



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

**CONSOLIDATED FINANCIAL STATEMENTS  
With Independent Auditors' Review Report  
For the Nine-Month Periods Ended September 30, 2025 and 2024**

**Notice to Readers**

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan. In the event of any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version of consolidated financial statements shall prevail.

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## **Independent Auditors' Review Report**

To the Board of Directors of Ching Feng Home Fashions Co., Ltd. :

### **Introduction**

We have reviewed the accompanying consolidated financial statements of Ching Feng Home Fashions Co., Ltd., and its subsidiaries which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, and consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for Qualified Conclusion**

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to 1,474,977 thousand and 1,448,271 thousand, constituting 19% and 19% of consolidated total assets as of September 30, 2025 and 2024, respectively, total liabilities amounting to 273,215 thousand and 235,952 thousand, constituting 5% and 5% of consolidated total liabilities as of September 30, 2025 and 2024, respectively, and total comprehensive income amounting to 60,408 thousand, 52,127 thousand, 151,529 thousand and 121,130 thousand, absolute amount constituting 31%, 48%, 277% and 33% of consolidated total comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

**Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Ching Feng Home Fashions Co., Ltd. and its subsidiaries as of September 30, 2025 and 2024, and its consolidated financial performance for the three-month and nine-month periods ended September 30, 2025 and 2024, and consolidated cash flows for the nine-month periods ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG, Taiwan  
Chuang, Chun-Wei  
Yu, Chi-Lung  
November 11, 2025

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**September 30, 2025, December 31, 2024 and September 30, 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

| Assets                          |   | September 30, 2025  |            | December 31, 2024 |            | September 30, 2024 |            | Liabilities and Equity  |   | September 30, 2025  |            | December 31, 2024 |            | September 30, 2024 |            |
|---------------------------------|---|---------------------|------------|-------------------|------------|--------------------|------------|---|---|---------------------|------------|-------------------|------------|--------------------|------------|
|                                 |   | Amount              | %          | Amount            | %          | Amount             | %          |   |   | Amount              | %          | Amount            | %          | Amount             | %          |
| <b>Current assets :</b>         |   |                     |            |                   |            |                    |            | <b>Current liabilities :</b>  |   |                     |            |                   |            |                    |            |
| 1100                            | Cash and cash equivalents (Note 6(1))   | \$ 585,988          | 8          | 621,137           | 8          | 769,196            | 10         | 2100  | Short-term loans (Note 6(12) and 8)   | \$ 701,900          | 9          | 210,000           | 3          | 480,000            | 6          |
| 1110                            | Financial assets at fair value through profit or loss - current (Note 6(2))                 | 34,927              | -          | 27,611            | 1          | 30,694             | -          | 2110  | Short-term notes and bills payable (Note 6(13) and 8)   | 259,705             | 3          | 189,858           | 3          | 189,848            | 2          |
| 1150                            | Net notes receivable (Note 6(3))  | 489                 | -          | 204               | -          | -                  | -          | 2120  | Financial liabilities at fair value through profit or loss - current (Note 6(2))              | 5,687               | -          | 7,450             | -          | 368                | -          |
| 1170                            | Net accounts receivable (Note 6(3))   | 1,529,738           | 20         | 1,563,114         | 21         | 1,516,846          | 20         | 2150  | Notes and Accounts payable  | 491,548             | 7          | 774,967           | 10         | 914,439            | 12         |
| 1200                            | Other receivables (Note 6(4))   | 61,932              | 1          | 172,028           | 2          | 232,142            | 3          | 2200  | Other payables  | 476,226             | 6          | 369,343           | 5          | 426,422            | 6          |
| 1220                            | Current tax assets (Note 6(18))   | 70,831              | 1          | 761               | -          | 16,263             | -          | 2220  | Other payables - related parties (Note 7)   | 26                  | -          | 18                | -          | 328                | -          |
| 130X                            | Inventories (Note 6(5))   | 978,746             | 13         | 1,148,244         | 15         | 1,134,236          | 15         | 2230  | Current income tax liabilities (Note (18))  | 133,058             | 2          | 51,150            | 1          | 55,827             | 1          |
| 1410                            | Prepayments   | 227,061             | 3          | 170,502           | 2          | 168,298            | 2          | 2280  | Lease liabilities - current (Note 6(16))  | 39,533              | 1          | 20,866            | -          | 19,470             | -          |
| 1470                            | Other current assets (Note 6(6))  | 143,445             | 2          | 224,953           | 3          | 207,522            | 3          | 2305  | Other financial liabilities - current   | 170,000             | 2          | 85,000            | 1          | -                  | -          |
| 1476                            | Other financial assets - current (Note 8)   | 173,711             | 2          | 157,548           | 2          | 184,880            | 2          | 2320  | Long-term liabilities due within 1 year or 1 business cycle (Note 6(14))                      | 225,509             | 3          | 232,296           | 3          | 247,063            | 3          |
| <b>Total current assets</b>     |   | <b>3,806,868</b>    | <b>50</b>  | <b>4,086,102</b>  | <b>54</b>  | <b>4,260,077</b>   | <b>55</b>  | 2399  | Other current liabilities - Others  | 6,839               | -          | 5,703             | -          | 5,850              | -          |
| <b>Non-current assets :</b>     |   |                     |            |                   |            |                    |            | <b>Total current liabilities</b>  |   | <b>2,510,031</b>    | <b>33</b>  | <b>1,946,651</b>  | <b>26</b>  | <b>2,339,615</b>   | <b>30</b>  |
| 1511                            | Financial assets at fair value through profit or loss – non-current (Note 6(2), (15) and 8) | 579,116             | 8          | 274,648           | 4          | 176,697            | 2          | <b>Non-current liabilities :</b>  |   |                     |            |                   |            |                    |            |
| 1600                            | Property, plant and equipment (Notes 6(7) and 8)  | 2,230,126           | 29         | 2,311,958         | 30         | 2,371,707          | 31         | 2500  | Financial liabilities at fair value through profit or loss – non-current (Note 6(2) and (15)) | 2,880               | -          | 2,040             | -          | -                  | -          |
| 1755                            | Right-of-use assets (Note 6(8))   | 619,104             | 8          | 567,336           | 7          | 553,494            | 7          | 2530  | Bonds payable (Notes 6(2) and (15))   | 283,046             | 4          | 277,061           | 4          | -                  | -          |
| 1760                            | Investment property, net (Note 6(9))  | 74,188              | 1          | 74,653            | 1          | 31,246             | 1          | 2540  | Long-term loans (Note 6(14) and 8)  | 2,210,680           | 29         | 2,420,159         | 32         | 2,709,245          | 35         |
| 1780                            | Intangible assets (Note 6(10))  | 86,956              | 1          | 90,224            | 1          | 91,763             | 1          | 2569  | Current tax liabilities - non-current (Note 6(18))  | -                   | -          | 6,888             | -          | 11,021             | -          |
| 1840                            | Deferred income tax assets (Note 6(18))   | 84,775              | 1          | 72,770            | 1          | 80,655             | 1          | 2570  | Deferred income tax liabilities (Note 6(18))  | 9,657               | -          | 21,706            | -          | 13,228             | -          |
| 1915                            | Advance payment for equipment   | 59,824              | 1          | 44,594            | 1          | 78,610             | 1          | 2580  | Lease liabilities - non-current (Note 6(16))  | 173,299             | 2          | 79,759            | 1          | 75,423             | 1          |
| 1900                            | Other non-current assets (Notes 6(11))  | 57,387              | 1          | 55,748            | 1          | 51,555             | 1          | 2670  | Other current liabilities - others  | 1,325               | -          | 1,348             | -          | 1,563              | -          |
| <b>Total non-current assets</b> |   | <b>3,791,476</b>    | <b>50</b>  | <b>3,491,931</b>  | <b>46</b>  | <b>3,435,727</b>   | <b>45</b>  | <b>Total non-current liabilities</b>  |   | <b>2,680,887</b>    | <b>35</b>  | <b>2,808,961</b>  | <b>37</b>  | <b>2,810,480</b>   | <b>36</b>  |
|                                 |   |                     |            |                   |            |                    |            | <b>Total liabilities</b>  |   | <b>5,190,918</b>    | <b>68</b>  | <b>4,755,612</b>  | <b>63</b>  | <b>5,150,095</b>   | <b>66</b>  |
|                                 |   |                     |            |                   |            |                    |            | <b>Equity attributable to owners of parent company (Note 6(15) and (19)):</b> |   |                     |            |                   |            |                    |            |
|                                 |   |                     |            |                   |            |                    |            | 3110  | Ordinary shares   | 1,778,389           | 24         | 1,778,389         | 24         | 1,738,389          | 23         |
|                                 |   |                     |            |                   |            |                    |            | 3200  | Capital surplus   | 111,098             | 2          | 111,098           | 1          | 13,030             | -          |
|                                 |   |                     |            |                   |            |                    |            | 3300  | Retained earnings   | 793,497             | 10         | 933,806           | 12         | 815,118            | 11         |
|                                 |   |                     |            |                   |            |                    |            | 3400  | Other components of equity  | (235,428)           | (3)        | (872)             | -          | (10,878)           | -          |
|                                 |   |                     |            |                   |            |                    |            | 3500  | Treasury Shares   | (40,130)            | (1)        | -                 | -          | (9,950)            | -          |
|                                 |   |                     |            |                   |            |                    |            | <b>Total equity attributable to owners of the parent company</b>              |   | <b>2,407,426</b>    | <b>32</b>  | <b>2,822,421</b>  | <b>37</b>  | <b>2,545,709</b>   | <b>34</b>  |
|                                 |   |                     |            |                   |            |                    |            | <b>Total equity</b>   |   | <b>2,407,426</b>    | <b>32</b>  | <b>2,822,421</b>  | <b>37</b>  | <b>2,545,709</b>   | <b>34</b>  |
| <b>Total Assets</b>             |   | <b>\$ 7,598,344</b> | <b>100</b> | <b>7,578,033</b>  | <b>100</b> | <b>7,695,804</b>   | <b>100</b> | <b>Total liabilities and equity</b>   |   | <b>\$ 7,598,344</b> | <b>100</b> | <b>7,578,033</b>  | <b>100</b> | <b>7,695,804</b>   | <b>100</b> |

Please refer to notes to the consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Three-Month and Nine-Month Periods ended September 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

|      | Three-month periods ended<br>September 30,                                 |           |                |          | Nine-month periods ended<br>September 30, |            |                |          |
|------|--|-----------|----------------|----------|---|------------|----------------|----------|
|      | 2025   |           | 2024           |          | 2025                                      |            | 2024           |          |
|      | Amount   | %         | Amount         | %        | Amount                                    | %          | Amount         | %        |
| 4000 | <b>Operating revenue (Notes 6(21))</b>                                     |           |                |          |   |            |                |          |
|      | \$ 1,311,227   | 100       | 1,564,465      | 100      | 3,680,150                                 | 100        | 3,970,648      | 100      |
| 5000 | <b>Operating costs (Notes 6(5) and (17))</b>                               |           |                |          |   |            |                |          |
|      | 966,437  | 74        | 1,179,782      | 75       | 2,736,096                                 | 74         | 3,021,712      | 76       |
|      | <b>Gross profit</b>  |           |                |          |   |            |                |          |
|      | 344,790  | 26        | 384,683        | 25       | 944,054                                   | 26         | 948,936        | 24       |
|      | <b>Operating expenses (Notes 6(17), (22) and 7):</b>                       |           |                |          |   |            |                |          |
| 6100 | Selling and marketing expenses   |           |                |          |   |            |                |          |
|      | 118,247  | 9         | 84,127         | 5        | 305,666                                   | 8          | 246,956        | 6        |
| 6200 | General and administrative expenses  |           |                |          |   |            |                |          |
|      | 60,064   | 5         | 73,281         | 5        | 182,183                                   | 5          | 255,099        | 7        |
| 6300 | Research and development expenses  |           |                |          |   |            |                |          |
|      | 19,538   | 1         | 19,537         | 1        | 57,405                                    | 2          | 67,153         | 2        |
| 6450 | Expected credit gains (Note 6(3) and (24))                                 |           |                |          |   |            |                |          |
|      | 526  | -         | (3,963)        | -        | 526                                       | -          | (31,032)       | (1)      |
|      | <b>Total operating expenses</b>  |           |                |          |   |            |                |          |
|      | 198,375  | 15        | 172,982        | 11       | 545,780                                   | 15         | 538,176        | 14       |
|      | <b>Operating income</b>  |           |                |          |   |            |                |          |
|      | 146,415  | 11        | 211,701        | 14       | 398,274                                   | 11         | 410,760        | 10       |
|      | <b>Non-operating income and expenses (Note 6(23)):</b>                     |           |                |          |   |            |                |          |
| 7100 | Interest income  |           |                |          |   |            |                |          |
|      | 7,813  | 1         | 5,330          | -        | 21,069                                    | 1          | 16,055         | -        |
| 7010 | Other income   |           |                |          |   |            |                |          |
|      | 1,741  | -         | 2,480          | -        | 4,196                                     | -          | 6,457          | -        |
| 7020 | Other gains and losses   |           |                |          |   |            |                |          |
|      | 38,781   | 3         | (56,078)       | (4)      | (99,759)                                  | (3)        | 24,116         | 1        |
| 7050 | Financing costs  |           |                |          |   |            |                |          |
|      | (29,699)   | (2)       | (24,534)       | (1)      | (78,031)                                  | (2)        | (70,161)       | (2)      |
|      | <b>Total non-operating income and expenses</b>                             |           |                |          |   |            |                |          |
|      | 18,636   | 2         | (72,802)       | (5)      | (152,525)                                 | (4)        | (23,533)       | (1)      |
| 7900 | <b>Net income (loss) before tax</b>  |           |                |          |   |            |                |          |
|      | 165,051  | 13        | 138,899        | 9        | 245,749                                   | 7          | 387,227        | 9        |
| 7950 | <b>Less: Income tax expense (benefit) (Note 6(18))</b>                     |           |                |          |   |            |                |          |
|      | 37,724   | 3         | 26,152         | 2        | 65,948                                    | 2          | 90,452         | 2        |
|      | <b>Net income (loss)</b>   |           |                |          |   |            |                |          |
|      | 127,327  | 10        | 112,747        | 7        | 179,801                                   | 5          | 296,775        | 7        |
| 8300 | <b>Other comprehensive income (Note 6(18) and (19)):</b>                   |           |                |          |   |            |                |          |
| 8360 | <b>Items that may subsequently be reclassified to profit or loss</b>       |           |                |          |   |            |                |          |
| 8361 | Exchange differences on translation of foreign operating institutions      |           |                |          |   |            |                |          |
|      | 85,914   | 7         | (5,189)        | -        | (293,195)                                 | (8)        | 82,671         | 2        |
| 8399 | Less: Income tax related to items that may be reclassified subsequently    |           |                |          |   |            |                |          |
|      | 17,183   | 1         | (1,038)        | -        | (58,639)                                  | (2)        | 16,534         | -        |
|      | <b>Total items that may subsequently be reclassified to profit or loss</b> |           |                |          |   |            |                |          |
|      | 68,731   | 6         | (4,151)        | -        | (234,556)                                 | (6)        | 66,137         | 2        |
| 8300 | <b>Total other comprehensive income (loss)</b>                             |           |                |          |   |            |                |          |
|      | 68,731   | 6         | (4,151)        | -        | (234,556)                                 | (6)        | 66,137         | 2        |
|      | <b>Total comprehensive income (loss)</b>                                   |           |                |          |   |            |                |          |
|      | <b>\$ 196,058</b>  | <b>16</b> | <b>108,596</b> | <b>7</b> | <b>(54,755)</b>                           | <b>(1)</b> | <b>362,912</b> | <b>9</b> |
|      | <b>Earnings per share (Note 6(20))</b>                                     |           |                |          |   |            |                |          |
| 9750 | <b>Basic earnings per share (Unit: NT\$)</b>                               |           |                |          |   |            |                |          |
|      | <b>\$ 0.71</b>   |           | <b>0.65</b>    |          | <b>1.01</b>                               |            | <b>1.71</b>    |          |
| 9850 | <b>Diluted earnings per share (Unit: NT\$)</b>                             |           |                |          |   |            |                |          |
|      | <b>\$ 0.70</b>   |           | <b>0.65</b>    |          | <b>0.99</b>                               |            | <b>1.71</b>    |          |

(Please refer to notes to the consolidated financial report.)

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Nine-Month Periods ended September 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | Ordinary<br>Shares  | Capital<br>Surplus | Retained earnings |                    |                            | Other equity  | Treasury<br>Shares | Total<br>Equity  |
|---|---------------------|--------------------|-------------------|--------------------|----------------------------|---|--------------------|------------------|
|   |                     |                    | Legal<br>Reserve  | Special<br>Reserve | Unappropriated<br>Earnings | Exchange<br>Differences on<br>Translation of<br>Foreign<br>Operations |                    |                  |
| <b>Balance as of January 1, 2024</b>    | \$ 1,738,389        | 13,030             | 94,681            | 63,404             | 446,927                    | (92,700)  | (9,950)            | 2,253,781        |
| Appropriations of earnings :            |                     |                    |                   |                    |                            |   |                    |                  |
| Legal reserve                           | -                   | -                  | 10,400            | -                  | (10,400)                   | -   | -                  | -                |
| Special reserve                         | -                   | -                  | -                 | 29,296             | (29,296)                   | -   | -                  | -                |
| Cash dividends                          | -                   | -                  | -                 | -                  | (86,669)                   | -   | -                  | (86,669)         |
|   | -                   | -                  | 10,400            | 29,296             | (126,365)                  | -   | -                  | (86,669)         |
| Net income                              | -                   | -                  | -                 | -                  | 296,775                    | -   | -                  | 296,775          |
| Other comprehensive income (loss)       | -                   | -                  | -                 | -                  | -                          | 66,137  | -                  | 66,137           |
| Total comprehensive income (loss)       | -                   | -                  | -                 | -                  | 296,775                    | 66,137  | -                  | 362,912          |
| Liquidation of subsidiaries             | -                   | -                  | -                 | -                  | -                          | 15,685  | -                  | 15,685           |
| <b>Balance as of September 30, 2024</b> | <b>\$ 1,738,389</b> | <b>13,030</b>      | <b>105,081</b>    | <b>92,700</b>      | <b>617,337</b>             | <b>(10,878)</b>   | <b>(9,950)</b>     | <b>2,545,709</b> |
| <b>Balance as of January 1, 2025</b>    | \$ 1,778,389        | 111,098            | 105,081           | 92,700             | 736,025                    | (872)   | -                  | 2,822,421        |
| Appropriations of earnings :            |                     |                    |                   |                    |                            |   |                    |                  |
| Legal reserve                           | -                   | -                  | 41,546            | -                  | (41,546)                   | -   | -                  | -                |
| Reversal of special reserve             | -                   | -                  | -                 | (91,828)           | 91,828                     | -   | -                  | -                |
| Cash dividends                          | -                   | -                  | -                 | -                  | (320,110)                  | -   | -                  | (320,110)        |
|   | -                   | -                  | 41,546            | (91,828)           | (269,828)                  | -   | -                  | (320,110)        |
| Reacquire of treasury shares            | -                   | -                  | -                 | -                  | -                          | -   | (40,130)           | (40,130)         |
| Net income                              | -                   | -                  | -                 | -                  | 179,801                    | -   | -                  | 179,801          |
| Other comprehensive income (loss)       | -                   | -                  | -                 | -                  | -                          | (234,556)   | -                  | (234,556)        |
| Total comprehensive income (loss)       | -                   | -                  | -                 | -                  | 179,801                    | (234,556)   | -                  | (54,755)         |
| <b>Balance as of September 30, 2025</b> | <b>\$ 1,778,389</b> | <b>111,098</b>     | <b>146,627</b>    | <b>872</b>         | <b>645,998</b>             | <b>(235,428)</b>  | <b>(40,130)</b>    | <b>2,407,426</b> |

(Please refer to notes to the consolidated financial report.)

