsuan	-	-
Shanggao Chung Jye	Directors	Liu, An-Che	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Liu, Yu-Hsuan	-	-
	Supervisor	Lai, Yan-Liang	-	-
Shanggao Chung Yi	Directors	Liu, An-Che	-	-
	Supervisor	Liu, Yu-Hsuan	-	-
Shanggao Chung Liang	Directors	Liu, An-Che	-	-
	Supervisor	Liu, Yu-Hsuan	-	-
Zhaoqing Yong Shin	Corporate representative	Chang, Chung-Ru	(Note)	10%

Name of company	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio %
	Directors	Liu, Chiung-Wen	-	-
	Supervisor	Lai, Yan-Liang	-	-
Fengcheng Chung Jye	Directors	Liu, An-Che	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Liu, Yu-Hsuan	-	-
	Supervisor	Lai, Yan-Liang	-	-
Shanggao Jye Sheng	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Lin, Chiu-Hsiung	-	-
	Supervisor	Lin, Dong-Tsan	-	-
Shanggao Da Zhong	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Chiung-Wen	-	-
	Directors	Lin, Chiu-Hsiung	-	-
	Supervisor	Lin, Dong-Tsan	-	-
Tianxin Branch	Responsible person	Liu, An-Che	-	-
Hai Duong Chung Jye	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Yu-Hsuan	-	-
Ninh Binh Chung Jye	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Yu-Hsuan	-	-
New Horizon	Corporate representative	Lai, Yan-Liang	-	-
Tuyen Chuan Chung Jye	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Yu-Hsuan	-	-
Bac Kan Chung Jye	Corporate representative	Lai, Yan-Liang	-	-
	Directors	Liu, Yu-Hsuan	-	-
Shoemaker	Corporate representative	Chiu, Yi-Fang	-	-
Indonesia Chung Jye	Corporate representative	Lai, Yan-Liang	-	-

Note: No stock was issued.

6. Business overview of affiliates

Unit: NT\$ thousand, except for the capital in thousand of the initial currency;

Date: For the year ended December 31, 2024

Name of company	Paid-in capital	Total assets value	Total liabilities	Net worth	Operating income	Operating gains	Profit or loss of the period (after tax)
Chung Jye Investment	NTD 1,400,000	10,430,098	1,500	10,428,598	26,986,539	1,802,475	1,821,034
Noble Success	USD 3,342	10,451,104	3,279	10,447,825	0	(98)	1,799,667
Smartlook	USD 82,050	3,784,569	0	3,784,569	0	(4,196)	625,276
Agile Gain	USD 4,210	206,709	0	206,709	0	(1,049)	7,803
Better Power	USD 39,382	1,180,588	787	1,179,801	0	(164)	67,504
Trinity	USD 11,900	765,825	0	765,825	492	361	352,111
Jewel	-	164	721	(557)	0	(164)	(131)
Samoa Chung Jye	USD 3,200	1,458,375	1,311	1,457,064	25,933	(66)	1,316,219
Fortune Leader	USD 20,000	306,146	0	306,146	0	(197)	(303,917)
Wealthy	USD 67,879	2,573,721	19,409	2,554,312	0	(204,283)	(160,056)

