



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

## **CONSOLIDATED FINANCIAL STATEMENTS With Independent Auditors' Review Report For the Three-Month Periods Ended March 31, 2026 and 2025**

### **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 March 31, 2026 and 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2026 and 2025, 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 1,858,950 thousand and 1,582,469 thousand, constituting 22% and 20% of consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounting to 183,974 thousand and 234,980 thousand, constituting 3% and 5% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and total comprehensive income amounting to 30,446 and 38,544 thousand, absolute amount constituting 19% and 31% of consolidated total comprehensive income for the three-month periods ended March 31, 2026 and 2025, 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 March 31, 2026 and 2025, and its consolidated financial performance and consolidated cash flows for the three-month periods ended March 31, 2026 and 2025 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  
Hsu, Ming-Fang  
May 11, 2026

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**March 31, 2026, December 31, 2025 and March 31, 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2026		December 31, 2025		March 31, 2025		Liabilities and Equity		March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets :</b>															
1100	Cash and cash equivalents (Note 6(1))	\$ 430,540	8	388,015	5	448,088	6	2100	Short-term loans (Note 6(12) and 8)	\$ 854,900	10	696,900	9	225,000	3
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	40,458	-	37,585	-	46,215	1	2110	Short-term notes and bills payable (Note 6(13) and 8)	266,576	3	259,871	3	189,771	2
1150	Net notes receivable (Note 6(3) and (21))	-	-	248	-	202	-	2120	Financial liabilities at fair value through profit or loss - current (Note 6(2))	12,703	-	14,150	-	3,670	-
1170	Net accounts receivable (Note 6(3) and (21))	1,674,748	20	1,648,966	21	1,673,015	22	2150	Notes and Accounts payable	672,775	8	627,337	8	614,154	8
1200	Other receivables (Note 6(4))	41,877	1	48,372	1	152,808	2	2200	Other payables	610,737	7	406,438	5	744,231	10
1220	Current tax assets	9,144	-	9,144	-	12,058	-	2220	Other payables - related parties (Note 7)	32	-	35	-	-	-
130X	Inventories (Note 6(5))	1,295,297	16	1,169,459	15	1,174,567	15	2230	Current income tax liabilities	65,919	1	75,725	1	74,421	1
1410	Prepayments	285,498	3	255,547	3	183,945	2	2280	Lease liabilities - current (Note 6(16))	43,116	1	42,342	1	41,124	-
1470	Other current assets (Note 6(6))	91,235	1	113,830	1	168,675	2	2305	Other financial liabilities - current	255,000	3	170,000	2	127,881	2
1476	Other financial assets - current (Note 8)	232,934	3	241,080	3	180,567	2	2320	Long-term liabilities due within 1 year or 1 business cycle (Note 6(14) and 8)	1,050,602	13	220,559	3	224,720	3
<b>Total current assets</b>		<b>4,101,731</b>	<b>49</b>	<b>3,912,246</b>	<b>49</b>	<b>4,040,140</b>	<b>52</b>	2399	Other current liabilities - Others	12,299	-	7,646	-	6,401	-
<b>Non-current assets :</b>									<b>Total current liabilities</b>	<b>3,844,659</b>	<b>46</b>	<b>2,521,003</b>	<b>32</b>	<b>2,251,373</b>	<b>29</b>
1511	Financial assets at fair value through profit or loss – non-current (Note 6(2), (15) and 8)	763,810	9	616,568	8	329,212	4		<b>Non-current liabilities :</b>						
1600	Property, plant and equipment (Notes 6(7) and 8)	2,265,811	27	2,273,012	29	2,317,190	30	2500	Financial liabilities at fair value through profit or loss – non-current (Note 6(2) and (15))	3,420	-	3,210	-	1,860	-
1755	Right-of-use assets (Note 6(8))	623,352	8	625,498	8	719,720	9	2530	Bonds payable (Notes 6(2) and (15))	287,107	3	285,069	4	279,042	4
1760	Investment property, net (Note 6(9))	73,804	1	73,996	1	74,466	1	2540	Long-term loans (Note 6(14) and 8)	1,461,115	18	2,186,544	28	2,343,119	30
1780	Intangible assets (Note 6(10))	89,292	1	87,960	1	96,073	1	2569	Current tax liabilities - non-current	-	-	-	-	2,755	-
1840	Deferred income tax assets (Note 6(18))	125,415	1	126,659	2	70,810	1	2570	Deferred income tax liabilities (Note 6(18))	10,115	-	9,884	-	10,920	-
1915	Advance payment for equipment (Note 9)	54,338	1	39,121	1	29,419	1	2580	Lease liabilities - non-current (Note 6(16))	164,165	2	169,623	2	213,781	3
1900	Other non-current assets (Notes 6(11) and 9)	263,676	3	64,038	1	52,015	1	2670	Other current liabilities - others	1,530	-	1,564	-	1,513	-
<b>Total non-current assets</b>		<b>4,259,498</b>	<b>51</b>	<b>3,906,852</b>	<b>51</b>	<b>3,688,905</b>	<b>48</b>		<b>Total non-current liabilities</b>	<b>1,927,452</b>	<b>23</b>	<b>2,655,894</b>	<b>34</b>	<b>2,852,990</b>	<b>37</b>
									<b>Total liabilities</b>	<b>5,772,111</b>	<b>69</b>	<b>5,176,897</b>	<b>66</b>	<b>5,104,363</b>	<b>66</b>
									<b>Equity attributable to owners of parent company (Note 6(15) and (19)):</b>						
								3110	Ordinary shares	1,778,389	21	1,778,389	23	1,778,389	23
								3200	Capital surplus	111,098	1	111,098	1	111,098	2
								3300	Retained earnings	781,787	9	903,433	12	704,027	9
								3400	Other components of equity	(40,970)	-	(109,533)	(1)	31,168	-
								3500	Treasury Shares	(41,186)	-	(41,186)	(1)	-	-
									<b>Total equity attributable to owners of the parent company</b>	<b>2,589,118</b>	<b>31</b>	<b>2,642,201</b>	<b>34</b>	<b>2,624,682</b>	<b>34</b>
									<b>Total equity</b>	<b>2,589,118</b>	<b>31</b>	<b>2,642,201</b>	<b>34</b>	<b>2,624,682</b>	<b>34</b>
<b>Total Assets</b>		<b>\$ 8,361,229</b>	<b>100</b>	<b>7,819,098</b>	<b>100</b>	<b>7,729,045</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 8,361,229</b>	<b>100</b>	<b>7,819,098</b>	<b>100</b>	<b>7,729,045</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 Periods ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		Three-month periods ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes 6(21))</b>	\$ 1,207,014	100	1,188,313	100
5000	<b>Operating costs (Notes 6(5) and (17))</b>	<u>877,653</u>	<u>73</u>	<u>891,757</u>	<u>75</u>
	<b>Gross profit</b>	<u>329,361</u>	<u>27</u>	<u>296,556</u>	<u>25</u>
	<b>Operating expenses (Notes 6(16), (17), (22) and 7):</b>				
6100	Selling and marketing expenses	115,854	9	89,631	8
6200	General and administrative expenses	64,442	5	65,172	5
6300	Research and development expenses	20,015	2	19,618	2
6450	Expected credit losses (gains) (Note 6(3) and (24))	<u>-</u>	<u>-</u>	<u>4,002</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>200,311</u>	<u>16</u>	<u>178,423</u>	<u>15</u>
	<b>Operating income</b>	<u>129,050</u>	<u>11</u>	<u>118,133</u>	<u>10</u>
	<b>Non-operating income and expenses (Note 6(15), (16) and (23)):</b>				
7100	Interest income	8,439	1	5,864	-
7010	Other income	1,822	-	1,034	-
7020	Other gains and losses	14,548	1	18,439	2
7050	Financing costs	<u>(28,781)</u>	<u>(3)</u>	<u>(23,145)</u>	<u>(2)</u>
	<b>Total non-operating income and expenses</b>	<u>(3,972)</u>	<u>(1)</u>	<u>2,192</u>	<u>-</u>
7900	<b>Net income before tax</b>	125,078	10	120,325	10
7950	<b>Less: Income tax expense (Note 6(18))</b>	<u>35,715</u>	<u>3</u>	<u>29,994</u>	<u>3</u>
	<b>Net income</b>	<u>89,363</u>	<u>7</u>	<u>90,331</u>	<u>7</u>
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	85,704	7	40,050	3
8399	Less: Income tax related to items that may be reclassified subsequently	<u>17,141</u>	<u>1</u>	<u>8,010</u>	<u>1</u>
	<b>Total items that may subsequently be reclassified to profit or loss</b>	<u>68,563</u>	<u>6</u>	<u>32,040</u>	<u>2</u>
8300	<b>Total other comprehensive income (loss)</b>	<u>68,563</u>	<u>6</u>	<u>32,040</u>	<u>2</u>
	<b>Total comprehensive income (loss)</b>	<u>\$ 157,926</u>	<u>13</u>	<u>122,371</u>	<u>9</u>
	<b>Earnings per share (Note 6(20))</b>				
9750	<b>Basic earnings per share (Unit: NT\$)</b>	<u>\$ 0.51</u>		<u>0.51</u>	
9850	<b>Diluted earnings per share (Unit: NT\$)</b>	<u>\$ 0.49</u>		<u>0.49</u>	