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Nine-Month Periods ended September 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | Nine-month periods ended<br>September 30, |                  |
|---|---|------------------|
|   | 2025                                      | 2024             |
| <b>Cash flows from operating activities :</b>                               |   |                  |
| <b>Net income before tax</b>  | \$ 245,749                                | 387,227          |
| <b>Adjustments :</b>  |   |                  |
| Adjustments to reconcile profit (loss)                                      |   |                  |
| Depreciation expense  | 163,770                                   | 169,154          |
| Amortization expense  | 21,338                                    | 27,549           |
| Expected credit losses (gains)  | 526                                       | (31,032)         |
| Net losses on financial assets at fair value through profit or loss         | 9,731                                     | (9,973)          |
| Interest expense  | 78,031                                    | 70,161           |
| Interest income   | (21,069)                                  | (16,055)         |
| Dividend income   | (401)                                     | -                |
| Loss (gain) on disposal of property, plant and equipment, net               | 510                                       | 7,726            |
| Loss on liquidation of subsidiaries   | -   | 15,685           |
| Others  | (36)                                      | -                |
| Total adjustments to reconcile profit (loss)                                | <u>252,400</u>                            | <u>233,215</u>   |
| Changes in assets and liabilities related to operating activities :         |   |                  |
| Changes in assets related to operating activities:                          |   |                  |
| Notes receivable  | (285)                                     | -                |
| Accounts receivable   | 33,409                                    | (317,727)        |
| Other receivables   | 110,307                                   | 136,942          |
| Inventories   | 169,498                                   | (229,722)        |
| Prepayments   | (53,309)                                  | (40,133)         |
| Other current assets  | 80,983                                    | (71,909)         |
| Total net changes in assets related to operating activities                 | <u>340,603</u>                            | <u>(522,549)</u> |
| Changes in liabilities related to operating activities :                    |   |                  |
| Notes and Accounts payable  | (283,419)                                 | 238,478          |
| Other payables  | 106,348                                   | 171,461          |
| Other payables - related parties  | 8   | 328              |
| Other current liabilities   | 1,136                                     | 737              |
| Total net changes in liabilities related to operating activities            | <u>(175,927)</u>                          | <u>411,004</u>   |
| Total net changes in assets and liabilities related to operating activities | <u>164,676</u>                            | <u>(111,545)</u> |
| Total adjustments   | <u>417,076</u>                            | <u>121,670</u>   |

(Continued)

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Nine-Month Periods ended September 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|  | Nine-month periods ended<br>September 30, |                  |
|--|---|------------------|
|  | 2025                                      | 2024             |
| Cash inflow generated from operations                                | \$ 662,825                                | 508,897          |
| Interest charged   | 20,159                                    | 14,052           |
| Dividends received   | 401                                       | -                |
| Interest paid  | (69,560)                                  | (67,229)         |
| Income taxes paid  | (85,368)                                  | (166,122)        |
| <b>Net cash flows from operating activities</b>                      | <b>528,457</b>                            | <b>289,598</b>   |
| <b>Cash flows from investing activities :</b>                        |   |                  |
| Acquisition of financial assets at fair value through profit or loss | (398,310)                                 | (183,808)        |
| Disposal of financial assets at fair value through profit or loss    | 85,625                                    | 20,869           |
| Financial liabilities at fair value through profit or loss           | (9,753)                                   | (2,929)          |
| Acquisition of property, plant and equipment                         | (117,783)                                 | (173,687)        |
| Disposal of property, plant and equipment price                      | 336                                       | 6,576            |
| Other receivables decreased  | -   | 28,209           |
| Acquisition of intangible assets                                     | (3,832)                                   | (2,491)          |
| Acquisition of investment properties                                 | (104)                                     | -                |
| Other financial assets - current increased                           | (16,163)                                  | 9,208            |
| Other non-current assets increased                                   | (25,302)                                  | (15,033)         |
| Advance payment for equipment decreased (increased)                  | (19,280)                                  | (5,361)          |
| <b>Net cash flows used in investing activities</b>                   | <b>(504,566)</b>                          | <b>(318,447)</b> |
| <b>Cash flows from financing activities :</b>                        |   |                  |
| Short-term loans   | 781,900                                   | 700,000          |
| Repayment of short-term loans  | (290,000)                                 | (220,000)        |
| Increase in short-term notes and bills payable                       | 109,847                                   | 140,002          |
| Decrease in short-term notes and bills payable                       | (40,000)                                  | (110,000)        |
| Long-term loans  | -   | 95,000           |
| Repayment of long-term loans   | (218,217)                                 | (224,107)        |
| Payments of lease liabilities  | (23,055)                                  | (22,832)         |
| Other financial liabilities increased                                | 85,000                                    | -                |
| Other non-current liabilities increased                              | (23)                                      | 180              |
| Cash dividends paid  | (320,110)                                 | (86,669)         |
| Cost of reacquiring treasury shares                                  | (40,130)                                  | -                |
| <b>Net cash flows from financing activities</b>                      | <b>45,212</b>                             | <b>271,574</b>   |
| Effects of exchange rate changes                                     | (104,252)                                 | 29,232           |
| Net increase (decrease) in cash and cash equivalents                 | (35,149)                                  | 271,957          |
| Cash and equivalent cash, beginning balance                          | 621,137                                   | 497,239          |
| Cash and equivalent cash, ending balance                             | <b>\$ 585,988</b>                         | <b>769,196</b>   |

(Please refer to notes to the consolidated financial report.)

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

**1. Company history**

Ching Feng Home Fashions Co., Ltd. (hereinafter referred to as the "Company") was established on March 9, 1977 with the approval of the Ministry of Economic Affairs. The registered address is at 373, Sec. 4, Yenhai Rd., Funan Village, Fuhsing Township, Changhua County, Taiwan. The main business items of the company and its subsidiaries (hereinafter referred to as the "Group") are the manufacturing, processing of various blinds, pleated shades, and their accessories for export and domestic sales. The company's stock has been officially listed and traded on the Taiwan Stock Exchange since September 11, 2000.

**2. Approval date and procedures of the consolidated financial statements**

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 11, 2025.

**3. New standards, amendments and interpretations adopted**

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025 :

–Amendments to IAS21“Lack of Exchangeability”

(2) The impact of IFRS endorsed by the FSC but not yet effective.

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements.

–IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

–Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

–Annual Improvements to IFRS Accounting Standards

–Amendments to IFRS 9 and IFRS 7 “Nature-dependent Electricity Contracts”

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC :

| <b>New standards or amendments</b>                            | <b>Content of amendment</b>  | <b>Effective date per IASB</b>  |
|---|--|---|
| IFRS 18 “Presentation and Disclosure in Financial Statements” | The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on | January 1, 2027<br>note : On September 25, 2025, the FSC issued a press |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

| New standards or amendments | Content of amendment   | Effective date per IASB  |
|-----------------------------|--|--|
|                             | <p>how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul> | <p>release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p> |

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements :

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

–IFRS19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

**4. Summary of material accounting policies**

(1) Statement of Compliance

The consolidated financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. This consolidated financial report does not include all the necessary information that should be disclosed in the annual consolidated financial report prepared in accordance with International Financial Reporting Standards, and International Accounting Standards, Interpretations and other announcements (hereinafter referred to as International Financial Reporting Standards endorsed and issued into effect by the Financial Supervisory Commission.)

The significant accounting policies adopted in this consolidated financial report are the same as those in 2024 consolidated financial report. For relevant information, please refer to Note 4 of 2024 consolidated financial report.

(2) Basis of consolidation

(a) List of subsidiaries in the consolidated financial statements

Subsidiaries Included in Consolidated Financial Reports:

| Name of investor                                  | Name of subsidiary                                      | Principal activity   | Shareholding  |               |               | Note         |
|---|---|--|---------------|---------------|---------------|--------------|
|   |   |  | Sep. 30, 2025 | Dec. 31, 2024 | Sep. 30, 2024 |              |
| Ching Feng Home Fashions Co., Ltd.                | All Strong Industry (USA) Inc.                          | Buy & sell of blinds, pleated shades                                   | 100.00%       | 100.00%       | 100.00%       |              |
| Ching Feng Home Fashions Co., Ltd.                | Lamae' Global Home Fashion Co., Ltd.                    | Investment   | 100.00%       | 100.00%       | 100.00%       |              |
| Ching Feng Home Fashions Co., Ltd.                | Sincere Capital Limited                                 | Investment   | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Ching Feng Home Fashions Co., Ltd.                | Paradise General Trading Co., Ltd.                      | International trade  | - %           | - %           | - %           | Note 2       |
| Ching Feng Home Fashions Co., Ltd.                | Praise Home Industry Co., Ltd.                          | Plastic bags, etc.   | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Ching Feng Home Fashions Co., Ltd.                | Ching Feng Vietnam Company Limited                      | Production and processing of plastic and alu. blinds, faux wood blinds | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Ching Feng Home Fashions Co., Ltd.                | Fu Vietnam Company Limited                              | Manufacture and assembly of blinds and textiles                        | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Ching Feng Home Fashions Co., Ltd.                | Fu Yue Window Decoration Co., Ltd.                      | Manufacture and sale of blinds, pleated shades                         | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Ching Feng Home Fashions Co., Ltd.                | Ching Feng Singapore Pte. Ltd.                          | Home decor wholesale   | 100.00%       | - %           | - %           | Note 1 and 3 |
| Lamae' Global Home Fashion Co., Ltd.              | New Nice Home Fashion L.L.C.                            | Investment   | 100.00%       | 100.00%       | 100.00%       |              |
| Sincere Capital Limited                           | Sun Ocean Investment Limited                            | Investment   | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| New Nice Home Fashion L.L.C.                      | Grandtop Decorative Product (Zhenjiang) Co., Ltd.       | Manufacture, process, and assembly of blinds.                          | 100.00%       | 100.00%       | 100.00%       |              |
| Sun Ocean Investment Limited                      | Sun Ocean Vietnam Co., Ltd.                             | Manufacture and assembly of blinds                                     | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| Grandtop Decorative Product (Zhenjiang) Co., Ltd. | Fu Yue Window Decoration Technology Zhenjiang Co., Ltd. | Buy & sell of blinds, pleated shades                                   | 100.00%       | 100.00%       | 100.00%       | Note 1       |
| All Strong Industry (USA) Inc.                    | Regal Estate (USA) Inc.                                 | Buy & sell of blinds, pleated shades                                   | 100.00%       | 100.00%       | 100.00%       | Note 1       |

Note 1 : It is not a significant subsidiary whose financial reports were not reviewed.

Note 2 : The company completed the liquidation procedure in September 2024.

Note 3 : The company's establishment registration was completed in April 2024, and the share capital was remitted in August 2025.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(b) Subsidiaries excluded from the consolidated financial statements: None.

(3) Income Tax

The Group measures and discloses the income tax expenses of the interim period in accordance with the provisions of paragraph B12 of the International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

Income tax expense is measured by multiplying the net profit before tax in the interim reporting period by the company’s best estimate of the estimated effective tax rate for the whole year, and is fully recognized as current income tax expense.

To directly recognize income tax expenses in equity items or other comprehensive profit and loss items is to measure the temporary differences between the carrying amounts of relevant assets and liabilities for financial reporting purposes and their tax bases at the applicable tax rate when it is expected to be realized or settled.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

In preparing the consolidated financial report in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, management must make judgments and estimates regarding the future (including climate-related risks and opportunities), which will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from estimates.

Major sources of making significant judgments and estimating uncertainty when adopting the accounting policies are consistent with Note 5 of 2024 consolidated financial report.

**6. Explanation of significant accounts**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(1) Cash and cash equivalents

|                          | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|--------------------------|-------------------------------|------------------------------|-------------------------------|
| Cash on hand             | \$ 656                        | 1,221                        | 1,694                         |
| Check and demand deposit | 369,276                       | 333,052                      | 494,310                       |
| Foreign currency deposit | 68,145                        | 111,636                      | 225,705                       |
| Time deposits            | 123,541                       | 87,228                       | 47,487                        |
| Cash equivalents         | 24,370                        | 88,000                       | -                             |
| <b>Total</b>             | <b><u>\$ 585,988</u></b>      | <b><u>621,137</u></b>        | <b><u>769,196</u></b>         |

The bonds sold under repurchase agreement of the Group are classified under cash and cash equivalents as they are primarily for meeting short-term cash commitments rather than for investment or other purposes. They can be converted into a fixed amount of cash at any time with minimal risk of value fluctuation.

Please refer to Note 6 (24) for the exchange rate risk and sensitivity analysis of the Group's financial assets and liabilities.

(2) Financial assets and liabilities at fair value through profit or loss

|   | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|---|-------------------------------|------------------------------|-------------------------------|
| Financial assets at fair value through profit or loss : |                               |                              |                               |
| Fund  | \$ 18,209                     | 27,611                       | 27,683                        |
| Forward exchange contracts                              | -                             | -                            | 3,011                         |
| Domestic and foreign bonds                              | 408,834                       | 261,426                      | 163,655                       |
| Stocks listed on domestic markets                       | 16,718                        | -                            | -                             |
| Stocks of foreign non-listed companies                  | 170,282                       | 13,042                       | 13,042                        |
| Unsecured convertible bonds - call options              | -                             | 180                          | -                             |
| <b>Total</b>  | <b><u>\$ 614,043</u></b>      | <b><u>302,259</u></b>        | <b><u>207,391</u></b>         |
| Current   | \$ 34,927                     | 27,611                       | 30,694                        |
| Non-current   | 579,116                       | 274,648                      | 176,697                       |
| <b>Total</b>  | <b><u>\$ 614,043</u></b>      | <b><u>302,259</u></b>        | <b><u>207,391</u></b>         |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

|  | <u>September<br/>30, 2025</u> | <u>December<br/>31, 2024</u> | <u>September<br/>30, 2024</u> |
|--|-------------------------------|------------------------------|-------------------------------|
| Financial liabilities at fair value through profit or loss : |                               |                              |                               |
| Forward exchange contracts                                   | \$ 4,751                      | 7,450                        | -                             |
| FX option contracts  | 936                           | -                            | 368                           |
| Unsecured convertible bonds - put options                    | <u>2,880</u>                  | <u>2,040</u>                 | <u>-</u>                      |
| Total  | <u>\$ 8,567</u>               | <u>9,490</u>                 | <u>368</u>                    |
| Current  | \$ 5,687                      | 7,450                        | 368                           |
| Non-current  | <u>2,880</u>                  | <u>2,040</u>                 | <u>-</u>                      |
| Total  | <u>\$ 8,567</u>               | <u>9,490</u>                 | <u>368</u>                    |

Derivative financial instrument transactions are used to avoid risks of exchange rate and interest rate arising from business, financing and investment activities. As of September 30, 2025 and December 31, 2024, and September 30, 2024, the Group did not adopt hedge accounting, and financial assets measured at fair value through profit and loss and derivatives of financial liabilities held for trading are as follows:

| <b>September 30, 2025</b> |                              |                 |                                  |  |
|---------------------------|------------------------------|-----------------|----------------------------------|--|
|                           | <u>Amount (in thousands)</u> | <u>Currency</u> | <u>Maturity dates</u>            |  |
| Forward exchange sold     | US\$ 8,750                   | USD to NTD      | October 2025<br>to January 2026  |  |
| FX option sold            | US\$ 2,000                   | USD to NTD      | October 2025                     |  |
| <b>December 31, 2024</b>  |                              |                 |                                  |  |
|                           | <u>Amount (in thousands)</u> | <u>Currency</u> | <u>Maturity dates</u>            |  |
| Forward exchange sold     | US\$ 13,080                  | USD to NTD      | January 2025 to May 2025         |  |
| <b>September 30, 2024</b> |                              |                 |                                  |  |
|                           | <u>Amount (in thousands)</u> | <u>Currency</u> | <u>Maturity dates</u>            |  |
| Forward exchange sold     | US\$ 4,000                   | USD to NTD      | October 2024<br>to November 2024 |  |
| FX option sold            | US\$ 2,000                   | USD to NTD      | October 2024<br>to November 2024 |  |

Please refer to Note 6 (23) for the amount recognized in profit or loss based on remeasurement at fair value.

The details of the financial assets measured at fair value through profit or loss on September 30, 2025 and December 31, 2024 and September 30, 2024 were used as collateral for short-term borrowings and financing facilities, please refer to Note 8.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(3) Notes Receivable and Accounts Receivable

|  | <u>September<br/>30, 2025</u> | <u>December<br/>31, 2024</u> | <u>September<br/>30, 2024</u> |
|--|-------------------------------|------------------------------|-------------------------------|
| Notes receivable                                 | <u>\$ 489</u>                 | <u>204</u>                   | <u>-</u>                      |
| Accounts receivable - measured at amortized cost | 1,530,196                     | 1,563,606                    | 1,517,321                     |
| Less: Allowance for losses                       | <u>(458)</u>                  | <u>(492)</u>                 | <u>(475)</u>                  |
|  | <u>\$ 1,529,738</u>           | <u>1,563,114</u>             | <u>1,516,846</u>              |

A simplified approach is adopted to estimate the expected credit losses of all bills and accounts receivables that are lifetime expected credit losses. For this purpose, these notes receivable and accounts receivable are grouped based on the common credit risk characteristics of the customer's ability to make all payments due in accordance with the terms of the contract, and forward-looking data, including overall economic and related information of the industry.