Name of company	Paid-in capital	Total assets value	Total liabilities	Net worth	Operating income	Operating gains	Profit or loss of the period (after tax)
Chung Jye Shoes Industry	NTD 86,000	172,870	81,826	91,044	239,677	385	426
Chung Jye Taiwan Branch	USD 3,008	6,675,026	5,224,125	1,450,901	19,500,046	1,395,977	1,391,470
Trinity-Star Taiwan Branch	NTD 20,000	500,997	231,947	269,050	1,410,512	286,354	244,218
Chao Ching Zhongjie	CNY 156,019	2,022,774	1,720,320	302,454	3,986,442	(240,744)	(297,488)
Runan Chung Jye	CNY 50,000	696,924	738,991	(42,067)	546,237	(80,913)	(76,795)
Guangning Chung Bao	CNY 4,900	29,597	73,854	(44,257)	167,828	2,070	1,854
Sihui Chung Jye	CNY 10,000	93,038	104,350	(11,312)	138,161	(2,575)	(2,774)
Yifeng Chung Jye	CNY 73,234	1,072,898	947,417	125,481	2,187,849	10,210	25,413
Shanggao Chung Jye	CNY 379,751	5,431,444	2,115,775	3,315,669	9,966,955	612,587	622,338
Shanggao Chung Yi	CNY 10,738	103,821	18,710	85,111	71,789	(1,845)	4,122
Shanggao Chung Liang	CNY 4,588	44,052	639	43,413	4,018	1,272	1,403
Zhaoqing Yong Shin	CNY 4,000	36,575	13,829	22,746	64,690	(293)	365
Fengcheng Chung Jye	CNY 100,575	674,136	335,773	338,363	374,382	(54,412)	(18,013)
Shanggao Jye Sheng	CNY 77,191	952,981	466,755	486,226	1,760,412	24,015	49,672
Shanggao Da Zhong	-	0	0	0	0	0	7,419
Tianxin Branch	-	0	0	0	0	0	0
Hai Duong Chung Jye	USD 18,064	667,240	129,468	537,772	888,178	3,082	17,081
Ninh Binh Chung Jye	USD 62,992	2,180,727	253,559	1,927,168	2,375,929	43,014	72,389
New Horizon	VND 138,000,000 (百萬)	145,740	8,971	136,769	702	351	(7,164)
Tuyen Chuan Chung Jye	USD 26,000	853,000	165,794	687,206	1,305,695	43,604	54,226
Bac Kan Chung Jye	USD 15,000	543,412	50,850	492,562	0	(2,820)	13,343
Shoemaker	USD 100	2,787	66	2,721	38,245	393	295
Indonesia Chung Jye	USD 2,879	93,732	98	93,634	0	0	2,918

(II) Consolidated financial statements of affiliates: Same as the consolidated financial statements. Please refer to the “MOPS.”

(III) Affiliation report: Not applicable.

II. Private placement of securities in the most recent year up to the publication date of the annual report: None.

III. Other necessary supplementary information: None.

Seven. Description of material differences from the right and interest protection requirements in Taiwan:

The Company has amended the Memorandum and Articles of Incorporation of the Company according to material matters for the protection of rights and interests set out in the “Checklist for Protection of Rights and Interests of Shareholders in the Place of Registration of Foreign Issuers,” amended and announced by the Taiwan Stock Exchange Corporate on May 2, 2024; however, partial material matters for the protection of rights and interests of shareholders are not applicable under the laws of the Cayman Islands; therefore, they are not amended in the

Memorandum and Articles of Incorporation of the Company issued; please see the following table for description:

Material matters for the protection of the rights and interests of shareholders	Requirements of the Memorandum and Articles of Incorporation of the Company issued and the reason for the deviations
1.The physical shareholders' meetings convened by the Company shall be within the Republic of China. If convening a physical shareholders' meeting outside of the Republic of China, it shall be reported to the stock exchange for agreement within two days from the resolution of the Board or the obtaining of the convening permit of shareholders from the competent authority. 2.A shareholder who holds over one-third of the total issued shares for a consecutive year or above may request the Board to convene an extraordinary shareholders' meeting in writing by setting out the proposals and reasons. If the Board fails to send the meeting notice within 15 days from the request, the shareholder may report to the competent authority for the permit to convene the meeting.	1.Regarding shareholders' meetings convened by shareholders, as the Company Act of the Cayman Islands has no special requirements for shareholders convening shareholders' meetings, Article 19.6 of the Articles of Incorporation of the Company did not specify that a shareholder shall report to the competent authority for the permit to convene an extraordinary shareholders' meeting. 2.In addition, if a shareholder convenes a shareholders' meeting outside of the Republic of China, as an extraordinary shareholders' meeting convened by a shareholder is not required to obtain a permit from the competent authority in the Cayman Islands, Article 19.6 of the Articles of Incorporation only stated that it shall be reported to TPEx or TWSE (subject to the applicability) for approval first instead of the "it shall be reported to the stock exchange for agreement within two days from the obtaining of the convening permit of shareholders' from the competent authority" as stated in the Checklist for Protection of Rights and Interests of Shareholders. This part shall have no substantial effect on the rights and interests of shareholders in the Republic of China.
3.When the Company convenes a shareholders' meeting, it shall include electronic means as one of the channels to exercise voting rights. 4.When the Company exercises its voting rights in writing or via electronic means, the exercise methods shall be set out in the notice for the shareholders' meeting. A shareholder who exercises his/her voting rights in writing or through electronic means shall be deemed to have attended the shareholders' meeting in person. However, the shareholder shall be deemed to have waived his/her rights and abstained from voting on any extempore motions and amendments to the initial proposals at the shareholders' meeting.	As for the voting rights exercised by shareholders in writing or through electronic means, the Company Act of the Cayman Islands did not mention whether shareholders who exercised voting rights in writing or through electronic means shall be deemed to have attended the shareholders' meeting in person. To otherwise make arrangements, Article 25.4 of the Articles of Incorporation specified that a shareholder who exercises his/her voting rights by voting in writing or through electronic means shall be deemed to have engaged the meeting chairperson as his/her proxy to exercise his/her voting rights at the shareholders' meeting based on the methods instructed on the written or electronic document. The meeting chairperson, in the nature of a proxy, shall have no right to exercise the voting rights of the shareholder regarding matters not mentioned or set out in the written or electronic document and/or the amendments to initial proposals proposed at the shareholders' meeting. To clarify the doubts, the shareholder shall be deemed to have waived the exercise of the voting rights for the extempore motions and/or amendments to the initial proposals proposed at the shareholders' meeting if he/she exercised his/her voting rights in such methods." Article 26.3 of the Articles of Incorporation also specified that the voting rights represented by the chairperson of the shareholders' meeting thereof shall not exceed 3% of the voting rights of the total issued shares. As the above differences are generated from the absence of equivalent requirements in the Company Act of the Cayman Islands, this part shall have limited effects on the rights and interests of shareholders in the Republic of China.
For the following proposals involving the material interest of shareholders, consent from attending shareholders with over half of the voting rights at a meeting attended by shareholders who represent over two-thirds of the total issued shares shall be obtained. If the total number of shares represented by the attending shareholders is insufficient to meet the aforesaid quota, the resolution may be made with the consent of attending shareholders who represent over two-thirds of voting rights at a meeting attended by shareholders who represent over half of the total issued shares: 1.The Company enters into, alters, or terminates a contract for leasing all businesses, management consignment, or regular joint management with others to transfer all or the main part of the businesses or properties or receive all businesses or properties of others that cause material effects on the Company's operation 2.Changes in the Articles of Incorporation 3.If the changes in the Articles of Incorporation harm the rights of holders of preferred shares, such changes shall be resolved by the shareholders' meeting of preferred shares 4.Distribution of all or partial dividends and bonuses through the issuance of new shares 5.Resolution on dissolution, merger or split 6.Share conversion	1.For the resolution methods of shareholders' meetings, in addition to the ordinary resolutions and supermajority resolutions under the laws in Taiwan, Article 1.1 of the Articles of Incorporation also stipulated the "special resolution" defined under the Company Act of the Cayman Islands. A special resolution is a resolution approved by receiving the consent from attending shareholders with at least two-thirds of the voting rights after calculating the weight of voting rights that each shareholder is entitled to at a shareholders' meeting of the Company that is attended by shareholders who are entitled to participate in the vote in person, voted based on the proxy forms, or attended and voted by proxies legally authorized by corporate shareholders or shareholders who are not natural persons. 2.According to the Company Act of the Cayman Islands, the following matters shall be done by special resolution: (1)Changes in the Articles of Incorporation: According to the laws of the Cayman Islands, changes in the Articles of Incorporation shall be made through a special resolution as specified in the Company Act of the Cayman Islands. Therefore, the resolution threshold for changes in the Articles of Incorporation under Article 12.1 of the Articles of Incorporation was not amended as matters of supermajority resolutions under the laws in Taiwan according to the requirements of the Checklist for Protection of Rights and Interests of Shareholders. In addition, according to Article 13 of the Articles of Incorporation, if any modifications or changes in the Articles of Incorporation will harm the preemptive rights of any type of shares, relevant modifications or changes shall be approved as a special resolution, and shall be approved as a special resolution at a shareholders' meeting otherwise convened for the shareholders with the type of shares harmed. (2)Adjournment: According to the laws of the Cayman Islands, if the Company resolves to carry out a voluntary liquidation and dissolution as it is unable to settle its debts upon the expiry, the dissolution shall be made through the resolution of the shareholders' meeting. However, if the Company resolves to carry out a voluntary liquidation and dissolution due to other reasons, the resolution shall be made through the special resolution specified in the Company Act of the Cayman Islands; therefore, the resolution threshold for the liquidation and dissolution resolution of the Company in Article 12.4 of the Articles of Incorporation was not amended as matters of supermajority resolutions under the laws in Taiwan according to the requirements of the Checklist for

