



慶豐富實業股份有限公司

**CHING FENG HOME FASHIONS CO., LTD.  
AND SUBSIDIARIES**

**ANNUAL REPORT**

For the fiscal year ended December 31, 2025

Printed on May 22, 2026

Available at : <http://mops.twse.com.tw>  
<http://www.chingfeng.com>

## **1. Spokesperson**

Name: Hsu, Chun-Jan

Title: President

TEL: (04)780-1967

E-Mail: [melo@chingfeng.com](mailto:melo@chingfeng.com)

## **2. Acting Spokesperson**

Name: Chang, Chun-Ming

Title: Deputy General Manager

TEL: (04)780-1967

E-mail: [jim.chang@chingfeng.com](mailto:jim.chang@chingfeng.com)

## **3. Head Office and Factories**

Head Office:

373, Sec. 4, Yenhai Rd., Funan Village, Fuhsing Township, Changhua County, Taiwan

TEL: (04)780-1967

Plant 2:

341, Sec. 1, Yuanlu Rd., Tungan Village, Fuhsing Township, Changhua County, Taiwan

TEL: (04)777-8885

Changbin Plant:

15, Lushin Rd., Haipu Village, Lukang Town, Changhua County, Taiwan

TEL: (04)781-2396

## **4. Stock Transfer Agent**

Title: Yuanta Securities Co., Ltd.

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan

TEL: (02)2586-5859

Website: <https://www.yuanta.com.tw>

## **5. Auditor**

Firm: KPMG Taiwan

CPA: Chuang, Chun-Wei & Yu, Chi-Lung

Address: 68F, No. 7, Sec. 5, Hsinyi Road, Taipei City, Taiwan

TEL: (02)8101-6666

Website: <https://home.kpmg.com/tw>

## **6. Overseas Stock Exchanges Where Securities Are Listed: None**

## **7. Website of the company: <http://www.chingfeng.com>**

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# CHING FENG HOME FASHIONS CO., LTD.

## Part I – Letter to Shareholders

### To Our Shareholders:

We would like to thank all of you for attending the meeting, and for your constant support and trust in the company and its management team.

In 2025, the global economy followed the trend of 2024, with inflationary pressures easing compared to the previous period. Major countries' monetary policies gradually returned to a steady direction, and consumer market confidence showed a moderate recovery. However, uncertainties in U.S. tariff policies and the trade environment continued to impact international supply chains and end demand. In response, the company deepened its e-commerce layout and express custom-made business model, while utilizing diversified production bases to enhance supply chain resilience, and effectively improve overall operational efficiency and gross profit structure.

With our diversified production bases in Taiwan, China, Vietnam, and the United States, the Company continues to strengthen supply chain resilience and regional manufacturing advantages. Among these, the company in Vietnam has taken over major shipment tasks for the European and American markets, effectively diversifying production risks and enhancing flexibility in responding to tariff policies, while adapting to the needs of different regional markets. Furthermore, we closely monitor raw material costs to improve production efficiency and reduce manufacturing expenses, which strengthens the company's competitive advantage in the marketplace.

Consolidated revenue in 2025 was NT \$4,942 million, the annual revenue performance was impacted by a slowdown in orders from major customers in the home textile business and USD exchange rate fluctuations, representing an 8.47% decrease compared to the previous year. However, when calculated in USD, the annual sales of the window covering business grew by 2.33% year-on-year. Benefiting from an optimized sales mix and improved production efficiency, the gross profit margin improved quarter by quarter, reaching an annual gross profit margin of 26.07%. This represents a 1.73% increase compared to the gross profit margin in 2024. The operating profit margin for 2025 was 10.86%, with operating profit totaling NT \$536 million.

### Operating Performance

Unit: NT\$1,000

Item	2025		2024		Amount (Increase/Decrease)	
	Amount	%	Amount	%	Amount	%
Operating Revenue	4,941,547	100.00	5,399,082	100.00	(457,535)	(8.47)
Gross Profit	1,288,332	26.07	1,313,970	24.34	(25,638)	(1.95)
Operating Expenses	751,834	15.21	747,042	13.84	4,792	0.64
Operating Profit (Loss)	536,498	10.86	566,928	10.50	(30,430)	(5.37)
Net Profit before Tax	369,333	7.47	546,242	10.12	(176,909)	(32.39)
Net Profit after Tax	289,737	5.86	415,463	7.70	(125,726)	(30.26)
EPS (After Tax)	1.64		2.39			

## Income, Expenses and Profitability Analysis

Analyzed Item		Year	
		2025	2024
Financial Structure (%)	Liabilities to Assets Ratio (%)	66.21	62.76
	Ratio of long-term funds to property, plant and equipment (%)	233.09	243.58
Solvency (%)	Current Ratio (%)	155.19	209.90
	Quick Ratio (%)	98.66	142.16
Profitability(%)	Return on assets (%)	4.88	6.90
	Return on shareholders' equity (%)	10.60	16.37
	Net Profit (%)	5.86	7.70

### Budget Execution

Not applicable because the company has not prepared the financial budget for the public.

### Research and Development

- (1) To develop various series of blinds and shades that comply with the latest safety regulations, safety materials, and safety labeling.
- (2) To develop various series of motorized and smart blinds and shades, and control apps.
- (3) To develop various series of blinds and shades that mitigate climate change and comply with ESG standards.
- (4) To develop various series of blinds and shades that require no drilling and are easy to install.
- (5) To develop various series of blinds and shades tailored for specialized markets.

## BUSINESS PLAN FOR THE YEAR OF 2025

### Business policies

**Optimization of production efficiency:** Continuously improve the production efficiency of each plant. Through technological innovation, process improvement and talent training, higher production capacity and lower costs will be achieved.

**Strengthening customer relationships:** More flexible in meeting customer needs. Through in-depth customer understanding, product portfolio optimization, more valuable solutions and long-term partnerships.

**Cooperation with suppliers:** Establish closer cooperation with suppliers. This will contribute to material development, cost control and quality management. By combining advanced textile technology, functional fabrics such as fireproof, heat insulation, waterproof, dustproof, and anti-bacterial are used in window coverings, which can greatly improve the performance of the blinds and shades and meet the diversified practical needs of consumers.

Innovation and sustainability: We will continue to promote product innovation to meet market demand. At the same time, we will be committed to environmental protection and sustainable development.

Deepen the advantages of full value chain services, improve and integrate multiple production bases, product innovation and R&D, Raw materials and logistics supply chain lean management and sustainable circular economy, hoping to reflect the company's rapid product development, flexible production and manufacturing, real-time grasp of market demand, etc., enhance good market competitiveness and create growth momentum.

### **Sales forecast and optimal production-sales policies**

The COVID-19 pandemic seemed to be waning. The average spending on DIY home decorating products is going up. With the multiple supply sourcing, we can not only shorten the lead time, but also reduce risks in the manufacturing footprint. We will use capacity planning to keep production optimized, be the first to develop and market a product to strengthen the company's position in the marketplace, and achieve success in different regions to increase revenue and sales.

### **The impact of external competition, regulations, and the overall business environment**

#### **1.The impact of overall business environment and external competitive environment**

The global economy is expected to maintain moderate growth in 2026, though it still faces challenges such as geopolitical risks and uncertainties in trade policies. According to the latest forecast from the International Monetary Fund (IMF), the global economic growth rate is projected to be approximately 3.3%, remaining largely on par with the previous year. The U.S. economy is expected to continue its steady expansion with a growth rate of around 2.7%, supported by sustained domestic demand momentum and productivity gains driven by the application of emerging technologies such as artificial intelligence. However, uncertainties remain regarding the new U.S. government's policy direction, fiscal measures, and inflationary changes, requiring careful monitoring of their impact on market demand and exchange rate fluctuations.

In terms of monetary policy, the U.S. Federal Reserve initiated a rate-cut cycle in the previous year, lowering the target range for the federal funds rate to 4.25%–4.50%. Although the accommodative direction is expected to continue in 2026, the scale and frequency of rate cuts are anticipated to be more conservative, with overall capital costs remaining at relatively high levels. The Company will continue to prudently manage its financial structure and working capital utilization to address the impact of the changing interest rate environment on funding costs. As consumer lifestyles and business models continue to transform, market demand for customized and high-end window covering products maintains steady growth, and intensifying competition between physical channels and online e-commerce is driving overall digitalization and omni-channel integration. The company is committed to expanding customer collaboration from offline chain channels to online e-commerce order fulfillment, establishing Ching Feng's full-value-chain service model. Ching Feng's new decade-long business plan is centered around the 3S business strategy: Safety, Smart, and Sustainability. We are actively investing in the development of environmentally friendly and recycled material products, emphasizing value, quality, logistics, and the circular economy. By enhancing innovation in design and material selection, we aim to offer a wider variety of products to meet consumer needs. Furthermore, as smart home technology continues to advance, the demand for Smart blinds and shades products has been growing rapidly. Our company is dedicated to developing next-generation safety, motorized, and smart blinds and shades products. By enhancing functionality, improving quality, diversifying product forms, reducing costs, and redefining product competitiveness in the market, we strive to maintain our industry leadership.

## 2. The impact of regulatory environment

Beyond focusing on the benefits of blinds and shades development, our company places great emphasis on product safety. Since June 2024, the U.S. has mandated that all blinds and shades products adopt cordless designs to prevent child suffocation hazards. This regulatory change has driven increased demand for new blinds and shades products, ensuring that users of all ages are safeguarded from safety concerns while complying with the highest international safety standards for blinds and shades.

As environmental awareness continues to rise, consumers are increasingly demanding sustainable materials and eco-friendly production methods. In alignment with our 3S business strategy, we are actively investing in the development of recycled material products and providing a comprehensive range of cordless blinds and shades options. Our commitment to sustainability and environmental responsibility remains a key focus, as we dedicate efforts to the research and application of sustainable materials, minimizing the environmental impact of our production processes.

Hsu, Ming-Hsuan  
Chairman

Hsu, Chun-Jan  
President

Yen, Huei-Ru  
Accounting Supervisor

## PART II - CORPORATE GOVERNANCE

### ITEM 1-PROFILES OF DIRECTORS, PRESIDENT, DEPUTY GENERAL MANAGERS, ASSISTANT MANAGERS, DEPARTMENT HEADS, AND BRANCH HEADS

#### 1. Directors

March 23, 2026 Unit: Share

Title	Nationality or place of Registration	Name	Gender	Age	Date Appointed	Term	Date of initial appointment	Shares held at time of appointment		Shares held at present		Shares held under whose spouse, minor offspring		Shares held under name of others		Education and Work Experience	Current Position with Other Firms	Whose spouse or blood relative within two tiers is related to other executive, director or auditor		
								Shares	%	Shares	%	Shares	%	Shares	Share-Holding %			Position	Name	Relation
Chairman	Taiwan	Hsu, Ming-Hsuan	M	30-40	2024/05/28	3 years	2003/06/24	8,820,743	5.07	8,997,439	5.06	629,753	0.35	4,641,428	2.61	Department of Biology, Taiwan Normal University Institute of Chemistry, Yangming University Assistant at Academia Sinica	Note 1	Director and President	Hsu, Chun-Jan	Brother
Director	Taiwan	Hsu, Chun-Jan	M	30-40	2024/05/28	3 years	2004/06/12	6,387,944	3.67	6,548,500	3.68	191,411	0.11	3,362,844	1.89	Dept. of Economics; National Chung Cheng University Deputy General Manager, Business Dept., Ching Feng Home Fashions Co., Ltd.	President of Ching Feng Home Fashions Co., Ltd. Chairman of REGAL ESTATE (USA) INC President of Grandtop Decorative Product (Zhenjing) Co., Ltd. Chairman of Fu Yue Window Decoration Technology Zhenjiang Co., Ltd. Director of CHING FENG SINGAPORE PTE. LTD.	Chairman	Hsu, Ming-Hsuan	Brother
Director	Taiwan	Lee Bang Shing Investment Co.			2024/05/28	3 years	2021/07/23	4,085,102	2.35	4,085,102	2.30	--	--	--	--	--	--	--	--	--

Title	Nationality or place of Registration	Name	Gender	Age	Date Appointed	Term	Date of initial appointment	Shares held at time of appointment		Shares held at present		Shares held under whose spouse, minor offspring		Shares held under name of others		Education and Work Experience	Current Position with Other Firms	Whose spouse or blood relative within two tiers is related to other executive, director or auditor		
								Shares	%	Shares	%	Shares	%	Shares	Share-Holding %			Position	Name	Relation
		Represented by: Chen, Chun-Chung	M	40-50	2024/05/28	3 years	2021/07/23	--	--	68,820	0.04	--	--	--	--	Dept. of Accounting, School of Law and Business, Chung Hsing University Senior Manager of Ernst & Young. Accountant of Solomon & Co., CPAs	Accountant of Chung Pin CPAs.	--	--	--
		Jichen Investment Co., Ltd.			2024/05/28	3 years	2024/05/28	3,266,314	1.88	3,362,844	1.89	--	--	--	--	--	--	--	--	--
Director	Taiwan	Representative: By: Yang, Jen-Kai	M	40-50	2024/05/28	3 years	2022/02/18	--	--	--	--	337	--	--	--	Master of Business Administration, Boston University President of Chain Yarn Co. President of Universal Textile Co., LTD.	Director and President of Universal Textile Co., LTD. Director of Cai Fa Investment Co., Ltd. Chairman of Wang Ge Investment Co., Ltd. Supervisor of Da Yu Asset Management Co., Ltd. Chairman of Zhao Ju Investment Co., Ltd. Director of Chain Yarn Co., Ltd. Director of Honmyue Enterprise Co., Ltd Director of Taiwan Taffeta Fabric Co., Ltd.	--	--	--

Title	Nationality or place of Registration	Name	Gender	Age	Date Appointed	Term	Date of initial appointment	Shares held at time of appointment		Shares held at present		Shares held under whose spouse, minor offspring		Shares held under name of others		Education and Work Experience	Current Position with Other Firms	Whose spouse or blood relative within two tiers is related to other executive, director or auditor		
								Shares	%	Shares	%	Shares	%	Shares	Share-Holding %			Position	Name	Relation
Independent Director	Taiwan	Yang, Wendy	F	40-50	2024/05/28	3 years	2014/06/06	--	--	--	--	--	--	--	--	Boston University School of Law American University Washington College of Law Doctor of Jurisprudence (JD), Washington D.C. Head of the International Department of Lord Law Office Senior Foreign Lawyer of Direction International Patent Trademark & Law Office	Managing Partner and Co-Founder of International Law Offices of Wendy Yang & Partners Independent director of Nak Sealing Technologies Corporation	--	--	--
Independent Director	Taiwan	Kuo, Ping-Chen	M	50-60	2024/05/28	3 years	2024/05/28	--	--	--	--	--	--	--	--	Doctor of Engineering, National Tsing Hua University Associate Director of Business Performance and Digital Transformation, KPMG Advisory Services Co., Ltd.	Industry-Academia Director, Taiwan AI Academy Independent director of Iscom Online International Information Inc. Independent director of Avertronics Inc.	--	--	--
Independent Director	Taiwan	Kuan, Hsu-Chiang	M	40-50	2024/05/28	3 years	2024/05/28	--	--	--	--	--	--	--	--	Doctor of Chemical Engineering, National Tsing Hua University Adjunct Associate Professor, University of South Australia Reviewer, Industrial Development Administration, Ministry of Economic Affairs, Taiwan Supervisor of Taiwan Plastics Industry Association Director of Taiwan Precision Machinery and Mold Strategy Alliance	Associate Professor/Chair, Department of Chemical Engineering and Materials Engineering, Southern Taiwan University of Science and Technology.	--	--	--

Note 1: The Chairman, Hsu, Ming-Hsuan, is also the Director of the subsidiaries as follows: All Strong Industry Inc., Lamae' Global Home Fashion Co., Ltd., Sincere Capital Limited, Paradise General Trading Co., Ltd., Ching Feng Vietnam Company Limited, Fu Yue Window Decoration Co., Ltd., Fu Vietnam Company Limited., Sun Ocean Vietnam Co., Ltd., Ching Feng Singapore Pte. Ltd., and Chain Yarn Co., Ltd.

(1) Major Shareholders of Corporate Shareholders

Name	Major Shareholders of Corporate Shareholders
Lee Bang Shing Investment Co.	Chen, Yung-Chin 20%; Huang, Tse-Wei 17.5%; Huang, Cheng-Yuan 17.5%, Huang Ching-Wei 15%, Huang, Hui-Chuan 15%; Hsu, Jen-Chin 10%; Huang, Ting-Yu 5%.
Jichen Investment Co., Ltd.	You, Ya-Ting 100%

(2) Major Shareholders of Corporate Shareholders : None

**Disclosure on the Directors' Professional Qualifications and the Independent Directors' Independence:**

Criteria Name	Professional Qualifications and Work Experiences	Criteria for Independence	No. of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Hsu, Ming-Hsuan	With overall competence including leadership skills, decision-making, strategic planning, crisis management, risk management, etc. Having global perspectives and insights. He manages at the same time the company's subsidiaries or reinvested companies in mainland China and the United States. He introduces and leads the implementation of circular economy and process optimization. He develops high-value products and strengthens R&D of the company. Since 2013, he has served as the President and led the company to grow every year.	There is one director who is related to him as spouses or relatives within the second degree of kinship. It is not more than half of the total number of directors to comply with Article 26-3 of the Securities and Exchange Act.	0
Hsu, Chun-Jan	Having industrial knowledge and rich experience in curtain manufacturing, chemistry, and factory management, he is a senior manager of the company. He is currently serving as the President and General Manager of the company's subsidiaries or reinvested companies. He possesses the abilities of leading, decision-making, crisis management, etc. and has global perspectives.		0
Lee Bang Shing Investment Co. Representative: Chen, Chun-Chung	He is a Certified Public Accountant (CPA). He owns financial and accounting expertise, and has the ability to identify, analyze and respond to risk factors in the field of business management, decision-making, communication and coordination, crisis management, and risk management for an effective management.	There is no director who is related to him as spouses or relatives within the second degree of kinship, which complies with Article 26-3 of the Securities and Exchange Act.	0
Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	With over five years of work experience, this individual possesses strong capabilities in business management, leadership and decision-making, and crisis handling. In addition, with extensive industry knowledge in the textile sector, they are able to provide timely professional advice on the company's production technologies.		0

Criteria Name	Professional Qualifications and Work Experiences	Criteria for Independence	No. of Other Public Companies in which the Individual is Concurrently Serving as an Independent Director
Yang, Wendy	With over five years of work experience and expertise in economics, finance, and law, as well as strong leadership, decision-making, and crisis management capabilities, combined with an international market perspective, this individual not only oversees the company's internal controls, financial information, and executive compensation matters, but is also able to provide timely advice on risk management, legal strategy/compliance, and management decisions.		1
Kuo, Ping-Chen	With more than five years of work experience and professional expertise in business management and materials engineering, this individual's knowledge enhances the effectiveness of corporate governance and strengthens the supervisory function of the Audit Committee.		2
Kuan, Hsu-Chiang	With over five years of work experience and extensive industry knowledge and practical experience in the field of chemical engineering, this individual, with a strong academic and professional background, is able to provide the company with timely professional advice on production and R&D technologies.		0

### **Diversity of the Board of Directors :**

The company develops and implements a policy to promote the diversity in the composition of the Board of Directors as stated in the Company's "Corporate Governance Best Practice Principles" including but not limited to the following criteria in two aspects:

- 1) Basic requirements and values: Gender, age, nationality, ethnicity and culture;
- 2) Professional knowledge and skills: Such as legal, accounting, industry, finance, marketing or technology. Board members shall possess the necessary knowledge, skills, and work experience to perform their duties.

The company elected a total of 7 directors (including 3 independent directors) at the 2024 Annual General Meeting of Shareholders (May 28, 2024). The members of the board of directors are all elites in the industry and academia, with diverse and complementary industrial experience and professional knowledge in banking, finance, accounting, and law. The policy that the composition of the Board of Directors should consider diversity as stipulated in the Company's Corporate Governance Best Practice Principles has been implemented.

3 directors possess industrial experience; 3 directors are with financial and accounting experts; 1 director is a legal professional. In addition to effective decision-making skills and judgment capabilities, they also have rich experiences with business management, industrial experience, financial accounting or law, which strengthens the independence and diversity of the company's corporate governance.

**The Company Sets Objectives as Follows:**

Objectives	Status of Implementation	Yes	No
(1) The board includes at least 1 female director.	There are currently no female directors	V	
(2) The number of independent directors exceeds one-third of the number of directors	3 independent directors Exceeds one-third of the number of directors	V	
(3) Directors concurrently serving as a manager of the company shall not exceed one-third of the directors.	Directors concurrently serving as a manager of the company	V	
(4) No more two director who are related to each other as spouses or relatives within the second degree of kinship.	Director who are related to each other as spouses or relatives within the second degree of kinship:2	V	

**Improvement Plan :**

To implement the company's board member diversity policy, the selection will not only focus on the goals that have been achieved so far, one female director candidate will be nominated in the 10th director election to achieve the company's management goals.

**Reason for Not Reaching One-Third Board Representation by Either Gender and Improvement Measures**

In accordance with the Company's Articles of Incorporation, 7 directors were appointed. The 10th Board of Directors was elected at the Annual General Shareholders' Meeting on May 28, 2024. The board members come from various industries and academia, each possessing professional expertise and work experience in areas such as business management, finance and accounting, technology, international markets, decision-making and leadership, law, and intellectual property.

To strengthen board diversity, the Company has added one female director in the 10th Board. As a long-term goal, the Company aims to have no less than one-third of board seats held by directors of a different gender.

**1. Reason:**

In accordance with the Articles of Incorporation, the Company has seven board seats. While the 10th Board of Directors, elected on May 28, 2024, includes 1 female director—which complies with relevant legal requirements—it does not reach one-third representation. This is mainly due to the nature of the Company's industry, where professionals with the required industrial expertise are predominantly male, making it difficult to identify suitable candidates in the short term.

**2. Improvement Measures:**

The Company continuously monitors and identifies industry-related professionals and actively seeks talent recommendations through various channels, such as industry organizations and academia. The goal is to achieve at least one-third board representation by directors of different genders, thereby enhancing corporate governance and implementing the board diversity policy.

## 2. President, Deputy General Managers, Assistant Managers, Department Heads, and Branch Heads

March 23, 2026 Unit: Share

Title	Nationality	Name	Gender	Age	Date Appointed	Shares held		Shares held under whose spouse, minor offspring		Shares held under name of others		Education and Business Experience	Current Position with Other firms	Whose spouse or blood relative within two tiers is related to other executive, director or auditor			Note
						Shares	%	Shares	%	Shares	%			Position	Name	Relation	
President	Taiwan	Hsu, Chun-Jan	M	30-40	2014/12/01	6,548,500	3.68	191,411	0.11	3,362,844	1.89	Dept. of Economics; National Chung Cheng University Deputy General Manager, Business Dept., Ching Feng Home Fashions Co., Ltd.	Chairman of REGAL ESTATE (USA) INC. President of Grandtop Decorative Product (Zhenjing) Co., Ltd. Chairman of Fu Yue Window Decoration Technology Zhenjiang Co., Ltd. Director of CHING FENG SINGAPORE PTE. LTD.	--	--	--	--
Deputy General Manager	Taiwan	Chen, Po-Hung	M	30-40	2021/10/07	280,000	0.16	--	--	--	--	Dept. of Economics, National Chung Cheng University. Manager of Ching Feng Home Fashions, Vietnam.	President of Sun Ocean Vietnam Co., Ltd. President of Ching Feng Vietnam Company Ltd.	--	--	--	--
Deputy General Manager and Financial Accounting Supervisor and Corporate Governance Officer	Taiwan	Chang, Chun-Ming	M	50-60	2021/10/07	156,730	0.09	--	--	--	--	Dept. of Accounting and Information Technology, National Chung Cheng University Graduate Institute of Management, Tunghai University Cheng Shin Rubber-Audit Manager Orange Electronics-Deputy General Manager, Finance Director and Spokesperson	--	--	--	--	--

Title	Nationality	Name	Gender	Age	Date Appointed	Shares held		Shares held under whose spouse, minor offspring		Shares held under name of others		Education and Business Experience	Current Position with Other firms	Whose spouse or blood relative within two tiers is related to other executive, director or auditor			Note
						Shares	%	Shares	%	Shares	%			Position	Name	Relation	
Deputy General Manager and Director of R&D	Taiwan	Wang, Tun-Cheng	M	50-60	2021/10/07	156,730	0.09	--	--	--	--	Institute of Applied Chemistry, Chiao Tung University Guangxi Honghua Biological Industry-Acting president Zhejiang Chinese Group-Vice President Zhejiang Lofan Enterprise-General Manager Geometric Informatics Technology, Inc. Beijing Branch-General Manager Huiyang Venture-Special Assistant to the Chairman Singapore E T Associates-China Chief Representative Oriental Good Life Management Service-Deputy General Manager Hong Dieh Technology-Special Assistant to General Manager	--	--	--	--	--
Assistant Manager	Taiwan	Chang, Chih-Ming	M	50-60	2021/10/07	60,000	0.03	1,025	--	--	--	Graduated from Institute of Industrial Engineering, Feng Chia University. Yulon Motor Industry-Senior Engineer Siliconware Precision-Engineer	--	--	--	--	--
Assistant Manager	Taiwan	Lai, Hsin-Chieh	F	40-50	2024/07/18	--	--	--	--	--	--	Graduated from Institute of Business Administration, National Dong Hwa University Manager of Ching Feng Home Fashions, Vietnam.	--	--	--	--	--
Accounting Supervisor	Taiwan	Yen, Hwei-Ru	F	30-40	2023/09/01	21,000	0.01	--	--	--	--	Dept. of Accounting, Tunghai University KPMG Taiwan-Supervisor of Audit Dept. Optorun Taiwan Co., Ltd.-Supervisor of Management Dept.	--	--	--	--	--

Note 1: The Assistant Manager Lai, Hsin-Chieh resigned in May 2025.

### 3. Compensation of Directors, President and Deputy General Managers

#### 1) Compensation of Directors and Independent Directors

Unit: NT\$1,000

No.	Title	Name.	Compensation to Directors								Total Compensation (A+B+C+D) & Ratio of Compensation to Net Profit		Compensation as a Concurrent Employee								Total Compensation (A+B+C+D+E+F+G) & Ratio of Compensation to Net Profit		Compensation from Investors Other Than Subsidiaries of the Company or the Parent Company
			Base Compensation (A)		Pension/Severance (B)		Director's Compensation (C)		Professional Fees (D)				Salary, Bonus, Allowance (E)		Pension/Severance (F)		Employee Compensation (G)						
			Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only		Consolidated		Parent only	Consolidated	
																Cash	Shares	Cash	Shares				
1	Chairman	Hsu, Ming-Hsuan	6,492	6,492	--	--	387	387	14	14	2.38	2.38	--	--	--	--	--	--	--	--	2.38	2.38	--
2	Director	Hsu, Chun-Jan	480	480	--	--	387	387	6	6	0.30	0.30	5,369	5,738	108	108	293	--	293	--	2.29	2.42	--
3	Director	Lee Bang Shing Investment Representative: Chen, Chun-Chung.	480	480	--	--	387	387	14	14	0.30	0.30	--	--	--	--	--	--	--	--	0.30	0.30	--
4	Director	Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	480	480	--	--	386	387	8	8	0.30	0.30	--	--	--	--	--	--	--	--	0.30	0.30	--
5	Independent Director	Yang, Wendy	480	480	--	--	386	386	52	52	0.32	0.32	--	--	--	--	--	--	--	--	0.32	0.32	--
6	Independent Director	Kuo, Ping-Chen	480	480	--	--	386	386	54	54	0.32	0.32	--	--	--	--	--	--	--	--	0.32	0.32	--
7	Independent Director	Kuan, Hsu-Chiang	480	480	--	--	386	386	46	46	0.31	0.31	--	--	--	--	--	--	--	--	0.31	0.31	--

Range of Compensation of Directors

Range of Compensation to Directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	Parent only	Consolidated	Parent only	Consolidated
Less than NT\$1,000,000	2~7	2~7	3~7	3~7
Less than NT\$1,000,000	--	--	--	--
NT\$2,000,000(inclusive)~NT\$3,500,000(exclusive)	--	--	--	--
NT\$2,000,000(inclusive)~NT\$3,500,000(exclusive)	--	--	--	--
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	1	1	1、2	1、2
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	--	--	--	--
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	--	--	--	--
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	--	--	--	--
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	--	--	--	--
NT\$100,000,000 and above	--	--	--	--
Total Counts	7	7	7	7

Note: Indicated by the number of each director.