Regarding notes receivable and accounts receivable, the loss allowance is as follows:

|                             | <u>September 30, 2025</u>        |                                       |                           |
|-----------------------------|----------------------------------|---------------------------------------|---------------------------|
|                             | <u>Gross carrying<br/>amount</u> | <u>Weighted-average<br/>loss rate</u> | <u>Loss<br/>allowance</u> |
| Current                     | \$ 1,416,520                     | -                                     | -                         |
| Less than 90 days past due  | 112,944                          | -                                     | -                         |
| 91 to 180 days past due     | 1,136                            | 32.83%                                | 373                       |
| 181 to 270 days past due    | 81                               | 100%                                  | 81                        |
| More than 270 days past due | <u>4</u>                         | 100%                                  | <u>4</u>                  |
|                             | <u>\$ 1,530,685</u>              |                                       | <u>458</u>                |
|                             | <u>December 31, 2024</u>         |                                       |                           |
|                             | <u>Gross carrying<br/>amount</u> | <u>Weighted-average<br/>loss rate</u> | <u>Loss<br/>allowance</u> |
| Current                     | \$ 1,515,195                     | -                                     | -                         |
| Less than 90 days past due  | 48,607                           | 1%                                    | 484                       |
| 91 to 180 days past due     | 8                                | 100%                                  | 8                         |
| 181 to 270 days past due    | -                                | -                                     | -                         |
| More than 270 days past due | <u>-</u>                         | -                                     | <u>-</u>                  |
|                             | <u>\$ 1,563,810</u>              |                                       | <u>492</u>                |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

|                             | September 30, 2024       |                               |                   |
|-----------------------------|--------------------------|-------------------------------|-------------------|
|                             | Gross carrying<br>amount | Weighted-average<br>loss rate | Loss<br>allowance |
| Current                     | \$ 1,462,419             | -                             | -                 |
| Less than 90 days past due  | 54,868                   | 0.80%                         | 441               |
| 91 to 180 days past due     | 34                       | 100%                          | 34                |
| 181 to 270 days past due    | -                        | -                             | -                 |
| More than 270 days past due | -                        | -                             | -                 |
|                             | <b>\$ 1,517,321</b>      |                               | <b>475</b>        |

The movements in the allowance for accounts receivable and notes receivable were as follows:

|   | Nine-month periods ended<br>September 30, |            |
|---|---|------------|
|   | 2025                                      | 2024       |
| Balance at January 1                        | \$ 492                                    | 2,087      |
| Recognition of impairment losses            | 1   | -          |
| Amount written off due to irrecoverableness | -   | (1,694)    |
| Foreign exchange gains (losses)             | (35)                                      | 82         |
| Balance at September 30                     | <b>\$ 458</b>                             | <b>475</b> |

The Group signed non-recourse receivable sales with financial institutions. According to the contract, the Group does not need to bear the credit risk of non-payment due to non-commercial disputes caused by the account receivable debtor within the sales quota. The Group has transferred substantially all the risks and rewards of ownership of the above-mentioned accounts receivable, so it meets the conditions for derecognizing of financial assets. After the creditor's right of accounts receivable is derecognized, the creditor's rights to financial institutions are recognized in other receivables. The sold receivables not yet due on the reporting date are as follows:

| September 30, 2025 |                        |                |                         |  |                           |                                      |
|--------------------|------------------------|----------------|-------------------------|--|---------------------------|--------------------------------------|
| Purchaser          | Amount<br>Derecognized | Credit Lines   | Amount<br>Advanced-Paid | Amount<br>Recognized in<br>Other Receivables | Range of<br>Interest Rate | Significant<br>Transferring<br>Terms |
| O-Bank             | <b>\$ 98,359</b>       | USD 18,000,000 | <b>51,626</b>           | <b>46,733</b>                                | 2.2727%                   | -                                    |
| December 31, 2024  |                        |                |                         |  |                           |                                      |
| Purchaser          | Amount<br>Derecognized | Credit Lines   | Amount<br>Advanced-Paid | Amount<br>Recognized in<br>Other Receivables | Range of<br>Interest Rate | Significant<br>Transferring<br>Terms |
| O-Bank             | <b>\$ 225,165</b>      | USD18,000,000  | <b>64,000</b>           | <b>161,165</b>                               | 2.2643%                   | -                                    |
| September 30, 2024 |                        |                |                         |  |                           |                                      |
| Purchaser          | Amount<br>Derecognized | Credit Lines   | Amount<br>Advanced-Paid | Amount<br>Recognized in<br>Other Receivables | Range of<br>Interest Rate | Significant<br>Transferring<br>Terms |
| O-Bank             | <b>\$ 282,589</b>      | USD18,000,000  | <b>64,000</b>           | <b>218,589</b>                               | 2.3375%                   | -                                    |

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the Group's notes and accounts receivable were not used as guarantees for long-term, short-term loans and financing.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(4) Other Receivables

|                                   | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|-----------------------------------|-------------------------------|------------------------------|-------------------------------|
| Tax refund receivable             | \$ 9,283                      | 5,282                        | 9,237                         |
| Unused amount of sold receivables | 46,733                        | 161,165                      | 218,589                       |
| Others                            | 5,916                         | 5,581                        | 4,316                         |
|                                   | <b><u>\$ 61,932</u></b>       | <b><u>172,028</u></b>        | <b><u>232,142</u></b>         |

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the Group's other receivables were not used as guarantees for long-term, short-term loans and financing.

(5) Inventories

|                                       | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|---------------------------------------|-------------------------------|------------------------------|-------------------------------|
| Raw materials                         | \$ 227,077                    | 295,255                      | 314,091                       |
| Supplies                              | 145,303                       | 164,387                      | 170,348                       |
| Work-in progress, semi-finished goods | 119,452                       | 119,256                      | 116,473                       |
| Finished goods                        | 486,914                       | 569,346                      | 533,324                       |
|                                       | <b><u>\$ 978,746</u></b>      | <b><u>1,148,244</u></b>      | <b><u>1,134,236</u></b>       |

The details of the cost of sales were as follows:

|  | <b>Three-month periods<br/>ended September 30,</b> |                         | <b>Nine-month periods<br/>ended September 30,</b> |                         |
|--|--|-------------------------|---|-------------------------|
|  | <b>2025</b>  | <b>2024</b>             | <b>2025</b>                                       | <b>2024</b>             |
| Inventory that has been sold                           | \$ 956,899   | 1,179,606               | 2,725,973   | 3,009,858               |
| Write-down of inventories (Reversal<br>of write-downs) | 1,490  | 176                     | (2,886)   | 11,854                  |
| Write-off of Inventory                                 | 8,048  | -                       | 13,009  | -                       |
| Total  | <b><u>\$ 966,437</u></b>                           | <b><u>1,179,782</u></b> | <b><u>2,736,096</u></b>                           | <b><u>3,021,712</u></b> |

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the Group's inventories were not used as guarantees for long-term, short-term loans and financing.

(6) Other current assets

|  | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Temporary debits                         | \$ 30,472                     | 32,069                       | 32,987                        |
| Payment on behalf of others              | 42,178                        | 45,626                       | 148                           |
| Payment on behalf of others—Osaley (OSL) | 64,669                        | 138,655                      | 166,604                       |
| Less: Allowance for losses               | (525)                         | -                            | -                             |
| Others                                   | 6,651                         | 8,603                        | 7,783                         |
|  | <b><u>\$ 143,445</u></b>      | <b><u>224,953</u></b>        | <b><u>207,522</u></b>         |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

The above payment on behalf of others - OSL is the advance payment made by the Group on its behalf. Please refer to Note 6 (24) for the changes in allowance for losses.

Regarding payment on behalf of others - OSL, the loss allowance is as follows:

|                             | <b>September 30, 2025</b>         |                                       |                           |
|-----------------------------|-----------------------------------|---------------------------------------|---------------------------|
|                             | <b>Gross carrying<br/>amounts</b> | <b>Weighted-average<br/>loss rate</b> | <b>Loss<br/>allowance</b> |
| Current                     | \$ 41,270                         | -                                     | -                         |
| Less than 90 days past due  | 22,350                            | -                                     | -                         |
| 91 to 180 days past due     | 1,049                             | 50%                                   | 525                       |
| 181 to 270 days past due    | -                                 | -                                     | -                         |
| More than 270 days past due | -                                 | -                                     | -                         |
|                             | <b><u>\$ 64,669</u></b>           |                                       | <b><u>525</u></b>         |
|                             |                                   |                                       |                           |
|                             | <b>December 31, 2024</b>          |                                       |                           |
|                             | <b>Gross carrying<br/>amount</b>  | <b>Weighted-average<br/>loss rate</b> | <b>Loss<br/>allowance</b> |
| Current                     | \$ 54,602                         | -                                     | -                         |
| Less than 90 days past due  | 84,053                            | -                                     | -                         |
| 91 to 180 days past due     | -                                 | -                                     | -                         |
| 181 to 270 days past due    | -                                 | -                                     | -                         |
| More than 270 days past due | -                                 | -                                     | -                         |
|                             | <b><u>\$ 138,655</u></b>          |                                       | <b><u>-</u></b>           |
|                             |                                   |                                       |                           |
|                             | <b>September 30, 2024</b>         |                                       |                           |
|                             | <b>Gross carrying<br/>amount</b>  | <b>Weighted-average<br/>loss rate</b> | <b>Loss<br/>allowance</b> |
| Current                     | \$ 109,408                        | -                                     | -                         |
| Less than 90 days past due  | 57,196                            | -                                     | -                         |
| 91 to 180 days past due     | -                                 | -                                     | -                         |
| 181 to 270 days past due    | -                                 | -                                     | -                         |
| More than 270 days past due | -                                 | -                                     | -                         |
|                             | <b><u>\$ 166,604</u></b>          |                                       | <b><u>-</u></b>           |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine-month periods ended September 30, 2025 and 2024, were as follows:

|  | <u>Land</u>       | <u>Buildings<br/>and<br/>Structures</u> | <u>Machinery<br/>Equipment</u> | <u>Transportation<br/>Equipment</u> | <u>Office<br/>Equipment</u> | <u>Other<br/>Equipment</u> | <u>Construction<br/>in Progress</u> | <u>Total</u>     |
|--|-------------------|---|--------------------------------|-------------------------------------|-----------------------------|----------------------------|-------------------------------------|------------------|
| Cost   |                   |   |                                |                                     |                             |                            |                                     |                  |
| Balance at January 1, 2025                         | \$ 588,029        | 1,223,445                               | 956,021                        | 13,392                              | 12,052                      | 328,992                    | 11,091                              | 3,133,022        |
| Additions  | -                 | 1,789                                   | 43,437                         | 68                                  | 2,888                       | 8,357                      | 61,244                              | 117,783          |
| Disposals  | -                 | (31,874)                                | (32,833)                       | (89)                                | (906)                       | (20,312)                   | -                                   | (86,014)         |
| Reclassification                                   | -                 | -                                       | -                              | -                                   | -                           | (816)                      | (1,782)                             | (2,598)          |
| Impact of exchange rate changes                    | (329)             | (33,737)                                | (65,674)                       | (897)                               | (868)                       | (6,868)                    | (3,507)                             | (111,880)        |
| Balance at September 30, 2025                      | <u>\$ 587,700</u> | <u>1,159,623</u>                        | <u>900,951</u>                 | <u>12,474</u>                       | <u>13,166</u>               | <u>309,353</u>             | <u>67,046</u>                       | <u>3,050,313</u> |
| Balance at January 1, 2024                         | \$ 467,543        | 1,148,480                               | 1,248,320                      | 16,238                              | 6,856                       | 308,784                    | 83,119                              | 3,279,340        |
| Additions  | 119,232           | 3,031                                   | 23,154                         | 612                                 | 3,722                       | 10,601                     | 13,335                              | 173,687          |
| Disposals  | -                 | -                                       | (157,677)                      | (3,931)                             | (424)                       | (3,997)                    | -                                   | (166,029)        |
| Reclassification                                   | -                 | 63,132                                  | (1,157)                        | -                                   | 1,203                       | 1,581                      | (64,948)                            | (189)            |
| Impact of exchange rate changes                    | 1,779             | 9,437                                   | 25,471                         | 509                                 | 97                          | 2,201                      | 811                                 | 40,305           |
| Balance at September 30, 2024                      | <u>\$ 588,554</u> | <u>1,224,080</u>                        | <u>1,138,111</u>               | <u>13,428</u>                       | <u>11,454</u>               | <u>319,170</u>             | <u>32,317</u>                       | <u>3,327,114</u> |
| Accumulated depreciation and<br>Impairment losses: |                   |   |                                |                                     |                             |                            |                                     |                  |
| Balance at January 1, 2025                         | \$ -              | 334,436                                 | 366,734                        | 6,272                               | 4,671                       | 108,951                    | -                                   | 821,064          |
| Additions  | -                 | 23,928                                  | 67,690                         | 877                                 | 1,474                       | 22,539                     | -                                   | 116,508          |
| Disposals  | -                 | (31,874)                                | (32,093)                       | (89)                                | (906)                       | (20,206)                   | -                                   | (85,168)         |
| Impact of exchange rate changes                    | -                 | (6,773)                                 | (22,135)                       | (401)                               | (389)                       | (2,519)                    | -                                   | (32,217)         |
| Balance at September 30, 2025                      | <u>\$ -</u>       | <u>319,717</u>                          | <u>380,196</u>                 | <u>6,659</u>                        | <u>4,850</u>                | <u>108,765</u>             | <u>-</u>                            | <u>820,187</u>   |
| Balance at January 1, 2024                         | \$ -              | 286,143                                 | 579,711                        | 8,371                               | 2,572                       | 82,240                     | -                                   | 959,037          |
| Additions  | -                 | 32,096                                  | 71,188                         | 928                                 | 1,135                       | 24,036                     | -                                   | 129,383          |
| Disposals  | -                 | -                                       | (143,845)                      | (3,555)                             | (360)                       | (3,967)                    | -                                   | (151,727)        |
| Reclassification                                   | -                 | -                                       | (794)                          | -                                   | 794                         | -                          | -                                   | -                |
| Impact of exchange rate changes                    | -                 | 5,308                                   | 12,498                         | 284                                 | 54                          | 570                        | -                                   | 18,714           |
| Balance at September 30, 2024                      | <u>\$ -</u>       | <u>323,547</u>                          | <u>518,758</u>                 | <u>6,028</u>                        | <u>4,195</u>                | <u>102,879</u>             | <u>-</u>                            | <u>955,407</u>   |
| Carrying value:                                    |                   |   |                                |                                     |                             |                            |                                     |                  |
| Balance at January 1, 2025                         | <u>\$ 588,029</u> | <u>889,009</u>                          | <u>589,287</u>                 | <u>7,120</u>                        | <u>7,381</u>                | <u>220,041</u>             | <u>11,091</u>                       | <u>2,311,958</u> |
| Balance at September 30, 2025                      | <u>\$ 587,700</u> | <u>839,906</u>                          | <u>520,755</u>                 | <u>5,815</u>                        | <u>8,316</u>                | <u>200,588</u>             | <u>67,046</u>                       | <u>2,230,126</u> |
| Balance at January 1, 2024                         | <u>\$ 467,543</u> | <u>862,337</u>                          | <u>668,609</u>                 | <u>7,867</u>                        | <u>4,284</u>                | <u>226,544</u>             | <u>83,119</u>                       | <u>2,320,303</u> |
| Balance at September 30, 2024                      | <u>\$ 588,554</u> | <u>900,533</u>                          | <u>619,353</u>                 | <u>7,400</u>                        | <u>7,259</u>                | <u>216,291</u>             | <u>32,317</u>                       | <u>2,371,707</u> |

Please refer to Note 6 (23) for details on gains and losses on disposal.

Please refer to Note 8 for details of the guarantees for long-term and short-term loans and financing as of September 30, 2025 and December 31, 2024 and September 30, 2024.

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**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(8) Right-of-use assets

The Group leases land and buildings, machinery and transportation equipment, etc. The costs, depreciations and impairment loss, are detailed as follows:

|                                  | <u>Land</u>       | <u>Buildings</u> | <u>Machinery<br/>Equipment</u> | <u>Transportation<br/>Equipment</u> | <u>Total</u>    |
|----------------------------------|-------------------|------------------|--------------------------------|-------------------------------------|-----------------|
| Cost:                            |                   |                  |                                |                                     |                 |
| Balance at January 1, 2025       | \$ 590,107        | 180,335          | 9,215                          | 3,873                               | 783,530         |
| Additions                        | 234               | 131,525          | 4,730                          | 6,979                               | 143,468         |
| Disposal/Write-off               | (6,117)           | (80,003)         | (5,922)                        | (1,061)                             | (93,103)        |
| Impact of exchange rate changes  | <u>(45,736)</u>   | <u>(11,149)</u>  | <u>(566)</u>                   | <u>(28)</u>                         | <u>(57,479)</u> |
| Balance at September 30, 2025    | <u>\$ 538,488</u> | <u>220,708</u>   | <u>7,457</u>                   | <u>9,763</u>                        | <u>776,416</u>  |
| Balance at January 1, 2024       | \$ 559,966        | 135,102          | 15,286                         | 3,669                               | 714,023         |
| Additions                        | -                 | 35,143           | 202                            | 1,072                               | 36,417          |
| Disposal/Write-off               | -                 | (7,183)          | (550)                          | (1,321)                             | (9,054)         |
| Impact of exchange rate changes  | <u>15,096</u>     | <u>4,410</u>     | <u>194</u>                     | <u>-</u>                            | <u>19,700</u>   |
| Balance at September 30, 2024    | <u>\$ 575,062</u> | <u>167,472</u>   | <u>15,132</u>                  | <u>3,420</u>                        | <u>761,086</u>  |
| Accumulated depreciation losses: |                   |                  |                                |                                     |                 |
| Balance at January 1, 2025       | \$ 115,315        | 93,922           | 4,741                          | 2,216                               | 216,194         |
| Depreciation for the year        | 14,156            | 26,514           | 4,575                          | 1,448                               | 46,693          |
| Disposal/Write-off               | (5,804)           | (80,003)         | (5,097)                        | (1,061)                             | (91,965)        |
| Impact of exchange rate changes  | <u>(8,477)</u>    | <u>(4,912)</u>   | <u>(220)</u>                   | <u>(1)</u>                          | <u>(13,610)</u> |
| Balance at September 30, 2025    | <u>\$ 115,190</u> | <u>35,521</u>    | <u>3,999</u>                   | <u>2,602</u>                        | <u>157,312</u>  |
| Balance at January 1, 2024       | \$ 87,259         | 74,912           | 8,084                          | 2,260                               | 172,515         |
| Depreciation for the year        | 18,017            | 15,894           | 4,863                          | 953                                 | 39,727          |
| Disposal/Write-off               | -                 | (7,183)          | (550)                          | (1,321)                             | (9,054)         |
| Impact of exchange rate changes  | <u>2,214</u>      | <u>2,065</u>     | <u>125</u>                     | <u>-</u>                            | <u>4,404</u>    |
| Balance at September 30, 2024    | <u>\$ 107,490</u> | <u>85,688</u>    | <u>12,522</u>                  | <u>1,892</u>                        | <u>207,592</u>  |
| Carrying amounts:                |                   |                  |                                |                                     |                 |
| Balance at January 1, 2025       | <u>\$ 474,792</u> | <u>86,413</u>    | <u>4,474</u>                   | <u>1,657</u>                        | <u>567,336</u>  |
| Balance at September 30, 2025    | <u>\$ 423,298</u> | <u>185,187</u>   | <u>3,458</u>                   | <u>7,161</u>                        | <u>619,104</u>  |
| Balance at January 1, 2024       | <u>\$ 472,707</u> | <u>60,190</u>    | <u>7,202</u>                   | <u>1,409</u>                        | <u>541,508</u>  |
| Balance at September 30, 2024    | <u>\$ 467,572</u> | <u>81,784</u>    | <u>2,610</u>                   | <u>1,528</u>                        | <u>553,494</u>  |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(9) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases. For all investment property leases, the rental income is fixed under the contracts.