(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 Three-Month Periods ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained earnings			Other equity	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations		
<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 :								
Cash dividends	-	-	-	-	(320,110)	-	-	(320,110)
Net income	-	-	-	-	90,331	-	-	90,331
Other comprehensive income (loss)	-	-	-	-	-	32,040	-	32,040
Total comprehensive income (loss)	-	-	-	-	90,331	32,040	-	122,371
<b>Balance as of March 31, 2025</b>	<b>\$ 1,778,389</b>	<b>111,098</b>	<b>105,081</b>	<b>92,700</b>	<b>506,246</b>	<b>31,168</b>	<b>-</b>	<b>2,624,682</b>
<b>Balance as of January 1, 2026</b>	\$ 1,778,389	111,098	146,627	872	755,934	(109,533)	(41,186)	2,642,201
Appropriations of earnings :								
Cash dividends	-	-	-	-	(211,009)	-	-	(211,009)
Net income	-	-	-	-	89,363	-	-	89,363
Other comprehensive income (loss)	-	-	-	-	-	68,563	-	68,563
Total comprehensive income (loss)	-	-	-	-	89,363	68,563	-	157,926
<b>Balance as of March 31, 2026</b>	<b>\$ 1,778,389</b>	<b>111,098</b>	<b>146,627</b>	<b>872</b>	<b>634,288</b>	<b>(40,970)</b>	<b>(41,186)</b>	<b>2,589,118</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 Three-Month Periods ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Three-month periods ended March 31,	
	2026	2025
<b>Cash flows from operating activities :</b>		
<b>Net income before tax</b>	\$ 125,078	120,325
<b>Adjustments :</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	57,244	55,115
Amortization expense	8,165	7,043
Expected credit losses	-	4,002
Net losses on financial assets at fair value through profit or loss	9,911	(743)
Interest expense	28,781	23,145
Interest income	(8,439)	(5,864)
Others	(8)	(4)
Total adjustments to reconcile profit (loss)	<u>95,654</u>	<u>82,694</u>
Changes in assets and liabilities related to operating activities :		
Changes in assets related to operating activities:		
Notes receivable	248	2
Accounts receivable	(25,791)	(109,944)
Other receivables	14,821	20,993
Inventories	(125,838)	(26,323)
Prepayments	(30,380)	(11,322)
Other current assets	22,595	52,313
Total net changes in assets related to operating activities	<u>(144,345)</u>	<u>(74,281)</u>
Changes in liabilities related to operating activities :		
Notes and Accounts payable	45,438	(160,813)
Other payables	(5,570)	54,646
Other payables - related parties	(3)	(18)
Other current liabilities	4,653	698
Total net changes in liabilities related to operating activities	<u>44,518</u>	<u>(105,487)</u>
Total net changes in assets and liabilities related to operating activities	<u>(99,827)</u>	<u>(179,768)</u>
Total adjustments	<u>(4,173)</u>	<u>(97,074)</u>

(Continued)