2) Compensation of President, Deputy General Managers

Unit: NT\$1,000

No	Title	Name	Base Compensation (A)		Pension/Severance (B)		Manager's Compensation (C)		Compensation as a Concurrent Employee (D)				Total Compensation (A+B+C+D) & Ratio of Compensation to Net Profit		Compensation from Investors Other Than Subsidiaries of the Company or the Parent Company
			Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only		Consolidated		Parent only	Consolidated	
									Cash	Share	Cash	Share			
1	President	Hsu, Chun-Jan	6,281	7,982	432	432	11,343	11,343	1,015	--	1,015	--	6.58	7.17	--
2	Deputy G.M.	Chang, Chun-Ming													
3	Deputy G.M.	Wang, Tun-Cheng													
4	Deputy G.M.	Chen, Po-Hung													

Range of Compensation of President, Deputy General Managers and Managers

Range of Compensation to President and Managers	Name of President and Managers	
	Parent only	Consolidated
Less than NT\$1,000,000	--	--
NT\$1,000,000(inclusive)~ NT\$2,000,000(exclusive)	--	--
NT\$2,000,000(inclusive)~NT\$3,500,000(exclusive)	--	--
NT\$3,500,000(inclusive)~NT\$5,000,000(exclusive)	2、3、4	2、3
NT\$5,000,000(inclusive)~NT\$10,000,000(exclusive)	1	1、4
NT\$10,000,000(inclusive)~NT\$15,000,000(exclusive)	--	--
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)	--	--
NT\$100,000,000 and above	--	--
Total Counts	4	4

### 3) Managers Who Receive Compensation as a Concurrent Employee

	Title	Name	Share	Cash	Total	Ratio of Compensation to Net Profit (%)
Managers	President	Hsu, Chun-Jan	--	1,146	1,146	39.55
	Deputy G.M.	Chang, Chun-Ming				
	Deputy G.M.	Wang, Tun-Cheng				
	Deputy G.M.	Chen, Po-Hung				
	Assistant Manager	Chang, Chih-Ming				
	Accounting Supervisor	Yen, Huei-Ru				

### 4. Compensation of the Top Five Highest-Paid Executive Officers of the Company

Unit: NT\$1,000

No	Title	Name	Base Compensation (A)		Pension/Severance (B)		Manager's Compensation (C)		Compensation as a Concurrent Employee (D)				Total Compensation (A+B+C+D) & Ratio of Compensation to Net Profit		Compensation from Investors Other Than Subsidiaries of the Company or the Parent Company
			Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only		Consolidated		Parent only	Consolidated	
									Cash	Share	Cash	Share			
1	President	Hsu, Chun-Jan	2,601	2,971	108	108	2,767	2,767	293	--	293	--	1.99	2.12	--
2	Deputy G.M.	Chang, Chun-Ming	1,519	1,519	108	108	2,913	2,913	348	--	348	--	1.69	1.69	--
3	Deputy G.M.	Wang, Tun-Cheng	1,339	1,339	108	108	2,491	2,491	54	--	54	--	1.38	1.38	--
4	Deputy G.M.	Chen, Po-Hung	822	2,153	108	108	3,172	3,172	320	--	320	--	1.53	1.99	--
5	Assistant Manager	Chang, Chih-Ming	1,140	1,140	99	99	1,375	1,375	27	--	27	--	0.91	0.91	--

5. On the financial reports, the company and all companies in the consolidated statement analyze the proportion of the total compensation paid to the company's directors, president and deputy general managers in the last two years to the net profit of each company, and explain the policy, criteria and combination of compensation, and set procedures and their relevance to business performance and future risks.

1) On the financial reports, the company and all companies in the consolidated statement analyze the proportion of the total compensation paid to the company's directors, president and deputy general managers in the last two years to the net profit of each company

Title	2024				2025			
	Total		Ratio of Compensation to Net Profit (%)		Total		Ratio of Compensation to Net Profit (%)	
	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated
Director	19,733	20,108	4.75	4.84	18,042	18,441	6.23	6.35
President & Deputy G.M.	20,579	22,787	4.95	5.48	19,071	20,772	6.58	7.17

Note: The ratio of total remuneration paid to directors, the president, and deputy general manager to the net income after tax in 2025 increased compared to 2024, primarily due to a decrease in net income after tax in 2025.

2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The remuneration paid to directors included the the remuneration, allowances and rewards paid to directors. The remuneration for directors is determined by the shareholders' meeting in accordance with the provisions of the company's Articles of Incorporation. Regardless of operating profits or losses, the directors' remuneration shall be paid at the usual level of the same industry, the allowances paid to directors were determined based on the attendance at the board meetings. In accordance with Article 20 of the company's Articles of Incorporation, the company distributes no more than 3% as compensation to directors.

In accordance with the " Self-Evaluation or Peer Evaluation of the Board of Directors," the Company conducts performance evaluations of the Board of Directors and its members at the end of each fiscal year. The evaluation covers six key aspects: understanding of the Company's goals and missions, awareness of directors' responsibilities, level of participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal controls. The results of the annual performance evaluation are submitted to the Compensation Committee as a reference for determining directors' compensation. The reasonableness of the performance assessments and related remuneration is reviewed and approved by both the Compensation Committee and the Board of Directors.

The remuneration of the president and deputy general manager includes salaries, bonuses, employee dividends, and other compensation instrument of a remunerative nature, and is determined based on the positions held, responsibilities undertaken, the level of contribution to the company, and with reference to industry standards.

The company has established Remuneration Committee which is composed of all independent directors. This committee is responsible for formulating and regularly reviewing policies, systems, standards, and structures related to performance evaluation and compensation for directors and managers. It periodically assesses and references industry compensation standards to set the compensation for directors and managers. Compensation considerations include job title, rank, education, professional capabilities, and responsibilities. Bonuses are determined based on performance evaluation criteria, which include financial indicators (such as the achievement rates of company revenue, net profit before tax, and net profit after tax) and professional capabilities (such as financial accounting, operational management, industry knowledge, and decision-making abilities).

In addition to achieving established operating performance goals, the performance objectives for the company's managers also ensure that possible risks within their scope of responsibility are managed and

prevented. Therefore, important decisions made by the company's management are made after considering various risk factors. The performance of these decisions is reflected in the company's profitability, thereby linking management compensation to the performance of risk control.

## ITEM 2 – CORPORATE GOVERNANCE

### 1. The Board of Directors

Board Meeting Attendance of Directors in the Most Recent Year (2025)

The 10th Board of Directors held 7 meetings, of which the attendance is as follows :

Title	Name	Attendance in Person B	Attendance by Proxy	Attendance Rate (%) (B/A)	Note
Chairman	Hsu, Ming-Hsuan	7	0	100.00	
Director	Hsu, Chun-Jan	7	0	100.00	
Director	Lee Bang Shing Investment Co. Representative: Chen, Chun-Chung	6	0	85.71	
Director	Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	7	0	100.00	
Independent Director	Yang, Wendy	7	0	100.00	
Independent Director	Kuo, Ping-Chen	7	0	100.00	
Independent Director	Kuan, Hsu-Chiang	7	0	100.00	

#### Other Disclosures

1) If any of the following situations occurs in the operation of the Board of Directors, the date, session, contents of proposals, opinions of all independent directors, and the company's response to the opinions of independent directors shall be stated:

#### (1) Matters listed in Article 14-3 of the Securities and Exchange Act

Date Session	Proposal(s) and Resolutions	Proposals Referred to items listed in Article 14-3 of the Securities Exchange Act	Resolutions that have not been approved by the Audit Committee but have been approved by more than 1/3 of irectors
2025/05/08 10 <sup>th</sup> Session of the 10 <sup>th</sup> Board of Directors	Case of Reclassifying Overdue Accounts Receivable as a Loan in Nature.	V	
	Amendment to the Company's Internal Control System regarding the "Property, Plant, and Equipment Operational Cycle".	V	
	Resolution of Independent Directors (2025/05/08): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		

Date Session	Proposal(s) and Resolutions	Proposals Referred to items listed in Article 14-3 of the Securities Exchange Act	Resolutions that have not been approved by the Audit Committee but have been approved by more than 1/3 of directors
2025/08/07 12 <sup>th</sup> Session of the 10 <sup>th</sup> Board of Directors.	Amendment to the Operational Procedures of Ching Feng Singapore Pte. Ltd. Regarding Loans to Third Parties.	V	
	A loan was provided to the overseas subsidiary, Fu Vietnam Company Limited.	V	
	Amendment to the Procedures of All Strong Industry INC. for the Acquisition or Disposal of Assets.	V	
	Resolution of Independent Directors (2025/08/07): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		
2025/11/11 13 <sup>th</sup> Session of the 10 <sup>th</sup> Board of Directors.	Accounts Receivable Exceeding the Normal Credit Period as of September 30, 2025, Are Not Considered Loans.	V	
	Amendment to “Rules of Procedure for Board of Directors Meetings”.	V	
	Proposal for the 2026 Audit Plan.	V	
	Authorization for the Acquisition of Land in Longfu Section, Xitun District, Taichung City.	V	
	Resolution of Independent Directors (2025/11/11): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		

(2) In addition to the above-mentioned, other resolutions of the board of directors that have been opposed or reserved by independent directors, and for which there are records or written statements: None.

2) Directors' recusal of interest proposals:

- (1) On January 16, 2025, when the compensation of chairman and directors were discussed, directors recused themselves due to conflicts of interest.
- (2) On August 7, 2025, when the proposal for the distribution of directors' compensation for the 2024 fiscal year was discussed, all relevant directors recused themselves due to conflicts of interest.
- (3) On November 11, 2025, when the Board of Directors discussed the proposal to lease land with a related party, all relevant directors recused themselves due to conflicts of interest.

3) Evaluation cycle, period, scope, method and items of self (or peer) evaluation of the Board of Directors:

Cycle	Period	Scope	Method	Items of Evaluation
Once a year	2025/01/01 to 2025/12/31	Performance Evaluation Of the Board of Directors	Internal Selfevaluation of the Board of Directors	<ol style="list-style-type: none"> <li>1. Involvement in company operations</li> <li>2. Improving the quality of board-decision-making</li> <li>3. Board Composition and Structure</li> <li>4. Election and Continuing Education of Directors</li> <li>5. Internal Control</li> </ol>
		Performance Evaluation Of individual board directors	Selfevaluation of the Board of Directors	<ol style="list-style-type: none"> <li>1. Mastery of company goals and tasks</li> <li>2. Awareness of Directors' Responsibilities</li> <li>3. Involvement in company operations</li> <li>4. Internal relationship management and communication</li> <li>5. Professional and Continuing Education for Directors</li> <li>6. Internal Control</li> </ol>
		Performance evaluation of functional committees	Selfevaluation of functional committees	<ol style="list-style-type: none"> <li>1. Involvement in company operations</li> <li>2. Awareness of the responsibilities of functional committees</li> <li>3. Improving the quality of decision-making by functional committees</li> <li>4. Formation and selection of functional committees</li> <li>5. Internal Control</li> </ol>

4) Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

- (1) In 2025, the company conducted internal performance evaluations of the overall Board of Directors each individual director, the audit committee, and the Remuneration Committee in accordance with the "Performance Evaluation Measures of the Board of Directors".
- (2) The internal performance evaluation of the Board of Directors of the company in 2025:
  - A. Based on the self-assessment results of the above-mentioned five aspects by directors and committee members, the overall operation of the board of directors and functional committees is in sound condition. All aspects are rated as "excellent". It shows that the Board of Directors has fulfilled its responsibility of guiding and supervising the implementation of the company's strategies, and established a proper internal control system to comply with the requirements of the competent authority and relevant laws and regulations.
  - B. According to the functions and powers of the functional committees and the norms of corporate governance, the Remuneration Committee, the audit committee, and all independent directors have properly exercised powers or performed duties with care and diligence in terms of the efficiency and effectiveness of the committee's operation.
  - C. The above evaluation was reported at the 15<sup>th</sup> Session of meeting of the 10<sup>th</sup> Board of Directors on March 11, 2026.
- (3) The company has 7 directors (including 3 independent directors). Before putting into action, all important proposals were consulted for the opinions to obtain the consensus of all directors, and then published in accordance with relevant laws and the requirements of the competent authority.
- (4) In accordance with the laws and regulations, the directors of the company have participated in courses such as corporate governance and securities laws. They continued to take appropriate courses to ensure all of the judgments they made were based on the latest knowledge.

## 2. Audit Committee

The company's "Audit Committee" was established on June 4, 2018 to replace the Committee of Supervisors. The members of the committee are served by three independent directors, and a member is elected to serve as the convener and chairman of meetings. Its operation follows the "Regulations of Audit Committee", and its duties and responsibilities include: providing oversight of the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations; transactions of major assets or derivative commodities; raising funds or issuing securities; appointment, dismissal or compensation of accountants; appointment and dismissal of financial, accounting or internal supervisors.

### Operations of 2025 :

- 1) The Audit Committee reviewed financial reports of the company. The board of directors of the company submitted 2024 financial statements (including consolidated financial statements) for attestation by Accountants, Chuang, Chun-Wei and Yu, Chi-Lung at KPMG Taiwan, and together with Operation Report and Proposal of Distribution of Profit, they were all approved by the 6th session of 3rd Audit Committee on February 27, 2025, the 10th session of 8th Board of Directors, and 2025 Shareholders' Meeting held on May 21, 2025.
- 2) The Audit Committee assessed the effectiveness of the internal control system. The company determines whether the design and implementation of the internal control system in 2025 are effective based on "Regulations Governing Establishment of Internal Control System by Public Companies".

Based on the results of the internal control self-assessment operations and annual audit work, no significant deficiencies have been identified in the design and implementation of the company's internal control system. The design and implementation of the company's internal control system are deemed effective. After deliberation and approval by the 3th Audit Committee of the 13th term (2026.3.11), it was subsequently presented to and resolved by the 15th meeting of the 10th Board of Directors (2026.3.11) and the "Internal Control System Statement" for 2025 was issued.

The Audit Committee convened 7 meetings in fiscal year 2025, of which the attendance is as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate(%) (B/A)	Note
Convener	Yang, Wendy	7	0	100.00	
Member	Kuo, Ping-Chen	7	0	100.00	
Member	Kuan, Hsu-Chiang	7	0	100.00	

Other matters to be recorded:

- 1) If any of the following situations occur in the operation of the Audit Committee, the date of the Audit Committee meeting, the session, the agenda content, the dissenting opinions of independent directors, reservations or significant recommendations, the results of the Audit Committee's decision, and the company's response to the Audit Committee's opinions shall be disclosed.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act. See table below for details.

(2) In addition to the above-mentioned, resolutions that have not been approved by the Audit Committee but have been approved by more than 2/3 of directors: None.

Date Session	Proposal(s) and Resolutions	Proposals Referred to items listed in Article 14-5 of the Securities Exchange Act	Resolutions that have not been approved by the Audit Committee but have been approved by more than 1/3 of directors
2025/02/27 6 <sup>th</sup> Session of the 3 <sup>rd</sup> Audit Committee	Discussion of financial statements of the 2024.	V	
	Discussion on the Company's 2024 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement."	V	
	Resolution of Independent Directors (2025/02/27): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		
2025/05/08 8 <sup>th</sup> Session of the 3 <sup>rd</sup> Audit Committee	Proposal for Loans to Overseas Subsidiary.	V	
	Amendment to the Company's Internal Control System regarding the "Property, Plant, and Equipment Operational Cycle".	V	
	Resolution of Independent Directors (2025/05/08): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		
2025/08/07 10 <sup>th</sup> Session of the 3 <sup>rd</sup> Audit Committee	Amendment to the Operational Procedures of Ching Feng Singapore Pte. Ltd. Regarding Loans to Third Parties.	V	
	A loan was provided to the overseas subsidiary, Fu Vietnam Company Limited.	V	
	Amendment to the Procedures of All Strong Industry INC. for the Acquisition or Disposal of Assets.	V	
	Resolution of Independent Directors (2025/08/07): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		
2025/11/11 11 <sup>th</sup> Session of the 3 <sup>rd</sup> Audit Committee	Accounts Receivable Exceeding the Normal Credit Period as of September 30, 2025, Are Not Considered Loans.	V	
	Amendment to "Rules of Procedure for Board of Directors Meetings".	V	
	Proposal for the 2026 Audit Plan.	V	
	Authorization for the Acquisition of Land in Longfu Section, Xitun District, Taichung City.	V	
	Resolution of Independent Directors (2025/11/11): All the independent directors present agreed to pass the proposals. Response to opinions of independent directors: None		

2) Independent Directors' recusal of interest proposals: None, all members of the Audit Committee fully expressed their opinions during the meeting.

3) Communications among independent directors and internal audit supervisors and accountant (including major events, methods and results of communication based on the company's financial and operating status):

(1) The company's independent directors have direct communication channels with internal audit supervisors and accountants; in accordance with the regulations of the competent authority, they regularly check the company's financial and operating conditions, and communicate directly with the management team.

A. The company's internal audit supervisor regularly conducts internal audit reports in quarterly audit committee meetings. The report includes the implementation of audit, inspection deficiencies, improvement, tracking and their effectiveness; in addition to providing independent directors with written audit reports every month, the internal audit supervisor also conducts reports on individual project according to the recommendations of independent directors.

B. After the quarterly financial statements have been audited by the company's accountants, the Audit Committee reports the audit results of financial statements of the company and its subsidiaries at home and abroad, as well as other matters required by relevant laws and regulations, at the audit committee meeting.

(2) The independent directors communicated well with the internal audit supervisor, and the independent directors had no other suggestions. The major items communicated in 2025 are summarized as follows:

A. Communicaton with internal audit supervisor:

Date	Items communicated	Results
2025/01/16	Report on execution result of internal audit from November 2024	None
2025/02/27	Report on execution results of internal audit for December 2024 to January 2025 2024 internal control system self-assessment and statement on internal control system	None Approved as proposed
2025/03/08	Report on execution results of internal audit from February 2025	None
2025/05/08	Report on execution results of internal audit from March 2025 Amendment to the Company's Internal Control System regarding the 'Property, Plant, and Equipment Operational Cycle' Follow-up Report on Internal Audit Deficiencies for the Year 2024	None Approved as proposed
2025/08/07	Report on execution results of internal audit from April to June 2025	None
2025/11/11	Report on execution results of internal audit for July to September 2025 2026 Audit Plan	None. Approved as proposed

B. Communication with accountants:

Date	Items communicated	Results
2025/02/27	Audit Explanation for the Q4 2024 Financial Report	None
2025/05/08	Audit Explanation for the Q1 2025 Financial Report	None
2025/08/07	Audit Explanation for the Q2 2025 Financial Report	None
2025/11/11	Audit Explanation for the Q3 2025 Financial Report	None

### 3. Corporate Governance of the company and Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Criteria	Yes	No	Status/ Explanation	Deviations and Reasons
1. Does the Company establish and disclose the proper corporate governance framework based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has the " Corporate Governance Best Practice Principles" for protecting the rights and interests of shareholders, strengthening the functions of the board of directors, respecting the rights and interests of stakeholders, and improving information transparency.  The Code is available for shareholder review on the Company's official website under " Corporate Governance Best Practice Principles ".	None
2. Shareholding structure & shareholders' rights				None
(1) Has the Company established an internal operating procedure to address shareholders' suggestions, doubts, disputes, and litigation based on this procedure?	✓		(1) A spokesman system is established for this purpose.	None
(2) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(2) The company keeps abreast of changes in the increase, decrease, and mortgage of shareholders, directors, supervisors, and managers holding more than 5% of the shares. Directors, supervisors, managers, and shareholders holding more than 10% of the shares will be entered into the website designated by the competent authority of securities for public disclosure.	None
(3) Does the Company adopt and execute proper risk management and firewall system within its subsidiaries?	✓		(3) Between the company and its subsidiaries, specific written systems have been developed and implemented in relation to financial and business related operations.	None
(4) Does the Company establish internal rules against insider trading?	✓		(4) The company has established the "Operational Procedures of Internal Material Information" to regulate that insiders who know the internal material information must not disclose internal material information to others. The Procedures is in line with the company's " Corporate Governance Best Practice Principles ". In addition, the company has drawn up the "Code of Ethical Corporate Management" and "Code of Conduct and Ethics" to regulate insiders not to use the unpublished information they know to engage in insider trading, nor to disclose it to others, so as to prevent others from using the unpublished information to engage in insider trading. All of these codes have been submitted to the board of directors for approval.	None
3. Composition of the Board of Directors Composition and Responsibilities				
(1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members	✓		(1) Please refer to page 11 of this annual report for the Company's board diversity policy, specific management objectives and implementation.	None

Evaluation Criteria	Yes	No	Status/ Explanation	Deviations and Reasons
<p>(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the Company establish and implement on an annual basis a set of assessments to measure the performance of the Board of Directors, report the performance evaluation results to the Board to Directors, and use it as a reference for the compensation of the Board of Directors, and nomination for re-election?</p> <p>(4) Does the Company regularly evaluate the independence of accountants?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(2) The company has set up a compensation committee in accordance with external experts serving as committee members. In addition, on November 11, 2025, the Board of Directors approved the establishment of a Sustainability Development Committee to advance the Company’s sustainability objectives and strengthen its sustainability governance.</p> <p>(3) The Company has established the “Self-Evaluation or Peer Evaluation of the Board of Directors” and has completed the regular performance evaluations for the Board of Directors, the Audit Committee, and the Remuneration Committee for the year 2025. The evaluation results were rated as excellent and were reported to the Board of Directors on March 11, 2026. The company's Remuneration Committee regularly reviews the evaluation about directors' and managers' performance, compensation policies, and criteria.</p> <p>(4) The Audit Committee of the Company regularly evaluates the independence of the CPAs every year, and then reports the evaluation results to the Board of Directors. The latest evaluation was approved by the Audit Committee on 26 January 2026 and submitted to the Board of Directors on 26 January 2026 for approval. The important evaluation procedures include obtaining the CPA's “Independence Declaration” and the accounting firm's “Audit Quality Indicator (AQI)” and taking them into consideration., evaluating whether the CPA has a significant financial interest in the Company or holds the shares of the Company, evaluating whether the CPA and the Company have a joint investment or benefit-sharing relationship, and whether the CPA has served for more than seven onsecutive years.</p>	<p>None</p> <p>None</p> <p>None</p>
<p>4. Has the Company allocated suitable and sufficient corporate governance staff and appointed a manager of corporate governance responsible for corporate governance (including, but not limited to, furnishing information required for business execution by directors, assisting directors in complying with laws and regulations, handling matters related to board and shareholder meetings in accordance with the laws, producing minutes of board and shareholder meetings, etc.)?</p>	<p>✓</p>		<p>The company has allocated suitable and sufficient corporate governance staff to be responsible for handling corporate governance-related matters, including providing directors with information needed to perform their duties, handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, handling company registration and registration of changes, making minutes of board of directors and shareholders' meetings, and ensuring the compliance with the law.</p>	<p>None</p>

Evaluation Criteria	Yes	No	Status/ Explanation	Deviations and Reasons
5. Has the Company established a communication channel and designated a website section for its stakeholders and to handle all CSR-related issues?	✓		A spokesperson has been set up as a communication channel with stakeholders. At the same time, a stakeholder corner has been set up on the company website to provide the company's latest news and important issues about corporate social responsibilities.	None
6. Does the Company appoint a professional shareholder service agency to handle shareholder meeting affairs?	✓		The Company has changed its stock affairs agent effective March 20, 2025, and has appointed the Stock Affairs Department of Yuanta Securities Co., Ltd. to handle all matters related to the Company's shareholders' meetings.	None
7. Information Disclosure				
(1) Does the Company have a website to disclose all information regarding finances, the business, and corporate governance?	✓		The company has a dedicated person responsible for collecting and disclosing company information.	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, investor conference webcasts, etc.)?	✓		The company has set up a website: <a href="http://www.chingfeng.com">http://www.chingfeng.com</a> Shareholders can inquire about the company's financial, business and corporate governance on the website.	None
(3) Does the Company report its annual financial report within two months after the end of the fiscal year and announce the first, second, and third quarter financial reports and monthly operating updates before the prescribed deadlines?		✓	The company prepared financial reports and monthly operating conditions within the prescribed time limit in accordance with the "Matters to be Handled by Listed Issuers of Securities".	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (Including but not limited to employee rights and interests, employee wellness, investor relations, supplier relations, rights of interested parties, continuing education of directors and supervisors, implementation of risk management policies, risk assessment, and customer relations policies; purchase of liability insurance for directors and supervisors.)?	✓		(1) The company has always treated its employees with integrity and protected their rights and interests entitled to them in accordance with the Labor Standards Act.	None
	✓		(2) Through enriching and stabilizing the welfare system and good education and training system for employees, the company has established a good relationship of mutual trust and mutual dependence with employees. For example: subsidizing employee social club activities, providing cultural and entertainment, medical subsidies and medical consultation, and providing employees with rented dormitories and parking lots.	None
	✓		(3) The Finance Dept. of the company is in charge of deal with shareholder suggestions.	None
	✓		(4) The Company has always maintained a good relationship with its suppliers.	None
	✓		(5) Stakeholders may communicate and make suggestions to the company in order to safeguard rights and interests entitled to them.	None
	✓		(6) The directors of the company all have professional background in the industry and work experience with corporate governance.	None

Evaluation Criteria	Yes	No	Status/ Explanation	Deviations and Reasons
	✓		(7) For details regarding the continuing education of the Company's directors, please refer to pages 60–61 of this Annual Report.	None
	✓		(8) Develop various internal regulations in accordance with the law, and conduct various risk management and assessments	None
	✓		(9) The company maintains a stable and good relationship with customers for the best interests of the company.	None
			(10) The company has purchased liability insurance for the directors.	None

9. Please explain the parts that have been improved based on assessments of Corporate Governance released by the Corporate Governance Center of Taiwan Stock Exchange, and propose priority strengthening measures for the parts that have not been improved.

(1) In the 2024 Corporate Governance Evaluation, the Company was ranked in the 51% to 85% range, and within the 21%–40% tier among companies with a market capitalization between NT\$5 billion and NT\$10 billion. The Company has reviewed the items for which no points were awarded and, with reference to the 2025 Corporate Governance Evaluation Guidelines, has taken steps to enhance information disclosure in order to strengthen corporate governance. In addition, the Company has formulated improvement plans to progressively address and enhance the indicators for which no points were received. The improvement measures are as follows:

- a. A CSR section has been set up on the Company's website for investors, customers, suppliers and stakeholders to understand the promotion and implementation of the Company's sustainable development. In addition, the Company has enhanced disclosures in its annual report, sustainability report, and on the Market Observation Post System (MOPS).
- b. Update the internal organisation, system and information in accordance with the corporate governance evaluation indicators or related measures, and continue to optimise the configuration of the Company's website, so that the content can better meet the needs of investors and related stakeholders.

#### Note 1: Diversity of board members

Core Items Name of Directors	Basic conditions with value		Major background	Professional Knowledge and Skills							
	Gender	Nationality	Education	Operational Judgment	Accounting and Financial Analysis	Management	Crisis Management	Industry knowledge	International Market Perspective	Leadership	Decision Making
Hsu, Ming-Hsuan	M	Taiwan	Biochemistry	V	V	V	V	V	V	V	V
Hsu, Chun-Jan	M	Taiwan	Business Administration	V	V	V	V	V	V	V	V
Chen, Chun-Chung (Lee Bang Shing Investment)	M	Taiwan	Accounting	V	V	V	V	V	V	V	V
Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	M	Taiwan	Business Administration	V	V	V	V	V	V	V	V
Yang, Wendy	F	Taiwan	Law	V	V	V	V		V	V	V
Kuo, Ping-Chen	M	Taiwan	Technology Management	V	V	V	V		V	V	V
Kuan, Hsu-Chiang	M	Taiwan	Chemical Engineering	V		V	V	V	V	V	V

Note 2: Evaluation Form of Accountants

1. Independence			
	Items	Yes/No	Meet the requirements for independence
01	Does the accountant himself or his spouse or minor children invest in or have financial interests with the company?	No	V
02	Does the accountant himself, his spouse, or his minor children have a loan with the company? However, if the client is a financial institution, then it will not be the case.	No	V
03	Is the accountant or member of the audit team currently or in the past two years serving as a director or manager of the company or a position that has a significant impact on the audit?	No	V
04	Do accountants or audit team members help promote or function as an intermediary of stock or other securities issued by the Company?	No	V
05	In addition to business permitted by law, do accountants or members of the audit team represent the company to defend in the legal or any dispute cases with any third party?	No	V
06	Does the accountant or audit team member have any relationship with the company's directors, managers, or personnel with positions that have a significant impact on audit cases as spouses, lineal blood relatives, lineal relatives by marriage, or collateral blood relatives within two generations?	No	V
07	Is the joint accountant who retired within one year serving as a director, manager of the company, or a position that has a significant impact on the audit?	No	V
08	Did the accountants or members of the audit team accept gifts of great value or any special offer from the company or directors, managers or major shareholders?	No	V
09	Is the accountant currently employed by the client or any person under audit as a regular job, receiving a fixed salary, or serving as a director or supervisor (audit committee)?	No	V
2. Independent Operations			
01	Has the accountant recused and refused to undertake the entrusted case that has a direct or significant indirect interest relationship with him and affects the impartiality and independence?	Yes	V
02	In addition to maintaining the independence in fact, does the accountant also maintain independence in appearance when providing audit, review, special review of financial statements, and opinions?	Yes	V
03	Do members of the audit team, other joint accountants or shareholders of the accounting firm, companies affiliated or associated with the accounting firm also maintain independence from the company?	Yes	V
04	Are accountants able to do their work objectively and with integrity?	Yes	V
05	Have the accountants maintained a fair and objective position, and do they have no perception of any impropriety, any kind of bias or connection with the business they are auditing?	Yes	V

Note 3: Issues that the Stakeholders are concerned and communication channels

Stakeholders	Issues	Communication Channels	Results
Shareholders	The company's operation and development; Financial transparency; Risk Management; Corporate Governance; Environmental protection	Information Observatory; Hold the company's shareholders' meeting at least once a year; Participate in domestic and foreign investment forums from time to time; A dedicated Mailbox to Investors; Contact person: Deputy General Manager, Mr. Chang jim.chang@chingfeng.com	1. Transparency of the company's information. 2. Announced and filed as scheduled in accordance with the regulations of the competent authority. 3. Investor conference were held in 2025. 4. The Company made a total of 42 material information disclosures in Chinese.
Employees	Company strategy and operating conditions; Labor Relations; Employee Rights; Education Training and Career Development; Work environment; Expression and communication of opinions	Hold labor-management meetings and employee quarterly meetings once a quarter. Hold meetings with senior executives every month. Hold Occupational Safety and Health Committee meetings once a quarter. Conduct employee satisfaction surveys every year. Contact person: Deputy General Manager, Mr. Wang kevin.wang@chingfeng.com	1. Encourage social participation and encourage employees to actively participate in public welfare activities. 2. The annual employee education and training exceeded 10,000 person-times, and the results were outstanding. 3. A total of 4 labour-management meetings are held regularly at each plant, and the communication between labour and management is good. 4. An employee stock ownership association was established in August 2023, and an employee stock trust program was implemented. The company provides certain incentives to encourage employee participation, aiming to secure employees' retirement life. The response from employees has been extremely positive.
Customers	Products and Services; Customer Health and Safety; Marketing communication; Customer satisfaction survey; Green product	Customer service line - depending on demand Customer Service and Telephone Interviews Official website and media - update as needed Conduct satisfaction survey conducted every year. Contact person: (Spokesperson) President, Mr. Hsu melo@chingfeng.com	The Company conducts market research in client stores and annual customer satisfaction surveys to understand customer and consumer demands for our products.