The details of the Group's investment property are as follows:

|                               | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
|-------------------------------|-------------|------------------|--------------|
| Carrying amounts:             |             |                  |              |
| Balance at January 1, 2025    | \$ 37,535   | 37,118           | 74,653       |
| Balance at September 30, 2025 | \$ 37,535   | 36,653           | 74,188       |
| Balance at January 1, 2024    | \$ 28,375   | 2,915            | 31,290       |
| Balance at September 30, 2024 | \$ 28,375   | 2,871            | 31,246       |

There is no significant addition, disposal, impairment, or reversal of the investment properties of the Group from January 1 to September 30, 2025 and 2024. Please refer to Note 12 for details of the depreciation in the current period. For other relevant information, please refer to Note 6(10) of 2024 Consolidated Financial Report.

The fair value of investment properties of the Group does not significantly differ from the information disclosed in Note 6(10) of 2024 Consolidated Financial Report.

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the Group's investment properties were not used as guarantees for long-term, short-term loans and financing.

(10) Intangible assets

The details of changes in the Group's intangible assets are as follows:

|                               | <u>Goodwill</u> | <u>Technical Know-how</u> | <u>Computer Software</u> | <u>Total</u> |
|-------------------------------|-----------------|---------------------------|--------------------------|--------------|
| Carrying amounts:             |                 |                           |                          |              |
| Balance at January 1, 2025    | \$ 73,721       | -                         | 16,503                   | 90,224       |
| Balance at September 30, 2025 | \$ 68,481       | -                         | 18,475                   | 86,956       |
| Balance at January 1, 2024    | \$ 69,032       | 15,736                    | 16,795                   | 101,563      |
| Balance at September 30, 2024 | \$ 71,168       | 4,056                     | 16,539                   | 91,763       |

There is no significant addition, disposal, impairment, or reversal of the intangible assets of the Group from January 1 to September 30, 2025 and 2024. Please refer to Note 12 for details of the amortization in the current period. The change in the amount of goodwill is mainly due to the impact of exchange rate changes.

For other relevant information, please refer to Note 6(11) of 2024 Consolidated Financial Report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(11) Other non-current assets

The details of other non-current assets of the Group are as follows:

|                     | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|---------------------|-------------------------------|------------------------------|-------------------------------|
| Refundable deposits | \$ 20,698                     | 10,195                       | 8,038                         |
| Others              | <u>36,689</u>                 | <u>45,553</u>                | <u>43,517</u>                 |
|                     | <b><u>\$ 57,387</u></b>       | <b><u>55,748</u></b>         | <b><u>51,555</u></b>          |

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the Group's other non-current assets were not used as guarantees for long-term, short-term loans and financing.

(12) Short-term loans

The details of short-term loans of the Group are as follows:

|                                | <b>September 30,<br/>2025</b> | <b>December 31,<br/>2024</b> | <b>September 30,<br/>2024</b> |
|--------------------------------|-------------------------------|------------------------------|-------------------------------|
| Unsecured bank loans           | <b><u>\$ 701,900</u></b>      | <b><u>210,000</u></b>        | <b><u>480,000</u></b>         |
| Unused short-term credit lines | <b><u>\$ 658,100</u></b>      | <b><u>1,281,176</u></b>      | <b><u>1,096,632</u></b>       |
| Range of interest rate         | <b><u>2.1%~2.3784%</u></b>    | <b><u>2.2899%~2.35%</u></b>  | <b><u>2.12%~2.48%</u></b>     |

(a) Borrowing and repayment of short-term loans

The newly increased amounts from January 1 to September 30, 2025 and 2024 were 781,900 thousand and 700,000 thousand respectively, and the repaid amounts are 290,000 thousand and 220,000 thousand respectively.

The range of short-term interest rates in each region of the Group are as follows:

|        | <b>September 30,<br/>2025</b> | <b>December 31,<br/>2024</b> | <b>September 30,<br/>2024</b> |
|--------|-------------------------------|------------------------------|-------------------------------|
| Taiwan | <u>2.1%~2.3784%</u>           | <u>2.2899%~2.35%</u>         | <u>2.12%~2.48%</u>            |

As of September 30, 2025 and December 31, 2024 and September 30, 2024, the maturity dates of short-term loans of the Group are July, 2026 and July, 2025 and July, 2025 respectively.

(b) Collateral for bank loans

Please refer to Note 8 for the details of the collateral for bank loans.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(13) Short-term notes and bills payable

The details of short-term notes and bills payable of the Group are as follows:

| <b>September 30, 2025</b> |  |                                    |                   |
|---------------------------|--|------------------------------------|-------------------|
|                           | <b>Guarantee or<br/>acceptance institution</b> | <b>Range of<br/>interest rates</b> | <b>Amount</b>     |
| Commercial papers payable | China Bills Finance Corporation                | 2.238%                             | \$ 79,867         |
|                           | O-Bank   | 1.628%                             | 119,957           |
|                           | Taiwan Cooperative Bank                        | 2.2%                               | 59,881            |
| Total                     |  |                                    | <b>\$ 259,705</b> |
| <b>December 31, 2024</b>  |  |                                    |                   |
|                           | <b>Guarantee or<br/>acceptance institution</b> | <b>Range of<br/>interest rates</b> | <b>Amount</b>     |
| Commercial papers payable | China Bills Finance Corporation                | 2.2%                               | \$ 59,982         |
|                           | O-Bank   | 1.738%                             | 129,876           |
| Total                     |  |                                    | <b>\$ 189,858</b> |
| <b>September 30, 2024</b> |  |                                    |                   |
|                           | <b>Guarantee or<br/>acceptance institution</b> | <b>Range of<br/>interest rates</b> | <b>Amount</b>     |
| Commercial papers payable | China Bills Finance Corporation                | 2.2%                               | \$ 59,866         |
|                           | O-Bank   | 1.658%                             | 129,982           |
| Total                     |  |                                    | <b>\$ 189,848</b> |

Please refer to Note 6 (23) for details on interest expense.

Please refer to Note 8 for the details of the collateral for bank loans.

(14) Long-term Loans

The details of long-term loans of the Group are as follows:

| <b>September 30, 2025</b>     |                                   |                            |                     |
|-------------------------------|-----------------------------------|----------------------------|---------------------|
|                               | <b>Range of interest<br/>rate</b> | <b>Expiration<br/>Date</b> | <b>Amount</b>       |
| Unsecured bank loans          | 2.22%~2.8789%                     | July, 2027                 | \$ 2,032,143        |
| Secured bank loans            | 1.05%~2.255%                      | July, 2035                 | 404,046             |
|                               |                                   |                            | 2,436,189           |
| Less: current portion         |                                   |                            | (225,509)           |
| Total                         |                                   |                            | <b>\$ 2,210,680</b> |
| Unused long-term credit lines |                                   |                            | <b>\$ 590,000</b>   |

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|                               | <b>December 31, 2024</b>          |                            |                     |
|-------------------------------|-----------------------------------|----------------------------|---------------------|
|                               | <b>Range of interest<br/>rate</b> | <b>Expiration<br/>Date</b> | <b>Amount</b>       |
| Unsecured bank loans          | 2.22%~2.8789%                     | July, 2027                 | \$ 2,176,889        |
| Secured bank loans            | 1.05%~2.255%                      | July, 2035                 | 475,566             |
|                               |                                   |                            | 2,652,455           |
| Less: current portion         |                                   |                            | (232,296)           |
| Total                         |                                   |                            | <b>\$ 2,420,159</b> |
| Unused long-term credit lines |                                   |                            | <b>\$ 653,231</b>   |
|                               | <b>September 30, 2024</b>         |                            |                     |
|                               | <b>Range of interest<br/>rate</b> | <b>Expiration<br/>Date</b> | <b>Amount</b>       |
| Unsecured bank loans          | 1.925%~2.8789%                    | January, 2027              | \$ 2,457,003        |
| Secured bank loans            | 1.05%~2.255%                      | July, 2035                 | 499,305             |
|                               |                                   |                            | 2,956,308           |
| Less: current portion         |                                   |                            | (247,063)           |
| Total                         |                                   |                            | <b>\$ 2,709,245</b> |
| Unused long-term credit lines |                                   |                            | <b>\$ 653,313</b>   |

(a) Borrowing and repayment of long-term loans

From January 1 to September 30, 2025, there are no new long-term loans; from January 1 to September 30, 2024, the new long-term loans were 95,000 thousand, the interest rate was 2.2509%~2.8789%, the maturity date was July, 2027. The repayment amounts from January 1 to September 30, 2025 and 2024 were 218,217 thousand and 224,107 thousand respectively.

(b) Collateral for bank loans

Please refer to Note 8 for the details of the collateral for bank loans.

(c) Special agreement on the joint credit contract

On November 30, 2021, the Group signed a joint loan credit contract with Land Bank, Taiwan Cooperative Bank, Entie Commercial Bank, Taiwan Business Bank, Hua Nan Bank, First Commercial Bank, The Shanghai Commercial & Savings Bank, Cathay United Bank, Taichung Bank and Shin Kong Bank.

The joint credit contract renewed by the Group with the banks in 2023 restricts that the consolidated financial report after 2023 must meet the following conditions:

- A. Current ratio: not less than 140%
- B. Debt ratio: not higher 280%

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C. Interest coverage ratio: not less than 3 times

D. Net worth: not less than NT\$1,800,000 thousand.

The above-mentioned financial ratios and conditions shall be calculated based on the annual consolidated financial report audited and certified by an accountant recognized by the banks.

In accordance with the joint credit contract, the Group took the consolidated financial reports of 2024 and 2023 as the calculation basis, and none of them violated the restrictions.

(15) Bonds payable

The details of unsecured convertible bonds were as follows:

|   | <u>September<br/>30, 2025</u> | <u>December<br/>31, 2024</u> |
|---|-------------------------------|------------------------------|
| Total amount of the third domestic unsecured convertible corporate bonds issued   | \$ 300,000                    | 300,000                      |
| Unamortized discounted corporate bonds payable  | <u>(16,954)</u>               | <u>(22,939)</u>              |
| Ending balance of bonds payable   | <u>\$ 283,046</u>             | <u>277,061</u>               |
| Embedded derivative   |                               |                              |
| Embedded derivative - call options, included in financial assets at fair value through profit or loss - non-current     | <u>\$ -</u>                   | <u>180</u>                   |
| Embedded derivative - put options, included in financial liabilities at fair value through profit or loss - non-current | <u>\$ 2,880</u>               | <u>2,040</u>                 |
| Equity component - conversion options, included in capital surplus- stock options                                       | <u>\$ 21,661</u>              | <u>21,661</u>                |

As of September 30, 2024, the Group did not adopt bonds payable.

|   | <u>Three-month<br/>periods ended<br/>September 30,<br/>2025</u> | <u>Nine-month<br/>periods ended<br/>September 30,<br/>2025</u> |
|---|---|--|
| Loss on remeasurement of embedded derivatives - call and put options at fair value, included in other gains and losses) | <u>\$ 600</u>   | <u>1,020</u>   |
| Interest expense  | <u>\$ 2,010</u>   | <u>5,985</u>   |

On October 14, 2024, the Company issued domestic unsecured convertible corporate bonds with a 0% coupon rate. Each bond has a face value of 100 thousand and was issued at 100.5% of the face value, with a total issuance of 3,000 bonds, amounting to a total of 301,500 thousand. The issuance period is three years, from October 14, 2024, to October 14, 2027.

The main rights and obligations of the Company's outstanding unsecured convertible corporate bonds (hereinafter referred to as "the Convertible Bonds") are as follows:

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(a) Repayment method

Unless the convertible bonds have been redeemed, repurchased and cancelled, or converted before maturity, the Company shall redeem the bonds at par value in full through a single cash payment within ten business days after the maturity date.

(b) Conversion method

The bondholders may convert the bonds into ordinary shares of the Company, in accordance with applicable laws and the provisions of the trust agreement, at any time from the day following three months after the issuance date until the maturity date.

(c) Conversion price and adjustment

The conversion price is \$34.8 per share, which is the simple arithmetic average of the closing prices of the Company's ordinary shares on the first business day, as well as the first three and five business days prior to the pricing reference date, whichever is higher, multiplied by a conversion premium rate of 106%.

In the event of any change in the Company's outstanding common shares, the conversion price shall be adjusted in accordance with the formula stipulated in the terms of issuance.

From the ex-dividend record date, July 8, 2025, the conversion price of the Company's 3rd domestic unsecured convertible corporate bonds is adjusted to \$32.2 per share.

(d) Call option of the Company

The Company would repurchase the bond at par value if, within thirty business days after the closing price of the Company's ordinary shares listed on the Taiwan Stock Exchange exceeds or equals 30% of the conversion price for thirty consecutive business days, from the day after three months have passed from the issuance of the bonds to forty days before the maturity date, the Company sends a bond redemption notice and repurchases the outstanding convertible bonds at par value in cash within five business days after the bond redemption record date.

The Company would repurchase the bond at par value if, within thirty business days after the outstanding balance of the convertible bonds falls below 10% of the original issuance amount, from the day after three months have passed from the issuance of the bonds to forty days before the maturity date, the Company sends a bond redemption notice and repurchases the outstanding convertible bonds at par value in cash within five business days after the bond redemption record date.

(e) Put option of bondholders

The repurchase base date for the convertible bonds is set as the second anniversary of the issuance date. The Company shall send a "Put Option Exercise Notice" to bondholders at least forty days before the repurchase base date. Bondholders may submit a repurchase request to the original broker within forty days prior to the repurchase base date. The

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original broker will then submit the application to the Taiwan Depository & Clearing Corporation (TDCC), which, upon accepting the application, will request the Company to repurchase the bonds at 100% of their face value (put yield 0%) in cash. The Company shall repurchase the convertible bonds in cash within five business days after the repurchase base date upon accepting the repurchase request.

(16) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows: :

|             | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|-------------|-------------------------------|------------------------------|-------------------------------|
| Current     | <u>\$ 39,533</u>              | <u>20,866</u>                | <u>19,470</u>                 |
| Non-current | <u>\$ 173,299</u>             | <u>79,759</u>                | <u>75,423</u>                 |

For the maturity analysis, please refer to Note 6 (24) Financial Instruments.

The amounts recognized in profit or loss were as follows:

|  | <b>Three-month periods<br/>ended September 30,</b> |             | <b>Nine-month periods<br/>ended September 30,</b> |              |
|--|--|-------------|---|--------------|
|  | <b>2025</b>  | <b>2024</b> | <b>2025</b>                                       | <b>2024</b>  |
| Interest on lease liabilities  | <u>\$ 5,074</u>                                    | <u>720</u>  | <u>7,619</u>                                      | <u>2,045</u> |
| Expenses relating to short-term leases   | <u>\$ 492</u>                                      | <u>182</u>  | <u>1,092</u>                                      | <u>776</u>   |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u>\$ 568</u>                                      | <u>448</u>  | <u>1,939</u>                                      | <u>1,331</u> |

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

|                               | <b>Nine-month periods<br/>ended September 30,</b> |               |
|-------------------------------|---|---------------|
|                               | <b>2025</b>                                       | <b>2024</b>   |
| Total cash outflow for leases | <u>\$ 33,705</u>                                  | <u>26,984</u> |

(a) Leasing of land and buildings

The Group leases land and buildings as offices and warehouses. The lease is usually one to fifty years. Some leases include the option to extend term for additional periods equivalent to the original contract.

(b) Other lease

The lease the Group's leased machinery and transportation equipment is one to five years, and some lease contracts stipulate that the Group has the option to purchase the leased assets when the lease expires. In some contracts, the residual value of the leased assets will be guaranteed by the Group when the lease expires.

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In addition, the Group leases computer equipment for a period of one to three years. These leases are short-term and/or low-value assets. The Group chooses to apply for the recognition of exemption and does not recognize the as right-of-use assets and lease liabilities.

(17) Employee benefits

(a) Defined contribution plans

The Group's expenses related to pension plan contributions to the Bureau of Labor Insurance were as follows:

|                                     | <b>Three-month periods<br/>ended September 30,</b> |                     | <b>Nine-month periods<br/>ended September 30,</b> |                     |
|-------------------------------------|--|---------------------|---|---------------------|
|                                     | <b>2025</b>  | <b>2024</b>         | <b>2025</b>                                       | <b>2024</b>         |
| Operating cost                      | \$ 1,235   | 1,455               | 3,957   | 4,335               |
| Selling and marketing expenses      | 645  | 551                 | 2,019   | 1,581               |
| General and administrative expenses | 611  | 593                 | 1,746   | 1,673               |
| Research and development expenses   | 285  | 290                 | 860   | 865                 |
| <b>Total</b>                        | <b><u>\$ 2,776</u></b>                             | <b><u>2,889</u></b> | <b><u>8,582</u></b>                               | <b><u>8,454</u></b> |

The pensions of other subsidiaries are determined in accordance with local laws. The pension expenses recognized for the three-month and nine-month periods ended September 30, 2025 and 2024 were 5,130 thousand, 5,532 thousand, 15,396 thousand and 15,422 thousand respectively.