Material matters for the protection of the rights and interests of shareholders	Requirements of the Memorandum and Articles of Incorporation of the Company issued and the reason for the deviations
	Protection of Rights and Interests of Shareholders. (3)Merger: As the Company Act of the Cayman Islands has mandatory requirements for the voting methods for “mergers as defined in the laws of the Cayman Islands,” subparagraph (b), Article 12.3 of the Articles of Incorporation specified that mergers (an “M&A and/or merger” as defined in the Company Act of the Cayman Islands only requires a special resolution) shall be approved as a supermajority resolution. 3.The differences between the abovementioned matters and the Checklist for Protection of Rights and Interests of Shareholders are matters that shall be made through supermajority resolutions in material matters for the protection of rights and interests of shareholders are separately specified as matters for supermajority resolutions and matters for special resolutions in the Articles of Incorporation. As such differences are generated from the laws of the Cayman Islands, and the Articles of Incorporation have set out the matters for supermajority resolutions specified in the material matters for the protection of rights and interests of shareholders as matters for supermajority resolutions and matters for special resolutions in the Articles of Incorporation, this part shall have limited effects on the rights and interests of shareholders.
1.Shareholders who hold 1% or more of the total issued shares of the Company for six consecutive months or above may request the Audit Committee in writing to raise litigation against a Director of the Company, and the Taiwan Taipei District Court may be the governing court for the first trial. 2.If the Audit Committee fails to raise litigation within 30 days from the request of the shareholder, the shareholder may raise litigation on behalf of the Company, and the Taiwan Taipei District Court may be the governing court for the first trial.	According to Article 48.3 of the Articles of Incorporation, “48.3 Within the scope permitted by the laws of the Cayman Islands, shareholders who hold 1% or more of the total issued shares of the Company for six consecutive months or above may request the Audit Committee in writing to make the resolution to raise litigation against a Director by a single Independent Director member or more for and on behalf of the Company, and the Taiwan Taipei District Court may be the governing court for the first trial. If the Audit Committee fails to make any resolution or if the Independent Director resolved by the Audit Committee fails to raise litigation within 30 days from the request of the shareholders, within the scope permitted by the laws of the Cayman Islands, the abovementioned shareholders may raise litigation against a Director for and on behalf of the Company, and the Taiwan Taipei District Court may be the governing court for the first trial.” However, a practicing attorney in the Cayman Islands provided reminders for the abovementioned provisions based on the laws and regulations of the Cayman Islands as follows: The Company Act of the Cayman Islands does not have special requirements for minority shareholders to apply for the dismissal of a Director with the Court of the Cayman Islands. In general, the dismissal procedures are specified in the Articles of Incorporation, and the dismissal generally requires the ordinary resolution made by shareholders. According to the case law related to compensating harmed shareholders, the Company shall raise litigation for harms to the Company based on the principle of eligible plaintiff instead of a single shareholder or a group of minority shareholders. The requirement only has a few exceptions; one of them is that the Director’s act constitutes fraud to the minority shareholders, and the violator controls the Company. The practicing attorney in the Cayman Islands expressed its opinions on the enforceability of the term if it is included in the Articles of Incorporation, as the Court of the Cayman Islands is unlikely to ratify and implement a foreign judgment with no monetary payment before carrying out a substantial trial again regarding the relevant point of disputes (if the Director is required to be dismissed due to the court’s judgment according to the procedures specified in the Articles of Incorporation).
1.Directors of the Company shall duly implement their businesses and fulfill the obligation of care of a good administrator. If any violation of a Director results in damages to the Company, the Director shall be responsible for damage compensation. If such acts are done for the Director or for others, the shareholders’ meeting may resolve that the income from such acts shall be deemed the income of the Company. 2.If a Director violates laws and regulations when executing the businesses of the Company and results in damages to others, the Director shall be held jointly responsible for compensating others and the Company. 3.Managers of the Company shall bear the responsibility for damage compensation that is equivalent to that of the Directors of the Company when executing their scope of duties.	According to Article 48.4 of the Articles of Incorporation, “Without affecting or violating the general responsibility of Directors assumed by Directors to the Company and shareholders according to the common law principles and laws of the Cayman Islands, Directors shall duly implement their businesses and fulfill the obligation of care of a good administrator. If any violation of a Director results in damages to the Company, the Director shall be responsible for damage compensation within the maximum limit permitted by laws. If a Director engages in acts violating the abovementioned requirements and gains benefits for himself/herself or others, the Company shall adopt all appropriate actions and steps, as approved as an ordinary resolution by the shareholders’ meeting, to retrieve such benefits from the Director to be owned by the Company within the maximum limit permitted by laws. If a Director violates laws or orders and results in any indemnity or damage responsibilities of the Company to any person, the Director shall be held jointly responsible for the indemnity or damage responsibilities, and if for any reason that the Director is not required to assume the joint responsibility for compensation with the Company, the Director shall compensate for the losses suffered by the Company due to his/her violations of his/her responsibilities. Managers of the Company shall bear the responsibility for damage compensation that is equivalent to that of the Directors of the Company when executing their duties.” However, a practicing attorney in the Cayman Islands provided reminders for the abovementioned provisions based on the laws and regulations of the Cayman Islands as follows: 1.The Company Act of the Cayman Islands has no particular regulations about the duties of Directors. According to the common law principles, the Directors of the Company shall bear the (a) fiduciary obligations of loyalty, honesty, and ethics and (b) responsibility of care, diligence, and professionalism. The Company may claim