Stakeholders	Issues	Communication Channels	Results
Suppliers	Management of Green Supply Chain; Assessment of human rights in supplier chain; Business performance; Order and quality management; Production technology	Supplier Evaluation, assessment and counseling Promote e-Procurement Contact person Assistant Manager, Mr. Chang cmichang@chingfeng.com	1. Conduct risk assessment and on-site evaluation for key suppliers. 2. 100% of the Company's key suppliers have signed the Human Rights and Environmental Commitment Agreement.
Local Communities	Occupational Safety Health; Environmental management; Social participation Volunteering	Hold joint defense once a quarter for the safety of the industrial park. A dedicated corner is set on the company's website. Hold volunteer activities once a quarter. Contact person: Deputy General Manager, Mr. Wang kevin.wang@chingfeng.com	1. There is no violation of the Air Pollution Control Act and the Waste Disposal Act and any incident that will affect the community. 2. Participate in joint defense, increase disaster prevention exchanges between companies, and prevent disasters from affecting the environment and safety. 3. We participate in various community activities in the township to promote the relationship between neighbours, and enhance the mutual assistance of neighbours and build a caring community together.
NGO non-governmental organization	Environmental protection; Social welfare Working conditions	Non-Financial Disclosures – Annual; Regular donations to public welfare charity organizations: World Vision, Huashan Social Welfare Foundation and Veterans Affairs Council, Taiwan; Organize care and Participate in environmental conservation activities in neighboring communities. Contact person: Deputy General Manager, Mr. Wang kevin.wang@chingfeng.com	1. The Company actively participates in social welfare initiatives and regularly donates to charitable organizations, providing care and support to disadvantaged children and elderly individuals living alone. 2. It supports underprivileged families and community care programs through donations to organizations such as the Changhua County Xinbao Social Care Association, Changhua Family Support Center, and Changhua Children's Welfare League. Contributions include rice and various daily necessities, as well as winter blankets donated to the Lukang International Kiwanis Club in Changhua County. 3. To care for the elderly and spread warmth, the Company collaborates with the Huashan Social Welfare Foundation and the Genesis Social Welfare Foundation to promote outreach programs for elderly individuals living alone.

Stakeholders	Issues	Communication Channels	Results
			4. In response to the flood disaster caused by the barrier lake at Matai'an Creek in Guangfu Township, Hualien, the Company also made donations to several non-profit organizations with local impact and extensive social service experience to support relief efforts.
Government	<p>Legal compliance; Occupational Safety and Health; Greenhouse gas reduction; Environmental protection; Energy management</p>	<p>Irregularly participate in seminars and public hearings on regulations organised by the competent authority.</p> <p>Quarterly employee meetings to promote the latest legal requirements and compliance with anti-corruption, integrity management, etc.</p> <p>Participated in the "Industrial Water Efficiency Improvement Program"</p> <p>Participated in the "Environmental Footprint and Resource Sustainability Promotion Program for the Manufacturing Industry"</p> <p>Contact person: Deputy General Manager, Mr. Wang kevin.wang@chingfeng.com</p>	<p>1. Regular and irregular announcements at the "Market Observation Post System"</p> <p>2. health management, promote occupational safety and health management, and ensure that the management system complies with laws and regulations and is effectively implemented.</p>

#### 4. Remuneration Committee

##### 1) Members of Remuneration Committee

Position	Name	Professional Qualifications and Work Experiences	Criteria for Independence	No. of Other Public Companies in which the Individual is Concurrently Serving as a compensation committee member
Independent Director	Yang, Wendy	<p>(1) Juris Doctor, Washington College of Law, American University, Washington, D.C., USA School of Law, Boston University (Private University)</p> <p>(2) Currently serves as an Independent Director of the Company, a member of the Audit Committee and the Remuneration Committee, and also as the Managing Partner and Founding Partner of the International Law Offices of Wendy Yang &amp; Partners.</p> <p>(3) Possesses over five years of experience with expertise in economics, finance, and law. Demonstrates strong leadership, decision-making, and crisis management skills, along with a global market perspective. Diligently fulfills the responsibilities of an independent director by overseeing internal control, financial reporting, and executive compensation matters. Provides timely advice on risk management, legal strategy/compliance, and management decisions for the Company.</p>	<p>Comply with Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".</p> <p>They, their spouses, and relatives within two generations have not served as directors, supervisors, or employees of the company or its relationship;</p>	1
Independent Director	Kuo, Ping-Chen	<p>(1) Ph.D. in Engineering, National Tsing Hua University Master's in Technology Management, National Chengchi University Master's in Materials Science and Engineering, National Chiao Tung University</p> <p>(2) Currently serves as an Independent Director of the Company, a member of the Audit Committee and the Remuneration Committee, and the Industry-Academia Director of Taiwan AI Academy.</p> <p>(3) Possesses over five years of experience and professional expertise in business management and materials engineering. His qualifications contribute to enhancing the effectiveness of corporate governance and the supervisory functions of the Audit Committee.</p>	<p>They, their spouses, and relatives within two generations (or in the name of others) do not hold shares in the company;</p> <p>They have not serving as a director, supervisor or employee of a company with a specific relationship with the company;</p> <p>They have provided the company or its affiliated companies with business, legal, financial, accounting and other services in the past 2 years and received compensation for it.</p>	2
Independent Director	Kuan, Hsu-Chiang	<p>(1) Ph.D. in Chemical Engineering, National Tsing Hua University</p> <p>(2) Currently serves as an Independent Director of the Company, a member of the Audit Committee and the Remuneration Committee, and as an Associate Professor and concurrently the Chair of the Department of Chemical and Materials Engineering at Southern Taiwan University of Science and Technology.</p> <p>(3) Possesses over five years of experience, with extensive industrial knowledge and practical expertise in the field of chemical engineering. With a strong academic and industry background, he is able to provide professional advice on the Company's production and R&amp;D technologies when needed.</p>	<p>They, their spouses, and relatives within two generations (or in the name of others) do not hold shares in the company;</p> <p>They have not serving as a director, supervisor or employee of a company with a specific relationship with the company;</p> <p>They have provided the company or its affiliated companies with business, legal, financial, accounting and other services in the past 2 years and received compensation for it.</p>	0

2) Information on the operation of the Remuneration Committee

(1) The Remuneration Committee of the company has 3 members.

(2) The term of office: June 27, 2024 to May 27, 2027. The Remuneration Committee held 4 meetings (A) in 2025, of which the attendance is as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate % (B/A) (Note)	Note
Convener	Yang, Wendy	4	0	100.00%	
Member	Kuo, Ping-Chen	4	0	100.00%	
Member	Kuan, Hsu-Chiang	4	0	100.00%	

Other matters to be recorded:

1) If the Board of Directors does not adopt the recommendation of the Remuneration Committee, the date, session, content of the proposal, resolution, and response to the opinions of the Remuneration Committee should be stated. If the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, then the difference and reasons should be also stated: None.

2) For resolutions of the Remuneration Committee, if there are members who have objections or reservations to the proposal and there are records or written statements, then the date, session, content of the proposal, opinions of all members, and response to the opinions should be stated: Not applicable.

3) Communication and Resolutions in 2025:

Date/Session	Proposal	Results
The 4 <sup>th</sup> Session of the 6 <sup>th</sup> Remuneration Committee January 16, 2025	1. Year-end bonuses for the chairman and directors. 2. Proposal for the Retirement Compensation of Deputy General Manager Kuan Yu-Hua.	Reviewed and approved. Submitted to the Board of Directors for approval.
The 5 <sup>th</sup> Session of the 6 <sup>th</sup> Remuneration Committee February 27, 2025	2024 compensation to employees and directors.	Reviewed and approved. Submitted to the Board of Directors for approval.
The 6 <sup>th</sup> Session of the 6 <sup>th</sup> Remuneration Committee August 7, 2025	Payment of 2024 Directors' Remuneration.	Reviewed and approved. Submitted to the Board of Directors for approval.
The 7 <sup>th</sup> Session of the 6 <sup>th</sup> Remuneration Committee November 11, 2025	Establishment of the Company's Policy on Executive Compensation and ESG-Related Performance	Reviewed and approved. Submitted to the Board of Directors for approval.

**5. Sustainable Development of the company and Deviations from the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies**

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>1. Has the company established a governance framework to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, and the Board of Directors authorized a senior manager to handle it, and supervised it?</p>	✓		<p>The Company established the Sustainable Development Committee. The committee members are convened by the Group's general manager, and the Group's senior managers serve as the convener of the promotion of each strategy group, and the corporate governance officer regularly reports the implementation to the Board of Directors.</p> <p>The Committee has established four major working groups and a dedicated sustainability project office, covering the areas of Environmental Protection, Occupational Safety and Health; Employee Relations and Social Engagement; Corporate Governance; and Product and Service Responsibility.</p> <p>Working group meetings are held regularly, convened by the President, who serves as the coordinator. Senior executives serve as team leaders, coordinating members from functional departments across plants. In accordance with the principle of materiality, the working groups jointly promote the assessment of risks and internal management related to environmental, social, and governance (ESG) issues associated with the Company's operations, and propose corresponding action plans and objectives.</p> <p>The Committee is committed to advancing corporate sustainability responsibilities and enhancing corporate governance in pursuit of sustainable operations. Its responsibilities include:</p> <ol style="list-style-type: none"> <li>1. Formulating the direction and goals of corporate social responsibility (CSR) and sustainability, and developing relevant management policies and concrete implementation plans.</li> <li>2. Promoting and implementing group-wide efforts in integrity management and risk control.</li> <li>3. Tracking, reviewing, and revising the implementation and effectiveness of corporate sustainability initiatives.</li> <li>4. Handling other matters as resolved by the Board of Directors.</li> </ol> <p>The Company's Board of Directors receives quarterly reports from the management team, including updates on ESG matters. The management proposes corporate strategies to the Board, which evaluates their feasibility, regularly reviews progress, and urges necessary adjustments when needed.</p>	No significant difference.

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>2. Does the company conduct risk assessments on issues of environmental, social and corporate governance related to the company's operations in accordance with the principle of materiality, and develop relevant risk management policies or strategies?</p>	✓		<p>The Company's Risk Management Committee is convened by the President and is responsible for overseeing and directing the promotion and operation of the Company's risk management program. Each department is tasked with implementing risk management measures relevant to its business operations. The results and implementation status of risk management are reported to the Board of Directors on an ad hoc basis to ensure effective oversight and execution of the risk management mechanism.</p> <p>The Internal Audit Office is responsible for evaluating the effectiveness of the risk management process and providing appropriate and effective recommendations to ensure that risk management activities are properly executed and monitored.</p> <p>Under the guidance of the Risk Management Policy, the Company has established communication channels to engage in timely risk communication and consultation with internal and external stakeholders, ensuring the continued relevance and effectiveness of risk management practices.</p> <p>The Company also actively cultivates a culture of risk management and enhances employees' risk awareness to ensure comprehensive implementation across the organization. Based on risk assessments, the Company formulates corresponding risk management policies and strategies as follows:</p> <p>1. Environmental issues:</p> <p>1) Environmentally friendly products:</p> <p style="padding-left: 20px;">With a complete manufacturing process and optimized competitive advantages, we can produce environmentally friendly products with no harmful substances for customers and reduce the impact of products on the environment.</p> <p>2) Greenhouse gas management:</p> <p style="padding-left: 20px;">Incorporate climate change risks into overall considerations, estimate the probability of risk occurrence and impact, develop risk contingency plans and crisis management, and issue early warnings to mitigate the impact of climate changes.</p> <p>3) Energy management:</p> <p style="padding-left: 20px;">Improve energy efficiency; promote energy saving to reduce energy consumption. Reduce greenhouse gas emissions and environmental pollution. Reduce production costs, and meet the requirements of customers or the government.</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			<p>4) Water management and discharge: Through daily management, reduction and recycling to maximize the use of water resources reduce environmental pollution and production costs. Establish a response mechanism for water shortages, and reduce the impact of it.</p> <p>5) Waste and recycling: Through the recycling and reuse of waste for the effective use of resources and to solve other pollution-derived problems. Waste is provided for reuse by other industries to reduce environmental impact and achieve the full benefits of a circular economy.</p> <p>2. Social issues:</p> <p>1) Employee retention and employee wellbeing: The Company has established a sound system of remuneration, benefits, and incentives, and a diversified and inclusive corporate culture, so that employees can contribute to diverse ideas, experience, backgrounds and personal characteristics, activate team atmosphere, stimulate creative thinking, and improve work performance.</p> <p>3. Corporate governance issues:</p> <p>1) Risk management: Construct an effective risk management mechanism and continue to maintain it at a desired state. Reduce operating costs to ensure the profitability, and create a high-quality working environment to achieve the company's sustainable business goals.</p> <p>2) Ethical Corporate management: Establish a good corporate governance system, implement ethical policies and risk control mechanisms with suppliers, customers and related stakeholders for a sustainable operation.</p> <p>3) R&amp;D and innovation: Improve technology, design new products, provide customers with high value-added products, and improve production line efficiency to maintain a competitive advantage.</p> <p>4) Customer service: Provide full customer service. Through communication and visits to understand what customers need and their opinions so as to improve customer satisfaction and enhance the corporate image.</p> <p>5) Supplier sustainable management: Promote sustainable supplier management, enhance supply chain resilience, reduce supply chain risks, and turn suppliers to into partners to move towards a sustainable future together.</p>	

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons												
<p>3. Environmental issues:</p> <p>1) Has the company difference established a suitable environmental management system according to its industrial characteristics?</p> <p>2) Is the company committed to Improving energy efficiency and using recycled materials with low impact on the environment?</p>	<p>✓</p> <p>✓</p>		<p>1. Implement energy saving and carbon reduction activities: Accent lighting, paper reduction, zoning of air conditioning, etc.</p> <p>2. The Company integrates its Environmental Management System with the Occupational Safety and Health System, establishes an Environmental, Health and Safety (EHS) Policy, and conducts regular EHS training to build a safe and healthy working environment.</p> <hr/> <p>1. The Company strictly implements resource recycling and waste classification at its operational sites, reduces waste generation, and uses recycled paper.</p> <p>2. The Company utilizes recycled materials in its products. In addition, the R&amp;D department continues to develop products made with environmentally friendly materials. The Company actively supports the Recycled Claim Standard (RCS) and has obtained certification.</p> <p>3. Energy Consumption :</p> <table border="1" data-bbox="759 952 1238 1218"> <thead> <tr> <th>Item</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Gasoline(L)</td> <td>4,116.00</td> <td>3,420.20</td> </tr> <tr> <td>Diesel(L)</td> <td>5,873.10</td> <td>7,339.80</td> </tr> <tr> <td>Electricity (Kkwh)</td> <td>3,595.52</td> <td>4,127.90</td> </tr> </tbody> </table> <p>4. In 2025, the Company purchased two energy-efficient 6th-generation folding machines for a total of NT\$2,178 thousand. These machines were officially commissioned in 2026 to produce simple pleated blinds. Compared to the equipment they replaced, these machines improve energy efficiency by 0.0131 kWh per unit. With an estimated annual production volume of 2.7 million units for these blinds, the Company expects to save approximately 35,786 kWh of electricity annually, leading to a reduction of approximately 15 metric tons of greenhouse gas emissions.</p> <p>5. Renewable Energy Integration The development of renewable energy in Taiwan is primarily driven by solar power and offshore wind energy. Based on our internal resources and medium-to-long-term development goals, the Company is carefully evaluating the feasibility of adopting renewable energy to select the most suitable energy transition strategy, ensuring a localized approach to power generation. In 2026, the Company conducted an assessment for solar power installation and added rooftop solar panels, with operations</p>	Item	2025	2024	Gasoline(L)	4,116.00	3,420.20	Diesel(L)	5,873.10	7,339.80	Electricity (Kkwh)	3,595.52	4,127.90	<p>No significant difference</p> <p>No significant difference</p>
Item	2025	2024														
Gasoline(L)	4,116.00	3,420.20														
Diesel(L)	5,873.10	7,339.80														
Electricity (Kkwh)	3,595.52	4,127.90														

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			<p>scheduled to commence in 2027.</p> <p>Considering the high initial investment costs of wind power, as well as the potential threats that turbine operations may pose to birds, bats, and other wildlife—thereby impacting biodiversity—solar energy is currently the more viable option. Through phased planning and incremental investment, the Company will continue to increase the proportion of renewable energy used, reduce reliance on traditional energy sources, support greenhouse gas reduction targets, decrease greenhouse gas emissions from self-consumed energy, and concretely fulfill our long-term commitment to energy transition and environmental sustainability.</p>	
<p>3) Does the company assess the current and future potential risks of climate change, and take countermeasures for the issue?</p>	✓		<p>1. Based on our business scope, manufacturing processes, and facility locations, the Company identifies potential risks and opportunities associated with climate change. By referencing international sustainability and climate-related initiatives, as well as domestic environmental sustainability regulations, we have established mitigation measures and management policies. These efforts are designed to strengthen our resilience and adaptability in the face of unpredictable climate risks and opportunities, thereby enhancing the sustainability of our operations.</p> <p>2. The Company recognizes that our operational activities may impact the natural environment and ecosystems. Consequently, we have integrated biodiversity protection into our environmental sustainability management framework. We are committed to complying with relevant laws and international standards, and we strive to minimize our impact on ecosystems and natural resources through prevention, mitigation, and continuous improvement. We hereby fulfill our corporate environmental responsibilities through the following practices:</p> <p><b>1) Regulatory Compliance</b> Domestic and international laws and initiatives related to environmental protection and biodiversity are strictly followed. The Company continuously monitors regulatory developments and sustainability trends to ensure that all operations remain in full compliance.</p> <p><b>2) Risk Assessment and Impact Management</b> Environmental impact assessments are conducted as required by law during operational and investment decision-making. Potential risks to ecosystems, habitats, and species are identified, and necessary protective measures are implemented to avoid significant adverse impacts.</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons												
			<p><b>3) Operational Mitigation Measures</b> Pollution prevention, waste reduction, and carbon emission reduction measures are implemented to mitigate the impact on air, water resources, and land. Furthermore, priority is given to the use of environmentally friendly materials and sustainable production processes.</p> <p><b>4) Supply Chain Biodiversity Management</b> Biodiversity and environmental protection requirements are integrated into supplier management mechanisms. Through commitments, assessments, and audits, the use of materials that harm the ecosystem is avoided to collectively mitigate supply chain risks.</p> <p><b>5) Education, Advocacy, and Internal Engagement</b> Through training programs and awareness campaigns, employee understanding of biodiversity and environmental protection is enhanced to foster a deep-seated culture of corporate sustainability.</p> <p><b>6) Execution and Management</b> The implementation of policies is regularly reviewed, and management practices are adjusted accordingly. Relevant measures and achievements are disclosed in annual reports or sustainability reports to ensure continuous improvement in ecological conservation efforts.</p>													
<p>4) Has the company made statistics on greenhouse gas emissions, water consumption, and waste in the past two years, and developed policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?</p>	✓		<p>The Company records its annual water consumption and total waste generation in Taiwan, and sets yearly targets for reduction and waste minimization. Based on these targets, the Company formulates concrete implementation policies and action plans, and conducts review and analysis of the previous year's performance at the beginning of each year.</p> <p>As part of its commitment to a low-carbon society, the Company actively works to reduce its greenhouse gas (GHG) emissions. The Company conducts GHG inventories in Taiwan, covering Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions).</p> <p>Greenhouse Gas (GHG) Emissions: Unit: Metric Tons of CO<sub>2</sub>e</p> <table border="1" data-bbox="724 1787 1268 1906"> <thead> <tr> <th>Item</th> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>155.9952</td> <td>1,956.6179</td> <td>3,438.1937</td> </tr> <tr> <td>2025</td> <td>150.0645</td> <td>1,705.0274</td> <td>2,642.8230</td> </tr> </tbody> </table> <p>A rainwater harvesting system has been installed at the Company's Changbin Plant in Taiwan. The reclaimed water is utilized for landscape irrigation within the facility, effectively reducing tap water consumption. Water usage in the Taiwan region is statistically analyzed on an annual basis to</p>	Item	Scope 1	Scope 2	Scope 3	2024	155.9952	1,956.6179	3,438.1937	2025	150.0645	1,705.0274	2,642.8230	No significant difference
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Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons															
			<p>establish yearly reduction targets. The Changbin Plant has set a management goal to reduce tap water consumption by 0.5% annually. Through the implementation of specific action plans and a continuous review and improvement mechanism, the effectiveness of water resource management is consistently achieved.</p> <p>Water Usage and Wastewater Discharge: Unit: Megaliters</p> <table border="1" data-bbox="727 479 1265 636"> <thead> <tr> <th>Item</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Water Consumption</td> <td>14.1</td> <td>13.7</td> </tr> <tr> <td>Wastewater Discharge</td> <td>7.05</td> <td>7.66</td> </tr> </tbody> </table> <p>Adhering to the principle of sustainable resource utilization, the Company has established a comprehensive waste management system to strictly monitor waste generated from both production processes and employee activities.</p> <p>Production waste primarily consists of non-hazardous materials such as textiles and paper, all of which are disposed of in accordance with government regulations. Professional treatment is entrusted to qualified vendors to ensure that operational activities comply with environmental requirements.</p> <p>Regarding resource circulation, the Company is dedicated to "transforming waste into resources." For off-specification products or scraps generated during production, the Company has developed and implemented in-house recycling technologies to effectively reduce waste at the source. Materials that cannot be directly recycled within the facility are subject to rigorous classification and management, after which they are processed and repurposed by professional recyclers through specialized technologies.</p> <p>To ensure management objectives are effectively implemented in daily operations, regular training on waste management and chemical safety is conducted. Through continuous professional training, employee awareness regarding waste classification, handling procedures, and environmental protection is enhanced, integrating the sense of responsibility for sustainable production into daily operational guidelines.</p> <p>In 2025, through adjustments to production processes and product configurations, the Company successfully reduced waste output by 6.4% and increased the recycled material utilization rate to 42.1%.</p> <p>Total weight of waste in the past two years:</p> <table border="1" data-bbox="740 1989 1265 2094"> <thead> <tr> <th>Item</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total weight of waste</td> <td>185 Ton</td> <td>151 Ton</td> </tr> </tbody> </table>	Item	2025	2024	Water Consumption	14.1	13.7	Wastewater Discharge	7.05	7.66	Item	2025	2024	Total weight of waste	185 Ton	151 Ton	
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Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>4. Social issues:</p> <p>1) Has the company established relevant management policies and procedures in accordance with relevant laws and International Human Rights Conventions?</p>	✓		<p>The Human Rights Policy is promoted and implemented by the Human Resources Department, with the collaboration of the Environmental, Safety, and Health (ESH) unit and other relevant departments. The management periodically reviews the implementation status to ensure the policy is effectively carried out.</p> <p>The Company complies with relevant labor laws and adheres to international guidelines such as the United Nations Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization (ILO) Core Conventions. The Company is committed to safeguarding the legitimate rights and interests of employees and ensuring non-discrimination in employment policies. The appropriate management methods, procedures, and implementation status are established as follows:</p> <ol style="list-style-type: none"> <li>1. Provide employees with reasonable salary and bonus.</li> <li>2. Hold employee education and training.</li> <li>3. Implement the insurance plan and leave management.</li> <li>4. Allocate pension according to law.</li> <li>5. There is no gender discrimination in the promotion. Respect for gender equality, and promote disabled persons in accordance with the law. Internal rules for employee complaints and sexual harassment are also established.</li> </ol> <p>The Company has established a human rights due diligence mechanism in accordance with international human rights standards, integrating it into the corporate governance and risk management framework to ensure continuous improvement. The implementation status is as follows:</p> <ol style="list-style-type: none"> <li>1. Risk assessments are conducted annually, covering employees, the supply chain, and operational sites. Corresponding control measures and improvement plans are formulated for high-risk areas.</li> <li>2. The implementation status of all measures is continuously tracked and reported to management on a regular basis.</li> <li>3. Diverse grievance channels have been established, supported by whistleblower protection mechanisms. Investigations and remediation are carried out for any identified human rights incidents.</li> <li>4. Implementation results are regularly disclosed via annual reports, sustainability reports, or the Company's website.</li> </ol>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			<p>Human Rights Due Diligence Results for 2025:</p> <ol style="list-style-type: none"> <li>1. The coverage rate for employee education and training reached 100%.</li> <li>2. The signing rate for Supplier Commitment Letters reached 64%, while the compliance rate for Social Responsibility Requirements and Counter-Terrorism Audits reached 100%.</li> <li>3. No material human rights violations occurred during the year, and efforts to strengthen information disclosure and management effectiveness remain ongoing.</li> </ol>	
<p>2) Does the company develop and Implement reasonable employee welfare system (including salaries, vacations and other benefits, etc.), and properly reflect business performance on employee compensation?</p>	✓		<p>The company pays female and male employees equally for the same job or for job of the same value, and it is better than the government's regulated minimum pay. Every year, the individual performance and contributions will be used as the basis for evaluating salary adjustments, bonuses, dividends... and other rewards. The company also has a well-planned grade and rank system, which is applicable to both male and female employees; performance appraisal is carried out every year, and the rewards to managers and above are directly linked to the organization's business performance and will be evaluated quarterly.</p> <p>The Company treats its employees with integrity and fosters a relationship of mutual trust and reliance through a comprehensive and stable employee benefits system, as well as robust training and development programs.</p> <p>Although the Company does not have a labor union, it has maintained harmonious labor relations over the years. Employees demonstrate strong team spirit and a high degree of loyalty, fully supporting the Company's decisions and contributing to a cooperative and harmonious work environment.</p> <p>The Company has established an Employee Welfare Committee. In collaboration with the Administration Department, the Committee promotes various welfare measures. Additionally, the Company established an Employee Stock Ownership Association in August 2023 and launched an employee stock ownership trust program. Under this plan, both the Company and participating employees contribute fixed amounts to a dedicated trust account. This initiative not only helps retain talent but also supports employees in accumulating wealth and planning for retirement.</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>3) Does the company provide employees with a safe and healthy working environment, and provide employees with regular safety and health education?</p>	✓		<p>The Company, in collaboration with labor representatives, has established an occupational safety and health (OSH) policy, which has been approved by the Chairman and duly implemented. This policy aims to safeguard the health and safety of all employees and contractors, prevent occupational accidents, and achieve the goal of zero major occupational incidents. The Company actively promotes health and safety initiatives in the workplace.</p> <p>In compliance with environmental, safety, and health (ESH) regulations, all new employees are required to complete the necessary OSH training on their first day of work. Annual OSH training courses are planned and executed, achieving a 100% training completion rate.</p> <p>To effectively implement health and safety management activities and enhance environmental, health, and safety (EHS) performance, the Company has established a Health and Safety Management System in accordance with the ISO 45001 standard. By adopting the "PDCA" (Plan-Do-Check-Act) methodology, the Company comprehensively considers both internal and external factors to define the system's boundaries and applicability, covering accountability, organizational units, physical boundaries, company activities, products and services, as well as the extent of control and influence exercised by the Company. Continuous monitoring and annual improvements are conducted to ensure the ongoing effectiveness of the system.</p> <p>The Company is committed to creating a safe and comfortable working environment, recognizing employee health as a key factor in sustainable development. Specific initiatives include:</p> <ol style="list-style-type: none"> <li>1. Environmental Safety and Protection: <p>The Company conducts semi-annual environmental monitoring of designated work areas in accordance with applicable laws and internal standards. Potential hazards are identified and preventative measures taken. Personal protective equipment (PPE) is regularly distributed to employees in relevant work zones to reduce occupational exposure risks and ensure workplace safety.</p> </li> <li>2. Emergency Response and Safety Training: <ul style="list-style-type: none"> <li>● Fire safety training and emergency drills are held semi-annually to enhance employee preparedness for disaster response, evacuation procedures, and safety protocols.</li> <li>● Drill outcomes are reviewed and analyzed to identify improvements and strengthen the effectiveness of emergency response mechanisms.</li> </ul> </li> </ol>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			<p>3. Occupational Safety and Health Education:</p> <ul style="list-style-type: none"> <li>● All new employees receive OSH training to understand potential workplace risks and safety procedures, thereby enhancing safety awareness.</li> <li>● Annual refresher OSH training is conducted for all employees to continuously improve their safety knowledge and skills and keep them informed of the latest safety practices.</li> </ul> <p>4. Employee Health Checkups and Management:</p> <ul style="list-style-type: none"> <li>● In compliance with the Labor Health Protection Act, the Company organizes regular general and special health examinations for employees in designated operations to monitor overall health status.</li> <li>● Health data is analyzed to identify potential risks early and develop appropriate health initiatives.</li> </ul> <p>5. On-site Health Services:</p> <ul style="list-style-type: none"> <li>● The Company engages on-site physicians to provide regular health consultations and guidance. Employees diagnosed with chronic conditions such as hypertension, hyperglycemia, hyperlipidemia, or metabolic syndrome are offered professional health management recommendations and, where necessary, referred for further treatment with follow-up support.</li> </ul> <p>6. Mental Health and Wellness Promotion:</p> <ul style="list-style-type: none"> <li>● Annual surveys using psychosocial, ergonomic, and mental health questionnaires are conducted to assess employee stress and workplace adaptation, followed by on-site counseling services.</li> <li>● Diverse health seminars are held regularly, covering topics such as workplace relaxation techniques, eye care, stress management, emotional well-being, metabolic syndrome, and prevention of chronic diseases like the "three highs" (high blood pressure, blood sugar, and lipids).</li> <li>● The Company provides access to recreational sports facilities and organizes activities such as pickleball competitions and group fitness sessions to promote physical and mental wellness and enhance work productivity.</li> </ul>	