(18) Income taxes

The components of income tax for the three-month and nine-month periods ended September 30, 2025 and 2024 were as follows:

|  | <b>Three-month periods<br/>ended September 30,</b> |                      | <b>Nine-month periods<br/>ended September 30,</b> |                      |
|--|--|----------------------|---|----------------------|
|  | <b>2025</b>  | <b>2024</b>          | <b>2025</b>                                       | <b>2024</b>          |
| Current tax expenses                                 |  |                      |   |                      |
| Current period                                       | \$ 34,807  | 32,309               | 98,171  | 74,856               |
| Adjustment for prior periods                         | 28   | 5,050                | (5,145)   | 8,998                |
|  | <u>34,835</u>                                      | <u>37,359</u>        | <u>93,026</u>                                     | <u>83,854</u>        |
| Deferred tax expenses (benefit)                      |  |                      |   |                      |
| Origination and reversal of<br>temporary differences | 2,889  | (11,207)             | (27,078)  | 6,598                |
| <b>Income tax expenses (benefit)</b>                 | <b><u>\$ 37,724</u></b>                            | <b><u>26,152</u></b> | <b><u>65,948</u></b>                              | <b><u>90,452</u></b> |

The amounts of income tax recognized in other comprehensive income for the three-month and nine-month periods ended September 30, 2025 and 2024 were as follows:

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|  | Three-month periods ended |                | Nine-month periods ended |               |
|--|---------------------------|----------------|--------------------------|---------------|
|  | September 30,             |                | September 30,            |               |
|  | 2025                      | 2024           | 2025                     | 2024          |
| Items that may subsequently be reclassified to profit or loss: |                           |                |                          |               |
| Exchange differences on translation                            | <u>\$ 17,183</u>          | <u>(1,038)</u> | <u>(58,639)</u>          | <u>16,534</u> |

The Company's tax return for the year 2023 had been examined by the tax authorities.

(19) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to September 30, 2025 and 2024. For the related information, please refer to Note 6 (20) to 2024 consolidated financial report.

(a) Capital surplus

The balances of capital surplus as of September 30, 2025 and 2024, were as follows:

|  | September<br>30, 2025 | December<br>31, 2024 | September<br>30, 2024 |
|--|-----------------------|----------------------|-----------------------|
| Additional paid-in capital                     | \$ 83,617             | 83,617               | 13,030                |
| Issuance of convertible corporate bond options | 21,661                | 21,661               | -                     |
| Treasury share transactions                    | <u>5,820</u>          | <u>5,820</u>         | <u>-</u>              |
|  | <u>\$ 111,098</u>     | <u>111,098</u>       | <u>13,030</u>         |

(b) Retained earnings

According to the Articles of Incorporation, 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. The distribution of dividends and bonuses or all or part of the legal reserve in the form of cash requires the attendance of more than two-thirds of the directors, and the approval of more than half of the directors' present, and reports to the shareholders meeting.

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

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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.

(i) Special reserve

In accordance with the regulations of the Financial Supervisory Commission, when the Company distributes distributable earnings, for the difference between the net deduction of other shareholders' equity recorded in the current year and the balance of the special surplus reserve mentioned in the previous paragraph, the special reserve should be set aside from the net profit of the current period plus items other than the net profit from the current period, and the undistributed surplus in the previous periods, for the reduction of other shareholders' equity in the current year. For the reduction of other shareholders' equity accumulated in the previous periods, the special reserve should be set aside from the undistributed surplus in the previous period, and shall not be distributed. Afterwards, if the reduced amount of other shareholders' equity is reversed, then the reversed portion may be distributed.

(ii) Earnings distribution

The cash dividend amounts for the 2024 earnings distribution were approved during the board meeting on February 27, 2025, and other earnings distribution items were approved at the shareholders' meeting on May 21, 2025. The cash dividend amounts for the 2023 earnings distribution were approved during the board meeting on March 13, 2024, and other earnings distribution items were approved at the shareholders' meeting on May 28, 2024. The dividend amounts were as follows:

|  | 2024                         |         | 2023                         |        |
|--|------------------------------|---------|------------------------------|--------|
|  | Dividend per<br>share (NT\$) | Amount  | Dividend per<br>share (NT\$) | Amount |
| Dividends distributed to<br>shareholders of ordinary shares: |                              |         |                              |        |
| Cash dividends   | \$ 1.800                     | 320,110 | 0.500                        | 86,669 |

(c) Other equities (net amount after tax)

|  | <b>Exchange<br/>differences on<br/>translation of<br/>foreign operations</b> |
|--|--|
| Balance at January 1, 2025                 | \$ (872)   |
| Exchange differences on foreign operations | (234,556)  |
| Balance at September 30, 2025              | \$ (235,428)   |

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|  | <u>Exchange differences on translation of foreign operations</u> |
|--|--|
| Balance at January 1, 2024                 | \$ (92,700)  |
| Liquidation of subsidiaries                | 15,685   |
| Exchange differences on foreign operations | <u>66,137</u>  |
| Balance at September 30, 2024              | <u>\$ (10,878)</u>   |

(20) Earnings per share

For the three-month and nine-month periods ended September 30, 2025 and 2024, the Group's earnings per share were calculated as follows:

(a) Basic earnings per share

(i) Profit attributable to ordinary shareholders of the Company

|   | <b>Three-month periods ended September 30,</b> |                | <b>Nine-month periods ended September 30,</b> |                |
|---|--|----------------|---|----------------|
|   | <b>2025</b>                                    | <b>2024</b>    | <b>2025</b>                                   | <b>2024</b>    |
| Profit (loss) of the Company for the year | <u>\$ 127,327</u>                              | <u>112,747</u> | <u>179,801</u>                                | <u>296,775</u> |

(ii) Weighted-average number of ordinary shares (in thousands)

|  | <b>Three-month periods ended September 30,</b> |                | <b>Nine-month periods ended September 30,</b> |                |
|--|--|----------------|---|----------------|
|  | <b>2025</b>                                    | <b>2024</b>    | <b>2025</b>                                   | <b>2024</b>    |
| Issued ordinary shares at January 1                        | 177,839  | 173,839        | 177,839                                       | 173,839        |
| Effect of treasury shares (in thousands)                   | <u>(565)</u>                                   | <u>(500)</u>   | <u>(190)</u>                                  | <u>(500)</u>   |
| Weighted average number of ordinary shares at September 30 | <u>177,274</u>                                 | <u>173,339</u> | <u>177,649</u>                                | <u>173,339</u> |
| Basic earnings per share (Unit: NT\$)                      | <u>\$ 0.71</u>                                 | <u>0.65</u>    | <u>1.01</u>                                   | <u>1.71</u>    |

(b) Diluted earnings per share

(i) Profit attributable to ordinary shareholders of the Company (diluted)

|   | <b>Three-month periods ended September 30,</b> |             | <b>Nine-month periods ended September 30,</b> |             |
|---|--|-------------|---|-------------|
|   | <b>2025</b>                                    | <b>2024</b> | <b>2025</b>                                   | <b>2024</b> |
| Profit attributable to ordinary shareholders of the Company (basic) | \$ 127,327                                     | 112,747     | 179,801                                       | 296,775     |
| Interest expense and other income or expense on convertible         | <u>\$ 2,087</u>                                | <u>-</u>    | <u>5,604</u>                                  | <u>-</u>    |

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|   | <b>Three-month periods<br/>ended September 30,</b> |                | <b>Nine-month periods<br/>ended September 30,</b> |                |
|---|--|----------------|---|----------------|
|   | <b>2025</b>  | <b>2024</b>    | <b>2025</b>                                       | <b>2024</b>    |
| bonds, net of tax   |  |                |   |                |
| Profit attributable to ordinary<br>shareholders of the Company<br>(diluted) | <b>\$ 129,414</b>                                  | <b>112,747</b> | <b>185,405</b>                                    | <b>296,775</b> |

(ii) Weighted-average number of ordinary shares (diluted) (in thousands)

|  | <b>Three-month periods<br/>ended September 30,</b> |                | <b>Nine-month periods<br/>ended September 30,</b> |                |
|--|--|----------------|---|----------------|
|  | <b>2025</b>  | <b>2024</b>    | <b>2025</b>                                       | <b>2024</b>    |
| Weighted average number of<br>ordinary shares outstanding<br>(basic)   | 177,274  | 173,339        | 177,649   | 173,339        |
| Effect of dilutive potential<br>ordinary shares                        |  |                |   |                |
| Effect of employee share<br>bonus                                      | 135  | 75             | 218   | 244            |
| Effect of conversion of<br>convertible bonds                           | 9,317  | -              | 9,317   | -              |
| Weighted average number of<br>ordinary shares outstanding<br>(diluted) | <b>186,726</b>                                     | <b>173,414</b> | <b>187,184</b>                                    | <b>173,583</b> |
| Diluted earnings per share<br>(Unit: NT\$)                             | <b>\$ 0.70</b>                                     | <b>0.65</b>    | <b>0.99</b>                                       | <b>1.71</b>    |

(21) Revenue from contracts with customers

(a) Details of revenue

|                              | <b>Three-month periods<br/>ended September 30,</b> |                  | <b>Nine-month periods<br/>ended September 30,</b> |                  |
|------------------------------|--|------------------|---|------------------|
|                              | <b>2025</b>  | <b>2024</b>      | <b>2025</b>                                       | <b>2024</b>      |
| Primary geographical markets |  |                  |   |                  |
| United States                | \$ 1,106,789                                       | 1,280,743        | 3,106,363   | 3,168,717        |
| Europe                       | 149,152  | 206,359          | 382,267   | 621,765          |
| Taiwan                       | 22,925   | 36,450           | 71,969  | 90,520           |
| Others                       | 32,361   | 40,913           | 119,551   | 89,646           |
|                              | <b>\$ 1,311,227</b>                                | <b>1,564,465</b> | <b>3,680,150</b>                                  | <b>3,970,648</b> |

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(b) Contract balances

|  | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Notes Receivable and Accounts Receivable | \$ 1,530,685                  | 1,563,810                    | 1,517,321                     |
| Less: Allowance for losses               | <u>(458)</u>                  | <u>(492)</u>                 | <u>(475)</u>                  |
| Total                                    | <b><u>\$ 1,530,227</u></b>    | <b><u>1,563,318</u></b>      | <b><u>1,516,846</u></b>       |

The contracts with customers are all short-term ones, and the sales targets are mainly branded manufacturers or large wholesale companies. Please refer to Note 6 (3) for the disclosure of accounts receivable and its impairment.

(22) Remunerations to employees, directors and supervisors

On May 21, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2% shall be allocated as employee remuneration (including a minimum of 40% to those base-level employees) and a maximum of 3% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 2% should be allocated as employee remuneration and no more than 3% as remunerations for directors and supervisors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

For the three-month and nine-month periods ended September 30, 2025 and 2024, the employee remunerations were 2,749 thousand (including the amount allocated to base-level employees), 2,461 thousand, 3,259 thousand (including the amount allocated to base-level employees) and 6,913 thousand respectively; as well as the remunerations to both directors and supervisors were 1,374 thousand, 1,230 thousand, 1,629 thousand and 3,456 thousand respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, directors and supervisors, multiplied by the proposed percentages of remunerations of employees, directors, and supervisors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in

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accounting estimates and will be reflected in profit or loss in the following year.

For the years 2024 and 2023, the employee remunerations were 9,605 thousand and 2,935 thousand; as well as the remunerations to both directors and supervisors were 4,802 thousand and 1,468 thousand, respectively. There were no differences between the accrued and actual distributed amounts. Relevant information can be found on the Market Observation Post System (MOPS).

(23) Non-operating income and expenses

(a) Interest income

The details of the Group's interest income are as follows:

|   | <b>Three-month periods<br/>ended September 30,</b> |                     | <b>Nine-month periods<br/>ended September 30,</b> |                      |
|---|--|---------------------|---|----------------------|
|   | <b>2025</b>  | <b>2024</b>         | <b>2025</b>                                       | <b>2024</b>          |
| Interest income from deposits<br>in banks | \$ 3,194   | 3,277               | 9,498   | 10,507               |
| Interest income from foreign<br>bonds     | 4,619  | 2,053               | 11,571  | 5,548                |
|   | <b><u>\$ 7,813</u></b>                             | <b><u>5,330</u></b> | <b><u>21,069</u></b>                              | <b><u>16,055</u></b> |

(b) Other income

The details of the Group's other income are as follows:

|               | <b>Three-month periods<br/>ended September 30,</b> |                     | <b>Nine -month periods<br/>ended September 30,</b> |                     |
|---------------|--|---------------------|--|---------------------|
|               | <b>2025</b>  | <b>2024</b>         | <b>2025</b>  | <b>2024</b>         |
| Rental income | \$ 786   | 698                 | 2,558  | 1,774               |
| Other income  | 955  | 1,782               | 1,638  | 4,683               |
|               | <b><u>\$ 1,741</u></b>                             | <b><u>2,480</u></b> | <b><u>4,196</u></b>                                | <b><u>6,457</u></b> |

(c) Other gains and losses

The details of the Group's other gains and losses are as follows:

|  | <b>Three-month periods<br/>ended September 30,</b> |                        | <b>Nine-month periods<br/>ended September 30,</b> |                      |
|--|--|------------------------|---|----------------------|
|  | <b>2025</b>  | <b>2024</b>            | <b>2025</b>                                       | <b>2024</b>          |
| Losses of disposal of property, plant<br>and equipment gains (losses)                  | \$ (643)   | (7,413)                | (510)   | (7,726)              |
| Foreign exchange gains (losses)  | 35,044   | (42,186)               | (90,557)  | 38,458               |
| Net gains on financial assets<br>(liabilities) at fair value<br>through profit or loss | 3,937  | 9,724                  | (9,731)   | 9,973                |
| Other gains and losses   | 443  | (16,203)               | 1,039   | (16,589)             |
|  | <b><u>\$ 38,781</u></b>                            | <b><u>(56,078)</u></b> | <b><u>(99,759)</u></b>                            | <b><u>24,116</u></b> |

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(d) Finance cost

The details of the Group's finance cost are as follows:

|  | <b>Three-month periods<br/>ended September 30,</b> |               | <b>Nine-month periods<br/>ended September 30,</b> |               |
|--|--|---------------|---|---------------|
|  | <b>2025</b>  | <b>2024</b>   | <b>2025</b>                                       | <b>2024</b>   |
| Interest expense                                     | \$ 22,017  | 23,012        | 62,476  | 65,561        |
| Add : Interest of below-market<br>interest rate loan | 598  | 802           | 1,951   | 2,555         |
| Interest of Lease liabilities                        | 5,074  | 720           | 7,619   | 2,045         |
| Corporate bonds interest<br>expense                  | 2,010  | -             | 5,985   | -             |
|  | <b>\$ 29,699</b>                                   | <b>24,534</b> | <b>78,031</b>                                     | <b>70,161</b> |

(24) Financial instruments

Except as described below, there has been no significant change in the fair value of the Group's financial instruments and exposure to credit risk, liquidity risk and market risk due to financial instruments. For relevant information, please refer to Note 6(26) of 2024 Consolidated Financial Report.

(a) Credit risk

(i) Risk of credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(ii) Concentration of credit risk

In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial status of customers, and regularly evaluates the possibility of recovering accounts receivable and has allowance for impairment losses. The impairment losses are always within the expectations of the management. As of September 30, 2025 and December 31, 2024 and September 30, 2024, 94% and 94% and 95% of the Group's accounts receivable balance came from several major customers, which made the Group have significant concentration of credit risk.

(iii) Credit risk of accounts receivable

Please refer to Note 6 (3) for details of the credit risk and impairment allowance of notes receivable and accounts receivable. Other financial assets at amortized cost includes cash and cash equivalents, other receivables, payment on behalf of others and other financial assets. For relevant information, please refer to Note 6(1), (4), (6).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please

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refer to note 4(7) of 2024 Consolidated Financial Report.

The loss allowances of other receivables and payment on behalf of others were determined as follows:

|  | <b>Nine-month periods<br/>ended September 30,</b> |             |
|--|---|-------------|
|  | <b>2025</b>                                       | <b>2024</b> |
| Opening balance                                    | \$ 6,113  | 31,032      |
| Recognition of impairment losses (reversed profit) | 525   | (31,032)    |
| Ending balance                                     | <b>\$ 6,638</b>                                   | <b>-</b>    |

(b) Liquidity risk

The following table presents the maturity dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

|  | <u>Carrying<br/>amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within 6<br/>months</u> | <u>6-12Months</u> | <u>Over 1 years</u> |
|--|----------------------------|-----------------------------------|----------------------------|-------------------|---------------------|
| <b>September 30, 2025</b>                          |                            |                                   |                            |                   |                     |
| Non-derivative financial liabilities               |                            |                                   |                            |                   |                     |
| Bank loans   | \$ 3,138,089               | 3,243,237                         | 742,842                    | 253,657           | 2,246,738           |
| Short-term notes and bills payable                 | 259,705                    | 260,000                           | 260,000                    | -                 | -                   |
| Notes payable, accounts payable and other payables | 967,800                    | 967,800                           | 967,800                    | -                 | -                   |
| Lease liabilities                                  | 212,832                    | 256,729                           | 25,733                     | 24,517            | 206,479             |
| Other financial liabilities                        | 170,000                    | 170,792                           | 170,792                    | -                 | -                   |
| Bonds payable                                      | 283,046                    | 300,000                           | -                          | -                 | 300,000             |
| Derivative financial liabilities                   |                            |                                   |                            |                   |                     |
| Forward exchange contract                          |                            |                                   |                            |                   |                     |
| Flow Out   | 4,751                      | 4,751                             | 4,751                      | -                 | -                   |
| FX option contracts                                |                            |                                   |                            |                   |                     |
| Flow Out   | 936                        | 848                               | 848                        | -                 | -                   |
|  | <b>\$ 5,037,159</b>        | <b>5,204,157</b>                  | <b>2,172,766</b>           | <b>278,174</b>    | <b>2,753,217</b>    |
| <b>December 31, 2024</b>                           |                            |                                   |                            |                   |                     |
| Non-derivative financial liabilities               |                            |                                   |                            |                   |                     |
| Bank loans   | \$ 2,862,455               | 3,026,021                         | 245,494                    | 267,249           | 2,513,278           |
| Short-term notes and bills payable                 | 189,858                    | 190,000                           | 190,000                    | -                 | -                   |
| Notes payable, accounts payable and other payables | 1,144,328                  | 1,144,328                         | 1,144,328                  | -                 | -                   |
| Lease liabilities                                  | 100,625                    | 124,761                           | 13,735                     | 9,906             | 101,120             |
| Other financial liabilities                        | 85,000                     | 85,441                            | 85,441                     | -                 | -                   |
| Bonds payable                                      | 277,061                    | 300,000                           | -                          | -                 | 300,000             |
| Derivative financial liabilities                   |                            |                                   |                            |                   |                     |
| Forward exchange contract                          |                            |                                   |                            |                   |                     |
| Flow Out   | 7,450                      | 7,450                             | 7,450                      | -                 | -                   |
|  | <b>\$ 4,666,777</b>        | <b>4,878,001</b>                  | <b>1,686,448</b>           | <b>277,155</b>    | <b>2,914,398</b>    |
| <b>September 30, 2025</b>                          |                            |                                   |                            |                   |                     |
| Non-derivative financial liabilities               |                            |                                   |                            |                   |                     |
| Bank loans   | \$ 3,436,308               | 3,668,954                         | 490,481                    | 317,498           | 2,860,975           |
| Short-term notes and bills payable                 | 189,848                    | 190,000                           | 190,000                    | -                 | -                   |
| Notes payable, accounts payable and other payables | 1,341,189                  | 1,341,189                         | 1,341,189                  | -                 | -                   |

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|                                  | Carrying<br>amount  | Contractual<br>cash flows | Within 6<br>months | 6-12Months     | Over 1 years     |
|----------------------------------|---------------------|---------------------------|--------------------|----------------|------------------|
| Lease liabilities                | 94,893              | 118,906                   | 15,183             | 6,729          | 96,994           |
| Derivative financial liabilities |                     |                           |                    |                |                  |
| FX option contracts              |                     |                           |                    |                |                  |
| Flow Out                         | 368                 | 119                       | 119                | -              | -                |
|                                  | <u>\$ 5,062,606</u> | <u>5,319,168</u>          | <u>2,036,972</u>   | <u>324,227</u> | <u>2,957,969</u> |

The Group does not expect that the cash flow of maturity analysis will be significantly earlier, or the actual amount will be significantly different.