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Three-Month Periods ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>Three-month periods ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Cash inflow generated from operations	\$ 120,905	23,251
Interest charged	4,639	4,177
Interest paid	(27,386)	(20,330)
Income taxes paid	(44,063)	(30,670)
<b>Net cash flows from operating activities</b>	<b>54,095</b>	<b>(23,572)</b>
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through profit or loss	(166,968)	(84,935)
Disposal of financial assets at fair value through profit or loss	16,335	15,214
Financial liabilities at fair value through profit or loss	(10,630)	(6,664)
Acquisition of property, plant and equipment	(13,544)	(38,247)
Disposal of property, plant and equipment price	18	-
Acquisition of intangible assets	(1,163)	(3,306)
Other financial assets - current decreased (increased)	8,146	(23,019)
Other non-current assets increased	(204,940)	(3,707)
Advance payment for equipment decreased (increased)	(14,462)	15,396
<b>Net cash flows used in investing activities</b>	<b>(387,208)</b>	<b>(129,268)</b>
<b>Cash flows from financing activities :</b>		
Short-term loans	492,500	80,000
Repayment of short-term loans	(334,500)	(65,000)
Increase in short-term notes and bills payable	86,705	29,913
Decrease in short-term notes and bills payable	(80,000)	(30,000)
Long-term loans	1,190,000	-
Repayment of long-term loans	(1,085,883)	(85,318)
Payments of lease liabilities	(10,988)	(7,778)
Other financial liabilities increased	85,000	42,881
Other non-current liabilities (decreased) increased	(34)	165
<b>Net cash flows from financing activities</b>	<b>342,800</b>	<b>(35,137)</b>
Effects of exchange rate changes	32,838	14,928
Net increase (decrease) in cash and cash equivalents	42,525	(173,049)
Cash and equivalent cash, beginning balance	388,015	621,137
Cash and equivalent cash, ending balance	<b>\$ 430,540</b>	<b>448,088</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 May 11, 2026.

**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, 2026 :

- 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 "Contracts Referencing Nature-dependent Electricity"

(2) 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 how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.  • A more structured income statement: under current standards, companies use	January 1, 2027  note : On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt

**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>New standards or amendments</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
	<p>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.</p> <ul style="list-style-type: none"> <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>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”
- Amendments to IAS 21“Translation to a Hyperinflationary Presentation Currency”

**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 2025 consolidated financial report. For relevant information, please refer to Note 4 of 2025 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
			Mar. 31, 2026	Dec. 31, 2025	Mar. 31, 2025	
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.	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	64.71%	64.71%	100.00%	Note 1 and 3
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.	Investment and home decor wholesale	100.00%	100.00%	- %	Note 1,2 and 4
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
Ching Feng Singapore Pte. Ltd.	Fu Vietnam Company Limited	Manufacture and assembly of blinds and textiles	35.29%	35.29%	- %	Note 1 and 3

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

Note 2 : The company's establishment registration was completed in April 2024, and the share capital was remitted in August 2025.

Note 3 : Ching Feng Singapore Pte. Ltd. (hereinafter referred to as "Ching Feng SG") remitted capital of

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

US\$3,000 thousand in November 2025 to subscribe for a capital increase of Fu Vietnam Company Limited (hereinafter referred to as “Fu Vietnam”). The Company did not participate in this cash capital increase of Fu Vietnam. Accordingly, after the capital increase, the Company and Ching Feng SG hold 64.71% and 35.29% of the equity interests in Fu Vietnam, respectively.

Note 4 : In August 2025, the Company increased the capital of its subsidiary, Ching Feng Singapore Pte. Ltd., by cash in the amount of NT\$87,420 thousand (US\$3,000 thousand), with a shareholding ratio of 100%. The legal procedures for the capital increase have been completed.

(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 2025 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 2025 consolidated financial statements. Please refer to Note 6 to the 2025 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>March</b>	<b>December</b>	<b>March</b>
	<b>31, 2026</b>	<b>31, 2025</b>	<b>31, 2025</b>
Cash on hand	\$ 1,078	849	1,570
Check and demand deposit	187,711	157,312	276,999
Foreign currency deposit	160,441	180,198	106,320
Time deposits	81,310	49,656	33,199
Cash equivalents	-	-	30,000
<b>Total</b>	<b>\$ 430,540</b>	<b>388,015</b>	<b>448,088</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>March</b>	<b>December</b>	<b>March</b>
	<b>31, 2026</b>	<b>31, 2025</b>	<b>31, 2025</b>
Financial assets at fair value through profit or loss :			
Fund	\$ 19,107	21,709	29,884
Domestic and foreign bonds	608,924	461,682	315,590
Stocks listed on domestic markets	21,351	15,876	16,331
Stocks of domestic and foreign non-listed companies	154,886	154,886	13,532
Unsecured convertible bonds - call options	-	-	90
<b>Total</b>	<b>\$ 804,268</b>	<b>654,153</b>	<b>375,427</b>
Current	\$ 40,458	37,585	46,215
Non-current	763,810	616,568	329,212
<b>Total</b>	<b>\$ 804,268</b>	<b>654,153</b>	<b>375,427</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>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial liabilities at fair value through profit or loss :			
Forward exchange contracts	\$ 12,249	14,150	3,063
FX option contracts	454	-	607
Unsecured convertible bonds - put options	<u>3,420</u>	<u>3,210</u>	<u>1,860</u>
Total	<u><b>\$ 16,123</b></u>	<u><b>17,360</b></u>	<u><b>5,530</b></u>
Current	\$ 12,703	14,150	3,670
Non-current	<u>3,420</u>	<u>3,210</u>	<u>1,860</u>
Total	<u><b>\$ 16,123</b></u>	<u><b>17,360</b></u>	<u><b>5,530</b></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 March 31, 2026 and December 31, 2025, and March 31, 2025, 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:

<u>March 31, 2026</u>				
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	
Forward exchange sold	US\$ 12,390	USD to NTD	April 2026 to August 2026	
FX option sold	US\$ 5,000	USD to NTD	April 2026 to September 2026	
<u>December 31, 2025</u>				
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	
Forward exchange sold	US\$ 17,580	USD to NTD	January 2026 to June 2026	
<u>March 31, 2025</u>				
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>	
Forward exchange sold	US\$ 3,300	USD to NTD	April 2025 to May 2025	
FX option sold	US\$ 5,000	USD to NTD	April 2025 to September 2025	

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

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Notes receivable	\$ -	248	202
Accounts receivable - measured at amortized cost	\$ 1,675,228	1,649,437	1,673,550
Less: Allowance for losses	(480)	(471)	(535)
	<b><u>\$ 1,674,748</u></b>	<b><u>1,648,966</u></b>	<b><u>1,673,015</u></b>

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:

	<b>March 31, 2026</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,578,628	-	-
Less than 90 days past due	95,929	-	-
91 to 180 days past due	488	60.86%	297
181 to 270 days past due	108	100%	108
More than 270 days past due	75	100%	75
	<b><u>\$ 1,675,228</u></b>		<b><u>480</u></b>
	<b>December 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,572,797	-	-
Less than 90 days past due	74,663	-	-
91 to 180 days past due	2,019	13.13%	265
181 to 270 days past due	198	100%	198
More than 270 days past due	8	100%	8
	<b><u>\$ 1,649,685</u></b>		<b><u>471</u></b>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
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	March 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,549,373	-	-
Less than 90 days past due	124,281	0.35%	437
91 to 180 days past due	95	100%	95
181 to 270 days past due	3	100%	3
More than 270 days past due	-		-
	<u>\$ 1,673,752</u>		<u>535</u>

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

	Three-month periods ended March 31,	
	2026	2025
Balance at January 1	\$ 471	492
Recognition of impairment losses	-	37
Foreign exchange gains (losses)	9	6
Balance at March 31	<u>\$ 480</u>	<u>535</u>

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:

December 31, 2025						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced-Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
O-Bank	\$ <u>17,431</u>	USD 18,000,000	-	<u>17,431</u>	-	-
March 31, 2025						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced-Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
O-Bank	\$ <u>140,789</u>	USD 18,000,000	-	<u>140,789</u>	Note	-

Note: The interest rate will be negotiated on a case-by-case basis upon each actual drawdown.

As of March 31, 2026, the Group had no accounts receivable sold or assigned.

As of March 31, 2026, and December 31, 2025 and March 31, 2025, 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>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Tax refund receivable	\$ 7,251	7,203	3,767
Unused amount of sold receivables	-	17,431	140,789
Others	34,626	23,738	8,252
	<b><u>\$ 41,877</u></b>	<b><u>48,372</u></b>	<b><u>152,808</u></b>

As of March 31, 2026 and December 31, 2025 and March 31, 2025, the Group's other receivables were not used as guarantees for long-term, short-term loans and financing.

(5) Inventories

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Raw materials	\$ 407,474	278,584	339,897
Supplies	160,153	176,888	142,006
Work-in progress, semi-finished goods	128,859	126,093	130,108
Finished goods	598,811	587,894	562,556
	<b><u>\$ 1,295,297</u></b>	<b><u>1,169,459</u></b>	<b><u>1,174,567</u></b>

The details of the cost of sales were as follows:

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Inventory that has been sold	\$ 875,035	891,548
Write-down of inventories (Reversal of write-downs)	1,699	(4,376)
Write-off of Inventory	919	4,585
Total	<b><u>\$ 877,653</u></b>	<b><u>891,757</u></b>

As of March 31, 2026 and December 31, 2025 and March 31, 2025, the Group's inventories were not used as guarantees for long-term, short-term loans and financing.

(6) Other current assets

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Temporary debits	\$ 32,156	31,428	33,408
Payment on behalf of others	-	-	46,214
Payment on behalf of others – Osaley (OSL)	49,097	72,655	83,321
Less: Allowance for losses	-	-	(3,965)
Others	9,982	9,747	9,697
	<b><u>\$ 91,235</u></b>	<b><u>113,830</u></b>	<b><u>168,675</u></b>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
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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>March 31, 2026</b>		
	<b>Gross carrying amounts</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 31,153	-	-
Less than 90 days past due	17,944	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<b><u>\$ 49,097</u></b>		<b><u>-</u></b>
	<b>December 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 50,567	-	-
Less than 90 days past due	22,088	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<b><u>\$ 72,655</u></b>		<b><u>-</u></b>
	<b>March 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 57,950	-	-
Less than 90 days past due	17,441	-	-
91 to 180 days past due	7,930	50%	3,965
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<b><u>\$ 83,321</u></b>		<b><u>3,965</u></b>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three-month periods ended March 31, 2026 and 2025, were as follows:

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Machinery Equipment</u>	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost								
Balance at January 1, 2026	\$ 590,882	1,185,266	942,686	12,302	13,853	314,628	85,249	3,144,866
Additions	-	697	6,171	1,578	230	2,799	2,069	13,544
Disposals	-	(31,659)	(3,241)	-	(90)	(1,914)	-	(36,904)
Reclassification	-	1,113	113	-	-	(113)	(1,342)	(229)
Impact of exchange rate changes	(464)	5,816	15,707	240	196	2,287	2,150	25,932
Balance at March 31, 2026	<u>\$ 590,418</u>	<u>1,161,233</u>	<u>961,436</u>	<u>14,120</u>	<u>14,189</u>	<u>317,687</u>	<u>88,126</u>	<u>3,147,209</u>
Balance at January 1, 2025	\$ 588,029	1,223,445	956,021	13,392	12,052	328,992	11,091	3,133,022
Additions	-	1,270	25,269	11	993	883	9,821	38,247
Disposals	-	(31,874)	(8,532)	-	-	(1,387)	-	(41,793)
Reclassification	-	-	-	-	-	(1,011)	(1,782)	(2,793)
Impact of exchange rate changes	435	4,439	8,399	171	112	1,083	176	14,815
Balance at March 31, 2025	<u>\$ 588,464</u>	<u>1,197,280</u>	<u>981,157</u>	<u>13,574</u>	<u>13,157</u>	<u>328,560</u>	<u>19,306</u>	<u>3,141,498</u>
Accumulated depreciation and Impairment losses:								
Balance at January 1, 2026	\$ -	332,966	410,850	6,748	5,539	115,751	-	871,854
Additions	-	7,721	24,133	315	592	7,626	-	40,387
Disposals	-	(31,659)	(3,241)	-	(68)	(1,914)	-	(36,882)
Reclassification	-	-	28	-	-	(28)	-	-
Impact of exchange rate changes	-	216	5,001	85	89	648	-	6,039
Balance at March 31, 2026	<u>\$ -</u>	<u>309,244</u>	<u>436,771</u>	<u>7,148</u>	<u>6,152</u>	<u>122,083</u>	<u>-</u>	<u>881,398</u>
Balance at January 1, 2025	\$ -	334,436	366,734	6,272	4,671	108,951	-	821,064
Additions	-	8,183	23,367	309	487	7,603	-	39,949
Disposals	-	(31,874)	(8,532)	-	-	(1,387)	-	(41,793)
Impact of exchange rate changes	-	1,700	2,886	93	54	355	-	5,088
Balance at March 31, 2025	<u>\$ -</u>	<u>312,445</u>	<u>384,455</u>	<u>6,674</u>	<u>5,212</u>	<u>115,522</u>	<u>-</u>	<u>824,308</u>
Carrying value:								
Balance at January 1, 2026	<u>\$ 590,882</u>	<u>852,300</u>	<u>531,836</u>	<u>5,554</u>	<u>8,314</u>	<u>198,877</u>	<u>85,249</u>	<u>2,273,012</u>
Balance at March 31, 2026	<u>\$ 590,418</u>	<u>851,989</u>	<u>524,665</u>	<u>6,972</u>	<u>8,037</u>	<u>195,604</u>	<u>88,126</u>	<u>2,265,811</u>
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 March 31, 2025	<u>\$ 588,464</u>	<u>884,835</u>	<u>596,702</u>	<u>6,900</u>	<u>7,945</u>	<u>213,038</u>	<u>19,306</u>	<u>2,317,190</u>