Material matters for the protection of the rights and interests of shareholders	Requirements of the Memorandum and Articles of Incorporation of the Company issued and the reason for the deviations
	compensation from the Directors who violate such duties. In addition, if a Director violates his/her duties and obtains hidden profits, the Company may request the Director to explain such profits. 2. According to the common law principles, when Directors execute businesses on behalf of the Company, their acts shall be deemed the acts of the Company. If such acts cause any damages to a third party, the Company (instead of the Director) will be held responsible for compensating the third party for such acts. The third party who claims damage compensation may not request the Director to assume the responsibility according to corresponding provisions in the Articles of Incorporation as the requirements in the Articles of Incorporation do not apply to the third party who is not a shareholder. If the Company is responsible for a third party due to the violation of a Director of his/her obligations, the Company may claim compensation for such losses from the Director. 3. Managers generally have no fiduciary duty to the Company. Even if amendments include this part in the requirements of the Articles of Incorporation, there is no executive force against managers, as managers are not parties to the Articles; therefore, the obligations shall be set out in the contracts with managers.

Eight. Set out matters with material impacts on the rights and interests of shareholders or stock prices as stated in subparagraph 2, paragraph 3, Article 36 of the Act in the most recent year and up to the publication date of the annual report: None.

Chung Jye Investment Holding Co., Ltd.

Chairperson Liu, An-Che



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Chung Jye Group