(c) Market risk

(i) Risk of foreign exchange rate

Financial assets and liabilities of the Group exposed to significant foreign exchange risks (excluding monetary items denominated in non-functional currency and have been written off in the consolidated financial report):

(in thousands)

|                              | September 30, 2025  |                  |        | December 31, 2024   |                  |        | September 30, 2024  |                  |        |           |
|------------------------------|---------------------|------------------|--------|---------------------|------------------|--------|---------------------|------------------|--------|-----------|
|                              | Foreign<br>currency | Exchange<br>rate | NTD    | Foreign<br>currency | Exchange<br>rate | NTD    | Foreign<br>currency | Exchange<br>rate | NTD    |           |
| <u>Financial assets</u>      |                     |                  |        |                     |                  |        |                     |                  |        |           |
| <u>Monetary items</u>        |                     |                  |        |                     |                  |        |                     |                  |        |           |
| USD                          | \$                  | 35,229           | 30.463 | 1,073,181           | 32,446           | 32.794 | 1,064,034           | 39,992           | 31.658 | 1,266,067 |
| <u>Financial liabilities</u> |                     |                  |        |                     |                  |        |                     |                  |        |           |
| <u>Monetary items</u>        |                     |                  |        |                     |                  |        |                     |                  |        |           |
| USD                          |                     | 10,688           | 30.463 | 325,589             | 18,207           | 32.794 | 597,080             | 21,063           | 31.658 | 666,812   |

(ii) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets at fair value through profit or loss, accounts and other receivables, loans and borrowings; and accounts and other payables that are denominated in foreign currency. On September 30, 2025 and 2024, when the NT dollar depreciates or appreciates by 1% against the US dollar, and all other factors remain unchanged, the net profit before tax from January 1 to September 30, 2025 and 2024 will increase or decrease by 7,476 thousand and 5,993 thousand respectively, the analysis for the two periods was conducted using the same basis.

(iii) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three-month and nine-month periods ended September 30, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 35,044 thousand, (42,186) thousand, (90,557) thousand and 38,458 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the

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Group's financial assets and liabilities. The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding at the reporting date is outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate is increased or decreased by 1% with all other variables remaining unchanged, the Group's net profit for the period from January 1 to September 30, 2025 and 2024 will be decreased or increased by 21,061 thousand and 20,041 thousand respectively. The main reason is the floating interest rates on loans, Other financial assets, time deposits and demand deposits.

(d) Information on fair value

(i) Types and fair values of financial instruments

The Group's financial assets and liabilities measured at fair value through profit or loss are measured at fair value on a recurring basis. The carrying amounts and fair values of financial assets and financial liabilities are listed below. It includes fair value hierarchies. For financial instruments and lease liabilities, if the carrying amount not measured at fair value is a reasonable approximation to fair value, there is no requirement to disclose the information about fair value.

|   | September 30, 2025  |                |                |                |                |
|---|---------------------|----------------|----------------|----------------|----------------|
|   | Book Value          | Fair Value     |                |                | Total          |
|   | Level 1             | Level 2        | Level 3        |                |                |
| <b>Financial assets at fair value through profit or loss</b>      |                     |                |                |                |                |
| Fund  | \$ 18,209           | 18,209         | -              | -              | 18,209         |
| Domestic and foreign bonds  | 408,834             | 257,044        | 151,790        | -              | 408,834        |
| Stocks listed on domestic markets                                 | 16,718              | 16,718         | -              | -              | 16,718         |
| Stocks of foreign non-listed companies                            | 170,282             | -              | -              | 170,282        | 170,282        |
| Sub-total   | <b>614,043</b>      | <b>291,971</b> | <b>151,790</b> | <b>170,282</b> | <b>614,043</b> |
| <b>Financial assets measured at amortized cost</b>                |                     |                |                |                |                |
| Cash and cash equivalents   | 585,988             | -              | -              | -              | -              |
| Notes receivable, accounts receivable and other receivable        | 1,592,159           | -              | -              | -              | -              |
| Other current assets  | 106,322             | -              | -              | -              | -              |
| Other financial assets - current                                  | 173,711             | -              | -              | -              | -              |
| Sub-total   | <b>2,458,180</b>    | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| Total   | <b>\$ 3,072,223</b> | <b>291,971</b> | <b>151,790</b> | <b>170,282</b> | <b>614,043</b> |
| <b>Financial liabilities at fair value through profit or loss</b> |                     |                |                |                |                |
| Forward exchange contracts  | \$ 4,751            | 4,751          | -              | -              | 4,751          |
| FX option contracts   | 936                 | 936            | -              | -              | 936            |
| Unsecured convertible bonds - put option                          | 2,880               | 2,880          | -              | -              | 2,880          |
| Sub-total   | <b>8,567</b>        | <b>8,567</b>   | <b>-</b>       | <b>-</b>       | <b>8,567</b>   |

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|   | September 30, 2025  |                |         |               |                |
|---|---------------------|----------------|---------|---------------|----------------|
|   | Book Value          | Fair Value     |         |               | Total          |
|   |                     | Level 1        | Level 2 | Level 3       |                |
| <b>Financial liabilities measured at amortized cost</b>           |                     |                |         |               |                |
| Bank loans  | 3,138,089           | -              | -       | -             | -              |
| Short-term notes and bills payable                                | 259,705             | -              | -       | -             | -              |
| Notes payable, accounts payable and other payables                | 967,800             | -              | -       | -             | -              |
| Other financial liabilities                                       | 170,000             | -              | -       | -             | -              |
| Bonds payable   | 283,046             | -              | -       | -             | -              |
| Lease liabilities   | 212,832             | -              | -       | -             | -              |
| Sub-total   | <u>5,031,472</u>    | -              | -       | -             | -              |
| Total   | <u>\$ 5,040,039</u> | <u>8,567</u>   | -       | -             | <u>8,567</u>   |
| <br>  |                     |                |         |               |                |
|   | December 31, 2024   |                |         |               |                |
|   | Book Value          | Fair Value     |         |               | Total          |
|   |                     | Level 1        | Level 2 | Level 3       |                |
| <b>Financial assets at fair value through profit or loss</b>      |                     |                |         |               |                |
| Fund  | \$ 27,611           | 27,611         | -       | -             | 27,611         |
| Domestic and foreign bonds  | 261,426             | 261,426        | -       | -             | 261,426        |
| Stocks of foreign non-listed companies                            | 13,042              | -              | -       | 13,042        | 13,042         |
| Unsecured convertible bonds – call option                         | 180                 | 180            | -       | -             | 180            |
| Sub-total   | <u>302,259</u>      | <u>289,217</u> | -       | <u>13,042</u> | <u>302,259</u> |
| <b>Financial assets measured at amortized cost</b>                |                     |                |         |               |                |
| Cash and cash equivalents   | 621,137             | -              | -       | -             | -              |
| Notes receivable, accounts receivable and other receivable        | 1,735,346           | -              | -       | -             | -              |
| Other current assets  | 184,281             | -              | -       | -             | -              |
| Other financial assets - current                                  | 157,548             | -              | -       | -             | -              |
| Sub-total   | <u>2,698,312</u>    | -              | -       | -             | -              |
| Total   | <u>\$ 3,000,571</u> | <u>289,217</u> | -       | <u>13,042</u> | <u>302,259</u> |
| <br>  |                     |                |         |               |                |
| <b>Financial liabilities at fair value through profit or loss</b> |                     |                |         |               |                |
| Forward exchange contracts  | \$ 7,450            | 7,450          | -       | -             | 7,450          |
| Unsecured convertible bonds - put option                          | 2,040               | 2,040          | -       | -             | 2,040          |
| Sub-total   | <u>9,490</u>        | <u>9,490</u>   | -       | -             | <u>9,490</u>   |
| <b>Financial liabilities measured at amortized cost</b>           |                     |                |         |               |                |
| Bank loans  | 2,862,455           | -              | -       | -             | -              |
| Short-term notes and bills payable                                | 189,858             | -              | -       | -             | -              |
| Notes payable, accounts payable and other payables                | 1,144,328           | -              | -       | -             | -              |
| Lease liabilities   | 100,625             | -              | -       | -             | -              |
| Other financial liabilities                                       | 85,000              | -              | -       | -             | -              |
| Bonds payable   | 277,061             | -              | -       | -             | -              |
| Sub-total   | <u>4,659,327</u>    | -              | -       | -             | -              |
| Total   | <u>\$ 4,668,817</u> | <u>9,490</u>   | -       | -             | <u>9,490</u>   |

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|   | September 30, 2024  |                |          |               |                |
|---|---------------------|----------------|----------|---------------|----------------|
|   | Book Value          | Fair Value     |          |               | Total          |
|   |                     | Level 1        | Level 2  | Level 3       |                |
| <b>Financial assets at fair value through profit or</b>           |                     |                |          |               |                |
| Fund  | \$ 27,683           | 27,683         | -        | -             | 27,683         |
| Forward exchange contracts  | 3,011               | 3,011          | -        | -             | 3,011          |
| Foreign bonds   | 163,655             | 163,655        | -        | -             | 163,655        |
| Stocks listed on domestic markets                                 | 13,042              | -              | -        | 13,042        | 13,042         |
| Sub-total   | <u>207,391</u>      | <u>194,349</u> | <u>-</u> | <u>13,042</u> | <u>207,391</u> |
| <b>Financial assets measured at amortized cost</b>                |                     |                |          |               |                |
| Cash and cash equivalents   | 769,196             | -              | -        | -             | -              |
| Notes receivable, accounts receivable and other                   | 1,748,988           | -              | -        | -             | -              |
| Other current assets  | 166,752             | -              | -        | -             | -              |
| Other financial assets - current                                  | 184,880             | -              | -        | -             | -              |
| Sub-total   | <u>2,869,816</u>    | <u>-</u>       | <u>-</u> | <u>-</u>      | <u>-</u>       |
| Total   | <u>\$ 3,077,207</u> | <u>194,349</u> | <u>-</u> | <u>13,042</u> | <u>207,391</u> |
| <b>Financial liabilities at fair value through profit or loss</b> |                     |                |          |               |                |
| FX option contracts   | \$ 368              | 368            | -        | -             | 368            |
| Sub-total   | <u>368</u>          | <u>368</u>     | <u>-</u> | <u>-</u>      | <u>368</u>     |
| <b>Financial liabilities measured at amortized cost</b>           |                     |                |          |               |                |
| Bank loans  | 3,436,308           | -              | -        | -             | -              |
| Short-term notes and bills payable                                | 189,848             | -              | -        | -             | -              |
| Notes payable, accounts payable and other payables                | 1,341,189           | -              | -        | -             | -              |
| Lease liabilities   | 94,893              | -              | -        | -             | -              |
| Sub-total   | <u>5,062,238</u>    | <u>-</u>       | <u>-</u> | <u>-</u>      | <u>-</u>       |
| Total   | <u>\$ 5,062,606</u> | <u>368</u>     | <u>-</u> | <u>-</u>      | <u>368</u>     |

(ii) Valuation techniques for financial instruments not measured at fair value

The methods and assumptions used by the Group to estimate financial instruments not measured at fair value are as follows:

A. Financial assets measured at amortized cost

If there is a public quotation in an active market, the market price will be used as the fair value; if there is no market price, the evaluation method will be used for estimation or use the counterparty's quotation as the fair value.

B. Financial assets and liabilities measured at amortized cost

If there is a quotation from a transaction or a market maker, the most recent transaction price and quotation shall be used as the basis for assessing the fair value. If there is no market price for reference, it shall be estimated by evaluation method. The estimates and assumptions used in the valuation method are to estimate the fair value using the discounted value of the cash flow.

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

A. Financial instruments with standard terms and conditions traded in active market

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The public quotation from the active market shall be used as the fair value. The market prices announced by major exchanges and the over-the-counter government bond trading centers that are judged to be the trading centers for popular bonds are used as the fair value of equity instruments and debt instruments with a public quotation from an active market.

If the public quotations of financial instruments can be obtained timely and frequently from exchanges, brokers, underwriters, industry associations, pricing agencies or competent authorities, and the prices are actually and frequently quoted at the market, then it is considered a public quotation from an active market for the financial instruments.

**B. Derivative financial instruments**

It is evaluated based on an evaluation model widely accepted and recognized, such as discounted cash flow or option pricing models.

The fair value of derivative instruments is calculated based on the public quotation. When public quotations cannot be obtained, evaluation methods are used for estimation, and the estimates and assumptions used will be based on the quotation information of financial institutions.

**C. Unlisted company stocks at fair value level 3**

The fair value is estimated using the market approach, determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators.

(iv) Transfers between Level 1 and Level 2

There were no transfers of levels in the nine-month periods ended September 30, 2025 and 2024.

(v) Reconciliation of Level 3 fair values

|                               | <b>At fair value<br/>through profit or<br/>loss-without public<br/>quotation of equity<br/>instruments</b> |
|-------------------------------|--|
| Balance at January 1, 2025    | \$ 13,042  |
| Purchased                     | 157,240  |
| Balance at September 30, 2025 | <b>\$ 170,282</b>  |

(vi) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

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The fair value of the Group is classified as Level 3 with only a single significant unobservable input.

| <u>Item</u>   | <u>Valuation techniques</u> | <u>Significant unobservable inputs</u> | <u>Inter-relationship between significant unobservable inputs and fair value measurement</u> |
|---|-----------------------------|--|--|
| Financial assets at fair value through profit or loss - equity instruments without an active market | Transaction price           | • No active market trading price       | • Not applicable   |

(vii) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement of financial instruments is reasonable, but using different valuation models or parameters may lead to different valuation results. For fair value measurements in Level 3, changing one or more assumptions to reflect reasonably possible alternative assumptions would have the following effects:

|   | <u>Input value</u> | <u>Upwards or downwards change</u> | <u>Changes in fair value are reflected in current profit and loss</u> |                            |
|---|--------------------|------------------------------------|---|----------------------------|
|   |                    |                                    | <u>Favorable change</u>   | <u>Unfavorable changes</u> |
| <b>September 30, 2025</b>   |                    |                                    |   |                            |
| Financial assets at fair value through profit or loss - equity instruments without an active market | Transaction price  | 5%                                 | \$ <u>8,522</u>   | <u>(8,522)</u>             |
| <b>December 31, 2024</b>  |                    |                                    |   |                            |
| Financial assets at fair value through profit or loss - equity instruments without an active market | Transaction price  | 5%                                 | \$ <u>499</u>   | <u>(821)</u>               |

(25) Financial risk management

The objectives and policies of the Group's financial risk management have not changed significantly from those disclosed in Note 6 (27) of 2024 consolidated financial report.

(26) Capital management

The objectives, policies, and procedures of the Group's capital management are consistent with those disclosed in 2024 consolidated financial report; and the aggregated quantitative data for capital management items have not changed significantly from those disclosed in 2024 consolidated financial report. For relevant information, please refer to Note 6 (28) of the 2024 consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(27) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the nine-month periods ended September 30, 2025 and 2024, were as follows:

|   | Non-cash changes    |                |                                 |                                 |  |              | September<br>30, 2025 |
|---|---------------------|----------------|---------------------------------|---------------------------------|--|--------------|-----------------------|
|   | January 1,<br>2025  | Cash<br>flows  | Changes<br>in lease<br>payments | Foreign<br>exchange<br>movement | Changes in<br>deferred<br>government<br>grants | Others       |                       |
| Long-term loans                             | \$ 2,652,455        | (218,217)      | -                               | -                               | 1,951  | -            | 2,436,189             |
| Short-term loans                            | 210,000             | 491,900        | -                               | -                               | -  | -            | 701,900               |
| Lease liabilities                           | 100,625             | (23,055)       | 142,293                         | (7,031)                         | -  | -            | 212,832               |
| Bonds payable                               | 277,061             | -              | -                               | -                               | -  | 5,985        | 283,046               |
| Total liabilities from financing activities | <u>\$ 3,240,141</u> | <u>250,628</u> | <u>142,293</u>                  | <u>(7,031)</u>                  | <u>1,951</u>                                   | <u>5,985</u> | <u>3,633,967</u>      |

|   | Non-cash changes    |                |                                 |                                 |  |          | September<br>30, 2024 |
|---|---------------------|----------------|---------------------------------|---------------------------------|--|----------|-----------------------|
|   | January 1,<br>2024  | Cash flows     | Changes<br>in lease<br>payments | Foreign<br>exchange<br>movement | Changes in<br>deferred<br>government<br>grants | Others   |                       |
| Long-term loans                             | \$ 3,082,820        | (129,107)      | -                               | 40                              | 2,555  | -        | 2,956,308             |
| Short-term loans                            | -                   | 480,000        | -                               | -                               | -  | -        | 480,000               |
| Lease liabilities                           | 76,148              | (22,832)       | 39,077                          | 2,500                           | -  | -        | 94,893                |
| Total liabilities from financing activities | <u>\$ 3,158,968</u> | <u>328,061</u> | <u>39,077</u>                   | <u>2,540</u>                    | <u>2,555</u>                                   | <u>-</u> | <u>3,531,201</u>      |

## 7. Related-party transactions

### (1) Names and relationship with the Group

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

| Name of related party  | Relationship with the Group                          |
|--|--|
| Hsu, Ming-Hsuan  | Key management personnel of the Group                |
| Hsu, Chun-Jan  | Key management personnel of the Group                |
| Hong, Yi-Jing  | In close relationship with the chairman of the Group |
| All directors, the Group's key management personnel, including the general manager and deputy general manager. |  |

### (2) Significant transactions with related parties

#### (a) Payables from related parties

The payables from related parties were as follows:

| Account        | Relationship          | September<br>30, 2025 | December<br>31, 2024 | September<br>30, 2024 |
|----------------|-----------------------|-----------------------|----------------------|-----------------------|
| Other payables | Other related parties | <u>\$ 26</u>          | <u>18</u>            | <u>328</u>            |

#### (b) Leases

The Group leased land, factories, offices and parking spaces from key personnel of the management team in January 2017. Interest expenses for the three-month and nine-month

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periods ended September 30, 2025 and 2024 are 2 thousand, 3 thousand, 5 thousand and 9 thousand respectively. As of September 30, 2025, December 31, 2024 and September 30, 2024, the balance of lease liabilities is 268 thousand, 533 thousand and 621 thousand respectively.