Please refer to Note 8 for details of the guarantees for long-term and short-term loans and financing as of March 31, 2026 and December 31, 2025 and March 31, 2025.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to Consolidated Financial Statements (Continued)**  
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(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 Equipment</u>	<u>Transportation Equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2026	\$ 555,901	227,106	7,099	9,128	799,234
Additions	-	239	2,750	-	2,989
Disposal/Write-off	-	(355)	(2,771)	-	(3,126)
Impact of exchange rate changes	<u>11,102</u>	<u>4,473</u>	<u>88</u>	<u>24</u>	<u>15,687</u>
Balance at March 31, 2026	<b><u>\$ 567,003</u></b>	<b><u>231,463</u></b>	<b><u>7,166</u></b>	<b><u>9,152</u></b>	<b><u>814,784</u></b>
Balance at January 1, 2025	\$ 590,107	180,335	9,215	3,873	783,530
Additions	-	156,618	2,344	910	159,872
Disposal/Write-off	(624)	(83,937)	(2,962)	(901)	(88,424)
Impact of exchange rate changes	<u>6,874</u>	<u>2,487</u>	<u>56</u>	<u>-</u>	<u>9,417</u>
Balance at March 31, 2025	<b><u>\$ 596,357</u></b>	<b><u>255,503</u></b>	<b><u>8,653</u></b>	<b><u>3,882</u></b>	<b><u>864,395</u></b>
Accumulated depreciation losses:					
Balance at January 1, 2026	\$ 122,785	46,223	2,828	1,900	173,736
Depreciation for the year	4,633	9,809	1,479	744	16,665
Disposal/Write-off	-	(355)	(1,997)	-	(2,352)
Impact of exchange rate changes	<u>2,395</u>	<u>958</u>	<u>27</u>	<u>3</u>	<u>3,383</u>
Balance at March 31, 2026	<b><u>\$ 129,813</u></b>	<b><u>56,635</u></b>	<b><u>2,337</u></b>	<b><u>2,647</u></b>	<b><u>191,432</u></b>
Balance at January 1, 2025	\$ 115,315	93,922	4,741	2,216	216,194
Depreciation for the year	5,018	8,030	1,606	325	14,979
Disposal/Write-off	(624)	(83,937)	(2,794)	(901)	(88,256)
Impact of exchange rate changes	<u>1,316</u>	<u>419</u>	<u>23</u>	<u>-</u>	<u>1,758</u>
Balance at March 31, 2025	<b><u>\$ 121,025</u></b>	<b><u>18,434</u></b>	<b><u>3,576</u></b>	<b><u>1,640</u></b>	<b><u>144,675</u></b>
Carrying amounts:					
Balance at January 1, 2026	<b><u>\$ 433,116</u></b>	<b><u>180,883</u></b>	<b><u>4,271</u></b>	<b><u>7,228</u></b>	<b><u>625,498</u></b>
Balance at March 31, 2026	<b><u>\$ 437,190</u></b>	<b><u>174,828</u></b>	<b><u>4,829</u></b>	<b><u>6,505</u></b>	<b><u>623,352</u></b>
Balance at January 1, 2025	<b><u>\$ 474,792</u></b>	<b><u>86,413</u></b>	<b><u>4,474</u></b>	<b><u>1,657</u></b>	<b><u>567,336</u></b>
Balance at March 31, 2025	<b><u>\$ 475,332</u></b>	<b><u>237,069</u></b>	<b><u>5,077</u></b>	<b><u>2,242</u></b>	<b><u>719,720</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)**

(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, 2026	\$ <u>37,535</u>	<u>36,461</u>	<u>73,996</u>
Balance at March 31, 2026	\$ <u>37,535</u>	<u>36,269</u>	<u>73,804</u>
Balance at January 1, 2025	\$ <u>37,535</u>	<u>37,118</u>	<u>74,653</u>
Balance at March 31, 2025	\$ <u>37,535</u>	<u>36,931</u>	<u>74,466</u>

There is no significant addition, disposal, impairment, or reversal of the investment properties of the Group from January 1 to March 31, 2026 and 2025. Please refer to Note 12 for details of the depreciation in the current period. For other relevant information, please refer to Note 6(9) of 2025 Consolidated Financial Report.

The fair value of investment properties of the Group does not significantly differ from the information disclosed in Note 6(9) of 2025 Consolidated Financial Report.

As of March 31, 2026 and December 31, 2025 and March 31, 2025, 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>Computer Software</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2026	\$ <u>70,630</u>	<u>17,330</u>	<u>87,960</u>
Balance at March 31, 2026	\$ <u>71,961</u>	<u>17,331</u>	<u>89,292</u>
Balance at January 1, 2025	\$ <u>73,721</u>	<u>16,503</u>	<u>90,224</u>
Balance at March 31, 2025	\$ <u>74,632</u>	<u>21,441</u>	<u>96,073</u>

There is no significant addition, disposal, impairment, or reversal of the intangible assets of the Group from January 1 to March 31, 2026 and 2025. 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(10) of 2025 Consolidated Financial Report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(11) Other non-current assets

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Refundable deposits	\$ 21,894	21,415	7,854
Prepayments for Land	201,644	-	-
Others	40,138	42,623	44,161
	<u>\$ 263,676</u>	<u>64,038</u>	<u>52,015</u>

The Group obtained board approval on November 11, 2025, for the authorization to acquire land located in the Longfu Section, Xitun District, Taichung. On January 2, 2026, the Group purchased the land from a non-related party for a total consideration of 525,470 thousand. The acquisition was made to support future operational growth, with the land intended for office use. As of March 31, 2026, the amount paid totaled 201,644 thousand.