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
4) Has the company established an Effective career development training plan for employees?	✓		<p>Employee training and development is a fundamental benefit provided by the Company. We encourage all employees to "learn through work and work through learning," aiming to enhance personal competencies, improve job skills, strengthen team performance, and support the Group's long-term goals of "sustainable, stable, progressive, technological, and international" growth.</p> <p>In accordance with the "Employee Training and Development Regulations," the Company offers the following main training programs:</p> <ol style="list-style-type: none"> <li>1. Technical Development Committees Through cross-functional integration led by the Technical Development Committees, employees are assigned to different committees based on their job functions and professional expertise. These committees introduce the latest knowledge and technologies in each professional field, promote technical exchanges, and establish a comprehensive professional training framework for employees.</li> <li>2. Management Skills Development Tailored training programs are designed to meet the management needs of various leadership levels within the Company. These programs adopt a flexible and diverse approach to cultivate management capabilities among employees.</li> <li>3. New Generation Leadership Program The Company conducts an annual recruitment drive to identify and nurture outstanding young talents who have completed their military service. The program begins with a foundation course in general knowledge, followed by hands-on training at manufacturing sites supplemented with professional technical briefings. This comprehensive approach enables participants to understand the Group's overall development, gain insights into production functions and systems, and rapidly grow into skilled professionals with lean technical expertise and international operational capabilities.</li> </ol>	No significant difference
5) For issues such as customer health and safety, customer privacy, marketing and labeling, does the company follow relevant laws and international standards, and develop relevant consumer or customer rights protection policies and complaint management?	✓		<p>The company's products are designed and manufactured in accordance with the latest "Blinds Safety Standard Regulations" passed by the United States to ensure the safety of children at home. The company successfully passed the ISO9001 quality standard system. The plastic blinds have passed the tests by Bureau Veritas and SGS. The products of the company are covered by product liability insurance from American Anda Insurance Group.</p> <p>The Company is actively engaged in the research and development of products utilizing environmentally friendly recycled materials. We continuously enhance the structural integrity and</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			<p>safety of various blinds products while adopting non-toxic, safe, and eco-friendly recycled materials. Additionally, we are introducing motorized and smart features into our curtain products to meet the growing demands of the smart home market.</p> <p>To address risks and hazards associated with chemical substances in our products, the Company follows the IKEA I-way protocol, conducting regular self-assessments and reporting to customers. We also undergo annual customer audits and consistently meet customer evaluation standards.</p> <p>Customer information management and privacy protection are critical issues in business operations. In recent years, the Company has implemented robust information security risk management practices and prioritized customer privacy. Our information risk management framework is structured as follows:</p> <ol style="list-style-type: none"> <li>1. Compliance with Regulations and Transparency The collection and management of customer information must comply with relevant regulations. We maintain transparent communication with customers to ensure a clear understanding of how their information is used and protected.</li> <li>2. Information Collection Only necessary customer information is collected, and the information gathered is strictly aligned with relevant business purposes and needs.</li> <li>3. Information Security The Company employs control mechanisms such as firewalls, encryption, and off-site backups in its information system management to protect customer data and mitigate risks.</li> <li>4. Information Authorization Beyond the basic uses communicated transparently to customers, any use of customer information for specific additional purposes requires prior customer consent and authorization.</li> </ol> <p>The Company has established "Marketing and Service Management Procedures" and "Customer Complaint Management Procedures" to build a comprehensive customer service and grievance handling mechanism, while regularly communicating with customers and conducting satisfaction surveys to understand customer needs and feedback in real-time, thereby continuously improving service quality. At the same time, a dedicated grievance channel for stakeholders has been set up on the Company's website, providing diverse and accessible pathways for complaints to safeguard the rights and interests of consumers and customers and to enhance overall service quality.</p>	

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>6) Has the company developed supplier management policies, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights?</p>	✓		<p>The Company believes that the shared growth of suppliers has a significant impact on corporate development. While striving for greater profitability, the Company invests resources in collaborating with suppliers, aiming to build strong partnerships, implement sustainable supply chain management, and achieve common sustainability goals. To implement responsible supply chain management and strengthen sustainable operations, the Company has established a supplier ESG management mechanism. Major suppliers are required to adhere to standards concerning environmental protection, social responsibility, and corporate governance. Suppliers must sign a commitment before entering into cooperation or upon periodic contract renewal, pledging to comply with relevant laws and uphold principles such as labor rights protection, occupational health and safety, information security (privacy protection), environmental protection, ethical management, and anti-corruption.</p> <p>For key suppliers, ESG audits and assessments are conducted periodically or on an ad-hoc basis based on their importance and risk levels. These assessments cover environmental management, labor conditions, occupational health and safety, ethical management, and regulatory compliance. If any non-compliance is identified, suppliers are required to submit an improvement plan within a specified timeframe, and the Company tracks the effectiveness of these improvements. For suppliers with major or repeated non-compliance, the cooperation relationship may be adjusted based on the severity of the situation to ensure that sustainable supply chain risks are effectively managed. The Company regularly hosts supplier conferences, providing a platform for face-to-face communication to explain product quality standards, ethical codes, and management philosophy. These conferences also reinforce the promotion of ESG policies, requiring suppliers to comply with laws, fulfill their responsibilities within the supply chain, and share sustainable practices. Through these efforts, the Company assists suppliers in enhancing their sustainability management capabilities, jointly creating a robust and resilient responsible supply chain.</p> <p>In 2025, the Company invited suppliers and partners to attend an ESG policy advocacy training session, which saw 26 participants and lasted 1.5 hours. During the session, the Company recognized suppliers that passed assessments and commended those with outstanding performance in quality stability, cost improvement, delivery accuracy, energy conservation, carbon reduction, environmental protection, and sustainable operations, thereby guiding the supply chain toward continuous improvement in sustainability performance and overall competitiveness.</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
			In accordance with the "Supplier Management Procedures," periodic on-site or document-based audits are conducted annually. The passing threshold is 80 points. Suppliers failing the audit are required to submit an improvement plan within one week and complete improvements and verification within two months; otherwise, their qualified supplier status is revoked. In 2025, a total of 12 suppliers underwent audits focused on social responsibility and counter-terrorism, achieving a 100% pass rate.	
5. Does the company refer to Internationally accepted standards or guidelines for preparing reports such as sustainability reports that disclose non-financial information of the company? Has the report obtained a third-party verification?	✓		The overall content and structure of the Company's Sustainability Report are prepared in accordance with the GRI 2021 Standards issued by the Global Sustainability Standards Board (GSSB). Disclosures related to environmental matters and greenhouse gas inventories are presented following the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). Additionally, sustainability topics deemed financially material to the industry are disclosed in alignment with the standards established by the Sustainability Accounting Standards Board (SASB).	No significant difference
<p>6. If the company has its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the established code:</p> <p>The Company has established its own " Sustainable Development Practice Guidelines," which do not differ significantly from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."</p> <p>7. Other important information that helps to understand the implementation of sustainable development</p> <p>1) Social services and social welfare:</p> <ol style="list-style-type: none"> <li>(1) The Company donated to Huashan Genesis Social Welfare Foundation to help improve the lives of the elderly living alone in the neighbouring areas.</li> <li>(2) The Company actively participates in social welfare initiatives and gives back to local communities by donating rice annually to local charitable organizations.</li> <li>(3) The Company supports the Huashan Social Welfare Foundation in promoting care programs for elderly individuals living alone, enhancing their emotional connection with society, reducing isolation, and providing assistance in daily living.</li> <li>(4) The Company actively provides donations in cash or in-kind support in response to major natural disasters or public emergencies.</li> <li>(5) The Company promotes the sustainable development of education by donating to educational institutions at all levels and providing curtain donations. It also collaborates with universities to organize "Curtain Innovation Workshops," integrating academic theory with industry practice through hands-on, practice-oriented program design.</li> <li>(6) The Company participates in the Changhua Police Friends Association, working collaboratively to prevent crime, strengthen police-community cooperation, expand public safety awareness, and help maintain social order.</li> <li>(7) The Company supports environmentally friendly practices and waste reduction management for local religious, cultural, and large-scale events.</li> </ol> <p>2) Safety and health:</p> <ol style="list-style-type: none"> <li>(1) Establish a sound standard operating procedure and strictly require employees to abide by it.</li> <li>(2) Require employees to wear protective equipment, such as goggles, safety shoes, protective clothing, etc.</li> <li>(3) Set up complete emergency rescue equipment, and regularly inspect and renew it.</li> <li>(4) Regularly implement internal and external education and training and environmental safety inspections related to industrial safety. If there are any deficiencies, the performance bonus will be affected.</li> <li>(5) Provide employee with health examination every year, and increase check items for special workers.</li> </ol>				

(6) In line with the belief and responsibility of caring for every employee, the company has installed automated external defibrillator (AED) in the factory area.

3) Other Corporate Social Responsibility Activities:

- (1) Donating and sponsoring nearby communities to organize community care events, actively participating in neighborhood activities to foster good relations.
- (2) Caring for the elderly and spreading warmth by collaborating with the Huashan Social Welfare Foundation to promote care programs for elderly individuals living alone.

Upholding the philosophy of caring for disadvantaged groups and promoting shared prosperity within the community, the Company partnered with the Huashan Social Welfare Foundation – Fuxing Love Angel Station to organize outreach and care activities for elderly individuals living alone in nearby townships. Volunteers from the Huashan Foundation, together with Company employees, formed visiting teams that personally visited the homes of these elderly individuals, providing daily necessities and condolence allowances, while also listening to their needs in order to help improve their living conditions.

Through these efforts, the Company puts into practice the concept of an “age-friendly community,” strengthening emotional support and social connections for the elderly, and reducing the sense of isolation among those living alone. At the same time, employee participation in volunteer services deepens their understanding of and empathy for local disadvantaged groups, fostering positive interaction and trust between the Company and the community.

(3) Relief Efforts for the Mata’an Creek Landslide Dam Flood in Guangfu Township, Hualien

Guided by the philosophy of "giving back to society what is taken from it," the Company has actively responded to fundraising efforts by charitable organizations to provide disaster relief following the breach of the landslide dam on Mata’an Creek in Guangfu Township, Hualien. Through this support, the Company aims to meet the emergency needs of disaster victims and assist in the reconstruction of their homes, demonstrating a commitment to local community care and corporate responsibility.

To ensure that resources are effectively utilized for actual disaster relief and recovery efforts following the flood caused by the breach of the Mata’an Creek landslide dam, the Company has channeled its donations through multiple non-profit organizations with local influence and extensive experience in social services. The recipient organizations are as follows:

Organization	Key Contributions
The Mustard Seed Mission	Promoting community disaster prevention and reconstruction services to help affected households restore daily living functions.
Hua-Shan Social Welfare Foundation	Caring for elderly living alone and providing support for post-disaster life reconstruction and psychological well-being.
Mennonite Christian Hospital Foundation	Providing rural medical care and offering post-disaster medical and psychological support.
Wheat Mission Social Welfare Foundation	Caring for vulnerable families, indigenous groups, and children in rural areas through post-disaster home reconstruction and the provision of daily necessities.

Through collaboration with the aforementioned charitable organizations, the Company aims to integrate professional relief expertise with community support networks. These efforts are dedicated to assisting disaster-stricken residents in overcoming challenges and rebuilding their homes, while fulfilling the Company’s commitment to corporate social responsibility and sustainable development, with the goal of advancing toward a future of social harmony, shared prosperity, and sustainable well-being.

#### 4) Academic and Educational Sustainability

To foster industry-academia collaboration and cultivate future talent, the Company partners with universities to organize "Blinds and Shades Innovation Workshops." Through practical course designs that bridge academic theory with industrial expertise, students are provided with opportunities to gain in-depth knowledge of blinds and shades product design, material application, and industry trends. In addition to focusing on design and practical exchange, the curriculum incorporates discussions on the feasibility of applying recycled materials to blinds and shades products, guiding students to adopt design thinking centered on sustainable materials, the circular economy, and product life cycles.

To support the quality of the educational environment and fulfill corporate social responsibility, the Company donated 45 sets of blinds and shades to the Einstein Experimental School, improving light shading and environmental comfort within classrooms to create a more conducive space for teaching and learning.

#### 5) Environmental Friendliness and Waste Reduction in Local Cultural and Large-Scale Events

The Baishatun Mazu Pilgrimage is a significant folk religious activity in Taiwan and a major annual humanities event for the local community. Upholding the spirit of corporate social responsibility and sustainable development, the Company actively participates in hosting pilgrims during the pilgrimage by establishing supply and rest stations. These stations provide drinking water, basic assistance, and care services to support the physical and mental needs of pilgrims during their long-distance trek.

To mitigate the environmental impact of large-scale religious events, the Company integrates eco-friendly measures into its hosting activities. By minimizing the use of single-use items and establishing waste sorting and resource recycling stations, the Company implements waste reduction and recycling practices, embedding the philosophy of environmental sustainability into social engagement and fulfilling its corporate responsibility for environmental protection.

## 6. Climate-Related Information of TWSE/TPEX Listed Company

### (1) Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>In alignment with the national "2050 Net-Zero Emissions Roadmap" and the FSC's "Sustainable Development Roadmap," the Sustainability Development Committee's task force reports greenhouse gas (GHG) inventory progress and implementation status to the Board of Directors on a quarterly basis.</p> <p>Management is responsible for identifying, assessing, and managing climate-related risks and opportunities. This includes formulating and executing relevant strategies and action plans, with regular reports to the Board to ensure the effective implementation of climate governance.</p>

Item	Implementation status			
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	Climate-Related Risks: Impact and Response Strategies :			
	Risk Issue	Time Horizon	Financial & Business Impact	Response Strategy
	Carbon Taxes/Fees & Regulatory Compliance	Short-term	The implementation of carbon pricing and stringent environmental/financial regulations may increase operating costs and capital expenditures (CapEx). It could also raise financing hurdles and costs, impacting overall financial performance and cash flow.	Established carbon management and energy-saving mechanisms to optimize processes and develop low-carbon products. We closely monitor regulatory trends, strengthen financial planning, and evaluate green financing tools to mitigate the impact of carbon costs.
	Changes in Customer Demand	Short-term	Growing customer demand for low-carbon and sustainable products may affect order stability and market share, putting pressure on revenue and profitability if expectations are not met.	Strengthen market trend analysis and drive product/process upgrades with a focus on low-carbon differentiation. We enhance supply chain and service flexibility to respond to customer needs and drive revenue growth.
Technological Transition for Low-Carbon Products	Short-term	New equipment offers triple the production efficiency of legacy systems, significantly boosting capacity and reducing manufacturing costs. This lowers energy expenditure risks, improves cost structures, and positively impacts mid-to-long-term profitability.	Continue advancing low-carbon product R&D and technical upgrades. By adopting high-efficiency, energy-saving equipment and optimizing processes, we reduce per-unit energy consumption and carbon intensity. We also enhance eco-friendly material applications to boost market competitiveness.	

Item	Implementation status			
	Risk Issue	Time Horizon	Financial & Business Impact	Response Strategy
	Sustainability Competitiveness	Short-term	A strong corporate reputation enhances customer trust and market competitiveness. Stable orders improve bargaining power and reduce transaction costs, leading to a positive impact on revenue growth and profitability.	Strengthen corporate governance, implement ethical management, and enhance transparency in disclosures to maintain brand reputation. Regularly review and comply with domestic and international ESG regulations to ensure full compliance.
	Increased Severity and Frequency of Extreme Weather	Short-term	The rising frequency of extreme weather events may cause raw material supply disruptions, production/logistics delays, and increased operating costs, potentially affecting delivery stability and revenue performance.	Strengthen operational risk assessments and emergency response mechanisms. Enhance supply chain diversification and inventory flexibility, while improving disaster prevention and water management at manufacturing sites to mitigate climate-related impacts.
	Low-Carbon Product & Service Opportunities	Short-term	Growing market demand for low-carbon products increases added value and market competitiveness. This drives order growth and has a positive impact on both revenue and long-term profitability.	Invest in low-carbon product R&D and process upgrades. Adopt energy-saving equipment and low-carbon materials to strengthen product differentiation, capture low-carbon market opportunities, and solidify long-term competitive advantages.
	Long-term Investor Commitment	Medium-term	Robust sustainable operations and sound corporate governance boost investor confidence, attracting long-term capital and reducing financing costs. This enhances financial stability and mid-to-long-term profitability.	Continuously improve governance and information transparency. Disclose ESG performance and financial data, actively engage with investors, and establish management appraisal mechanisms for sustainability commitments to build trust and attract long-term investment.

Item	Implementation status
3. Describe the financial impact of extreme weather events and transformative actions.	No significant operational disruptions, asset losses, or abnormal expenditures have occurred at the company's primary operating locations due to extreme weather. Consequently, there is no material direct impact on revenue, earnings, or the overall financial condition.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In alignment with TCFD recommendations, the company identifies transition risks (including policy, legal, technology, market, and reputation) and physical risks through cross-departmental consultations. These risks are quantitatively assessed based on their likelihood and impact. By categorizing risk horizons into short, medium, and long-term, the company implements tiered management to formulate specific response strategies and prioritize resource allocation for each stage.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Based on the "Climate Change Disaster Risk Adaptation Platform" and scenarios including RCP 8.5 (4°C warming) and RCP 6.0 (2°C warming), coastal plains in Central-Western Taiwan are identified as the regions most vulnerable to sea-level rise. Since the Headquarters, Plant 2, and Changbin Plant are located in these coastal areas, the flood risk has been assessed as medium-to-high. In response, the company monitors multi-dimensional impacts of climate change to mitigate operational disruptions and foster a resilient climate culture. The increasing severity and frequency of extreme weather events may lead to raw material supply chain disruptions, production and logistics delays, and rising operating costs, potentially affecting delivery stability and revenue. To address these challenges, the company has strengthened its risk assessment and emergency response mechanisms, enhanced supply chain diversification and inventory flexibility, and continuously improved disaster prevention and water management at all manufacturing sites to minimize the financial and operational impact of climate change.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As of the publication date of this annual report, there are no transition plans currently in place for managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The carbon pricing has not yet been used as a planning tool.

Item	Implementation status
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>1. In accordance with Stage 4 of the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," the company's consolidated subsidiaries are scheduled to complete the greenhouse gas (GHG) inventory by 2027 and obtain verification by 2029. The progress of the inventory and verification is reported to the Board of Directors on a quarterly basis for oversight.</p> <p>2. While renewable energy has not yet been implemented, feasibility assessments for solar power and other renewable sources are underway. Future investments will be phased based on site conditions and investment returns to gradually increase the proportion of renewable energy usage, reduce reliance on traditional energy, and support GHG reduction goals.</p> <p>Furthermore, short, medium, and long-term management targets have been established for GHG emissions, renewable energy usage, wastewater recycling, waste reduction, and resource circularity to fulfill the long-term commitment to energy transition and environmental sustainability.</p> <p>3. The 2025 implementation results for energy saving and carbon reduction are as follows:</p> <ul style="list-style-type: none"> <li>● Total usage decreased by 532.37 MWh, representing an annual reduction of 0.56%.</li> <li>● Developed partnerships with non-woven fabric recycling vendors to convert waste into reusable materials.</li> <li>● Adjusted manufacturing processes and product configurations, effectively reducing raw material waste by 4.6% in 2025.</li> <li>● Optimized production processes to increase the utilization of in-house recycled materials, reaching a 45.4% usage rate in 2025.</li> </ul>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>Please refer to Tables 1-1 and 1-2 below.</p>

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

Describe the emission volume (metric tons CO <sub>2</sub> e), intensity (metric tons CO <sub>2</sub> e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years			
Item	Year	2024	2025
	Scope 1: Total Emissions (t CO <sub>2</sub> e)		155.9952
Scope 1: Intensity (t CO <sub>2</sub> e / NTD		0.0349	0.0414

Million)		
Scope 2: Total Emissions (t CO <sub>2</sub> e)	1,956.6179	1,705.0274
Scope 2: Intensity (t CO <sub>2</sub> e / NTD Million)	0.4373	0.4707
Scope 3: Total Emissions (t CO <sub>2</sub> e)	3,438.1937	2,642.8230
Scope 3: Intensity (t CO <sub>2</sub> e / NTD Million)	0.7685	0.7296
<p>Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).</p> <p>Note 2: (1) Reporting Scope for Scope 1 and Scope 2 Emissions: In accordance with the regulations of the Financial Supervisory Commission (FSC), the parent company is scheduled to complete the greenhouse gas (GHG) inventory by 2026 and obtain verification by 2028. Consolidated subsidiaries are scheduled to complete the inventory by 2027 and obtain verification by 2029.</p> <p>(2) Other Indirect Emissions (Scope 3): Information is provided on a voluntary basis.</p> <p>Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).</p> <p>Note 4: GHG emission intensity figures are calculated based on the parent company's standalone revenue (expressed in millions of New Taiwan Dollars).</p> <p>Note 5: The greenhouse gas inventory boundaries for 2024 and 2025 cover the Taiwan operating sites, including the Headquarters, Plant 2, and the Changbin Plant.</p>		

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement.

2023 has been established as the emissions base year in the commitment to achieving Net-Zero Emissions by 2050. In the base year, direct emissions totaled 189.454 t CO<sub>2</sub>e, indirect energy emissions were 1,588.422 t CO<sub>2</sub>e, and other indirect emissions reached 2,827.648 t CO<sub>2</sub>e, resulting in total emissions of 4,605.524 t CO<sub>2</sub>e.

Management targets for greenhouse gas emissions, renewable energy usage, wastewater recycling, waste reduction, and resource circularity are categorized into short-term (2026–2028), medium-term (2029–2031), and long-term (2032–2050) phases:

- Annual electricity consumption is to be reduced continuously by 0.5%.
- Tap water consumption at the Changbin Plant is to be reduced by 0.5% annually.
- Waste collection containers will be gradually reduced in size to minimize waste, complemented by departmental collaborations to promote waste reduction initiatives.
- Total manufacturing waste weight is to be reduced by 4.5%, with an annual utilization rate of in-house recycled materials  $\geq 60\%$ .
- The goal of Carbon Neutrality is to be achieved by 2050.

In 2025, direct emissions were 150.0645 t CO<sub>2</sub>e, indirect energy emissions were 1,705.0274 t CO<sub>2</sub>e, and other indirect emissions were 2,642.8230 t CO<sub>2</sub>e. Total emissions amounted to 4,497.9150 t CO<sub>2</sub>e, representing a 2.34% reduction compared to the base year. The company will continue to drive greenhouse gas reduction actions through routine maintenance, inspections, and education and training.

**7. The Ethical Corporate Management of the company and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"**

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>1. Build ethical corporate management and plans:</p> <p>1) Does the company develop the ethical corporate management approved by the Board of Directors, and expressly state the policy and practices in rules and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the business policy?</p> <p>2) Whether the company has established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within the business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs that at least cover those stated in Article 7-2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" ?</p> <p>3) Does the company clearly define and implement operating procedures, guidelines, punishment and complaint systems for violations to prevent dishonesty, and regularly review and amend them?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>1) Based on the business philosophy of honesty, pragmatism and solidity, the company follows the Company Act, Securities and Exchange Act, Business Entity Accounting Act, relevant rules and regulations for TWSE/GTSM listed companies, and the internal control system, accounting system for good corporate governance.</p> <p>The company clearly expresses the ethical corporate management in the "Personnel Rules" and develops the "Code of Conduct and Ethics" for the directors and managers. The board of directors and management team also promise to actively implement and supervise the ethical corporate management.</p> <p>2) The company stipulates strict codes of conduct and ethics in the "Personnel Rules" and "Work Rules", and clearly stipulates related rewards and punishments. All directors, managers, employees or persons with substantial control of the company are strictly prohibited from directly or indirectly providing, promising, requesting or accepting any illegal benefits, or engaging in any act that violates integrity, illegality or breach of fiduciary obligations, in order to prevent dishonest acts such as malpractice for personal benefits, embezzlement, accepting bribes, leaking secrets or false reports.</p> <p>3) For those engaged in business activities with low dishonesty risk, the company clearly stipulates in the "Personnel Rules" and "Work Rules" that they are not allowed to accept invitations from suppliers for banquets, nor to accept gifts or other benefits. Violators will be punished. The company also promotes the rotation of positions to prevent the occurrence of such malpractices.</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>
<p>2. Ethical Corporate Management:</p> <p>1) Does the company assess the integrity of its counterparties, and specify the term in the contracts it signs with them?</p>	<p>✓</p>		<p>1) The contracts signed by the company with external parties for business purposes all stipulate good faith clauses. In addition, the company also conducts integrity investigations on stakeholders such as customers and suppliers to avoid dishonest behaviors that may damage the company's rights and interests.</p>	<p>No significant difference</p>

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
2) Has the company set up a dedicated unit for promoting ethical corporate management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors about the policies and results of the implementation and supervision?	✓		<p>2) The Company’s Administration Department and Office of the President are responsible for promoting the operation of corporate integrity practices. Internal audit reports are submitted to the Board of Directors for review and are reported on a regular basis.</p> <p>The Company's implementation status of integrity management was reported to the Board of Directors on February 27, 2025.</p>	No significant difference
3) Does the company develop policies to prevent conflicts of interest, provide channels for explanation?	✓		<p>3) The company's "Rules and Procedures of Board of Directors Meetings" and "Code of Conduct and Ethics “ have a system for directors to avoid interests. Directors should uphold a high degree of self-discipline. If the proposal has an interest in the director himself or the legal person he represents, and if there is a risk of harming the interests of the company, the director shall not participate in the discussion and vote; the directors shall also be self-disciplined and shall not support each other.</p> <p>The company stipulates in the "Personnel Rules" that employees should strictly abide by the code of conduct and ethics for avoiding interests. Employees should take the initiative to report matters with moral doubts such as conflicts of interest. The company has also stipulated relevant non-competition clauses. An "Employee Suggestion Box" for employees to report about any illegal or improper behavior.</p>	No significant difference
4) Whether the company has established an effective accounting system and internal control system in order to implement ethical corporate management, and the internal audit unit has drawn up relevant audit plans based on the assessment, and use it to follow the compliance or entrust an accountant to audit it?	✓		<p>4) The company has established an effective and complete accounting and internal control system. With fully computerized operations, the computers are connected to each other to check and manage abnormal situations, if any; in addition, the company has also established an independent internal audit framework, and requires all departments of the company to regularly conduct business inspections based on the spirit of internal control.</p>	No significant difference

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
5) Does the company hold regular education and training on ethical corporate management?	✓		<p>5) The company upholds and continues to encourage directors and supervisors to participate in courses organized by the competent authority for the education and training focusing on ethical corporate management. In the future, it will be included in the education and training of directors and supervisors together with corporate governance.</p> <p>The implementation status for 2025 is as follows:</p> <p>Pre-employment training is conducted monthly for new hires, and orientation sessions on the implementation of integrity principles are held for existing employees, with course presentations provided for reference. In 2025, business ethics training courses were conducted for all employees, totaling 522 participants and 566 training hours.</p> <p>Educational sessions regarding the "Procedures for Handling Material Inside Information" and relevant regulations are conducted at least once a year for directors, managers, and employees. Integrity management policy and business ethics promotion courses are also held regularly. In 2025, "Management Business Ethics Training" and related courses were conducted for all supervisors at the section level and above, totaling 44 participants and 88 training hours.</p>	No significant difference
<p>3. Whistleblowing system:</p> <p>1) Has the company established a specific whistleblowing and reward system, established channels to facilitate whistleblowing, and assigned appropriate specialists to handle whistleblowers?</p> <p>2) Has the company established a Standard operating procedure for the investigation of the reported matter, the follow-up measures and treating the information learned during the course of an investigation confidential?</p> <p>3) Has the company adopted measures to properly protect the whistleblower?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>1) The Company has established an "Employee Suggestion Box" to provide employees with a channel for reporting any illegal activities or improper conduct. Relevant disciplinary measures for violations of integrity are stipulated in the "Personnel Management Regulations" and "Work Rules."</p> <p>2) The Company has formulated a "Grievance Policy," which defines the grievance handling procedures, the responsible units for accepting cases, and the process for addressing incidents, while ensuring compliance with personal data protection and strictly prohibiting any retaliatory actions against employees.</p> <p>3) The Company has implemented a confidentiality mechanism to protect whistleblowers and ensure that no adverse actions are taken against individuals as a result of their reporting. There are no significant differences between the Company's practices and the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>

Evaluation Criteria	Yes	No	Status Explanation	Deviations and Reasons
<p>4. Information disclosure: Does the company disclose its ethical corporate management and promote its effectiveness on its website and Market Observation Post System?</p>	✓		<p>The company discloses the information about the "Codes of Ethical Conduct" and " Ethical Corporate Management Best Practice Principles " on the company's website (<a href="http://www.chingfeng.com">http://www.chingfeng.com</a>) and Market Observation Post System (MOPS). There is no significant difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."</p>	<p>No significant difference</p>
<p>5. If the company has established its own code of ethical corporate management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the differences them:</p> <p>The Company has established its "Ethical Corporate Management Best Practice Principles" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." The Company's implementation of ethical corporate management is consistent with the established principles, with no deviations.</p>				
<p>6. Other important information that is helpful to understand the company's ethical corporate management and operation (such as the company's review and revision of its Ethical Corporate Management, etc.):</p> <p>In order to implement the Ethical Corporate Management policy, the company requires suppliers from all over the world who have business relations with the company to sign the "Manufacturer' s Commitment Letter". It is expected that all employees of the company and those who have cooperative relations with the company understand and respect the ethical standards of the company.</p> <p>The company maintains ongoing awareness initiatives and regularly publishes Legal and Intellectual Property e-newsletters to promote legal topics, ensuring that "Integrity" remains the fundamental core culture of the organization. Furthermore, the company conducts annual business ethics regulatory risk assessments, utilizing internal control systems to review business ethics management and to identify and update relevant business ethics regulations.</p> <p>Integrity management policies and regulations for preventing unethical conduct are announced internally on a regular basis. New employees are required to sign integrity and anti-corruption declarations and relevant contracts upon joining, with core guidelines promoted during orientation. Additionally, the importance of integrity is emphasized through periodic case studies of unethical behavior. In 2025, the total number of employee participants reached 832, with a cumulative training duration of 869 hours.</p>				

**If the company has developed Corporate Governance Best Practice Principles, it should disclose how to inquire:**

- 1) The company has developed:
  - (1) Rules of Procedures for Shareholders' Meetings
  - (2) Rules of Procedures for Board of Directors Meetings
  - (3) Method of Election of Directors
  - (4) Insider trading prevention management operating procedures
  - (5) Internal major information processing procedures
  - (6) Rules of ethical conduct
  - (7) Ethical Corporate Management
  - (8) Rules on Corporate Governance
  - (9) Procedures for Ethical Management and Guidelines for Conduct
  - (10) Rules of Practice for Sustainable Development
  - (11) Standard Operating Procedures for Handling Directors' Requests
  - (12) Self-evaluation or Peer-to-Peer evaluation of Board Directors
  - (13) Operating standards related to financial business between related parties
  - (14) Personal Data Protection Management Policy

2) How to inquire about the information:

Under the "Corporate Governance" on the company's website (<http://www.chingfeng.com>)  
Or on the Market Observation Post System (<http://mops.twse.com.tw>), click the "Rules for Establishing Corporate Governance" under "Corporate Governance".