(3) Key management personnel compensation

Key management personnel compensation comprised:

|                              | <b>Three-month periods<br/>ended September 30,</b> |                     | <b>Nine-month periods<br/>ended September 30,</b> |                      |
|------------------------------|--|---------------------|---|----------------------|
|                              | <b>2025</b>  | <b>2024</b>         | <b>2025</b>                                       | <b>2024</b>          |
| Short-term employee benefits | \$ 6,614   | 8,375               | 27,926  | 22,570               |
| Termination benefits         | 145  | 168                 | 471   | 505                  |
|                              | <b><u>\$ 6,759</u></b>                             | <b><u>8,543</u></b> | <b><u>28,397</u></b>                              | <b><u>23,075</u></b> |

**8. Assets pledged as security**

The carrying amounts of assets pledged as security were as follows:

| <b>Assets pledged as<br/>security</b>  | <b>Liabilities secured by<br/>pledge</b>             | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|--|--|-------------------------------|------------------------------|-------------------------------|
| Fixed certificates of deposits<br>and restricted deposits (listed<br>as other financial<br>assets-current) | Long-term and short-term<br>loans and line of credit | \$ 173,711                    | 141,151                      | 167,468                       |
| Property, plant and equipment  | "  | 1,118,554                     | 1,145,626                    | 1,154,781                     |
| Financial assets at fair value<br>through profit or loss   | Short-term loans and line<br>of credit               | 308,098                       | 158,846                      | 60,773                        |
|  |  | <b><u>\$ 1,600,363</u></b>    | <b><u>1,445,623</u></b>      | <b><u>1,383,022</u></b>       |

**9. Significant commitments and contingencies**

(1) Unrecognized contractual commitments

The contracts signed for the purchase of property, plant and equipment, but have not been yet fully recognized are as follows: :

|                | <b>September<br/>30, 2025</b> | <b>December<br/>31, 2024</b> | <b>September<br/>30, 2024</b> |
|----------------|-------------------------------|------------------------------|-------------------------------|
| Contract price | <b><u>\$ 166,288</u></b>      | <b><u>20,166</u></b>         | <b><u>208,672</u></b>         |
| Unpaid amount  | <b><u>\$ 91,405</u></b>       | <b><u>8,554</u></b>          | <b><u>113,602</u></b>         |

(2) Others

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group issued guarantee notes for the security of long-term and short-term loan secure of 2,524,225 thousand, 4,041,270 thousand and 4,159,474 thousand respectively.

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**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Other

(1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

| By function                          | Three-month periods ended<br>September 30, 2025 |                    |         | Three-month periods ended<br>September 30, 2024 |                    |         |
|--------------------------------------|---|--------------------|---------|---|--------------------|---------|
|                                      | Cost of sales                                   | Operating expenses | Total   | Cost of sales                                   | Operating expenses | Total   |
| <b>By item</b>                       |   |                    |         |   |                    |         |
| Employee benefits                    |   |                    |         |   |                    |         |
| Salary                               | 153,497   | 67,186             | 220,683 | 147,655   | 58,590             | 206,245 |
| Labor and health insurance<br>(Note) | 9,634   | 4,524              | 14,158  | 8,901   | 7,238              | 16,139  |
| Pension                              | 4,426   | 3,480              | 7,906   | 1,747   | 6,674              | 8,421   |
| Remuneration of directors            | -   | 3,580              | 3,580   | -   | 3,482              | 3,482   |
| Other                                | 6,344   | 3,187              | 9,531   | 7,081   | 2,883              | 9,964   |
| Depreciation                         | 37,698  | 15,611             | 53,309  | 43,497  | 14,570             | 58,067  |
| Amortization                         | 5,174   | 1,880              | 7,054   | 4,420   | 5,736              | 10,156  |

| By function                          | Nine-month periods ended<br>September 30, 2025 |                    |         | Nine-month periods ended<br>September 30, 2024 |                    |         |
|--------------------------------------|--|--------------------|---------|--|--------------------|---------|
|                                      | Cost of sales                                  | Operating expenses | Total   | Cost of sales                                  | Operating expenses | Total   |
| <b>By item</b>                       |  |                    |         |  |                    |         |
| Employee benefits                    |  |                    |         |  |                    |         |
| Salary                               | 433,092  | 192,419            | 625,511 | 418,451  | 207,433            | 625,884 |
| Labor and health insurance<br>(Note) | 30,071   | 13,885             | 43,956  | 24,212   | 17,896             | 42,108  |
| Pension                              | 13,799   | 10,179             | 23,978  | 5,093  | 18,783             | 23,876  |
| Remuneration of directors            | -  | 8,880              | 8,880   | -  | 9,594              | 9,594   |
| Other                                | 18,930   | 10,287             | 29,217  | 19,446   | 10,306             | 29,752  |
| Depreciation                         | 114,879  | 48,891             | 163,770 | 123,972  | 45,182             | 169,154 |
| Amortization                         | 15,682   | 5,656              | 21,338  | 10,793   | 16,756             | 27,549  |

Note: Including local medical, unemployment, work-related injury and maternity insurance of subsidiaries in China.

(2) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(3) Based on the guarantee agreement and obligations not performed by the counterparty, the Group filed for arbitration, requesting Strength Sharp Corporation to pay an amount of USD 692 thousand. As of the date of this financial report, the arbitration case has not yet proceeded to litigation;

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however, the outcome is still subject to the court's final decision. The Group has already assessed this matter and recognized an appropriate expected credit loss provision accordingly.

**13. Other disclosures**

(1) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine-month periods ended September 30, 2025 :

(a) Loans to other parties:

(In Thousands of New Taiwan Dollar)

| No<br>(Note1) | Lender                             | Borrower                       | Account                           | Related Party | Highest Amount in the Period | Ending Balance | Actual Amount | Interest | Nature (Note2) | Translation between both parties | Reasons for the short-term financing | Allowance for bad debt | Collateral |       | Limit for Each Borrower (Note3) | Total Limit of Loan (Note3) |
|---------------|------------------------------------|--------------------------------|-----------------------------------|---------------|------------------------------|----------------|---------------|----------|----------------|----------------------------------|--------------------------------------|------------------------|------------|-------|---------------------------------|-----------------------------|
|               |                                    |                                |                                   |               |                              |                |               |          |                |                                  |                                      |                        | Title      | Value |                                 |                             |
| 0             | Ching Feng Home Fashions Co., Ltd. | Fu Vietnam Company Limited     | Other Receivables – Related Party | Yes           | 76,158                       | 76,158         | 60,926        | -        | 2              | -                                | Working capital turnover             | -                      | -          | -     | 240,743                         | 361,114                     |
| 0             | Ching Feng Home Fashions Co., Ltd. | Sun Ocean Vietnam Co., Ltd.    | Other Receivables – Related Party | Yes           | 30,463                       | -              | -             | -        | 2              | -                                | Working capital turnover             | -                      | -          | -     | 240,743                         | 361,114                     |
| 0             | Ching Feng Home Fashions Co., Ltd. | OSALEY HOME FASHIONS Co., LTD. | Other Receivables                 | No            | 7,345                        | -              | -             | -        | 2              | -                                | Working capital turnover             | -                      | -          | -     | 240,743                         | 361,114                     |

Note 1: The method of filling in the serial number is as follows:

- (1) Fill in 0 for the Group.
- (2) The subsidiary is numbered sequentially starting from 1.

Note 2: Nature of the loan:

- If there are business connections between both parties, fill in 1.
- If there are reasons for the short-term financing, fill in 2.

Note 3: The total amount lent by the Group and its subsidiaries to those with business connections shall not exceed 40% of the net value of the Group's latest financial report. For each borrower, the amount shall not exceed the amount of business transactions in the previous year when both parties entered the contract of loan. The total amount of funds lent to those who have the needs for short-term financing shall be limited to 15% of the net value of the lender's most recent financial report. The total amount of funds lent to each single borrower shall be limited to 10% of the net value of the lender's most recent financial report. To foreign subsidiaries which the Group holds 100% direct and indirect control, the total amount of funds lent is limited to 40% of the net value of the most recent financial report of the Group.

(b) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

| No<br>(Note1) | Company that Gives Endorsement and Guarantee | Guarantee Company (Note2)          |                      | Limit to a Single Enterprise (Note3) | Highest Amount of the Period | Ending Balance | Actual Amount | Endorsement & Guarantee with Securities | Ratio of Accumulated Endorsement & Guarantee to the Net Value of The Latest Financial Statement | Limit of Endorsement and Guarantee | Parent company to the subsidiary | Subsidiary to the Parent Company | For Mainland China |
|---------------|--|------------------------------------|----------------------|--------------------------------------|------------------------------|----------------|---------------|---|---|------------------------------------|----------------------------------|----------------------------------|--------------------|
|               |  | Name                               | Relationship (Note2) |                                      |                              |                |               |   |   |                                    |                                  |                                  |                    |
| 0             | Ching Feng Home Fashions Co., Ltd.           | Ching Feng Vietnam Company Limited | 3                    | 1,203,713                            | 91,389                       | -              | -             | -                                       | - %   | 2,407,426                          | Y                                | N                                | N                  |

Note 1: The method of filling in the serial number is as follows:

- (1) Fill in 0 for the Group.
- (2) The subsidiary is numbered sequentially starting from 1.

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Note 2: There are 7 types of relationship between the endorser and the endorsed guarantor, just mark the type:

- (1) There are business connections between both parties.
- (2) The endorser holds more than 50% direct and indirect control of the endorsed guarantor.
- (3) The endorsed guarantor holds more than 50% direct and indirect control of the endorser.
- (4) The endorser holds more than 90% direct and indirect control of the endorsed guarantor, and vice versa.
- (5) The contract in a project requires companies in the same industry or co-contractors to guarantee each other according to the contract.
- (6) A company that is endorsed and guaranteed by all shareholders in accordance with their shareholding ratio due to a joint venture.
- (7) Joint and several guarantees for performance guarantees of pre-sale housing contracts in accordance with the Consumer Protection Act.

Note 3: The limit of the endorsement and guarantee is calculated as follows:

- (1) According to the operating procedures of endorsement and guarantee, the total amount is limited to the net worth of the Group.
- (2) The limit of the Group's endorsement guarantee for a single enterprise is limited to 50% of the Group's latest net worth.

(c) Securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(Unit: NT\$ thousand)

| Company                            | Type and name of securities   | Relationship with company | Account   | End of period |                |                             |            | Note |
|------------------------------------|---|---------------------------|---|---------------|----------------|-----------------------------|------------|------|
|                                    |   |                           |   | Shares/Units  | Carrying value | Percentage of ownership (%) | Fair Value |      |
| Ching Feng Home Fashions Co., Ltd. | Jupiter Global Fixed Income Fund (0E02)                                       | None                      | Financial assets at fair value through profit or loss-Current     | 54,556        | 14,223         | - %                         | 14,223     |      |
| Ching Feng Home Fashions Co., Ltd. | Nomura All Weather Global Bond Fund (006103)                                  | None                      | Financial assets at fair value through profit or loss-Current     | 200,000       | 1,971          | - %                         | 1,971      |      |
| Ching Feng Home Fashions Co., Ltd. | Fubon Dual-Core Strategy Multi-Asset Fund(48BA)                               | None                      | Financial assets at fair value through profit or loss-Current     | 200,000       | 2,015          | - %                         | 2,015      |      |
| Ching Feng Home Fashions Co., Ltd. | C.C.P. Contact Probes Co., LTD. (6217) Ordinary Shares                        | None                      | Financial assets at fair value through profit or loss-Current     | 143,000       | 6,378          | - %                         | 6,378      |      |
| Ching Feng Home Fashions Co., Ltd. | M.J. International Flooring and Interior Products Inc. (8466) Ordinary Shares | None                      | Financial assets at fair value through profit or loss-Current     | 300,000       | 7,110          | - %                         | 7,110      |      |
| Ching Feng Home Fashions Co., Ltd. | Yageo Corporation (2327) Ordinary Shares                                      | None                      | Financial assets at fair value through profit or loss-Current     | 19,000        | 3,230          | - %                         | 3,230      |      |
| Ching Feng Home Fashions Co., Ltd. | Altrich Group USD investment corporate bond (US022098BF92)                    | None                      | Financial assets at fair value through profit or loss-Non-Current | 100           | 3,109          | - %                         | 3,109      |      |
| Ching Feng Home Fashions Co., Ltd. | JPMorgan Chase Bank USD Corporate Bonds (US46625HLL23)                        | None                      | Financial assets at fair value through profit or loss-Non-Current | 100           | 2,866          | - %                         | 2,866      |      |
| Ching Feng Home Fashions Co., Ltd. | Exxon Mobil Corp. Bonds (US30231GBF81)  | None                      | Financial assets at fair value through profit or loss-Non-Current | 80            | 2,228          | - %                         | 2,228      |      |
| Ching Feng Home Fashions Co., Ltd. | Saudi Arabia Konigreich Bonds (XS1694218469)                                  | None                      | Financial assets at fair value through profit or loss-Non-Current | 400           | 10,564         | - %                         | 10,564     |      |
| Ching Feng Home Fashions Co., Ltd. | Altrich Group USD Corporate Bonds (US02209SAV51)                              | None                      | Financial assets at fair value through profit or loss-Non-Current | 500           | 11,585         | - %                         | 11,585     |      |
| Ching Feng Home Fashions Co., Ltd. | Wells Fargo & Co. Bonds (US94974BGT17))                                       | None                      | Financial assets at fair value through profit or loss-Non-Current | 400           | 10,210         | - %                         | 10,210     |      |
| Ching Feng Home Fashions Co., Ltd. | AT & T Inc. Bonds (US00206RDJ86)  | None                      | Financial assets at fair value through profit or loss-Non-Current | 200           | 5,189          | - %                         | 5,189      |      |
| Ching Feng Home Fashions Co., Ltd. | B.A.T. Capital Corp. Bonds (US05526DBD66)                                     | None                      | Financial assets at fair value through profit or loss-Non-Current | 200           | 5,606          | - %                         | 5,606      |      |
| Ching Feng Home Fashions Co., Ltd. | Berkshire Hathaway Finance Corp. Bonds (US084664DB47)                         | None                      | Financial assets at fair value through profit or loss-Non-Current | 200           | 4,806          | - %                         | 4,806      |      |
| Ching Feng Home Fashions Co., Ltd. | Philip Morris International Inc. Bonds (US718172BD03)                         | None                      | Financial assets at fair value through profit or loss-Non-Current | 400           | 11,393         | - %                         | 11,393     |      |
| Ching Feng Home Fashions Co., Ltd. | PacifiCorp Bonds (US695114DA39)   | None                      | Financial assets at fair value through profit or loss-Non-Current | 600           | 17,263         | - %                         | 17,263     |      |
| Ching Feng Home Fashions Co., Ltd. | United States of America Bonds (US912810TL26)                                 | None                      | Financial assets at fair value through profit or loss-Non-Current | 400           | 10,800         | - %                         | 10,800     |      |

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| Company                            | Type and name of securities                                 | Relationship with company | Account   | End of period |                |                             |            | Note |
|------------------------------------|---|---------------------------|---|---------------|----------------|-----------------------------|------------|------|
|                                    |   |                           |   | Shares/Units  | Carrying value | Percentage of ownership (%) | Fair Value |      |
| Ching Feng Home Fashions Co., Ltd. | Brazilian Government International Bonds (US105756BW95)     | None                      | Financial assets at fair value through profit or loss-Non-Current | 700           | 17,186         | - %                         | 17,186     |      |
| Ching Feng Home Fashions Co., Ltd. | Ford Motor Co. Bonds (US345370CQ17)                         | None                      | Financial assets at fair value through profit or loss-Non-Current | 300           | 7,160          | - %                         | 7,160      |      |
| Ching Feng Home Fashions Co., Ltd. | Oracle Corp. Bonds (US68389XBJ37)                           | None                      | Financial assets at fair value through profit or loss-Non-Current | 200           | 4,667          | - %                         | 4,667      |      |
| Ching Feng Home Fashions Co., Ltd. | AT & T Inc. Bonds (US00206RKF81)                            | None                      | Financial assets at fair value through profit or loss-Non-Current | 100           | 1,970          | - %                         | 1,970      |      |
| Ching Feng Home Fashions Co., Ltd. | Nippon Life Insurance Co. Bonds (USJ54675BA04)              | None                      | Financial assets at fair value through profit or loss-Non-Current | 300           | 8,223          | - %                         | 8,223      |      |
| Ching Feng Home Fashions Co., Ltd. | Kingdom of Saudi Arabia USD Bonds (XS2109770151)            | None                      | Financial assets at fair value through profit or loss-Non-Current | 400           | 8,735          | - %                         | 8,735      |      |
| Ching Feng Home Fashions Co., Ltd. | Perusahaan Listrik Negara Bonds (US71568QAK31)              | None                      | Financial assets at fair value through profit or loss-Non-Current | 300           | 7,891          | - %                         | 7,891      |      |
| Ching Feng Home Fashions Co., Ltd. | Taiwan Cooperative Bank Three-Year USD Bonds (SBAG)         | None                      | Financial assets at fair value through profit or loss-Non-Current | 150           | 4,343          | - %                         | 4,343      |      |
| Ching Feng Home Fashions Co., Ltd. | KGI Life Insurance Subordinated Bonds (B9AK03)              | None                      | Financial assets at fair value through profit or loss-Non-Current | 50,000        | 50,500         | - %                         | 50,500     |      |
| Ching Feng Home Fashions Co., Ltd. | Fubon Life Insurance Subordinated Corporate Bonds (B99511)  | None                      | Financial assets at fair value through profit or loss-Non-Current | 100,000       | 101,000        | - %                         | 101,000    |      |
| Ching Feng Home Fashions Co., Ltd. | Cathay Life Insurance Co., Ltd. Subordinated Bonds (B99603) | None                      | Financial assets at fair value through profit or loss-Non-Current | 80,000        | 81,200         | - %                         | 81,200     |      |
| Ching Feng Home Fashions Co., Ltd. | Cathay Life Insurance Co., Ltd. Subordinated Bonds (B99607) | None                      | Financial assets at fair value through profit or loss-Non-Current | 20,000        | 20,340         | - %                         | 20,340     |      |
| Ching Feng Home Fashions Co., Ltd. | Dentall (Global) Limited series A Preferred shares          | None                      | Financial assets at fair value through profit or loss-Non-Current | 305,000       | 13,042         | 2.00 %                      | 13,042     |      |
| Ching Feng Home Fashions Co., Ltd. | SEEDLEE CONSULTANT COMPANY                                  | None                      | Financial assets at fair value through profit or loss-Non-Current | Note1         | 490            | 3.00 %                      | 490        |      |
| Ching Feng Home Fashions Co., Ltd. | Chain Yarn Corporation (4427) Ordinary Shares               | None                      | Financial assets at fair value through profit or loss-Non-Current | 14,250,000    | 156,750        | 6.70 %                      | 156,750    |      |

Note: It is converted into New Taiwan Dollars at the exchange rate on the closing date of the financial report.