As of March 31, 2026 and December 31, 2025 and March 31, 2025, 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:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Secured bank loans	\$ 134,900	44,900	-
Unsecured bank loans	720,000	652,000	225,000
	<u>\$ 854,900</u>	<u>696,900</u>	<u>225,000</u>
Unused short-term credit lines	<u>\$ 837,600</u>	<u>1,023,100</u>	<u>1,427,796</u>
Range of interest rate	<u>2.1%~2.484%</u>	<u>2.1%~2.3784%</u>	<u>2.12%~2.4%</u>

(a) Borrowing and repayment of short-term loans

The newly increased amounts from January 1 to March 31, 2026 and 2025 were 492,500 thousand and 80,000 thousand respectively, and the repaid amounts are 334,500 thousand and 65,000 thousand respectively.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Taiwan	2.1%~2.484%	2.1%~2.3784%	2.12%~2.4%

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

(b) Collateral for bank loans

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

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**Notes to Consolidated Financial Statements (Continued)**  
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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>March 31, 2026</b>			
	<b>Guarantee or acceptance institution</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	China Bills Finance Corporation	1.628%	\$ 119,968
	O-Bank	2.2%	59,874
	Taiwan Cooperative Bank	2.7302%	86,734
Total			<b>\$ 266,576</b>

<b>December 31, 2025</b>			
	<b>Guarantee or acceptance institution</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	China Bills Finance Corporation	2.238%	\$ 79,907
	O-Bank	1.628%	119,968
	Taiwan Cooperative Bank	2.2%	59,996
Total			<b>\$ 259,871</b>

<b>March 31, 2025</b>			
	<b>Guarantee or acceptance institution</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	China Bills Finance Corporation	2.238%	\$ 29,937
	O-Bank	1.728%	129,895
	Taiwan Cooperative Bank	2.2%	29,939
Total			<b>\$ 189,771</b>

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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(14) Long-term Loans

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

<b>March 31, 2026</b>			
	<b>Range of interest rate</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	2.22%~2.8789%	January, 2031	\$ 2,155,607
Secured bank loans	1.05%~2.255%	July, 2035	356,110
			2,511,717
Less: current portion			(1,050,602)
Total			<b>\$ 1,461,115</b>
Unused long-term credit lines			<b>\$ 1,100,000</b>

<b>December 31, 2025</b>			
	<b>Range of interest rate</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	2.22%~2.8789%	July, 2027	\$ 2,027,000
Secured bank loans	1.05%~2.255%	July, 2035	380,103
			2,407,103
Less: current portion			(220,559)
Total			<b>\$ 2,186,544</b>
Unused long-term credit lines			<b>\$ 2,290,000</b>

<b>March 31, 2025</b>			
	<b>Range of interest rate</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	2.22%~2.8789%	July, 2027	\$ 2,116,061
Secured bank loans	1.05%~2.255%	July, 2035	451,778
			2,567,839
Less: current portion			(224,720)
Total			<b>\$ 2,343,119</b>
Unused long-term credit lines			<b>\$ 590,000</b>

(a) Borrowing and repayment of long-term loans

From January 1 to March 31, 2025, there are no new long-term loans; from January 1 to March 31, 2026, the new long-term loans were 1,190,000 thousand, the interest rate was 2.6084%, and the maturity date is January 2031. The repayment amounts from January 1 to March 31, 2026 and 2025 were 1,085,883 thousand and 85,318 thousand, respectively.

(b) Collateral for bank loans

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

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(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%
- C. Interest coverage ratio: not less than 3 times
- D. Net worth: not less than NT\$1,800,000 thousand.

In addition, on November 25, 2025, the Group signed a new joint loan credit contract with Bank SinoPac, O-Bank, Entie Commercial Bank, Next Bank, and China Bills Finance Corporation.

The joint credit contract entered into by the Group with banks in 2025 stipulate that the consolidated financial statements shall meet the following conditions during the term of the agreements.

- A. Current ratio: not less than 140%
- B. Debt ratio: not higher 280%
- 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 2025 and 2024 as the calculation basis, and none of them violated the restrictions.

(15) Bonds payable

The details of unsecured convertible bonds were as follows:

	<u>March</u> <u>31,2026</u>	<u>December</u> <u>31, 2025</u>	<u>March</u> <u>31,2025</u>
Total amount of the third domestic unsecured convertible corporate bonds issued	\$ 300,000	300,000	300,000
Unamortized discounted corporate bonds payable	<u>(12,893)</u>	<u>(14,931)</u>	<u>(20,958)</u>
Ending balance of bonds payable	<u>\$ 287,107</u>	<u>285,069</u>	<u>279,042</u>
Embedded derivative			
Embedded derivative - call options, included in financial assets	<u>\$ -</u>	<u>-</u>	<u>90</u>

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	<b>March 31,2026</b>	<b>December 31, 2025</b>	<b>March 31,2025</b>
at fair value through profit or loss - non-current			
Embedded derivative - put options, included in financial liabilities at fair value through profit or loss - non-current	<b>\$ 3,420</b>	<b>3,210</b>	<b>1,860</b>
Equity component - conversion options, included in capital surplus– stock options	<b>\$ 21,661</b>	<b>21,661</b>	<b>21,661</b>
		<b>Three-month periods ended March 31, 2026</b>	<b>Three-month periods ended March 31, 2025</b>
Loss on remeasurement of embedded derivatives - call and put options at fair value, included in other gains and losses)	<b>\$ (210)</b>	<b>90</b>	
Interest expense	<b>\$ 2,038</b>	<b>1,981</b>	

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:

(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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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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 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>March</b>	<b>December</b>	<b>March</b>
	<b>31, 2026</b>	<b>31, 2025</b>	<b>31, 2025</b>
Current	<u>\$ 43,116</u>	<u>42,342</u>	<u>41,124</u>
Non-current	<u>\$ 164,165</u>	<u>169,623</u>	<u>213,781</u>

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

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The amounts recognized in profit or loss were as follows:

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest on lease liabilities	<b>\$ 2,873</b>	<b>1,017</b>
Expenses relating to short-term leases	<b>\$ 1,138</b>	<b>306</b>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<b>\$ 818</b>	<b>776</b>

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Total cash outflow for leases	<b>\$ 15,817</b>	<b>9,877</b>

(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.