**8. Other important information sufficient to enhance the understanding of the corporate governance may also be disclosed.**

1) The important information about the company is announced Market Observation Post System in accordance with the regulations of the competent authority.

2) Education and Training for Directors

Title	Name	Date Appointed	Date		Organizer	Course Name	Hours	Meet Requirement
			From	To				
Chairman	Hsu, Ming-Hsuan	2024/05/28	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	
Director	Hsu, Chun-Jan	2024/05/28	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	
Director	Lee Bang Shing Investment Represented by Chen, Chun-Chung.	2024/05/28	2025/07/22	2025/07/22	Taiwan Corporate Governance Association	Sustainability Promotion Seminar	3	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	
Director	Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	2024/05/28	2025/08/13	2025/08/13	Taiwan Corporate Governance Association	Mergers and Acquisitions – Practical Overview of Hostile Takeovers	6	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	
Independent Director	Yang, Wendy	2024/05/28	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	
Independent Director	Kuo, Ping-Chen	2024/05/28	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	

Title	Name	Date Appointed	Date		Organizer	Course Name	Hours	Meet Requirement
			From	To				
Independent Director	Kuan, Hsu-Chiang	2024/05/28	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/08/15	2025/08/15	Securities & Futures Institute	2025 Insider Trading Prevention Seminar	3	
			2025/11/11	2025/11/11	Taiwan Corporate Governance Association	Tax Considerations in Common Investment Structures in Southeast Asia	3	

### 3) Education and Training for Managers

Title	Name	Date Appointed	Date		Organizer	Course Name	Hours	Meet Requirement
			From	To				
Financial Accounting Supervisor and Chief Corporate Governance Officer	Chang, Chun-Ming	2023/05/11	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	Yes
			2025/09/26	2025/09/26	Securities & Futures Institute	2025 Insider Trading Prevention Awareness Seminar	3	
			2025/10/27	2025/10/27	Governance Professionals Institute of Taiwan	Governance of Related Party Transactions and Material Transactions	3	
			2025/11/11	2025/11/11	Taiwan Corporate Governance Association	Tax Considerations in Common Investment Structures in Southeast Asia	3	
Accounting Supervisor	Yen, Huei-Ru	2023/09/01	2025/06/26	2025/06/27	Accounting Research and Development Foundation	Advanced Continuing Education Course for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12	Yes
			2025/08/07	2025/08/07	Taiwan Corporate Governance Association	Global Regulatory Developments – Compliance Issues for Investments in the United States	3	
			2025/11/11	2025/11/11		Tax Considerations in Common Investment Structures in Southeast Asia	3	

### 4) Succession of members of the board of directors and major managers:

- (1) The company currently has a total of 7 directors (including 3 independent directors), all of them have business, financial accounting or business management expertise required by the company, and one of them is also a senior manager of the company and the subsidiaries. The composition of the future board of directors and the selection and appointment of members will continue to follow the current rule.

Regarding the succession of the board of directors, the Group currently has a number of senior management professionals, so the company has sufficient elites to take over the vacancies of directors in the future. As to independent directors, they are required to have work experience in business, legal affairs, finance, accounting or corporate governance according to the law. There is no shortage of such professionals in the country. Therefore, the company still plans to select and appoint independent directors from the academia and industry. In addition, at least one female director is designated. In addition to the knowledge and expertise of the company's future business strategy development direction, the board of directors also has experience and capabilities in accounting and taxation, finance, law, administrative management and production management. The Company shall comply with the qualification review and relevant regulations in the selection process of director candidates to ensure that when there is a vacancy in the number of directors or when there is a plan to increase the number of

directors, the suitable director candidates will be effectively identified and elected.

(2) Key management personnel

The company's employees above the deputy manager level are candidates for important management positions, and each of them has conducted a job description and designated an agent. In addition, according to the development strategy, investment plan and resignation of employees, key personnel are rotated, or sent to an overseas subsidiary for cultivation of global management personnel.

## **9. Internal Control**

1) Statement of Internal Control

Please refer to the Market Observation Post System (MOPS) (website: <https://mopsov.twse.com.tw>) → Individual Company → Corporate Governance → Company Rules/Internal Control → Internal Control System Statement Announcements.

2) Those who entrust an accountant to review the internal control system should disclose the accountant's review report: Not applicable.

**10. Legal penalties imposed on the company and its internal personnel, penalties imposed by the company on internal personnel for violations of internal control systems, major deficiencies, and subsequent improvements during the most recent fiscal year and up to the publication date of this annual report: None.**

**11. Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:**

1) Shareholders' Meeting

Date	Type	Important Resolutions																				
2025/05/21	Shareholders' Meeting	<p>1. 2024 annual operating report.</p> <p>2. The Audit Committee reviewed 2024 settlement report</p> <p>3. Approval of the compensation of employees and Directors for the year of 2024</p> <p>4. Report on Directors' Remuneration for 2024 The Board of Directors resolved on February 27, 2025, to allocate 1% of the 2024 net income, amounting to NT\$4,802,399, as directors' remuneration, which will be distributed on August 11, 2025.</p> <p>5. Distribution of Cash Dividends in 2024 The resolution of 2024 surplus distribution by the 2025 shareholders' meeting has been handled accordingly. The cash dividend was distributed on 07/14/2025. According to the shareholders and their holdings recorded in the shareholder list on the date of distribution, a cash dividend of NT\$1.8 per share was distributed, and a total of NT\$320,110,067 was distributed.</p> <p>6. Report on the Issuance of the Third Domestic Unsecured Convertible Corporate Bonds The Company issued its third series of domestic unsecured convertible corporate bonds on October 14, 2024, with a total issuance amount of NT\$300 million, for the purpose of repaying bank borrowings.</p> <p>7. Amendment to the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct".  In response to practical needs and regulatory requirements, the Company has revised certain provisions of its "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct."</p> <p>8. Approval of the 2024 annual operation report and financial statement</p> <table border="1" data-bbox="456 1400 1437 1541"> <thead> <tr> <th></th> <th>Yes/e-vote</th> <th>No/e-vote</th> <th>Invalid</th> <th>Abstain/Did not vote</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td>123,048,971 (14,323,217)</td> <td>19,712 (19,712)</td> <td>0</td> <td>7,970,338 (7,901,518)</td> </tr> </tbody> </table> <p>9. Approval of the Amendment to the "Articles of Incorporation"</p> <table border="1" data-bbox="456 1601 1437 1742"> <thead> <tr> <th></th> <th>Yes/e-vote</th> <th>No/e-vote</th> <th>Invalid</th> <th>Abstain/Did not vote</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td>123,085,739 (14,359,985)</td> <td>19,907 (19,907)</td> <td>0</td> <td>7,933,375 (7,864,555)</td> </tr> </tbody> </table>		Yes/e-vote	No/e-vote	Invalid	Abstain/Did not vote	Shares	123,048,971 (14,323,217)	19,712 (19,712)	0	7,970,338 (7,901,518)		Yes/e-vote	No/e-vote	Invalid	Abstain/Did not vote	Shares	123,085,739 (14,359,985)	19,907 (19,907)	0	7,933,375 (7,864,555)
	Yes/e-vote	No/e-vote	Invalid	Abstain/Did not vote																		
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Shares	123,085,739 (14,359,985)	19,907 (19,907)	0	7,933,375 (7,864,555)																		

## 2) Major Resolutions of Meetings of the Board of Directors

Date	Type	Major Resolutions
2025/01/16	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of 2024 Operating Plan and Budget</li> <li>2. Approval of the Evaluation of the Independence of the Company's Financial Report Certifying Accountants</li> <li>3. Approval of the amendment to the "Procedures for Seal Management."</li> <li>4. Approval of the change in the company's stock affairs agent.</li> </ol>
2025/02/27	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the 2024 Business Report and Financial Statements</li> <li>2. Approval of the 2024 Earnings Distribution Proposal</li> <li>3. Approval of the 2024 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement"</li> <li>4. Approval of the Amendment to the "Articles of Incorporation"</li> <li>5. Approval of Convening the 2025 Annual General Shareholders' Meeting</li> </ol>
2025/03/28	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the capital increase for Fu Vietnam Company Limited.</li> <li>2. Approval of the cancellation of the capital increase for Ching Feng Vietnam Company Limited.</li> </ol>
2025/05/08	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the Company's Financial Statements for the First Quarter of 2025</li> <li>2. Approval of the proposal to reclassify overdue accounts receivable as loans to others.</li> <li>3. Approval of the amendment to the "Property, Plant, and Equipment (PP&amp;E) Operating Cycle" within the Internal Control System.</li> </ol>
2025/05/26	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the authorization for the acquisition of office space in Xitun District, Taichung City.</li> <li>2. Approval of the proposed capital reduction to offset losses for PRAISE HOME INDUSTRY CO., LTD in Thailand.</li> <li>3. Approval of the investment restructuring and the authorization for capital reduction to offset losses for Grandtop Decorative Product (Zhenjiang) Co., Ltd.</li> </ol>
2025/08/07	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the Company's Financial Statements for the Second Quarter of 2025</li> <li>2. Approval of the capital increase for the overseas subsidiary, CHING FENG SINGAPORE PTE. LTD.</li> <li>3. Approval of the establishment of the "Procedures for Lending Funds to Others" for the subsidiary, CHING FENG SINGAPORE PTE. LTD.</li> <li>4. Approval of the loan to the overseas subsidiary, Fu Vietnam Company Limited.</li> <li>5. Approval of the acquisition of equity in Y&amp;Y ADVANCED MATERIAL PTE. LTD.</li> <li>6. Approval of the treasury stock repurchase for the purpose of transferring shares to employees, and discussion of the "2025 Measures for Transferring Repurchased Shares to Employees."</li> <li>7. Approval of the 2024 Sustainability Report.</li> </ol>
2025/11/11	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the Company's Financial Statements for the Third Quarter of 2025</li> <li>2. Approval of the amendment to the "Procedures for the Issuance and Conversion of the Third Domestic Unsecured Convertible Bonds."</li> <li>3. Approval of the amendment to the "Rules of Procedure for Board of Directors Meetings."</li> <li>4. Approval of the establishment of the "Corporate Value Enhancement Plan."</li> <li>5. Approval of the land lease from a related party.</li> <li>6. Approval of the capital increase by the overseas subsidiary, All Strong Industry INC., for the subsidiary, REGAL ESTATE (USA) INC.</li> <li>7. Approval of the land purchase in Vietnam by the overseas subsidiary, Ching Feng Vietnam Company Limited.</li> <li>8. Approval of the Audit Plan for 2026</li> <li>9. Approval of the establishment of the Sustainability Committee under the Board of Directors and the "Organizational Charter of the Sustainability Committee."</li> <li>10. Approval of the amendment to the "Sustainable Development Best Practice Principles."</li> <li>11. Approval of the authorization for the land acquisition in Longfu Section, Xitun District, Taichung City.</li> </ol>
2026/01/26	Board of Directors	<ol style="list-style-type: none"> <li>1. Approval of the Company's Business Plan and Budget for 2026</li> <li>2. Approval of the Independence Assessment of the Certified Public Accountants Responsible for the Company's Financial Report Certification</li> </ol>

Date	Type	Major Resolutions
		3. Approval of the change of certified public accountants and the appointment and remuneration of certified public accountants for the fiscal years 2026 to 2028. 4. Approval of the Amendment to the " Articles of Incorporation " 5. Approval of Convening the 2026 Annual General Shareholders' Meeting 6. Approval of the NT\$1.825 billion syndicated loan agreement, lead-managed and organized by Bank SinoPac.
2026/03/11	Board of Directors	1. Approval of the Company's 2025 Business Report and Financial Statements 2. Approval of the 2025 Earnings Distribution Proposal 3. Approval of the 2025 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement"

As of the date of publication of the financial report, for resolutions of the Board of Directors, there are members who have different opinions and there are records or written statements: None.

### ITEM 3 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

#### 1. Accountant Fees

Unit: NT\$1,000

Accounting Firm	Name of Accountant	Period of Audit	Audit Fees	Non-Audit Fees	Total	Note
KPMG Taiwan	Chuang, Chun-Wei	2025.01.01 ~ 2025.12.31	6,473	2,018	8,491	
	Yu, Chi-Lung					

**Note:** Non-audit fees amounted to NT\$2,018 thousand, which include tax certification fees of NT\$550 thousand, group master file and transfer pricing report fees of NT\$1,095 thousand, and business registration fees of NT\$337 thousand.

**2. Non-audit service fees paid to the accountants, the firm to which the accountant belongs, and its subsidiary account for more than a quarter of the audit fees: None**

**3. Change the accounting firm, and the audit fee paid after the change is less than that of the year before change: None.**

**4. If the audit fee has decreased by more than 10% compared with the previous year, the amount, proportion and reason for the decrease shall be disclosed: there is no such case.**

**ITEM 4—CHANGE OF ACCOUNTANT : Not Applicable.**

**ITEM 5 - IF THE PRESIDENT, GENERAL MANAGER, O MANAGER IN CHARGE OF FINANCE OR ACCOUNTING OF THE COMPANY THAT HAS WORKED IN THE ACCOUNTING FIRM OR ITS AFFILIATED COMPANIES WITHIN THE PAST YEAR, THEN THEIR NAME, TITLE, AND PERIOD WHILE WORKING WITH THE ACCOUNTING FIRM OR ITS AFFILIATED COMPANY MUST BE DISCLOSED: None.**

**ITEM 6- IN THE MOST RECENT YEAR AND AS OF THE DATE OF PUBLICATION OF THE ANNUAL REPORT, CHANGES IN SHARE TRANSFERS AND PLEDGES OF DIRECTORS, MANAGERS, AND SHAREHOLDERS WHO HOLD MORE THAN 10% OF THE SHARES OF THE COMPANY:**

**1. Changes in share transfers and pledges of directors, managers, and shareholders who hold more than 10% of the shares of the company:**

Position	Name	2025		As of March 23, 2026	
		Shares Increased (Decreased)	Pledged Shares Increased (Decreased)	Shares Increased (Decreased)	Pledged Shares Increased (Decreased)
Chairman	Hsu, Ming-Hsuan	1,000	--	--	--
Director and President	Hsu, Chun-Jan	--	--	--	--
Director	Lee Bang Shing Investment	--	600,000	--	--
	Chen, Chun-Chung	--	--	--	--
Director	Jichen Investment Co., Ltd.	--	150,000	--	500,000
	Yang, Jen-Kai	--	--	--	--
Independent Director	Yang, Wendy (Note 1)	--	--	--	--
Independent Director	Kuo, Ping-Chen (Note 1)	--	--	--	--
Independent Director	Kuan, Hsu-Chiang (Note 1)	--	--	--	--
Deputy General Manager	Chen, Po-Hung	74,000	--	--	--
Deputy General Manager and Director of R&D	Wang, Tun-Cheng	--	--	--	--
Deputy General Manager and Financial Accounting Supervisor and Chief Corporate Governance Office	Chang, Chun-Ming	--	--	--	--
Assistant Manager	Chang, Chih-Ming	--	--	--	--
Assistant Manager	Lai, Hsin-Chieh (Note 1)	--	--	--	--
Accounting Supervisor	Yen, Huei-Ru	--	--	--	--

Note 1: The Assistant Manager Lai, Hsin-Chieh resigned in May 2025.

**2. The relative parties involved in equity transfer or equity pledge.**

(1) Share Transfer: None

(2) Pledge of Shares: None

**ITEM 7 - THE RELATIONSHIP AMONG TOP TEN SHAREHOLDERS**

Unit: Share/%

No	Name	Shares		Shares held by spouse and minor children		Holding shares in the name of others		Top ten shareholders are related parties designated by SFAS No. 6, or spouses or relatives within 2 generations.		Note
		Shares	%	Shares	%	Shares	%	Name	Relationship	
1	Hsu, Ming-Husan	8,997,439	5.06	629,753	0.35	4,641,428	2.61	Hsu, Pei-Hsiang Hung, Yi-Ching Hsu, Chun-Jan	Father & Son Mother & Son Brothers	--
2	Hung, Yi-Ching	7,125,072	4.01	6,665,543	3.75	--	--	Hsu, Pei-Hsiang Hsu, Ming-Hsuan Hsu, Chun-Jan	Husband & Wife Mother & Son Mother & Son	--
3	Hsu, Pei-Hsiang	6,665,543	3.75	7,125,072	4.01	--	--	Hung, Yi-Ching Hsu, Ming-Jan Hsu, Chun-Jan	Husband & Wife Father & Son Father & Son	--
4	Hsu, Chun-Jan	6,548,500	3.68	191,411	0.11	3,362,844	1.89	Hsu, Pei-Hsiang Hung, Yi-Ching Hsu, Ming-Husan	Father & Son Mother & Son Brothers	--
5	Hao Tang Investment Co., Ltd.	5,919,729	3.33	--	--	--	--	Hsu, Chun-Jan	The spouse is the person in charge	--
6	Chen, Shu-fen	4,867,329	2.74	--	--	--	--	--	--	--
7	Capital Securities Corp. is entrusted with the custody of the investment account of Ever-Long Securities Co., Ltd.	4,416,545	2.48	--	--	--	--	--	--	--
8	Lee Bang Shing Investment Co.	4,085,102	2.30	--	--	--	--	Hsu, Ming-Hsuan	The spouse is the person in charge	--
9	De Bee Investment Co., Ltd.	3,533,420	1.99	--	--	--	--	--	--	--
10	Jichen Investment Co., Ltd.	3,362,844	1.89	--	--	--	--	Hsu, Chun-Jan	The spouse is the person in charge	--

**ITEM 8- THE SHARES OF THE SAME RE-INVESTMENT BUSINESS OF THE BUSINESS DIRECTLY OR INDIRECTLY CONTROLLED BY THE COMPANY, ITS DIRECTORS AND MANAGERS, AND ITS COMBINED COMPREHENSIVE SHAREHOLDING RATIO:**

Unit: Share/NT\$

Business Name (Note)	The Company		Directly or Indirectly Controlled by Directors, Managers,		Shares	
	Shares	%	Shares	%	Shares	%
All Strong Industry In.	65	100%			65	100%
Lamae' Global Home Fashion Co., Ltd	35,525	100%			35,525	100%
Sincere Capital Limited	13,084	100%			13,084	100%
Praise Home Industry Co., Ltd.	1,750	100%			1,750	100%
Ching Feng Vietnam Company Limited	Note 1	100%			Note 1	100%
Fu Yue Window Decoration Co., Ltd.	Note 1	100%			Note 1	100%
Ching Feng Singapore Pte. Ltd.	3,000 Note 1&2	100%			3,000 Note 1&2	100%
Fu Vietnam Company Limited.	Note 1&3	64.71%	Note 1&3	35.29%	Note 1&3	100%
New Nice Home Fashion L.L.C			24,655	100%	24,655	100%
Sun Ocean Investment Ltd.			13,473	100%	13,473	100%
Sun Ocean Vietnam Co., Ltd.			Note 1	100%	Note 1	100%
Grandtop Decorative Product (Zhenjing) Co., Ltd.			Note 1	100%	Note 1	100%
Fu Yue Window Decoration Technology (Zhenjing)			Note 1	100%	Note 1	100%
REGAL ESTATE (USA) INC.			400	100%	400	100%

Note 1: The invested company is a limited company.

Note 2: Ching Feng Singapore Pte. Ltd. (hereinafter "Ching Feng SG") completed its incorporation registration in April 2024. In August 2025, it injected capital of NT\$87,420 thousand (USD 3,000 thousand), achieving 100% ownership, and all statutory procedures for the capital increase have been completed.

Note 3: In November 2025, Ching Feng SG remitted USD 3,000 thousand to invest in Fu Vietnam Company Limited. (hereinafter "Fu Vietnam"). The Company did not participate in this cash capital increase of Fu Vietnam; as a result, post-investment, the Company and Ching Feng SG hold 64.71% and 35.29% of Fu Vietnam's equity, respectively.

**ITEM 9 - "OPERATIONAL PROCEDURES OF INTERNAL MATERIAL INFORMATION"**

In the company's internal control system, there are "Procedures for Preventing Insider Trading" and "Operational Procedures of Internal Material Information". Both procedures are announced on the Company's website for full compliance.

# PART III - FUND RAISING AND FUND UTILIZATION PLAN AND IMPLEMENTATION

## ITEM 1 - SHARE CAPITAL AND SHARES

### 1. Source of Share Capital

#### 1) Formation of Share Capital

Unit: Share/NT\$

Year/ Month	Issue Price (NT\$)	Approved Share Capital		Paid-in Share Capital		Note			
		Shares	Amount	Shares	Amount	Source of Share Capital		Property Other Than Cash	Others
						Cash Capital Others Increase	Turn Surplus into Capital Increase		
66.03	1,000	1,000	1,000,000	1,000	1,000,000	1,000,000	----	None	
73.02	1,000	6,000	6,000,000	6,000	6,000,000	5,000,000	----	None	
76.10	1,000	2,960,000	29,600,000	2,960,000	29,600,000	23,600,000	----	None	
77.11	10	13,960,000	139,600,000	13,960,000	139,600,000	110,000,000	----	None	
78.10	10	17,000,000	170,000,000	17,000,000	170,000,000	30,400,000	----	None	
78.12	10	19,900,000	199,000,000	19,900,000	199,000,000	29,000,000	----	None	
80.09	10	22,885,000	228,850,000	22,885,000	228,850,000	----	29,850,000	None	Note 1
81.11	10	30,372,525	303,725,250	30,372,525	303,725,250	60,000,000	14,875,250	None	Note 2
82.07	10	34,017,228	340,172,280	34,017,228	340,172,280	----	36,447,030	None	Note 3
83.07	10	39,119,812	391,198,120	39,119,812	391,198,120	----	51,025,840	None	Note 4
84.01	10	44,118,455	441,184,550	44,118,455	441,184,550	49,986,430	----	None	Note 5
85.12	10	50,000,000	500,000,000	50,000,000	500,000,000	----	58,815,450	None	Note 6
86.08	10	52,500,000	525,000,000	52,500,000	525,000,000	----	25,000,000	None	Note 7
87.07	10	56,175,000	561,750,000	56,175,000	561,750,000	----	36,750,000	None	Note 8
88.06	10	100,000,000	1,000,000,000	68,049,636	680,496,360	90,000,000	28,746,360	None	Note 9
89.07	10	100,000,000	1,000,000,000	75,000,000	750,000,000	----	69,503,640	None	Note 10
90.08	10	100,000,000	1,000,000,000	78,750,000	787,500,000	----	37,500,000	None	Note 11
91.09	10	100,000,000	1,000,000,000	81,200,000	812,000,000	----	24,500,000	None	Note 12
91.10	10	100,000,000	1,000,000,000	99,950,000	999,500,000	187,500,000	----	None	Note 13
92.10	10	190,000,000	1,900,000,000	107,488,500	1,074,885,000	----	75,385,000	None	Note 14
93.05	10	190,000,000	1,900,000,000	108,823,813	1,088,238,130	----	----	None	Note 15
93.07	10	190,000,000	1,900,000,000	118,012,999	1,180,012,990	----	91,774,860	None	Note 16
94.06	10	190,000,000	1,900,000,000	139,798,193	1,397,981,930	----	217,968,940	None	Note 17
95.01	10	190,000,000	1,900,000,000	143,183,205	1,431,832,050	----	----	None	Note 18
95.07	10	190,000,000	1,900,000,000	146,018,109	1,460,181,090	----	28,349,040	None	Note 19
96.07	10	190,000,000	1,900,000,000	148,909,711	1,489,097,110	----	28,916,020	None	Note 20
96.10	10	190,000,000	1,900,000,000	147,471,711	1,474,717,110	----	----	None	Note 21
96.11	10	190,000,000	1,900,000,000	172,471,711	1,724,717,110	250,000,000	----	None	Note 22

Year/ Month	Issue Price (NT\$)	Approved Share Capital		Paid-in Share Capital		Note			
		Shares	Amount	Shares	Amount	Source of Share Capital		Property Other Than Cash	Others
						Cash Capital Others Increase	Turn Surplus into Capital Increase		
97.07	10	190,000,000	1,900,000,000	179,009,816	1,790,098,160	----	65,381,050	None	Note 23
100.10	10	300,000,000	3,000,000,000	119,009,816	1,190,098,160	(600,000,000)	----	None	Note 24
103.01	10	300,000,000	3,000,000,000	130,100,725	1,301,007,250	61,000,000	----	None	Note 25
103.12	10	300,000,000	3,000,000,000	140,304,807	1,403,048,070	80,000,000	----	None	Note 26
104.12	10	300,000,000	3,000,000,000	153,623,342	1,536,233,420	120,000,000	----	None	Note 27
107.07	10	300,000,000	3,000,000,000	169,623,342	1,696,233,420	160,000,000	----	None	Note 28
112.10	10	300,000,000	3,000,000,000	173,838,926	1,738,389,260	----	42,155,840	None	Note 29
113.11	10	300,000,000	3,000,000,000	177,838,926	1,778,389,260	40,000,000	----	None	Note 30

Note 1: Surplus capital increase: NT\$29,850,000. Approved by the Official Letter No. (80)Tai-Tsai-Cheng(1)-Tzu-02745 dated September 14, 1991 from the Security Supervisory Committee, Ministry of Finance.

Note 2: Cash capital increase: NT\$60,000,000, Surplus capital increase: NT\$14,875,250. Approved by the Official Letter No. (81)Tai-Tsai-Cheng(1)-Tzu- dated November 10, 1992 from the Security Supervisory Committee, Ministry of Finance.

Note 3: Surplus capital increase: NT\$36,447,030. Approved by the Official Letter No. (82)Tai-Tsai-Cheng(1)-Tzu-01623 dated July 5, 1983 from the Security Supervisory Committee, Ministry of Finance.

Note 4: Surplus capital increase: NT\$51,025,840. Approved by the Official Letter No. (83)Tai-Tsai-Cheng(1)-Tzu-31883 dated July 21, 1994 from the Security Supervisory Committee, Ministry of Finance

Note 5: Cash capital increase: NT\$49,986,430. Approved by the Official Letter No. (83)Tai-Tsai-Cheng(1)-Tzu-43278 dated October 24, 1994 from the Security Supervisory Committee, Ministry of Finance.

Note 6: Surplus capital increase: NT\$58,815,450. Approved by the Official Letter No. (85)Tai-Tsai-Cheng(1)-Tzu-69627 dated December 3, 1996 from the Security Supervisory Committee, Ministry of Finance.

Note 7: Surplus capital increase: NT\$25,000,000. Approved by the Official Letter No. (86)Tai-Tsai-Cheng(1)-Tzu-66558 dated August 22, 1997 from the Security Supervisory Committee, Ministry of Finance.