Note 1: The invested company is a limited company.

(d) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

| Company                            | Related party                      | Nature of relationship | Transaction Details |             |   |               | Abnormal transaction |                       | Trade receivables (payables) and notes receivable (payable) |  | Note |
|------------------------------------|------------------------------------|------------------------|---------------------|-------------|---|---------------|----------------------|-----------------------|---|--|------|
|                                    |                                    |                        | Item                | Amount      | Percentage of total purchases (sales) (%) | Payment terms | Unit Price           | Payment terms (Note2) | Ending balance  | Percentage of total receivables (payables) |      |
| Ching Feng Home Fashions Co., Ltd. | All Strong Industry (USA) Inc.     | Subsidiary             | Sales               | (1,700,661) | (63.44)%                                  | T/T 195 days  | Sell at agreed price | -                     | 870,412   | 78.44%                                     |      |
| Ching Feng Home Fashions Co., Ltd. | Sun Ocean Vietnam Co., Ltd         | Sub-subsidiary         | Purchases           | 584,285     | 23.78%                                    | T/T 180 days  | Sell at agreed price | -                     | (109,274)   | (16.16)%                                   |      |
| Ching Feng Home Fashions Co., Ltd. | Ching Feng Vietnam Company Limited | Subsidiary             | Purchases           | 834,905     | 33.97%                                    | T/T 180 days  | Sell at agreed price | -                     | (284,850)   | (42.14)%                                   |      |
| ALL STRONG INDUSTRY (USA) INC.     | Ching Feng Home Fashions Co., Ltd. | Parent Company         | Purchases           | 1,700,661   | 100.00%                                   | T/T 195 days  | Sell at agreed price | -                     | (870,412)   | (100.00)%                                  |      |
| Sun Ocean Vietnam Co., Ltd.        | Ching Feng Home Fashions Co., Ltd. | Parent Company         | Sales               | (584,285)   | (100.00)%                                 | T/T 180 days  | Sell at agreed price | -                     | 109,274   | 100.00%                                    |      |
| Ching Feng Vietnam Company Limited | Ching Feng Home Fashions Co., Ltd. | Parent Company         | Sales               | (834,905)   | (100.00)%                                 | T/T 180 days  | Sell at agreed price | -                     | 284,850   | 100.00%                                    |      |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**

**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

Note 1: The above transactions have been written off when preparing the consolidated financial report.

Note 2: The transaction conditions are not different from other transaction.

- (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(In Thousands of New Taiwan Dollars)

| Company                            | Related party                      | Relationship   | Ending balance (Note1) | Turnover % | Overdue |              | Amount received in subsequent period (Note1) | Loss allowance |
|------------------------------------|------------------------------------|----------------|------------------------|------------|---------|--------------|--|----------------|
|                                    |                                    |                |                        |            | Amount  | Action taken |  |                |
| Ching Feng Home Fashions Co., Ltd. | All Strong Industry (USA) Inc.     | Subsidiary     | 870,412                | 226%       | -       |              | 135,449                                      | -              |
| Sun Ocean Vietnam Co., Ltd.        | Ching Feng Home Fashions Co., Ltd. | Parent Company | 109,274                | 569%       | -       |              | 31,177                                       | -              |
| Ching Feng Vietnam Company Limited | Ching Feng Home Fashions Co., Ltd. | Parent Company | 284,850                | 487%       | -       |              | 30,556                                       | -              |

Note 1: It refers to the amount recovered as of October 17, 2025.

- (f) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

| No | Company                            | Counterparty                                     | Relation-ship | Transaction Details  |           |   | Percentage of the consolidated net revenue or total assets |
|----|------------------------------------|--|---------------|----------------------|-----------|---|--|
|    |                                    |  |               | Account              | Amount    | Trading terms   |  |
| 0  | Ching Feng Home Fashions Co., Ltd. | All Strong Industry (USA) Inc.                   | 1             | Sales                | 1,700,661 | The price is at the normal or negotiated price                                  | 46.21%   |
|    |                                    |  | 1             | Accounts receivables | 870,412   | The terms of payment are based on the agreement or the general terms of payment | 11.46%   |
|    |                                    |  | 1             | Other Receivables    | 3,357     | The terms of payment are based on the agreement or the general terms of payment | 0.04%  |
| 0  | Ching Feng Home Fashions Co., Ltd. | Ching Feng Vietnam Company Limited               | 1             | Sales                | 94        | The price is at the normal or negotiated price                                  | -%   |
|    |                                    |  | 1             | Accounts receivables | 95        | The terms of payment are based on the agreement or the general terms of payment | -%   |
|    |                                    |  | 1             | Other Receivables    | 27,857    | The terms of payment are based on the agreement or the general terms of payment | 0.37%  |
|    |                                    |  | 1             | Purchases            | 834,905   | The price is at the normal or negotiated price                                  | 22.69%   |
|    |                                    |  | 1             | Accounts payables    | 284,850   | The terms of payment are based on the agreement or the general terms of payment | 3.75%  |
| 0  | Ching Feng Home Fashions Co., Ltd. | Grandtop Decorative Product (Zhenjing) Co., Ltd. | 2             | Sales                | 5,416     | The price is at the normal or negotiated price                                  | 0.15%  |
|    |                                    |  | 2             | Accounts receivables | 525       | The terms of payment are based on the agreement or the general terms of payment | 0.01%  |
|    |                                    |  | 2             | Other Receivables    | 244       | The terms of payment are based on the agreement or the general terms of payment | -%   |
|    |                                    |  | 2             | Purchases            | 16,556    | The price is at the normal or negotiated price                                  | 0.45%  |
|    |                                    |  | 2             | Accounts payables    | 24,789    | The terms of payment are based on the agreement or the general terms of payment | 0.33%  |
| 0  | Ching Feng Home Fashions Co., Ltd. | Sun Ocean Vietnam Co., Ltd.                      | 2             | Sales                | 2,448     | The price is at the normal or negotiated price                                  | 0.07%  |
|    |                                    |  | 2             | Accounts receivables | 151       | The terms of payment are based on the agreement or the general terms of payment | -%   |
|    |                                    |  | 2             | Other Receivables    | 31,202    | The terms of payment are based on the agreement or the general terms of payment | 0.41%  |
|    |                                    |  | 2             | Purchases            | 584,285   | The price is at the normal or negotiated price                                  | 15.88%   |
|    |                                    |  | 2             | Accounts payables    | 109,274   | The terms of payment are based on the agreement or the general terms of payment | 1.44%  |
| 0  | Ching Feng Home Fashions Co., Ltd. | Fu Vietnam Company Limited                       | 1             | Purchases            | 12,043    | The price is at the normal or negotiated price                                  | 0.33%  |
|    |                                    |  | 1             | Accounts payables    | 585       | The terms of payment are based on the agreement or the general terms of payment | 0.01%  |
| 0  | Ching Feng Home Fashions Co., Ltd. | Regal Estate (USA) Inc.                          | 2             | Sales                | 1,210     | The price is at the normal or negotiated price                                  | 0.03%  |
|    |                                    |  | 2             | Accounts receivables | 1,255     | The terms of payment are based on the agreement or the general terms of payment | 0.02%  |
|    |                                    |  | 2             | Other Receivables    | 378       | The terms of payment are based on the agreement or the general terms of payment | -%   |

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

| No | Company                        | Counterparty            | Relation-ship | Transaction Details  |        |   |  |
|----|--------------------------------|-------------------------|---------------|----------------------|--------|---|--|
|    |                                |                         |               | Account              | Amount | Trading terms   | Percentage of the consolidated net revenue or total assets |
| 1  | All Strong Industry (USA) Inc. | Regal Estate (USA) Inc. | 3             | Sales                | 6,465  | The price is at the normal or negotiated price                                  | 0.18%  |
|    |                                |                         | 3             | Accounts receivables | 4,343  | The terms of payment are based on the agreement or the general terms of payment | 0.06%  |
|    |                                |                         | 3             | Other Receivables    | 5,059  | The terms of payment are based on the agreement or the general terms of payment | 0.07%  |

Note 1: The method of filling in the serial number is as follows:

- (1) Fill in 0 for the Group.
- (2) The subsidiary is numbered sequentially starting from 1.

Note 2: The type of relationship is marked as follows:

- (1) Parent company to subsidiary company.
- (2) Parent company to sub-subsidiary company.

Note 3: For the business relationship and major transactions between the parent company and the subsidiaries, only information about sales and accounts receivable is disclosed. Purchases and accounts payable of the counterparty are not described in detail.

(2) Information on investees (excluding information on investees in Mainland China):

The followings are the information on investees for the nine-month periods ended September 30, 2025:

(In Thousands of New Taiwan Dollar/shares)

| Name of investor                     | Name of investee                     | Location      | Main businesses  | Original investment amount        |                                   | Balance as of September 30, 2025 |            |                        | Net income (loss) of the investee | Investment income (loss) recognized by the company (Note2) | Note           |
|--------------------------------------|--------------------------------------|---------------|--|-----------------------------------|-----------------------------------|----------------------------------|------------|------------------------|-----------------------------------|--|----------------|
|                                      |                                      |               |  | September 30, 2025                | December 31, 2024                 | Shares (in thousands)            | percentage | Carrying value (Note1) |                                   |  |                |
| Ching Feng Home Fashions Co., Ltd.   | All Strong Industry (USA) Inc.       | United States | Buy & sell of blinds, pleated shades                                   | 202,863                           | 202,863                           | 65                               | 100.00%    | 624,089                | 158,163                           | 158,163  | Subsidiary     |
| Ching Feng Home Fashions Co., Ltd.   | Lamae' Global Home Fashion Co., Ltd. | Samoa         | Investment   | 1,041,715                         | 1,041,715                         | 35,525                           | 100.00%    | 732,653                | 4,282                             | 4,282  | "              |
| Ching Feng Home Fashions Co., Ltd.   | Sincere Capital Limited              | Samoa         | Investment   | 398,660                           | 398,660                           | 13,084                           | 100.00%    | 411,397                | 34,514                            | 34,514   | "              |
| Ching Feng Home Fashions Co., Ltd.   | Praise Home Industry co., Ltd.       | Thailand      | Plastic bags, etc.   | 193,059                           | 217,099                           | 1,750                            | 100.00%    | 47,571                 | (6,305)                           | (6,305)  | "              |
| Ching Feng Home Fashions Co., Ltd.   | Ching Feng Vietnam Company Limited   | Vietnam       | Production and processing of plastic and alu. blinds, faux wood blinds | 590,129                           | 590,129                           | Note 3                           | 100.00%    | 808,333                | 141,824                           | 141,824  | "              |
| Ching Feng Home Fashions Co., Ltd.   | Fu Yue Window Decoration Co., Ltd.   | Taiwan        | Manufacture and sale of blinds, pleated shades                         | 5,000                             | 5,000                             | Note 3                           | 100.00%    | 4,549                  | (3)                               | (3)  | "              |
| Ching Feng Home Fashions Co., Ltd.   | Fu Vietnam Company Limited           | Vietnam       | Manufacture and assembly of blinds and textiles                        | 167,384                           | 167,384                           | Note 3                           | 100.00%    | 102,549                | (16,310)                          | (16,310)   | "              |
| Ching Feng Home Fashions Co., Ltd.   | Ching Feng Singapore Pte. Ltd.       | Singapore     | Home decor wholesale   | 87,420                            | -                                 | 3,000                            | 100.00%    | 91,759                 | 379                               | 379  | "              |
| Lamae' Global Home Fashion Co., Ltd. | New Nice Home Fashion L.L.C.         | United States | Investment   | 1,172,429<br>(USD38,487 thousand) | 1,262,143<br>(USD38,487 thousand) | 24,655                           | 100.00%    | 732,650                | 14,809                            | 4,282  | Sub-subsidiary |
| Sincere Capital Limited              | Sun Ocean Investment Limited         | Samoa         | Investment   | 410,428<br>(USD13,473 thousand)   | 441,834<br>(USD13,473 thousand)   | 13,473                           | 100.00%    | 411,396                | 34,514                            | 34,514   | "              |
| Sun Ocean Investment Limited         | Sun Ocean Vietnam Co., Ltd.          | Vietnam       | Manufacture and assembly of blinds                                     | 401,076<br>(USD13,166 thousand)   | 431,766<br>(USD13,166 thousand)   | Note 3                           | 100.00%    | 404,092                | 34,514                            | 34,514   | "              |
| All Strong Industry (USA) Inc.       | Regal Estate (USA) Inc.              | United States | Buy & sell of blinds, pleated shades                                   | 3,046<br>(USD100 thousand)        | 3,279<br>(USD100 thousand)        | 100                              | 100.00%    | (1,519)                | (2,487)                           | (2,487)  | "              |

Note 1: It is converted into NT dollars based on the exchange rate of the day when the report ends.

Note 2: Converted to New Taiwan dollars using the average exchange rate during the financial reporting period.

Note 3: The invested company is a limited company.

Note 4: The above transactions have been written off when preparing the consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(3) Information on investment in mainland China:

(a) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

| Investee  | Main businesses and products  | Total amount of paid-in capital     | Method of Investment (Note1) | Accumulated outflow of investment from Taiwan as of January 1, 2025(Note 2) | Investment |                                | Accumulated outflow of investment from Taiwan as of September 30, 2025 (Note 2) | Net income (losses) of the investee | Percentage of ownership | Investment income (loss) recognized (Note 3) | Carrying value as of September 30, 2025 (Note 4) | Accumulated inward remittance of earnings as of September 30, 2025 |
|---|---|-------------------------------------|------------------------------|---|------------|--------------------------------|---|-------------------------------------|-------------------------|--|--|--|
|   |   |                                     |                              |   | Outflow    | Inflow                         |   |                                     |                         |  |  |  |
| Grandtop Decorative Product (Zhenjiang) Co., Ltd.       | Manufacture, production, assembly and sales of blinds.  | 559,241<br>(USD<br>17,000 thousand) | (2)                          | 559,241<br>(USD<br>17,000 thousand)   | -          | -                              | 559,241<br>(USD<br>17,000 thousand)   | 14,809                              | 100.00%                 | 14,809<br>(USD<br>475 thousand)              | 345,123<br>(USD<br>11,329 thousand)              | -  |
| Zhenjiang Ching Lu Management Consulting Company        | Business management and consulting, wholesaler and agent of home textiles, home decoration products, building materials, hardware products. | -<br>(USD<br>- thousand)            | (1)                          | 6,038<br>(USD<br>200 thousand)  | -          | 6,038<br>(USD<br>200 thousand) | -   | -                                   | -%                      | -  | -  | -  |
| Fu Yue Window Decoration Technology Zhenjiang Co., Ltd. | Buy & sell of blinds, pleated shades  | 434<br>(RMB<br>100 thousand)        | (2)                          | 434<br>(RMB<br>100 thousand)  | -          | -                              | 434<br>(RMB<br>100 thousand)  | (83)                                | 100.00%                 | (83)   | (204)  | -  |

(b) Upper limit on investment in Mainland China:

| Accumulated investment in Mainland China as of September 30, 2025 | Investment amount authorized by Investment Commission, MOEA (Note 2、4、6、7) | Upper limit on investment |
|---|--|---------------------------|
| 988,646<br>(USD 32,454 thousand)                                  | 991,723<br>(USD 32,555 thousand)   | (Note 6)                  |

Note 1: Investment methods are divided into the following three types:

- (1) Directly go to China to engage in the investment.
- (2) Re-invest in China through a foreign subsidiary (New Nice Home Fashion L.L.C.).
- (3) Investing with the invested company's own funds.

Note 2: The amount includes the investment in Xiamen Hao Tang Daily Necessities Co., Ltd. and Hua Meng Home Decoration Industry Co., Ltd., which was approved by the Investment Review Committee of the Ministry of Economic Affairs from 1992 to 1996, totaling US\$14,442. The two companies have been canceled and disposed, and the Investment Review Committee of the Ministry of Economic Affairs has approved the cancellation of the investment amount for Hua Meng Home Decoration Industry Co., Ltd.

Note 3: The average exchange rate during the financial reporting period was used to convert into NT dollars.

Note 4: It is converted into NT dollars based on the exchange rate on the date when the financial report ends.

Note 5: The above transactions have been written off when the consolidated financial report is prepared.

Note 6: According to the "Principles for the Review of Investment or Technical Cooperation in China" amended on August 29, 2008, since the Group has obtained a certificate indicating the compliance with the range of business issued by the Industrial Development Bureau, Ministry of Economic Affairs, there is no need to calculate the investment limit.

Note 7: In March 2012, Mr. Hsu, Pei-Hsiang, the former President of the Group, was approved by the resolution of the Board of Directors to use the equity of Grandtop to pay the overdue accounts receivable of US\$25,454 thousand. The fund was not remitted from Taiwan.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(c) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

**14. Segment information**

(1) General information

The Group is mainly engaged in various household products, operating as a single product and segment.

|                                   | <b>Three-month periods</b> |                         | <b>Nine-month periods</b>  |                         |
|-----------------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
|                                   | <b>ended September 30,</b> |                         | <b>ended September 30,</b> |                         |
|                                   | <b>2025</b>                | <b>2024</b>             | <b>2025</b>                | <b>2024</b>             |
| Revenue                           |                            |                         |                            |                         |
| Revenue from external customers   | \$ 1,311,227               | 1,564,465               | 3,680,150                  | 3,970,648               |
| Interest income                   | <u>7,813</u>               | <u>5,330</u>            | <u>21,069</u>              | <u>16,055</u>           |
| Total revenue                     | <b><u>\$ 1,319,040</u></b> | <b><u>1,569,795</u></b> | <b><u>3,701,219</u></b>    | <b><u>3,986,703</u></b> |
| Reportable segment profit or loss | <b><u>\$ 127,327</u></b>   | <b><u>112,747</u></b>   | <b><u>179,801</u></b>      | <b><u>296,775</u></b>   |