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.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(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 ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Operating cost	\$ 1,256	1,441
Selling and marketing expenses	678	684
General and administrative expenses	640	550
Research and development expenses	290	286
Total	<b>\$ 2,864</b>	<b>2,961</b>

The pensions of other subsidiaries are determined in accordance with local laws. The pension expenses recognized for the three-month periods ended March 31, 2026 and 2025 were 5,323 thousand and 5,239 thousand respectively.

(18) Income taxes

The components of income tax for the three-month periods ended March 31, 2026 and 2025 were as follows:

	<b>Three -month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Current tax expenses		
Current period	\$ 30,961	38,923
Adjustment for prior periods	2,271	(672)
	33,232	38,251
Deferred tax expenses (benefit)		
Origination and reversal of temporary differences	2,483	(8,257)
Income tax expenses (benefit)	<b>\$ 35,715</b>	<b>29,994</b>

The amounts of income tax recognized in other comprehensive income for the three-month periods ended March 31, 2026 and 2025 were as follows:

	<b>Three -month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Items that may subsequently be reclassified to profit or loss:		
Exchange differences on translation	<b>\$ 17,141</b>	<b>8,010</b>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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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 March 31, 2026 and 2025. For the related information, please refer to Note 6 (19) to 2025 consolidated financial report.

(a) 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 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

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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 2025 earnings distribution were approved during the board meeting on March 11, 2026. Other earnings distribution items will be resolved at the shareholders' meeting. 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 dividend amounts were as follows:

	2025		2024	
	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)	Amount
Dividends distributed to shareholders of ordinary shares:				
Cash dividends	\$ 1.200	211,009	1.800	320,110

(b) Other equities (net amount after tax)

	<b>Exchange differences on translation of foreign operations</b>
Balance at January 1, 2026	\$ (109,533)
Exchange differences on foreign operations	68,563
Balance at March 31, 2026	\$ (40,970)
Balance at January 1, 2025	\$ (872)
Exchange differences on foreign operations	32,040
Balance at March 31, 2025	\$ 31,168

(20) Earnings per share

For the three-month periods ended March 31, 2026 and 2025, 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 March 31,</b>	
	2026	2025
Profit (loss) of the Company for the year	\$ 89,363	90,331

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Issued ordinary shares at January 1	177,839	177,839
Effect of treasury shares (in thousands)	(1,998)	-
Weighted average number of ordinary shares at March 31	<b>177,649</b>	<b>175,841</b>
Basic earnings per share (Unit: NT\$)	<b>\$ 0.51</b>	<b>0.51</b>

(b) Diluted earnings per share

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Profit attributable to ordinary shareholders of the Company (basic)	<b>\$ 89,363</b>	<b>90,331</b>
Interest expense and other income or expense on convertible bonds, net of tax	1,798	1,513
Profit attributable to ordinary shareholders of the Company (diluted)	<b>\$ 91,161</b>	<b>91,844</b>

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Weighted average number of ordinary shares outstanding (basic)	175,841	177,839
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	317	246
Effect of conversion of convertible bonds	9,317	8,621
Weighted average number of ordinary shares outstanding (diluted)	<b>185,475</b>	<b>186,706</b>
Diluted earnings per share (Unit: NT\$)	<b>\$ 0.49</b>	<b>0.49</b>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(21) Revenue from contracts with customers

(a) Details of revenue

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Primary geographical markets		
United States	\$ 1,018,132	1,018,002
Europe	137,337	109,814
Taiwan	16,896	30,161
Others	34,649	30,336
	<b>\$ 1,207,014</b>	<b>1,188,313</b>

(b) Contract balances

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Notes Receivable and Accounts Receivable	\$ 1,675,228	1,649,685	1,673,752
Less: Allowance for losses	(480)	(471)	(535)
Total	<b>\$ 1,674,748</b>	<b>1,649,214</b>	<b>1,673,217</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 periods ended March 31, 2026 and 2025, the employee remunerations were

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1,885 thousand (including the amount allocated to base-level employees) and 1,965 thousand respectively; as well as the remunerations to both directors and supervisors were 942 thousand and 983 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 accounting estimates and will be reflected in profit or loss in the following year.

For the years 2025 and 2024, the employee remunerations were 5,412 thousand and 9,605 thousand; as well as the remunerations to both directors and supervisors were 2,706 thousand and 4,802 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 ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest income from deposits in banks	\$ 2,395	2,401
Interest income from foreign bonds	6,044	3,463
	<b>\$ 8,439</b>	<b>5,864</b>

(b) Other income

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Rental income	\$ 986	833
Other income	836	201
	<b>\$ 1,822</b>	<b>1,034</b>

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(c) Other gains and losses

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Foreign exchange gains (losses)	\$ 22,525	16,846
Net gains on financial assets (liabilities) at fair value through profit or loss	(9,731)	(9,911)
Other gains and losses	1,934	850
	<b>\$ 14,548</b>	<b>18,439</b>

(d) Finance cost

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest expense	\$ 23,373	19,445
Add : Interest of below-market interest rate loan	497	702
Interest of Lease liabilities	2,873	1,017
Corporate bonds interest expense	2,038	1,981
	<b>\$ 28,781</b>	<b>23,145</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(25) of 2025 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 March 31, 2026 and December 31, 2025 and March 31, 2025, 97% and 96% and 93% of the Group's accounts receivable balance came from several major customers, which made the Group have significant concentration of credit risk.

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(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 refer to note 4(7) of 2025 Consolidated Financial Report.