Note 8: Surplus capital increase: NT\$36,750,000. Approved by the Official Letter No. (87)Tai-Tsai-Cheng(1)-Tzu-58984 dated July 9, 1998 from the Security and Futures Committee, Ministry of Finance.

Note 9: Cash capital increase: NT\$90,000,000, Surplus capital increase: NT\$28,746,360. Approved by the Official Letter No. (88)Tai-Tsai-Cheng(1)-Tzu-54902 dated June 23, 1999 from the Security and Futures Committee, Ministry of Finance.

Note 10: Surplus capital increase: NT\$69,503,640. Approved by the Official Letter No. (89)Tai-Tsai-Cheng(1)-Tzu-59293 dated July 17, 2000 from the Security and Futures Committee, Ministry of Finance.

Note 11: Surplus capital increase: NT\$37,500,000. Approved by the Official Letter No. (90)Tai-Tsai-Cheng(1)-Tzu-160451 dated August 28, 2001 from the Security and Futures Committee, Ministry of Finance.

Note 12: Surplus capital increase: NT\$24,500,000. Approved by the Official Letter No. (91)Tai-Tsai-Cheng(1)-Tzu-091015775 dated September 25, 2002 from the Security and Futures Committee, Ministry of Finance.

Note 13: Cash capital increase: NT\$187,500,000. Approved by the Official Letter No. (91)Tai-Tsai-Cheng(1)-Tzu-0910157905 dated October 28, 2002 from the Security and Futures Committee, Ministry of Finance.

Note 14: Surplus capital increase: NT\$75,385,000. Approved by the Official Letter No. (92)Tai-Tsai-Cheng(1)-Tzu-0920147195 dated October 7, 2003 from the Security and Futures Committee, Ministry of Finance.

Note 15: Convertible bonds into ordinary shares: 1,335,313 shares.

Note 16: Surplus capital increase: NT\$91,774,860. Approved by the Official Letter No. (92)Tai-Tsai-Cheng(1)-Tzu-0930129792 dated July 6, 2004 from the Security and Futures Committee, Ministry of Finance.

Note 17: Surplus capital increase: NT\$217,968,940. Approved by the Official Letter No. Chin-Kuan-Cheng(1)-Tzu- 0940122031 dated June 1, 2005 from Financial Supervisory Committee, Taiwan.

Note 18: Convertible bonds into ordinary shares: 3,385,012 shares.

Note 19: Surplus capital increase: NT\$28,349,040. Approved by the Official Letter No. Chin-Kuan-Cheng(1)-Tzu-0950131978 dated July 21, 2006 from Financial Supervisory Committee, Taiwan.

Note 20: Surplus capital increase: NT\$28,916,020. Approved by the Official Letter No. Chin-Kuan-Cheng(1)-Tzu-0960035863 dated July 11, 2007 from Financial Supervisory Committee, Taiwan.

Note 21: Cancellation of repurchases of common stock: 1,438,000 shares. Approved by the Official Letter No. Chin-Kuan-Cheng(3)-Tzu-0930146690 from Financial Supervisory Committee, Taiwan.

Note 22: Cash Capital Increase, Private Placement of Common Stock: 250,000,000. Approved by the Official Letter No. Chin-Shou-Shang-Tzu-096012 dated November 30, 2007 from the Ministry of Economics.

Note 23: Surplus capital increase: NT\$56,381,050 & Number of shares allotted to shareholders of privately placed securities: NT\$9,000,000, Total NT\$65,381,050. Approved by the Official Letter No. Chin-Kuan-Cheng(1)-Tzu-0970035162 dated

November 4, 2008 from Financial Supervisory Committee, Taiwan.

Note 24: Write-off of common stock for capital reduction: 51,620,571 shares, par value per share: NT\$10, Total NT\$516,205,710; Number of shares canceled by shareholders of privately placed securities, common stock: 8,379,429 shares, total 60,000,000 shares. The shares were reduced to 119,009,816 shares from 179,009,816 shares. Approved by the Official Letter No. Chin-Kuan-Cheng-Fa-Tzu-1000046842 dated October 6, 2011 from Financial Supervisory Committee, Taiwan.

Note 25: Cash capital increase by private placement: NT\$61,000,000, Common stock: 11,090,909 shares, Approved by the Official Letter No. Chin-Shou-Shang-Tzu-10301009350 dated January 16, 2004 from the Ministry of Economics.

Note 26: Cash capital increase by private placement: NT\$80,000,000, common stock: 10,204,082 shares, Approved by the Official Letter No. Chin-Shou-Shang-Tzu-10301272770 dated January 28, 2015 from the Ministry of Economics.

Note 27: Cash capital increase by private placement: NT\$120,000,000, Common stock: 13,318,535 shares, Approved by the Official Letter No. Chin-Shou-Shang-Tzu-1040128026 dated December 11, 2015 from the Ministry of Economics.

Note 28: Cash capital increase: NT\$160,000,000. Approved by the Official Letter No. Chin-Kuan-Fa-Tzu-1070323275 dated July 16, 2008 from Securities and Futures Committee, Ministry of Finance.

Note 29: Surplus capital increase: NT\$28,916,020 NT\$42,155,840. Chin-Shou-Shang-Tzu-11230188740 dated October 23, 2023 from the Ministry of Economics.

Note 30: Cash capital increase: NT\$40,000,000. Chin-Shou-Shang-Tzu-11230188740 dated November 26, 2024 from the Ministry of Economics.

## 2) Types of Stock:

March 23, 2026 Unit: Share

Type of Stock	Authorized Share Capital			Note
	Shares Outstanding	Unissued shares	Total	
Registered Common Stocks	177,838,926	122,161,074	300,000,000	--

3) Information about shelf registration: None

## 2. Structure of Shareholders:

March 23, 2026

Structure	Government Agencies	Financial Institutions	Other Corporate Shareholders	Foreign Institutions & Foreigners	Personal	Total
No.	0	1	265	82	57,897	58,245
Shares Held	0	1,300,000	36,703,238	10,371,485	129,464,203	177,838,926
%	0.00%	0.73%	20.64%	5.83%	72.80%	100.00%

## 3. List of Main Shareholders

March 23, 2026

Name	Shares	Shares	%
Hsu, Ming-Hsuan		8,997,439	5.06%
Hung, Yi-Ching		7,125,072	4.01%
Hsu, Pei-Hsiang		6,665,543	3.75%
Hsu, Chun-Jan		6,548,500	3.68%
Hao Tang Investment Co., Ltd.		5,919,729	3.33%
Chen, Shu-fen		4,867,329	2.74%
Capital Securities Corp. is entrusted with the custody of the investment account of Ever-Long Securities Co., Ltd.		4,416,545	2.48%
Lee Bang Shing Investment Co.		4,085,102	2.30%
De Bee Investment Co., Ltd.		3,533,420	1.99%
Jichen Investment Co., Ltd.		3,362,844	1.89%

#### 4. Dividend Policy

##### 1) Dividend policy stipulated in the Articles of Incorporation

The company distributes employee compensation based on no less than 2% of the current year's profit and no more than 3% as compensation for directors and supervisors. However, if the company still has accumulated losses, losses shall be covered first.

Of the employee compensation amount referred to in the preceding paragraph, no less than 40% shall be allocated to non-managerial employees. The compensation of employees referred to in the preceding paragraph may be in stock or cash, and the recipients of the stock or cash payment include employees of affiliated companies who meet certain conditions. The proposal should be resolved by the board of directors with more than two-thirds of the directors present and a resolution approved by more than half of the directors' present. The resolution will be reported at the shareholders' meeting.

The company's annual profit as mentioned in the first paragraph refers to the current year's profit before tax before deducting the compensation to employees and directors and supervisors. If the company has a surplus in the annual settlement, it should first cover losses of previous years.

If there is still a surplus, after 10% of the legal reserve, and another sum as special reserve are set aside, together with the unappropriated surplus at the beginning of the period, and the adjusted amount of the unappropriated surplus of the current year, such surplus will be the surplus available for appropriation, but a part of it may be retained depending on the situation of the company, and the Board of Directors shall prepare a proposal for surplus distribution and submit it to the shareholders' meeting for approval.

Ching Feng Home Fashions Co., Ltd. is a traditional manufacturing factory with its life cycle in the "growth period". Taking into consideration of the working capital needs and the protection of shareholders' rights and interests, every year, no less than 10% of the distributable surplus is appropriated to distribute shareholder dividends. However, when the accumulated distributable surplus is lower than 10% of the paid-in share capital, no distribution will be allowed. The company adopts part of cash dividends and part of stock dividends for surplus appropriation. The ratio of cash dividends shall not be lower than 20% of the total dividends to be distributed. The ratio depends on the company's latest debt ratio, quick ratio and cash flow, and shall be proposed by the Board of Directors.

##### 2) Dividend distribution proposed at the shareholders' meeting

Unit: NT\$

<b>Sources</b>	
Retained earnings at the beginning of the year	466,195,918
Add: Net profit after tax for the year	289,736,563
<b>Earnings available for distribution</b>	<b>755,932,481</b>
<b>Appropriation</b>	
Less: Legal reserve (10%)	28,973,656
Less: Special Surplus Reserve	108,660,511
Cumulative distributable earnings by the end of 2025	618,298,314
<b>Distribution items:</b>	
Less: Cash dividends paid to shareholders (NT\$1.2/share)	211,009,112
Retained earnings on December 31, 2025	407,289,202

The Company plans to allocate NT\$ 211,009,112 from the distributable earnings. Cash dividends will be paid up to NT\$1.00. Based on the shareholders recorded in the shareholder register on the record date and the total outstanding shares of 177,838,926, after deducting 1,998,000 treasury shares, the total outstanding shares eligible for dividend distribution are 175,840,926. Accordingly, a cash dividend of NT\$1.2 per share will be distributed.

3) If a material change in dividend policy is expected, provide an explanation: No material changes in dividend policy.

**5. The Impact of the Proposed Issuance of Bonus Shares This Year on the Company's Operating and Earnings per Share:**

It is not applicable because the proposed profit distribution for this year does not include the issuance of bonus shares.

**6. Compensation to Employees and Directors**

- 1) Depending on the profit of the year, the company shall allocate no less than 2% for the compensation of employees, and no more than 3% for directors. At least 40% of the aforementioned total amount of employee compensation shall be allocated to non-executive employees.
- 2) Estimated compensation for employees and directors for the year:
  - (1) Basis of estimation: The amount of compensation estimated for employees, directors and supervisors are based on the current net profit up to the current year, and the percentage stipulated in the articles of incorporation and with reference to the percentage paid in the past.
  - (2) Basis of calculation of the number of shares for distribution of stock compensation: Not applicable.
  - (3) There is no difference between the actual distribution and the estimated amount.
- 3) Distribution of compensation approved by the Board of Directors:
  - (1) Amount of compensation for employees and directors in cash or shares:
    - A: Cash to employees: NT\$5,412 thousand
    - B: Stock to Employees: NT\$0 thousand
    - C: Amount of compensation for directors: NT\$2,706 thousand
    - D: There is no difference from the estimated amount.
  - (2) The amount of compensation to employees distributed by stock and its proportion to the total after-tax net profit and total compensation to employees in the consolidated or individual financial report of the current period: Not applicable.
  - (3) Earnings per share after the proposed distribution of compensation to employees, director and supervisors: Not applicable
- 4) The actual distribution of compensation to employees and directors in the previous year:
  - (1) Cash to employees: NT\$9,605 thousand
  - (2) Stock to Employees: NT\$0 thousand
  - (3) Amount of compensation for directors: NT\$4,802 thousand
  - (4) There is no difference from the estimated amount.

**7. Status of Treasury Stock Repurchase**

Repurchase period	The 1st repurchase of 2025
Purpose of repurchase	To transfer of shares to employees.
Timeframe of repurchase	2025/08/08~2025/10/07
Price range	NT\$ 20.61
Type and number of shares repurchased	Common stocks 1,998,000 Shares
Total value of shares repurchased	NT\$ 41,185,944
Shares of repurchased as a percentage of total shares to be repurchased (%)	99.90%
Shares sold/transferred	0 Shares

Accumulated number of company shares held	1,998,000 Shares
Percentage of total company shares held (%)	1.12%

## ITEM 2 - CORPORATE BONDS:

Type of corporate bonds	3 <sup>rd</sup> domestic unsecured ordinary corporate bonds	
Issue Date	October 14, 2024	
Face value	NT\$1,000,000	
Place of Issue and Trading	Issued within the Republic of China and listed on the Over-the-Counter (OTC) Market	
Issuing price	Issued at 100.5% of face value	
Total amount	NT\$300,000,000	
Interest rate	0%	
Maturity	3-year due on 2027.10.14	
Guarantee Institution	None	
Trustee	KGI Commercial Bank, Ltd.	
Consignee	KGI Securities Co., Ltd.	
Certified Lawyer	Not applicable	
Attesting CPA	Not applicable	
Repayment Methods	Except for cases where bondholders convert to the Company's common stock under Article 10 of this Policy, exercise the put option under Article 19 of this Policy, or the Company redeems the bonds in advance under Article 18 of this Policy, or the Company repurchases and cancels the bonds through a securities firm's business location, the Company will repay the bonds in cash in one lump sum at the face value of the bonds within ten business days (including the 10th business day) starting from the day after the maturity date of the convertible bonds. If the aforementioned date falls on a non-business day of the Taipei Exchange (TPEX), the deadline will be extended to the next business day.	
Outstanding amount to be repaid	NT\$300,000,000	
Clause on redemption or earlier redemption	None	
Restrictive clause	None	
Name of the credit rating agency, rating date, and rating results	Not applicable	
Other equity attached	Amount of common stock, foreign depositary receipts or other marketable securities converted (exchanged or subscribed)	As of March 31, 2026, no common shares have been converted, and the amount is NT\$0.
Rules for issuing and conversion (either by exchange or purchase)	Refer to the Company's Issuance of 3 <sup>rd</sup> domestic unsecured ordinary corporate bonds and Conversion Guidelines.	

Type of corporate bonds	3 <sup>rd</sup> domestic unsecured ordinary corporate bonds
Possible dilution of shareholdings and impact on existing shareholders' equity	Based on the current outstanding balance and conversion price, if all the convertible bonds are converted into common shares, the Company would need to issue an additional 8,620,689 common shares, resulting in a dilution rate of 4.85%. Furthermore, the coupon rate of the convertible bonds issued in this round is 0%, which allows the Company to secure low-cost funding, reduce interest expenses, and the conversion price is set with a premium based on the reference market price of the common shares. Therefore, the impact on shareholders' equity is limited.
Custody Agency Name for the Exchange Target	Not applicable

### **Convertible Bonds**

Type of corporate bonds		3 <sup>rd</sup> domestic unsecured ordinary corporate bonds		
Year		2024	2025	The current year up to March 31, 2026
Market price of convertible bonds	Highest	111.00	114.00	99.10
	Lowest	102.30	92.75	96.10
	Average	107.40	101.11	96.89
Conversion price		From October 14, 2024 to November 7, 2024, the conversion price was 34.9. Starting from November 8, 2024, the conversion price is 34.8.	Starting from July 8, 2025, the conversion price is 32.2.	Starting from July 8, 2025, the conversion price is 32.2.
Date of issuance (process) and conversion price at the time of issuance		Issue Date: October 14, 2024 Conversion price at issuance: NT\$34.9		
Method of performing the conversion obligation		Issuance of new shares		

Note: The data for the current year should be filled in up to the date of the annual report's printing.

**ITEM 3 - SPECIAL SHARES WITH WARRANTS: None**

**ITEM 4 - SPECIAL SHARES: None**

**ITEM 5 - OVERSEAS DEPOSITARY RECEIPTS: None**

**ITEM 6 - EMPLOYEE STOCK OPTION CERTIFICATE: None**

**ITEM 7 - MERGERS AND ACQUISITIONS OR TRANSFER OF SHARES OF OTHER COMPANIES TO ISSUE NEW SHARES AND MATTERS TO BE DISCLOSED: None**

**ITEM 8 - EXECUTION OF FUNDS UTILIZATION PLAN**

The Company has not issued any securities that are either still pending completion or, within the past three years, have been completed but whose planned benefits have not yet materialized.

# PART IV OPERATIONAL REVIEW

## ITEM 1 – BUSINESS OF THE COMPANY

### 1. Scope

#### 1) Content of business

The company manufactures three home decorative products including blinds, shades and bedding as well as the manufacture and sale of their ancillary spare parts

#### 2) Current products and proportions:

Products	Proportion in 2025
Blinds and Shades	86.47
Home textiles	12.72
Others	0.81
Total	100.00

#### 3) Use of products

Item	Products	Description
1	1. Plastic venetian blinds	Block out light and improve privacy. Blinds can tilt, close fully or open to let in the right amount of light into your room to reveal natural light when wanted. Easy to be incorporated into home decor and interior design.
	2. Aluminum venetian blinds	
	3. Faux wood blinds	
	4. Vertical blinds	
	5. Horizontal blinds	
2	1. Roman shades	In addition to those functions of a traditional curtain, they are made of environmentally friendly materials for extra safety and added durability, and offering style and elegance to attractively accent every window in the home.
	2. Cellular shades	
	3. Pleated shades	
	4. Roller shades	
3	1. Blankets	They make a practical addition to your home while saturate your space with beautiful tones and texture.
	2. Non-woven fabric	

#### 4) New products under development

##### (1) Functional Expansion of Blinds and Shades

In response to the North American market's emphasis on child home safety and the evolving regulatory trends for window covering safety, the Company will continue to drive the development of cordless products, including cordless blinds, cordless Roman shades, and cordless honeycomb shades. Furthermore, the Company is extending its cordless technology to motorized blinds and expanding the "No Drill" window covering product line to enhance product safety, convenience, and market competitiveness.

##### (2) Cost Reduction and Functional Enhancement of Blinds and Shades

The Company will continue to introduce automated production equipment to gradually reduce the proportion of labor-intensive operations, thereby lowering personnel and direct labor costs while improving production efficiency, process stability, and product quality. Concurrently, through material optimization, structural improvement, and functional integration, the Company aims to increase the value-added of its blinds and shades and strengthen market differentiation and competitive advantages.

##### (3) Development of Blinds and Shades Centered on Safety Standards, Materials, and Labeling

The Company places product safety at the core of its design and development. The R&D

and manufacturing of blinds and shades are conducted in reference to relevant safety regulations in the European and U.S. markets, incorporating safe materials, child safety designs, and safety labeling into the product management mechanism. Regarding product design, child safety features such as cordless systems or safety cord devices are implemented to mitigate entanglement risks. In terms of material selection, materials that meet safety and environmental requirements are utilized. For packaging and documentation, safety warnings and usage guidelines are provided in accordance with relevant regulations to assist consumers with proper installation and use, thereby enhancing overall product safety.

Looking forward, the Company will continue to monitor international safety regulations and changes in consumer demand. Through continuous refinement of product design, material management, and safety labeling systems, the Company will strengthen the safety performance and competitiveness of its blinds and shades to provide products that comply with international safety standards.

## 2. Industrial Outlook

Since the Group's main products are blinds and home accessories, its total revenue accounts for nearly 90% of the Group's revenue. With regard to the products manufactured by the company, here is the industrial outlook:

### 1) Current status and development of the industry

With over fifty years of deep-rooted expertise in the blinds and home decor industry, the Group leverages its excellence in R&D and manufacturing, combined with sustainable materials and innovative designs, to deliver refined quality through understated elegance. In response to the 3.4% recovery growth trend in the U.S. retail market in 2024, the Company has strengthened its supply chain resilience in the Americas through its Atlanta distribution center, steadily increasing market penetration.

Guided by the "3S Spirit" of Smart, Safety, and Sustainability, we have elevated our products from traditional home decor to high-value-added "Smart Living Solutions" to adapt to market transformations.

- Smart : Centered on the EZ Series, we significantly simplify installation processes and lower the barrier for DIY consumers.
- Safety : Patented cordless technology is promoted to safeguard child safety and the home environment.
- Sustainability : Eco-friendly recycled fabrics (such as rPET) are utilized to implement environmentally conscious production.

The Company's products are marketed internationally, with blinds, shades, and home decor as primary offerings. These products appeal to personal taste through DIY mix-and-match designs and a wide range of choices. Combined with diverse creative patterns and functional features such as sun protection, space partitioning, and energy efficiency, the product line not only enhances the enjoyment of home living but also aligns with modern market demands for variety and personal style.

In response to the current diversified development of the window covering market, the Company is committed to the vertical integration of the industry chain, spanning from upstream petrochemicals and textile fabrics to midstream manufacturing and downstream e-commerce and physical channel establishment. By integrating the high-quality reputation of Taiwanese design and manufacturing with the flexible capacity configurations of bases in Vietnam and China, a "blue ocean" is created within the complex global environment.

### (1) Blinds

According to a 2024 research report by Global Industry Analysts (GIA), as the business landscape continues to evolve in the post-pandemic era, the global blinds and shades market is projected to grow from approximately US\$11 billion in 2024 to US\$13.1 billion

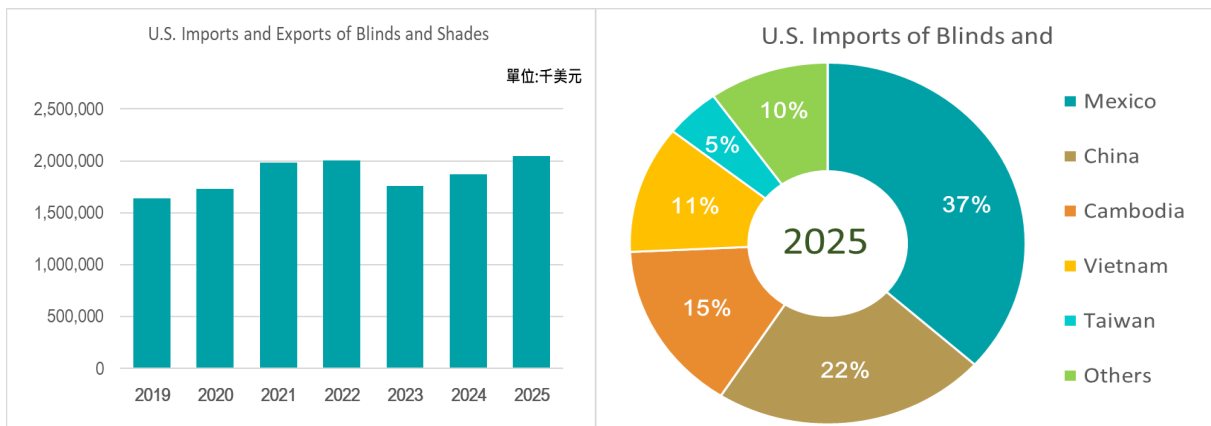
by 2028.

In terms of market size, the United States remains the world's largest window covering market. According to a research report released by Sundale Research in February 2024, consumers are increasingly prioritizing fashion styles and customized designs. A wider range of styles, materials, and price points, along with easy-to-install and aesthetically pleasing bracket designs, are attracting more consumers. Furthermore, energy-efficient and eco-friendly window coverings are highly favored. Coupled with product design innovation and the requirements of safety and green energy regulations, these factors are driving steady growth in the overall market size.

Additionally, the internet has transformed consumer purchasing patterns. In 2024, approximately 20% of U.S. consumers purchased window covering products directly through e-commerce and social media platforms, and global social commerce is expected to grow at an average annual rate of 20% through 2028. According to the latest forecasts, the U.S. market is expected to achieve a compound annual growth rate (CAGR) of 5.2% between 2024 and 2028, indicating stable demand expansion. Meanwhile, the fastest-growing market is China, with an estimated CAGR of 4.1% over the same period, driven by population growth, accelerating urbanization, and the expansion of the middle and affluent classes.

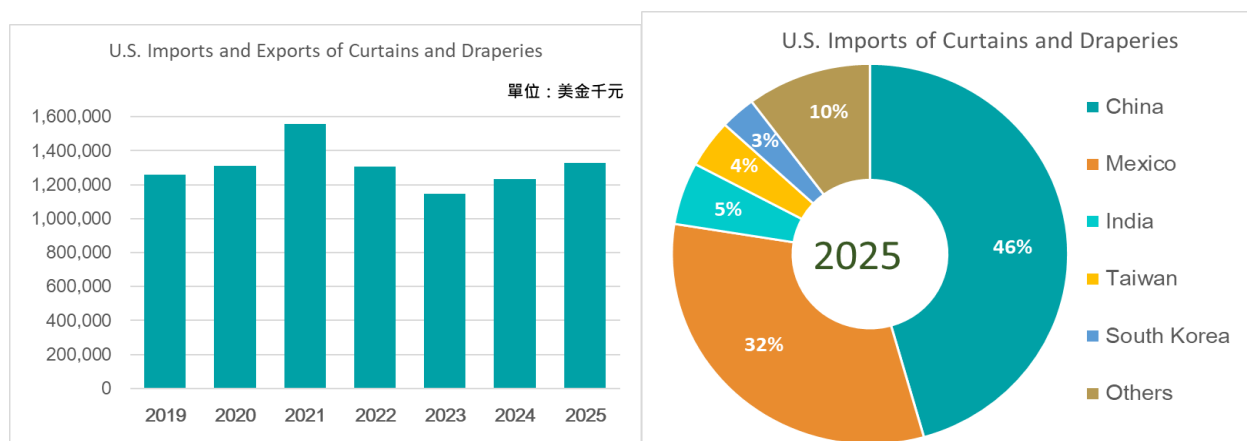
Based on the latest statistics and import trends from the U.S. Department of Commerce, import values have maintained steady growth since 2014. The primary countries of origin for imports in 2024 included Mexico, China, Vietnam, India, and Taiwan. The data reflects that the industry still relies on the raw material and labor cost advantages of Mexico and China, though the share of production capacity from Vietnam is gradually increasing. Faced with low-price competition from emerging markets, major window covering manufacturers are dedicated to increasing the proportion of customized products and focusing on high-consumption regions such as California, Florida, and Texas to avoid the "red ocean" price wars of the fixed-size market.

### U.S. Imports of Blinds & Interior Blinds



Source of Data: U.S. Department of Commerce; Sundale Research

## U.S. Imports of Plastic Blinds, Blinds and Parts



Source of Data: U.S. Department of Commerce; Sundale Research

In terms of industry trends, window coverings and blinds are no longer judged solely on durability and aesthetics; safety design and eco-friendly materials have become mainstream market opportunities. The latest U.S. safety standard, ANSI/WCMA A100.1-2022, officially took effect on June 1, 2024. This regulation mandates that all stock products must be cordless or have inaccessible cords, and strictly limits the design of operating cords on custom products.

Currently, major U.S. retailers such as Walmart, JC Penney, and Pottery Barn have fully complied with CPSC policies by ceasing the sale of products posing cord-related risks. Surveys indicate that approximately 89% of adult consumers in the U.S. are aware of the potential hazards cords pose to infants and young children, driving a surge in demand for cordless products—particularly cordless honeycomb shades that can be easily raised or lowered.

The Company has developed and patented cordless honeycomb shades featuring a simple yet durable mechanical structure, with tension tests reaching up to 5,000 cycles. Furthermore, several products have earned the "Best for Kids" label certified by third-party laboratories. As the rigid demand for safety-oriented products expands in the North American market, the Company's leading position in patented technology is expected to demonstrate even stronger growth potential throughout 2025.

### (2) Home Textiles

Home textile products (such as blankets, throws, and home fabrics) are closely linked to the aesthetics and comfort of home living. Market trends are driven not only by economic factors but also significantly by the modern "Healthy Home" culture. Despite global inflationary pressures, the hybrid work model has become a long-term trend, with over 85 million home offices now established across the United States. Consequently, consumers have demonstrated a high willingness to purchase functional blankets that offer personalized colors, soft textures, and enhanced office comfort.

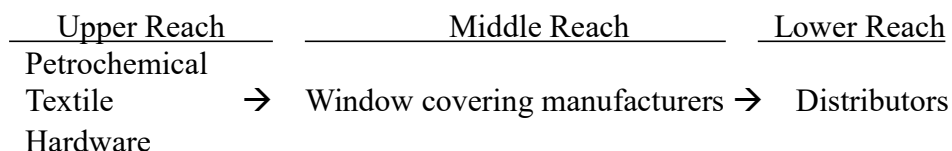
Current consumer habits have become increasingly calculated; within the "M-shaped" consumption pattern, "Value-for-money" has replaced simple price promotions. This is particularly true for Millennial and Gen Z consumer groups, whose purchasing decisions rely heavily on social media reviews and who tend to purchase affordable home decor with strong design appeal, skin-friendly textures, and easy-to-wash features via e-commerce platforms. In response to this trend, the Company has actively developed blanket products that combine fashionable patterns with multi-functionality (such as indoor and outdoor versatility), successfully attracting younger consumer segments.

Furthermore, influenced by high mortgage rates, consumers are delaying home replacements and instead investing in the "soft furnishing" of their existing living spaces. Consumers prefer

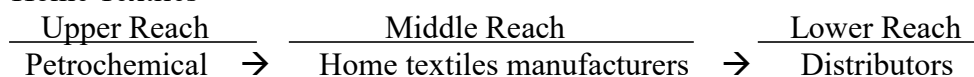
to perform "micro-renovations" by purchasing decorative textiles that have a relatively lower unit price but can quickly transform the home atmosphere. In response to global sustainability trends, the Company has led the R&D of eco-friendly blankets made from rPET (recycled polyester fiber). This not only aligns with the Sustainability pillar of the 3S Spirit but also satisfies the rigid demand for eco-friendly home decor in the North American and European markets. These green products, combined with the rapid delivery of e-commerce platforms and social media word-of-mouth, have become a core growth engine for the Company's home decor business in recent years.

The relationship between the upper, middle and lower reaches of the industry

- Blinds



- Home Textiles



1) Trends of development competitive analysis

(1) Blinds

As the core of home interior design, window covering products integrate aesthetics, functionality, environmental protection, and safety, serving as the primary drivers of market trends. Under the "M-shaped" consumption trend, fixed-size products are driven by volume and cost-efficiency, whereas customized products emphasize diversity and extensive service networks. In 2024, the U.S. customized window covering market showed strong growth, indicating a higher consumer willingness to pay a premium for precise dimensions and specific functionalities. Precisely meeting these two distinct demands while building diverse marketing channels remains the Company's primary operational goal.

In recent years, the North American market has placed a high priority on safety and environmental protection. Holding numerous patents in window covering safety, the Company fully complies with the latest ANSI/WCMA 2022 standards that took effect on June 1, 2024. The cordless product series eliminates external hanging cords, completely preventing child entanglement accidents. Furthermore, several products have received the "Best for Kids" third-party certification, making the Company a preferred partner for major retailers such as Walmart and Lowe's.

Regarding environmental protection and energy efficiency, North American consumers replace window coverings more frequently than those in Asia. With rising energy costs, demand for products with thermal insulation properties has surged. Adhering to green energy policies, the Company not only selects eco-friendly fabrics but has also developed a modular replacement concept. This allows consumers to refresh their home decor by simply swapping modules, reducing waste and simplifying DIY steps. The top-selling cordless Cellular Shades utilize a hollow structure to trap air, creating excellent energy-efficient insulation—a highly attractive feature for the 2025 market where energy consciousness is at an all-time high. Additionally, Magnetic Roman Shades combine a handcrafted feel with diverse materials (such as bamboo and linen), aligning with modern minimalist aesthetics.

The Company continues to lead industrial transformation. Targeting the North American market—where 80% of demand stems from home renovations and hybrid work-driven remodeling—the Company launched the five major series of "EZ Series: Smart Installation"

in 2025. Through exclusive innovative designs, the "No-Drill" series resolves the fears and inconveniences that younger generations, renters, and non-professional DIYers face regarding traditional power-drilled installations. This achieves damage-free installation with sturdy, durable performance, accurately addressing the consumer pain point of seeking "minimalist installation and rapid style changes."

In the high-value-added product category, the cordless cellular shade series leverages its unique honeycomb structure to retain air, providing superior energy-efficient insulation. This remains a powerful draw for eco-conscious customers facing high energy costs in 2025. Furthermore, the Magnetic Roman Shade series emphasizes ultimate light-blocking capabilities and handcrafted design aesthetics. Its thin profile fits snugly against windows, and when paired with various materials like textiles, bamboo, or linen, it offers a refined, minimalist choice for consumers who value home aesthetics. By combining the convenience of the EZ Series with patented cordless safety technology, the Company will continue to expand its leading market share in the North American window covering industry.

Overall, window covering trends are moving toward diverse materials, reasonable pricing, safety, and environmental sustainability. With the U.S. window covering market projected to achieve a CAGR of 5.2% from 2024 to 2028, the Company aims to steadily increase its market share and solidify its industry-leading position through retail channel promotion and sophisticated customization services.

## (2) Home textiles

While major U.S. retailers still focus primarily on affordable, mass-market products, the emergence of Gen Z and Millennials as the dominant consumer force in 2025 has shifted purchasing behaviors toward a segmented market that prioritizes quality and design. In response to low-price competition from the textile industries in mainland China and Southeast Asia, the Company has successfully transitioned from traditional low-cost home decor toward a multi-dimensional development strategy. This approach focuses on high-design aesthetics, green materials (such as sustainable fabrics), and functional value-adds, effectively increasing the premium potential of its products.

Furthermore, in alignment with the omnichannel retail trends of 2025, the Company has enhanced the digital experience on its e-commerce platforms to cater to the Gen Z characteristic of "searching deeply online and experiencing/purchasing offline." By integrating creative elements and big data analysis, the Company precisely develops customized series that align with market trends. By elevating the "storytelling" and "functionality" (such as travel or slow-living themes) of its products, the Group has successfully created a high-growth niche for home decor in the competitive North American market, further solidifying long-term strategic partnerships with major retailers.

## 3. Technology and R&D

### 1) Level of technology and research and development of the business

The Company has long been dedicated to technical research and development in window covering products, consistently investing resources in material application, functional enhancement, and stylistic innovation. Simultaneously, the Company continues to refine production processes and quality management to improve manufacturing efficiency, process stability, and product value-added, thereby strengthening overall market competitiveness.

In recent years, in response to the North American market's emphasis on child home safety, the promotion of safety standards for window coverings, and ESG development trends, the Company has completed the development of several safety-compliant products. These include cordless blinds, cordless Roman shades, cordless honeycomb shades, motorized blinds, and "No Drill" window covering products. These products have been verified by international third-party institutions to mitigate risks associated with traditional exposed operating cords, further enhancing user safety.

The Company's innovative designs have been filed for patents in multiple countries. Moving forward, R&D efforts will continue to deepen in the directions of safety, convenience, intelligence, and high-value creation to solidify the Company's position as a technological leader in the window covering industry.

2) R & D personnel, their education and experience

As of March 31, 2026, the education and average seniority of R&D personnel are as follows:

Unit: Person

Education \ Year	2024		2025		March 31, 2026	
	No.	%	No.	%	No.	%
PhD	0	0	0	0	0	0
Master	9	22.50	7	15.91	7	15.56
College & University	26	65.00	27	61.36	29	64.44
High School	5	12.50	10	22.73	9	20.00
Total	39	100.00	44	100.00	45	100.00

3) Annual investment in R&D in the last five years

Unit: NT\$1,000

Item	Year	2021	2022	2023	2024	2025
R & D costs		82,993	94,859	74,691	85,874	77,486
Net operating income		4,966,554	5,287,076	4,547,224	5,399,082	4,941,547
%		1.67	1.79	1.64	1.59	1.57

4) Technologies or products successfully developed in the past five years:

(A) Safety series	Cordless cellular shades Cordless venetian blinds Cordless roller shades Cordless zebra shades Cordless roman shades
(B)Eco-friendly series:	Venetian blinds Cellular shades Roller shades Roman shades Pleated shades
(C) Electric series	Wire control, wireless remote control, smart home cellular shades Wire control, wireless remote control, smart home venetian blinds Wire control, wireless remote control, smart home roller shades Wire control, wireless remote control, smart home zebra shades Wire control, wireless remote control sheer vertical blinds The mobile control app for various types of blinds and shades
(D)Function series	Simple roller shades Simple roman shades Simple pleated shades Simple cellular shades

In addition to actively investing in technological and product innovation and research and development, our company has established various project teams to continuously improve production process capabilities. These efforts focus on reducing working hours, minimizing defect rates, decreasing energy consumption, avoiding redundant actions, enhancing product stability, implementing immediate responses to process abnormalities, conducting online monitoring, and implementing automation. Currently, the results have been fruitful, with

several initiatives already applying for national patents.

#### 5) Intellectual Property Protection Measures

To strengthen the Company's industry leadership, protect technological achievements, and encourage R&D innovation, an intellectual property (IP) strategy has been formulated by integrating operational goals with R&D resources. To enhance corporate competitiveness, the Company will continue to promote and refine its intellectual property management.

#### 6) Intellectual Property Protection Measures

The Company's IP strategy primarily focuses on strengthening internal awareness of intellectual property rights, analyzing industry trends, and utilizing patent mapping. Through an established review system, the Company incentivizes innovation and provides talent training to actively improve the execution of IP rights and safeguard its R&D outcomes.

#### 7) Implementation of the following key points to solidify the Company's technological leadership:

- (1) The Company provides various learning platforms to encourage personnel to innovate and actively submit invention applications, offering incentives and rewards for their contributions.
- (2) Information regarding recently granted patents within relevant industries is shared periodically to inspire design concepts and creative thinking among R&D personnel.
- (3) In accordance with internal intellectual property management protocols, all invention applications undergo rigorous review to effectively ensure and maintain the quality of the patents.
- (4) The status of granted patents and their relevance to current products are reviewed regularly to evaluate the necessity of maintenance. Additionally, external patent firms are commissioned periodically to conduct patent searches, allowing for more flexible utilization of intellectual property rights while effectively defending against frivolous patent litigation.

#### 8) Trade Secret Management

To manage trade secrets effectively, the Company incorporates trade secret protection into its training programs for new employees to ensure strict compliance with confidentiality obligations. Furthermore, the Employee Code of Conduct and employment contracts stipulate the following:

- (1) Employees shall fulfill their duty to safeguard the Company's trade secrets.
- (2) Without the prior consent of the Company, employees may not disclose, allow the use of, or provide possession of trade secrets to any third party in any manner, nor may they utilize such information for any non-job-related purposes.
- (3) Upon job rotation, termination of the employment contract, or at the Company's request, employees must return all confidential items and documents related to trade secrets to designated personnel. Employees shall continue to uphold their confidentiality obligations and are strictly prohibited from retaining any originals or copies.

9) Regarding information security, the Company has established relevant management regulations to safeguard personnel data privacy and customer rights. Through training and education, the Company strengthens employees' awareness of protecting confidential information and their professional understanding of legal compliance, thereby mitigating the risk of improper information leakage.

#### 10) Implementation Status

The Company reports intellectual property-related matters to the Board of Directors on a regular annual basis, with the most recent report submitted on March 11, 2026.

The Company continues to drive its intellectual property management plan, integrating operational goals with R&D resources to formulate IP strategies and safeguard research results. Key implementation progress in recent years is as follows:

- (1) Launched the Intellectual Property Management Plan in 2020.
- (2) Established the Intellectual Property Management System in 2021.
- (3) Established the Intellectual Property Incentive System in 2021.
- (4) Conducted educational training sessions on patent protection and IP management in 2023. A total of 2 sessions were held with over 60 participants to strengthen awareness and understanding of IP protection; these sessions were also recorded as online courses for future reference and learning.
- (5) Optimized the R&D organizational structure and division of responsibilities in 2024 to align with organizational adjustments. This included clearly defining the ownership of responsibilities for technical development, patent positioning, and outcome management, strengthening cross-departmental coordination, and integrating technical documentation and R&D record management to improve the integrity and traceability of intellectual property data.
- (6) Refined R&D systems and process optimizations in 2025 to meet operational development and technical positioning needs. This involved revising R&D management measures and IP application workflows, clarifying application procedures and internal divisions of authority to enhance management efficiency and IP protection effectiveness, further strengthening the Company's overall technological competitiveness.

#### 11) Intellectual Property Portfolio and Achievements

As of the end of 2025, Ching Feng has accumulated a total of 107 patents, consisting of 86 granted patents and 21 pending applications. The patent portfolio is primarily strategically positioned in the comprehensive application of cordless systems, stepless positioning mechanisms, high-safety factor blinds and shades, and related component applications, demonstrating the Company's long-term commitment and R&D strength in window covering safety and mechanical innovation.

In 2025, a total of 12 new patents were granted, primarily across Taiwan, China, and the United States. The technical scope includes rapid-installation track fixing structures and other innovations, continuing to enhance product convenience, safety, and market competitiveness.

#### 12) Future product line plans for Ching Feng cover the following three dimensions:

- (1) Market Analysis and Demand Forecasting: Target market positioning.

- (2) Technical Innovation and Product Development: R&D investment and product diversification.
- (3) Sustainable Development and Innovative Design: Eco-friendly sustainability, smart products, and easy installation.

In accordance with the aforementioned plans, the Company has established professional customized production lines, smart product lines, and exclusive RCS product lines.

#### **4. Long-term and Short-term Business Plans**

##### **1) Short-term business development plans**

- (1) Product Leadership and Compliance Advantage: Continue developing products that integrate safety, sustainability, and intelligence. Following the formal implementation of the ANSI/WCMA 2022 safety standards in June 2024, the Company will comprehensively strengthen its "Cordless Shades" series—which holds the "Best for Kids" certification. Furthermore, the Company will focus on the "EZ Series: Smart Installation" launched in 2025 to precisely meet the rapid remodeling demands of 85 million home offices in North America, thereby raising competitive barriers.
- (2) Digital Marketing and Precision Penetration: Deepen engagement in the online marketing sector. In response to the high-spending consumer characteristics of Gen Z and Asian-American demographics, the Company will actively develop the online customized market. By utilizing big data analysis to shorten R&D cycles, the Company aims to progressively increase its market share for customized products across e-commerce platforms (such as Amazon and Blinds.com).
- (3) Transitioning to Channel Service Partnership: Consolidate and strengthen strategic relationships with retail channel partners (such as IKEA and Lowe's). The Company is evolving from traditional "channel manufacturing" to "channel service." By leveraging the geographical advantage of the Atlanta distribution center, the Company assists partners in optimizing cost structures and fulfillment efficiency. This strategy enables dual-track growth in both the OEM and customized markets, effectively boosting Group revenue and regional penetration.

##### **2) Long-term business development plan**

It is the company's long-term business development plan to continuously develop patented products and operate marketing channels in a down-to-earth way to increase the proportion of high value-added products. It is hoped that through the promotion of marketing channels and exquisite customized services, the two-track approach will increase revenue and gross profit to drive the growth of the group.

## ITEM 2 – MARKET, PRODUCTION AND SALES

### 1. Market analysis

#### 1) Market of products

Unit: NT\$1,000

Area \ Year		2025	
		Amount	%
Taiwan		92,036	1.86
Export	United States of America	4,225,858	85.52
	Europe	471,805	9.55
	Other	151,848	3.07
Total		4,919,547	100.00

The company's products are mainly sold to the following markets: United States of America, Europe, Asia and domestic sales in Taiwan, and are actively expanding the market in other area.

#### 2) Market share

The Company has operated in the window covering industry for over fifty years, dedicated to innovative R&D within the global market. Following the formal implementation of the U.S. ANSI/WCMA safety standards in June 2024, the Company's early strategic positioning of cordless product series has translated into a core market competency, becoming a top-selling benchmark across North American channels. Regarding market sales, in addition to direct market expansion in North America, the Company has successfully established itself as a trusted core supplier for major international home improvement chains, including IKEA, Lowe's, and Home Depot.

By leveraging exceptional product quality and the distribution advantages of the Atlanta logistics center, the Company has built extensive channel coverage and a solid customer base within the North American window covering market. Through long-term strategic partnerships with international retail leaders, the Group continues to solidify its leadership position within the industry supply chain.

#### 3) Competitive niche, advantages and disadvantages of development prospects, and Countermeasures

##### (1) Comprehensive Production Technology and Processes for Sustainable Materials

The Company has been engaged in the mass production of PVC window coverings since 1984, accumulating extensive experience in powder processing, granulation, and extrusion molding. In response to the global green transition, the Company continuously develops functional and sustainable plastic materials while optimizing manufacturing processes to reduce environmental impact, ensuring that products comply with the increasingly stringent environmental regulations of North American and European markets.

##### (2) Successful Development of Eco-friendly Materials and High-Rigidity Faux Wood Products

The Company has led the industry in developing eco-friendly window coverings made from rPET (recycled polyester fiber), putting the principles of the circular economy into practice. Furthermore, through ongoing collaboration with the Industrial Technology Research Institute (ITRI), the Company has developed high-rigidity Foam Wood (synthetic wood) for use in faux wood blind products. These products offer superior durability and resistance to deformation, serving as a high-performance alternative to traditional timber in the market.

##### (3) "Full Customization" Flexible Production and Omnichannel Layout

In response to the market trends of 2025—marked by the rise of e-commerce and social commerce—the Company possesses agile "full customization" production capabilities. Downstream, a comprehensive channel network has been established; in addition to

maintaining long-term partnerships with traditional big-box retailers and specialty window covering stores, the Company has actively expanded into e-commerce platforms such as Wayfair and Amazon. By integrating the promotion of "no-drill" products, the Company meets the immediate needs of diverse consumer segments, including renters and DIY enthusiasts.

#### 4) Favorable and unfavorable factors for development prospects and countermeasures

##### (1) Favorable factors

- A. **Product Matrix Diversification:** The Company manufactures window coverings in various materials and installation styles—including cellular shades, Roman shades, and the EZ Series: Smart Installation—precisely meeting the differentiated demands of Gen Z and the renter demographic in 2025.
- B. **Support from Rigid Demand:** Home decor is considered a daily necessity. Furthermore, as residential renovation spending in the U.S. grew by 5.8% between 2024 and 2025, the industry continues to benefit from the long-term dividend of stable demand for home remodeling.
- C. **Omnichannel Operations and Value Chain Integration:** The Company possesses strong operational capabilities across both physical retail channels and e-commerce platforms. By leveraging the custom manufacturing facilities of its U.S. subsidiaries, the Company has strengthened its value chain management, enhancing its response speed to market fluctuations.

##### (2) Unfavorable factors and countermeasures

- A. **Risk of low-price competition from China and Southeast Asia:** Manufacturers from China and emerging Southeast Asian nations utilize production cost advantages to implement aggressive pricing strategies within large retail chains.

###### Countermeasures:

The Company is strengthening patent development and has taken the lead in obtaining "Best for Kids" certification and promoting high-performance energy-efficient cellular shades. By leveraging high value-added features and regulatory compliance thresholds, the Company distances itself from "red ocean" price wars. Simultaneously, by combining rPET sustainable materials with EZ no-drill technology, the Company enhances its bargaining power with downstream distributors and establishes strong brand differentiation.

- B. **Risks of high market concentration and real estate market fluctuations:** The Company's products are primarily focused on the North American market, making them susceptible to U.S. housing market trends and stringent safety regulations.

###### Countermeasures:

- **Transforming Regulatory Risk into Opportunity:** With the formal implementation of the ANSI/WCMA 2024 standards, the Company has completed the cordless transition of its entire product line. This transforms regulatory barriers into a competitive niche and significantly reduces safety compliance risks.
- **Increasing the Proportion of Customized and Professional Markets:** As the profit environment improves in 2026, the U.S. housing market is expected to drive growth in window covering sales. By increasing the ratio of "customized" products and those catering to "home renovation demand," the Company reduces its vulnerability to fluctuations in single-family housing starts.
- **Data-Driven Growth and Channel Optimization:** The Company is actively expanding its e-commerce operations and deepening its B2B2C model to more accurately

understand consumer needs and develop products that solve specific pain points. Furthermore, by optimizing warehousing logistics and scaling capacity, the Company effectively shortens lead times and improves delivery efficiency, thereby strengthening customer loyalty and market responsiveness.

#### 5) Expansion plans and new products to be developed

The Company has successfully transitioned from a traditional ODM manufacturer into a "High Value-Added Solution Provider." Future R&D and market expansion will focus on the following four core strategic initiatives:

##### 1. Strengthening E-commerce Operations and B2B2C Layout

Leverage internet resources to deepen e-commerce operations and provide "one-stop shopping" services. By utilizing data analytics to precisely identify consumer pain points, the Company aims to increase its market share in the customized segment and enhance consumer loyalty.

##### 2. Deepening the Product Implementation of the "3S" Core Principles

- Smart: Promote smart installation technology to meet the tool-free installation needs of the renter and DIY markets.
- Safety: Fully implement patented cordless technology to ensure that all product categories comply with the latest ANSI/WCMA safety standards and "Best for Kids" certification.
- Sustainability: Expand the application of rPET recycled fabrics and modular designs to align with energy-saving, carbon-reduction, and ESG trends.

##### 3. Advancing Cordless and Intelligent Product Development

Extend patented cordless technology across the entire window covering product range and develop smart motorized shades that integrate Internet of Things (IoT) technology.

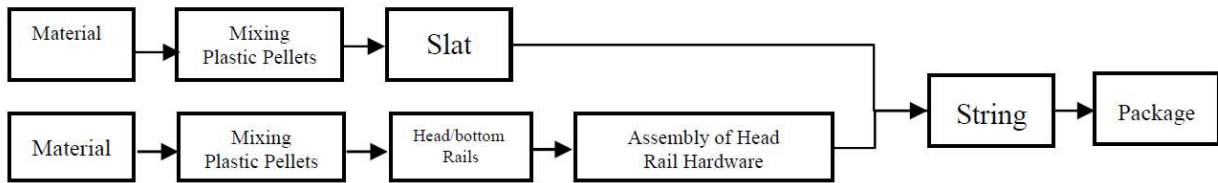
##### 4. Optimizing Energy-Efficient Structures and Sustainable Materials

Continue to refine the high-performance energy-saving designs of cellular shades while increasing the proportion of eco-friendly recycled materials used. This ensures alignment with the rigid demand for environmentally friendly home decor in the North American and European markets.

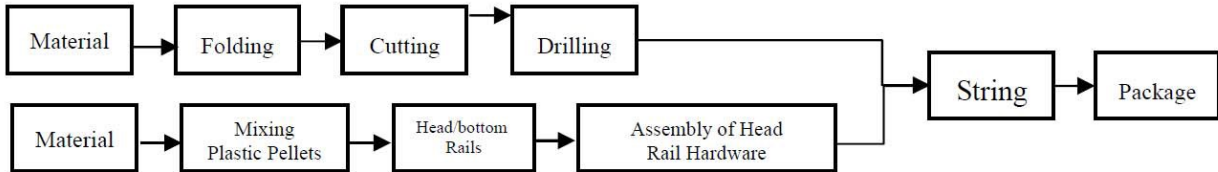
The company will continue to launch new products that better meet market demand through innovation and development.

## 2. Production Flowchart

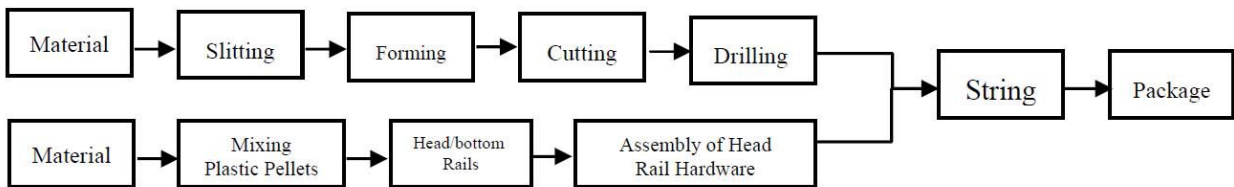
### A. Mini Blinds



### B. PVC Pleated Curtain



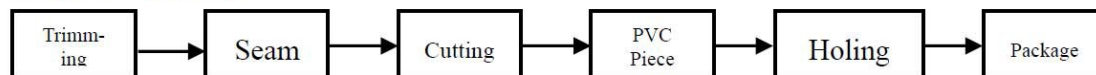
### C. PVC Honeycomb Curtains



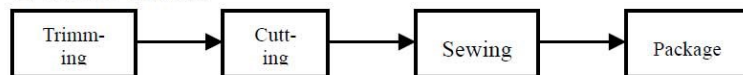
### D. Roman Blinds



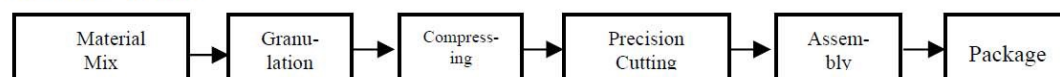
### E. Shower Curtain



### F. Home Textile



### G. Door Shutters



## 3. Supply of Raw Materials

The main materials of the company are plasticized materials such as plastic powder, plastic granules, stabilizers and calcium carbonate. The suppliers are all well-known domestic manufacturers, and the company has established long-term and stable relations with them. The supply of materials is stable, and there is no concern that the source of supply may be interrupted.

**4. For Customers Who Accounted for More Than 10% of the Purchase (sales) Amount in the Past Two Years, the Amount and Proportion, and the Changes Are As Follows:**

1) List of main customers

Unit: NT\$1,000

	2024				2025			
Item	Name	Amount	Accounted for Annual Net Sales(%)	Relationship	Name	Amount	Accounted for Annual Net Sales(%)	Relationship
1	A	1,912,133	35.42%	None	A	1,849,850	37.43	None
2	B	1,171,862	21.70%	None	B	635,966	12.87	None
3	C	731,489	13.55%	None	C	457,029	9.25	None
4	Others	1,583,598	24.03%		Others	1,998,702	40.45	
	Net Sales	5,399,082	100.00%		Net Sales	4,941,547	100.00	

2) List of main suppliers

Unit: NT\$1,000

	2024				2025			
Item	Name	Amount	Accounted for Annual Net Purchase (%)	Relationship	Name	Amount	Accounted for Annual Net Purchase (%)	Relationship
1	A	353,418	11.33	None	A	266,549	10.87	None
2	B	312,926	10.03	None	B	66,210	2.70	None
	Others	254,483	8.16		Others	337,752	13.77	
	Net Purchase	2,198,415	70.48		Net Purchase	1,781,508	72.66	

### ITEM 3 - EMPLOYEES

Unit : Person, %

Year		2024		2025		March 31, 2026	
		Head-Quarter	Group	Head-Quarter	Group	Head-Quarter	Group
Number of Employees	Managers	26	50	23	40	23	39
	Indirect employees	259	685	258	587	261	589
	Direct employees	253	1,114	219	1,220	213	1,234
	Total	538	1,849	500	1,847	497	1,862
Average age		47	38	39	38	40	38
Average years of service (unit: year)		7.08	6.01	7.49	5.73	7.48	5.18
Education Level	PhD	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Master	5.39%	1.78%	5.60%	1.68%	5.63%	1.66%
	College/University	43.31%	19.52%	45.80%	19.76%	46.48%	19.76%
	High school	37.55%	22.34%	37.20%	27.02%	36.62%	27.18%
	Below high school	13.75%	56.36%	11.40%	51.54%	11.27%	51.40%

### ITEM 4 - SPENDING ON ENVIRONMENTAL PROTECTION

1. The industry to which the company belongs does not require the establishment of pollution control facilities or a permit for pollution emissions or waste, the payment of pollution prevention and control fees and charges, or the establishment of a special environmental protection unit or personnel.
2. Water resources are a natural resource shortage, and issues and management of water resources have gradually become the core of the global sustainable development competition. The Company not only values its own sustainable operations, but also focuses on environmental protection and sustainable development (ESG). In addition to participating in the “Industrial Water Efficiency Improvement Plan” of the Industrial Development Bureau of the Ministry of Economic Affairs, the Company also conducts water inventory, makes appropriate management and conservation, and establishes a complete water management system. The Company formulates water conservation tasks and implementation plans every year to reduce the dependence on water resources year by year.
3. The Company is committed to mitigating environmental changes and moving towards a low-carbon society, striving to bring carbon emissions reduction to the environment for enterprises, strengthening the market competitiveness of low-carbon products, and achieving a sustainable consumption and production model of a low-carbon economy. The Company has appointed an external unit to provide guidance, with the President as the convener, and set up a project team to obtain the direct and indirect greenhouse gas emissions from the original process, factory manufacturing, and sales. The expected benefits are as follows:
  - 1) To establish product environmental footprint in the upstream and downstream supply chains.
  - 2) To strengthen the reputation through the image that shows the company as environmentally friendly.
  - 3) To build employee knowledge about product environmental footprint
  - 4) To enter new markets by developing environmentally focused materials, products, and processes.
4. The company handles all certificates, testing, declarations regarding environmental protection in accordance with the law, and there is no record of violation of environmental protection laws and regulations in 2024.

## **ITEM 5 - LABOUR RELATIONS**

### **1. Employee Benefits, Advanced Education, Training, Retirement Plans, the Agreement Between the Employees and the Company, as Well as the Protection of Employees' Rights and Interests:**

Employees are 'resources'. Employees are 'capital'. They must be developed in order to create value. The company has established a good relationship of mutual trust and interdependence with employees through enriching and stabilizing the welfare, education and training. Although the company has not set up a labor union, employees have been able to demonstrate team spirit over the years, cooperate seamlessly with the company's decision-making to create a harmonious atmosphere between the company and employees. The following are some specific measures that the company is committed to a harmonious relationship in the company:

#### 1) Employee welfare:

The Employee Welfare Committee was established, and the welfare currently promoted includes:

- (1) Give birthday gifts and money gift.
- (2) Lottery at the party.
- (3) Subsidize club activities and recreational activities.
- (4) Holiday gifts (Labor Day, Dragon Boat Festival and Mid-Autumn Festival).
- (5) Health check subsidies and medical consultation.
- (6) Condolences for loss of family member.
- (7) Living care for employees living in the dormitories or outside the company.
- (8) Gift money for marriage and childbirth.
- (9) Education and training subsidies.
- (10) Group insurance.
- (11) Transportation allowance.
- (12) Meal allowance.
- (13) Employee Stock Ownership Trust.

#### 2) Education and training

Education and training are one of the basic benefits for our employees. The company encourages all employees to "study while working, and work while learning". Skills and team performance can be improved through education and training, leading to the realization of the company's goals of "long term, stability, development, technology, and globalization". The company has formulated the "Education and Training for Employees" as follows:

##### (1) Technology Development Committee

Through the horizontal integration of the technical development committee, employees are assigned to different technical committees according to their job. The Technology Development Committee introduces the latest knowledge and technology, promotes technical exchanges, and arranges complete professional and technical personnel training for employees.

##### (2) Development of management skills

According to the needs of different management levels, the company customizes comprehensive and effective training for employees of different management levels.

##### (3) New century cadre training class

The company carries out rookie recruiter program every year to cultivate outstanding and potential young graduates. First, basic general education will be given, and then on-site operation with guidance from professional and technical personnel, to allow them to grasp the idea about the overall development of the group, and understand the production and manufacturing functions and systems.

### 3) Code of Conduct and Ethics

To allow employees at all levels to understand ethics, rights, obligations and codes of conduct, the Company has formulated relevant measures and regulations as follows:

- (1) Approval authority and hierarchical responsibility: In order to improve efficiency, strengthen the management of hierarchical responsibility, and effectively regulate the power of employees at all levels.
- (2) The organizational structure of each department and the duties of each position: clearly specify the functions of each department and the duties of each position.
- (3) Prepare a handbook to help all employees understand all measures and regulations:
  - A. Orientation for new employees: Allow new employees to familiarize themselves with the environment and colleagues as soon as possible, assist them to get prepared physically and mentally, to allow them to full play to the productivity, and reduce the turnover rate.
  - B. Attendance: To establish good work discipline.
  - C. Rewards and punishments: Rewards or punishments are given based on the contribution to the company.
  - D. Leave: Follow the rules for taking leaves and requesting for leaves.
  - E. Performance appraisal: Evaluate performance every year and use it as the basis for adjustment of salary, promotion, bonus, education and training.

### 4) Protection of safe working environment and employee safety

- (1) Formulate labor safety and health work manuals in accordance with the competent authority.
- (2) Safety and hygiene personnel:
  - A. Establish a department to be in charge of the employee safety and hygiene in accordance with the Occupational Safety and Health Act. The Department of General Affairs is in charge of the company's employee safety and hygiene.
  - B. Automatic safety and health check.
- (3) Mechanical safety
  - A. Set up control measures for machine & equipment hazards.
  - B. For hazardous machinery (elevators), ask for professional monthly maintenance.
  - C. According to the regulations of the competent authority, hazardous machinery shall be inspected by a special inspection agency every year.
  - D. The contractor shall inform precautions in writing.
- (4) Environmental sanitation
  - A. Carry out environmental measurement every six months in accordance with the regulations of the competent authority.
  - B. Employees must have a medical examination every year, and the expenses are to be paid by the company.
- (5) Fire safety
  - A. Set up a complete fire protection system in accordance with the provisions of the fireprotection law.
  - B. Conduct a fire drill every six months.

### 5) Pension plan

In accordance with the Labor Standards Act and the Labor Pension Act, the company allocates 6% of the employee's total salary to the employee's personal account with the Labor Insurance Bureau every month.

- (6) The company communicates frequently with employees to establish consensus and a more harmonious work environment by considering the subjectivity of employees, their particularities, aspirations, expectations based on humanized management.

## **2. Code of Conduct and Ethics**

To allow employees at all levels to understand ethics, rights, obligations and codes of conduct, the company has formulated relevant measures and regulations as follows:

### **1) Hierarchical responsibility**

- (1) Approval authority and hierarchical responsibility: To improve efficiency, strengthen the management of hierarchical responsibility, and effectively regulate the power of employees at all levels.
- (2) Articles of Incorporation and the determination of wage: To meet the company's requirement for development, the company formulates the Articles of Incorporation to specify the organizational structure and responsibilities, and establish a comparison table of levels and positions to provide the basis for appointment and promotion.

### **2) Work rules:**

To clearly stipulate the rights and obligations of both the employer and employees, promote teamwork within the organization, and establish a modern management system.

### **3) Rewards and punishments**

To timely reward employees with special contributions or prevent employee's inappropriate behavior from causing damage to the company, the company clearly stipulates rewards and punishments in the workplace incentives.

### **4) Performance appraisal:**

The performance appraisal helps to identify the best performers and to compute their compensation package to boost the employee's contribution to the company.

### **5) Attendance policy and leave of absence**

The employee attendance policy provides employees with specific policy guidelines regarding attendance and leave of absence.

## **3. Losses Incurred Due to Labor Disputes in the Past Two Years and up to the Publication Date of the Report:**

The company has not had any major labor disputes arising in the group in the past two years and up to the publication date of the report.

## **ITEM 6 - INFORMATION SECURITY MANAGEMENT**

### **1. Information Security Management System, Information Security Policies, Management Plans, and Resources Invested in Information Security Management**

Information Security Management is implemented to ensure the safety and stability of the Company's information networks, prevent system anomalies, and avoid data loss that could disrupt business operations. The Company has established a comprehensive Information Security Management Policy, which clearly defines management standards for information systems, networks, and personal computers, as well as guidelines for employees' Internet use and email communication, in order to safeguard corporate information security. The structure for managing information security risks, the information security policies, specific management measures, and the resources allocated to information security management are detailed as follows:

#### 1) Information security management system

At present, the Company's information personnel is under the management department and is the execution unit of the information security management, which carries out specific management plans such as information security prevention and crisis management, and implements corresponding security control measures, and continues to improve internal abnormality detection and protection methods to reduce corporate information security risks.

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the Company has assigned an Information Security Officer and a team of five information security personnel, who are responsible for formulating the Company's information security policy, planning information security measures, and implementing related information security operations. The "Information Security Risk Management Status" is regularly reported to the Board of Directors every year. The most recent report was presented on March 11, 2026.

#### 2) Information security policies

- (1) Regulatory compliance: The Company shall comply with the government's regulations and standards on information security and personal data protection when conducting business.
- (2) Information security education: Regularly implement information security education and training every year, and promote information security policies and implementation regulations.
- (3) Planning resources: Establish an information asset management mechanism, coordinate the allocation and effective application of resources, and solve security problems.
- (4) Advanced prevention: Information security factors should be included before the establishment or launch of a new information system or service to prevent the occurrence of security hazards.
- (5) Security monitoring: Establish information security monitoring and protection measures, and conduct regular inspections.
- (6) Delegation management: Clearly regulate the access rights of information systems, network services, and sensitive information to prevent unauthorized access.
- (7) Review and improvement: formulate and implement internal and external audit activities to implement the information security management system, and implement improvement for the deficiencies.
- (8) Business Continuity: Formulate a business continuity plan for information security and practise drills to ensure that emergency response can be taken in the event of a contingency.
- (9) Information security culture: All personnel are responsible for information security, and should understand and comply with relevant information security regulations, and implement them in their work responsibilities. According to the information security risk

appetite identified by the Company's information unit, there is no need to purchase insurance for information security risks.

### 3) Information Security Controls

#### (1) Information security management mechanism:

- A. Build an enterprise-level FortiGate firewall for intrusion detection system, malicious URL filtering and advanced persistent threat attack defense to prevent malicious attacks and illegal intrusions from external networks.
- B. FortiGate IPsec VPN lines are used between each factory, and data transmission is encrypted to prevent illegal capture of data during transmission.
- C. Use Chunghwa Telecom's Hinet enterprise security service to block and monitor suspicious traffic on a daily basis and notify relevant risk reports.
- D. Import Microsoft's centralized directory management service to control user account passwords based on group security rules to improve network security.

#### (2) System access control:

- A. The use of various application systems within the company requires an application process for information service needs. After approval by the responsible supervisor, an account is created by the information room, and only after each system administrator opens permissions according to the applied functions can it be used. .
- B. The password setting for the account must comply with the prescribed complexity principles before it can be registered and used.
- C. When colleagues go through the resignation procedures, they need to immediately contact the information personnel to terminate the accounts and permissions of each system.

#### (3) Implement information security training :

- A. Conduct information security education and training and personal data protection law courses every year.
- B. Include information security courses in the education and training of new personnel.
- C. Improve the information security awareness of colleagues and promote the latest information security risk reports from time to time

#### (4) Virus protection and management:

- A. Servers and colleagues' computer equipment are equipped with endpoint protection software, and virus codes are automatically updated to ensure that they can block the latest viruses.
- B. The email server is equipped with Anti-Spam and Anti-Virus dual protection filtering mechanisms to protect corporate emails from viruses, spam and unknown email content.

#### (5) Ensure system availability:

- A. Build a hardware virtualization system to improve system availability and fault tolerance.
- B. Establish a backup management system to regularly keep one copy of the daily backup data in the computer room and the other in an off-site location for mutual backup.
- C. Regularly conduct disaster recovery drills to test the availability of restored backup files.

#### (6) Computer equipment security management:

- A. Information equipment inventory management, replacement and upgrade of high-risk equipment.
- B. The company's core hosts, application servers and network equipment are all set up in dedicated computer rooms. The computer rooms are locked at all times to strictly control personnel entry and exit, and records are kept for review
- C. The information room is equipped with two uninterrupted independent air conditioners and two uninterruptible power supply systems to maintain the server equipment

operating at a suitable temperature and ensure the normal operation of the system during a power outage.

#### 4) Information Security Management Implementation in 2025

- (1) In addition to self-inspections by the Information Department, the Company's Audit Office conducted an internal control audit of information security according to the annual plan in February 2025. No material deficiencies or significant risks were identified.
- (2) In 2025, the Company completed two scheduled information security training sessions, with a total of 247 participants.
- (3) The Company upgraded its email server to strengthen email filtering mechanisms, thereby reducing the risk of malicious email attacks and enhancing information security.
- (4) Vulnerability scanning operations were carried out to identify information equipment with higher environmental risks, with subsequent replacement or upgrades performed as needed.
- (5) Resources invested in information and communications security management included:
  - A. Conducting internal group endpoint vulnerability scanning to reduce risks from endpoint device vulnerabilities.
  - B. Completing the privilege settings audit for the Group's operational systems.
  - C. Completing the inventory and inspection of internal information equipment within the Group.
  - D. Upgrading the Company's external website to an HTTPS encrypted site to enhance website security.
- (6) The Company joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) alliance to obtain up-to-date information security risk intelligence and vulnerability remediation methods.

#### 5) Impact of Information System Disruptions on the Company's Operations and Corresponding Measures:

Currently, the Company's information system infrastructure consists of highly stable servers, with a gradual implementation of a virtualized environment. On the software side, regular snapshot backups of information systems, electronic files, and system configuration parameters are conducted, along with incremental data backups, to minimize service downtime. To ensure uninterrupted information services and data security, the Information Department regularly transfers backup data to an offsite storage location and conducts periodic disaster recovery drills. Additionally, the Company ensures that the uninterruptible power supply (UPS) systems function properly to prevent and mitigate information service disruptions caused by unforeseen natural disasters or human error, thereby reducing system recovery time. Recent analyses of information security threats indicate that external cyberattacks constitute the majority of incidents, followed by risks arising from internal employee negligence and a lack of information security awareness. Such risks often result from users mistakenly clicking on phishing emails or executing unknown malicious programs. Therefore, strengthening information security requires not only corporate-level protections but also raising employees' awareness. By cultivating good work habits and fostering a company culture that emphasizes risk awareness and information security, the Company's overall defense capabilities can be effectively enhanced.

- 6) In 2025, the Company did not experience any major cybersecurity attacks, customer data breaches, or significant information security incidents. Furthermore, the Company was not involved in any related legal proceedings or regulatory investigations.

#### 7) Implementation of Personal Data Protection

The Company places significant importance on "Customer Privacy Protection" and has established the "Personal Data Protection Management Measures." The scope of these

measures covers all global operating sites, subsidiaries, customers, and suppliers of the Group. Regarding the collection, processing, utilization, and protection of personal data involved in business operations, the Company strictly adheres to relevant government laws and regulations. Data is used only within the scope permitted by law and will not be provided, rented, or otherwise disclosed to third parties. We are committed to maintaining the data security and privacy rights of our customers.

The Sustainable Management Department is responsible for executing personal data protection policies. The implementation results for 2025 are as follows:

1. Employee Personal Data Protection Training:

In 2025, five training and promotion sessions regarding the Personal Data Protection Act were completed as planned, with a total of 478 participants and a total of 478 training hours.

2. Internal Management and Technical Protection:

Conducted audits of customer personal data and performed inventory checks on data access permissions.

3. Compliance Record:

No violations of the Personal Data Protection Act occurred within the Company during 2025.

4. Stakeholder Communication:

The Company has established a "Stakeholder Section" on its website. Any inquiries regarding our privacy policy can be directed to us through this section.

## ITEM 7 - IMPORTANT CONTRACTS

The company's supply and sales contracts, technical cooperation agreements, employee contracts, long-term loan contracts and other important contracts that are still valid, existing and expired in the most recent year are as follows:

Nature	Party	Term	Contents	Restriction
Joint credit contract	Ten banks from Taiwan Cooperative Bank, etc.	2021.11.30~2026.11.29	The line is NT\$3,000,000,000 for five years.	The borrower shall maintain the financial ratios as follows: 1. Current ratio: not less than 140%. 2. Debt ratio: not higher than 280%. 3. Interest coverage ratio: not less than 3 times. 4. Net worth: not less than NT\$1,800,000,000
Long-Term Loan Agreement	Taiwan Cooperative Bank	2019/07/29~2026/07/15	The line is NT\$144,000,000	None
Long-Term Loan Agreement	Taiwan Cooperative Bank	2020/07/10~2027/07/10	The line is NT\$84,000,000	None
Long-Term Loan Agreement	Land Bank of Taiwan	2020/07/03~2035/07/03	The line is NT\$185,540,000	None
Long-Term Loan Agreement	Land Bank of Taiwan	2020/07/03~2029/01/15	The line is NT\$493,500,000	None
Long-Term Loan Agreement	The Export-Import Bank of the Republic of China	2024/07/08~2027/07/08	The line is NT\$45,000,000	None
Joint credit contract	Ten banks from Bank SinoPac Co., Ltd., etc.	2025.11.25~2030.11.24	The line is NT\$1,825,000,000 for five years.	The borrower shall maintain the financial ratios as follows: 1. Current ratio: not less than 140%. 2. Debt ratio: not higher than 280%. 3. Interest coverage ratio: not less than 3 times. 4. Net worth: not less than NT\$1,800,000,000

# **PART V - FINANCIAL OVERVIEW**

## **ITEM 1- REVIEW REPORT OF THE AUDIT COMMITTEE ON THE RECENT FINANCIAL REPORT**

### **CHING FENG HOME FASHIONS CO., LTD. AUDIT COMMITTEE'S REPORT**

Date: March 11, 2026

The Board of Directors has prepared the Business Report, Financial Statements for the year of 2025 and proposal for allocation of earnings. The CPA firm of KPMG Taiwan was retained to audit the Financial Statements of the company and has issued an audit report accordingly. The Business Report, Financial Statements, and the proposal of distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of Ching Feng Home Fashions Co., Ltd. In according with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee's Report is hereby submitted.

Sincerely yours,

Yang, Wendy

Convener of the Audit Committee

**ITEM 2- THE MOST RECENT CONSOLIDATED FINANCIAL REPORT AUDITED AND ATTESTED BY ACCOUNTANTS.**

Please refer to the Market Observation Post System (MOPS) website (URL: <https://mopsov.twse.com.tw>) / Single Company / Electronic Document Download / Financial Reports / 4th Quarter Consolidated Financial Statements of 2025.

**ITEM 3- THE MOST RECENT PARENT COMPANY ONLY FINANCIAL REPORT AUDITED AND ATTESTED BY ACCOUNTANTS.**

Please refer to the Market Observation Post System (MOPS) website (URL: <https://mopsov.twse.com.tw>) / Single Company / Electronic Document Download / Financial Reports / 4th Quarter Parent Company Only Financial Statements of 2025.

**ITEM 4- HAVE THE COMPANY AND ITS SUBSIDIARIES HAD FINANCIAL DIFFICULTIES IN THE MOST RECENT YEAR AND UP TO THE PUBLICATION DATE OF THE ANNUAL REPORT: None.**

# PART VI - REVIEW AND ANALYSIS OF FINANCIAL SITUATION AND PERFORMANCE AND RISKS

## ITEM 1 - FINANCIAL SITUATION

Analyzing comparative financial statements

Unit: NT\$1,000

Item \ Year	December31,2025	December31,2024	Increase/ Decrease	Variation Ratio %
Current assets	3,912,246	4,086,102	(173,856)	(4.25)
Non-current assets	3,906,852	3,491,931	414,921	11.88
Total assets	7,819,098	7,578,033	241,065	3.18
Current liabilities	2,521,003	1,946,651	574,352	29.50
Non-current liabilities	2,655,894	2,808,961	(153,067)	(5.45)
Total liabilities	5,176,897	4,755,612	421,285	8.86
Capita	1,778,389	1,778,389	0	0.00
Capital surplus	111,098	111,098	0	0.00
Retained earnings	903,433	933,806	(30,373)	(3.25)
Other components of equity	(109,533)	(872)	(108,661)	12,461.12
Treasury stocks	(41,186)	0	(41,186)	(100)
Non-controlling interests	0	0	0	0
Total equity	2,642,201	2,822,421	(180,220)	(6.39)
<p>Explanation of the reasons for the increase and decrease in these two periods:</p> <p>(1) The increase or decrease between two periods reaches more than 20% and the amount of the change reaches NT\$10 million, the main reasons and impacts are as follows:</p> <ol style="list-style-type: none"> <li>1. Increase in current liabilities: Mainly due to the increase in short-term borrowings, accounts payable, and other payables.</li> <li>2. Decrease in other equity: Mainly due to changes in the exchange difference from the translation of financial statements of foreign operations.</li> </ol> <p>(2) Impact and future response plans: None.</p>				

Note: The above financial information has been audited by accountants.

## ITEM 2 - FINANCIAL PERFORMANCE

### 1. Analysis of Operating Results

Unit: NT\$1,000

Item \ Year	2025	2024	Increase/ Decrease	Variation Ratio %
Operating income	4,941,547	5,399,082	(457,535)	(8.47)
Operating costs	3,653,215	4,085,112	(431,897)	(10.57)
Gross profit	1,288,332	1,313,970	(25,638)	(1.95)
Operating expenses	751,834	747,042	4,792	0.64
Operating profit (loss)	536,498	566,928	(30,430)	(5.37)
Non-operating income and expenses	(167,165)	(20,686)	(146,479)	708.11
Net profit (loss) before tax	369,333	546,242	(176,909)	(32.39)
Income tax benefit (fee)	(79,596)	(130,779)	(51,183)	39.14
Profit(loss) after tax from Continuing Operations	289,737	415,463	(125,726)	(30.26)

(1) The increase or decrease between two periods reaches more than 20% and the amount of the change reaches NT\$10 million, the main reasons and impacts are as follows:

1. Decrease in non-operating income and expenses: Mainly due to increased exchange losses from currency fluctuations.
2. Decrease in pre-tax net profit: Mainly due to the decrease in operating income and non-operating income and expenses.
3. Decrease in income tax expense: Mainly due to the decrease in pre-tax net profit.
4. Decrease in Profit after tax from Continuing Operations: Mainly due to the decrease in operating income and non-operating income and expenses.

Note: The above financial information has been audited by accountants.

## ITEM 3 – CASH FLOW

### 1. Changes in the Consolidated Statement of Cash Flow for the Year

Opening balance	Net Cash Flow from Operating Activities of the Year	Net Cash Flow from Investment & Financing Activities of the Year	Effects of Changes in Foreign Exchange Rates	Ending Balance
621,137	495,772	(675,666)	(53,228)	388,015

### 2. Analysis of Changes of cash flow of the year

- 1) Operating activities: Mainly due to the decrease in other receivables and a reduction in income tax payments., resulting in a net cash inflow from operating activities.
- 2) Investment and financing activities: Mainly due to the ongoing repayment of loans, acquisition of property, plant and equipment, and acquisition of financial assets measured at fair value through profit or loss, resulting in cash outflows from investing and financing activities.

### 3. Analysis of Cash Flows in the Coming Year

Opening balance	Net Cash Flow from Operating Activities of the Year	Net Cash Flow from Investment & Financing Activities of the Year	Effects of Changes in Foreign Exchange Rates	Ending Balance	Remedial Measures for cash insufficiency	
					Investment plan	Financial plan
388,015	1,028,122	(956,156)	(10,257)	449,724	0	0

#### 1) Analysis of cash flow in the coming year:

- (1) Operating activities: The operation of the company in 2026 is expected to be stable and profitable.
- (2) Investment and Financing: It is mainly due to cash dividend distribution, repayment of bank loans and increase of capital expenditure.

#### 2) Remedial measures for cash insufficiency and liquidity analysis: Not applicable.

## ITEM 4- THE IMPACT OF MAJOR CAPITAL EXPENDITURES ON THE FINANCE AND BUSINESS OF THE COMPANY

### 1. Major Capital Expenditures and Sources of Funds:

The Company's major capital expenditures this year were primarily for the purchase of land for the planned expansion of its Vietnam subsidiary to support future operational growth, as well as for new machinery and equipment to meet market demand, optimize product quality, and improve production efficiency.

Under the current consolidated financial statements, payments for property, plant, and equipment amounted to NT\$171,130 thousand, representing approximately 3.46% of net sales and 2.19% of total assets, with no material impact on the Company's financial position.

### 2. Expected Benefits

In response to continued growth in scale, the company expects to expand the research and development, sales, and finance departments. Additionally, the current office space rented in Taichung is nearing full capacity. Therefore, the company plans to establish an operation center in Taichung, which will also help achieve cost savings on rent.

## **ITEM 5- REINVESTMENT POLICY IN THE MOST RECENT YEAR, MAIN REASONS FOR ITS PROFIT OR LOSS, IMPROVEMENT PLAN AND INVESTMENT PLAN FOR THE COMING YEAR**

### **1. Reinvestment:**

In response to domestic and foreign economic trends and increasing market competition, and in line with the company's long-term development plan, the Company takes the vertical or horizontal integration of the existing business as the main consideration of investment. The Company carefully evaluates investment plans, and increases overseas production bases or expands production capacity based on customer needs. All procedures will be handled in accordance with the company's internal control system and relevant regulations.

### **2. Main reasons for profit or loss and improvement plan:**

The group recognized an equity-method investment income of NT\$418,263 thousand for 2025, which represents an increase of NT\$193,530 thousand compared to the NT\$224,733 thousand recognized in 2024. This increase is mainly driven by the post-pandemic era, which has accelerated changes in consumer lifestyles and new business models. This has deepened the digital transformation of physical stores and online e-commerce. Over the past three years, the company has actively strengthened its e-commerce channel business, leading to stable growth in the online e-commerce supply chain in North America. The company has also gradually expanded into new channels, such as the professional market for architects and construction companies. This supports the implementation of an omnichannel expansion strategy and further optimizes the company's business sales structure. Additionally, the group has continued to improve production processes to reduce production costs, using automation to decrease labor hours and achieve profit targets.

### **3. Investment plan for the coming year:**

The company's investment will focus on its core business. In addition to improving the existing production capacity efficiency, it will also invest in additional machinery and equipment depending on business requirements.

## **ITEM 6 - ANALYSIS, EVALUATION AND MANAGEMENT OF RISK EVENTS**

### **1. Risk factors:**

Analysis and evaluation of the following matters in the most recent year and as of the publication date of the annual report:

1) The impact of interest rate, exchange rate, and inflation on the company's profit and loss and future response measures:

#### **(1) Impact of interest rate risk:**

The interest expenses of the company and its subsidiaries in 2025 and 2024 were NT\$107,487 thousand and NT\$94,118 thousand, of which the interest on lease liabilities increased due to IFRS16 and the amortization amount of government subsidy low-interest loan interest expenses were NT\$13,043 thousand and NT\$6,048 thousand, the actual interest expenses after deduction were NT\$94,444 thousand and NT\$88,070 thousand, accounting for 1.91% and 1.63% of the net operating income for the year respectively. The company will pay attention to changes in market interest rates at any time and maintain good relations with banks to obtain more favorable interest rates. It will also adjust the financing limit in a timely manner based on the company's working capital situation and short, medium and long-term interest rate conditions to reduce the impact of interest rate changes on the company and its subsidiaries. Financial impact.

#### **(2) Exchange rate changes**

The Company and its subsidiaries are export-oriented with the quotations mainly in the US dollar, while the purchases are mainly from domestic suppliers with the pricing in the US dollar, Taiwan Dollar, Renminbi and Vietnamese Dong. Thus, changes in the exchange rate of the US dollar have a certain impact on the profit and loss of the company and its

subsidiaries. Each country's economic conditions are different from each other, while the currency's exchange rate is typically determined by the strength or weakness of the underlying economy, and central banks use monetary policy to achieve its macroeconomic policy objectives in their own country. As a result, it is difficult to clearly predict if and how much the currency is to appreciate or depreciate in a specific country. In response to the risk of currency fluctuation, the Company is always vigilant, pays close attention to monetary and financial developments in the country. When necessary, hedging tools will be used to minimize risk and reduce exposure.

(3) Inflation:

World economic outlook shows global economies are facing high uncertainty. However, blinds and home furnishing products are consumer goods that people consider essential. They are medium to highly correlated with raw material cost, market demand, and inflation or deflation. Therefore, there will be a certain degree of impact on the company's sales. The Company and its subsidiaries pay close attention to fluctuations in market prices and maintain good relationships with customers and suppliers. However, it will not have a material adverse effect on the overall operating conditions.

**2. Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsements/guarantees, and derivatives transactions, the reasons why the company is gaining or losing money, and future countermeasures:**

The company and its subsidiaries focus on the development of its core business. We do not engage in high-risk, high-leverage investments.

**3. Future R&D plans and estimated R&D expenses**

1) All R&D projects of the company follow the R&D process. It includes definition, planning, priority setting, execution, validation, application, etc. to ensure that R&D resources are used in key and core technologies and products to improve the success of R&D Rate.

2) New products to be developed:

All kinds of blinds that meet the safety standards of North American, European and other markets; blinds with wire control, remote control, and smart curtain system; environmentally friendly blinds that can replace PVC plastic materials; made-to-measure and semi-custom blinds.

3) The company estimates that annual R&D expenses will be between 1.5% and 2.0% of the revenue.

**4. The impact of major domestic and foreign policy and legal changes on the company and countermeasures: None**

**5. Impact of technological changes (including information security risks) and industrial changes on the company and countermeasures:**

The company's management team closely monitors industry development trends and relevant technological changes. With the shift in consumer shopping habits, the company leverages data analysis to optimize sales strategies, while actively investing in the development of new products and process automation improvements to ensure stable revenue and profitability.

The company has established an enterprise information security management strategy and framework, continuously updating systems and introducing information security enhancement tools. Regular reviews are conducted to assess risks and control measures for information security management, network system protection, and other related aspects, effectively controlling the risk of the company's information systems and ensuring continuous business operations.

In the most recent fiscal year, up until the date of this report's publication, the company has not experienced any significant impacts on its financial or business operations due to technological changes (including information security risks) or industry shifts.

**6. Impact of changes in corporate image on the crisis management of the company and countermeasures:**

The company has dedicated spokespersons and acting spokespersons who are responsible for maintaining the relationship with investors and the general public and building the company's image. In the most recent year and up to the date of publication of the annual report, there are no any changes in the corporate image, so there is no major impact on the company.

**7. Expected benefits, possible risks and countermeasures of mergers and acquisitions: None**

**8. Expected benefits, possible risks and countermeasures of plant expansion: None**

**9. Risk of Concentration:**

Purchases:

The company works with no less than three sources of supply, and maintains a long-term close cooperative relation with suppliers to ensure that the materials will not be not be in short supply.

Sales:

The company may have customer concentration risk, but the company maintains long-term cooperative relationships with existing customers, and on the other hand, the Company is also committed to developing new customers to expand and diversify the market.

**10. When directors, supervisors or major shareholders holding more than 10% of the shares of the company transfer or change their shares, the impact, risks and countermeasures: None**

**11. Impacts, risks and countermeasures of the change of management: None**

**12. Litigation or non-litigation**

- 1) In the past two years and up to the publication of the annual report, the outcome of the litigation, non-litigation, or administrative disputes involving the company, either finalized or still pending, may have a significant impact on shareholders' equity or stock prices: None
- 2) In the past two years and up to the publication of the annual report, the outcome of the litigation, non-litigation, or administrative disputes involving directors, supervisors, managers, persons in charge, shareholders holding more than 10% of the shares of the company, and subsidiaries, either finalized or still pending, may have a significant impact on shareholders' equity or stock prices: None
- 3) In the past two years and up to the publication of the annual report, the occurrence of the event specified in Article 157 of the Securities and Exchange Act involving directors, supervisors, managers, shareholders holding more than 10% of the shares of the company: None
- 4) In the past two years and up to the publication of the annual report, if there are any directors, supervisors, managers, shareholders holding more than 10% of the shares of the company, having financial difficulties or loss of credit, list its impact on the company: None

**13. Handling of important information within the company: None**

**ITEM 7 - OTHER IMPORTANT MATTERS: None**

## **PART VII - SPECIAL NOTES**

### **ITEM 1 - SUSIDIARIES**

#### **1. Consolidated Business Report and Affiliate Report of Subsidiaries**

Please refer to the Market Observation Post System (MOPS) website (URL: <https://mopsov.twse.com.tw>) / Single Company / Electronic Document Download / Affiliate Three Reports Section.

#### **2. Consolidated Report of Subsidiaries**

Please refer to the Market Observation Post System (MOPS) website (URL: <https://mopsov.twse.com.tw>) / Single Company / Electronic Document Download / Financial Reports /Q4 2025 Consolidated Financial Report.

**ITEM 2 - IN THE MOST RECENT YEAR AND AS OF THE DATE OF PUBLICATION OF THE ANNUAL REPORT, WHETHER THERE WERE PRIVATELY PLACED SECURITIES: NONE**

**ITEM 3 - OTHER EXPLANATIONS: NONE**

## **PART VIII**

**WHETHER THERE IS ANY EVENT THAT HAS A SIGNIFICANT IMPACT ON SHAREHOLDERS' RIGHTS AND INTERESTS OR SHARE PRICES AS STIPULATED IN SUBPARAGRAPH 3, PARAGRAPH 2, ARTICLE 36 OF THE SECURITIES AND EXCHANGE ACT: NONE**

**CHING FENG HOME FASHIONS CO., LTD.**

**Chairman: Hsu, Ming-Hsuan**