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

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Opening balance	\$ 10,861	6,113
Recognition of impairment losses (reversed profit)	-	3,965
Ending balance	<b>\$ 10,861</b>	<b>10,078</b>

(b) Liquidity risk

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

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 6 months</b>	<b>6-12Months</b>	<b>Over 1 years</b>
<b>March 31, 2026</b>					
Non-derivative financial liabilities					
Bank loans	\$ 3,366,617	3,541,700	1,002,551	966,823	1,572,326
Short-term notes and bills payable	266,576	267,500	267,500	-	-
Notes payable, accounts payable and other payables	1,283,544	1,283,544	1,283,544	-	-
Lease liabilities	207,281	248,060	27,697	25,601	194,762
Other financial liabilities	255,000	255,404	255,404	-	-
Bonds payable	287,107	300,000	-	-	300,000
Derivative financial liabilities					
Forward exchange contract					
Flow Out	12,249	12,249	12,249	-	-
FX option contracts					
Flow Out	454	454	454	-	-
	<b>\$ 5,678,828</b>	<b>5,908,911</b>	<b>2,849,399</b>	<b>992,424</b>	<b>2,067,088</b>
<b>December 31, 2025</b>					
Non-derivative financial liabilities					
Bank loans	\$ 3,104,003	3,193,397	688,448	297,417	2,207,532
Short-term notes and bills payable	259,871	260,000	260,000	-	-
Notes payable, accounts payable and other payables	1,033,810	1,033,810	1,033,810	-	-
Lease liabilities	211,965	254,593	26,766	26,170	201,657
Other financial liabilities	170,000	170,905	170,905	-	-

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	Carrying amount	Contractual cash flows	Within 6 months	6-12Months	Over 1 years
Bonds payable	285,069	300,000	-	-	300,000
Derivative financial liabilities					
Forward exchange contract					
Flow Out	14,150	14,150	14,150	-	-
	<b>\$ 5,078,868</b>	<b>5,226,855</b>	<b>2,194,079</b>	<b>323,587</b>	<b>2,709,189</b>
<b>March 31, 2025</b>					
Non-derivative financial liabilities					
Bank loans	\$ 2,792,839	2,937,904	378,941	147,475	2,411,488
Short-term notes and bills payable	189,771	190,000	190,000	-	-
Notes payable, accounts payable and other payables	1,358,385	1,358,385	1,358,385	-	-
Lease liabilities	254,905	288,657	22,177	24,933	241,547
Other financial liabilities	127,881	128,509	128,509	-	-
Bonds payable	279,042	300,000	-	-	300,000
Derivative financial liabilities					
Forward exchange contract					
Flow Out	3,063	3,063	3,063	-	-
FX option contracts					
Flow Out	607	5	5	-	-
	<b>\$ 5,006,493</b>	<b>5,206,523</b>	<b>2,081,080</b>	<b>172,408</b>	<b>2,953,035</b>

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):

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
(in thousands)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 28,310	32.011	906,231	29,483	31.419	926,326	29,311	33.199	973,096
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	14,590	32.011	467,040	12,451	31.419	391,198	15,152	33.199	503,031

(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 March 31, 2026 and 2025, 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

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to March 31, 2026 and 2025 will increase or decrease by 4,392 thousand and 4,701 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 periods ended March 31, 2026 and 2025, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 22,525 thousand and 16,846 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the 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 March 31, 2026 and 2025 will be decreased or increased by 8,062 thousand and 6,205 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.

	March 31, 2026				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Fund	\$ 19,107	19,107	-	-	19,107
Domestic and foreign bonds	608,924	256,328	352,596	-	608,924
Stocks listed on domestic markets	21,351	21,351	-	-	21,351
Stocks of domestic and foreign non-listed companies	154,886	-	-	154,886	154,886
Sub-total	<b>804,268</b>	<b>296,786</b>	<b>352,596</b>	<b>154,886</b>	<b>804,268</b>

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	March 31, 2026				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	430,540	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,716,625	-	-	-	-
Other current assets	49,097	-	-	-	-
Other financial assets - current	232,934	-	-	-	-
Sub-total	<u>2,429,196</u>	-	-	-	-
Total	<u>\$ 3,233,464</u>	<u>296,786</u>	<u>352,596</u>	<u>154,886</u>	<u>804,268</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Forward exchange contracts	\$ 12,249	12,249	-	-	12,249
FX option contracts	454	454	-	-	454
Unsecured convertible bonds - put option	3,420	3,420	-	-	3,420
Sub-total	<u>16,123</u>	<u>16,123</u>	-	-	<u>16,123</u>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	3,366,617	-	-	-	-
Short-term notes and bills payable	266,576	-	-	-	-
Notes payable, accounts payable and other payables	1,283,544	-	-	-	-
Other financial liabilities	255,000	-	-	-	-
Bonds payable	287,107	-	-	-	-
Lease liabilities	207,281	-	-	-	-
Sub-total	<u>5,666,125</u>	-	-	-	-
Total	<u>\$ 5,682,248</u>	<u>16,123</u>	-	-	<u>16,123</u>
<b>December 31, 2025</b>					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Fund	\$ 21,709	21,709	-	-	21,709
Domestic and foreign bonds	461,682	259,598	202,084	-	461,682
Stocks of domestic and foreign non-listed companies	15,876	15,876	-	-	15,876
Unsecured convertible bonds – call option	154,886	-	-	154,886	154,886
Sub-total	<u>654,153</u>	<u>297,183</u>	<u>202,084</u>	<u>154,886</u>	<u>654,153</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	388,015	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,697,586	-	-	-	-
Other current assets	72,655	-	-	-	-
Other financial assets - current	241,080	-	-	-	-
Sub-total	<u>2,399,336</u>	-	-	-	-
Total	<u>\$ 3,053,489</u>	<u>297,183</u>	<u>202,084</u>	<u>154,886</u>	<u>654,153</u>
<b>Financial liabilities at fair value through profit or loss</b>					
<b>or loss</b>					
Forward exchange contracts	\$ 14,150	14,150	-	-	14,150
Unsecured convertible bonds - put option	3,210	3,210	-	-	3,210
Sub-total	<u>17,360</u>	<u>17,360</u>	-	-	<u>17,360</u>

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	December 31, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	3,104,003	-	-	-	-
Short-term notes and bills payable	259,871	-	-	-	-
Notes payable, accounts payable and other payables	1,033,810	-	-	-	-
Lease liabilities	211,965	-	-	-	-
Other financial liabilities	170,000	-	-	-	-
Bonds payable	285,069	-	-	-	-
Sub-total	<u>5,064,718</u>	-	-	-	-
Total	<u>\$ 5,082,078</u>	<u>17,360</u>	-	-	<u>17,360</u>
<b>March 31, 2025</b>					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Fund	\$ 29,884	29,884	-	-	29,884
Domestic and foreign bonds	315,590	315,590	-	-	315,590
Stocks listed on domestic markets	16,331	16,331	-	-	16,331
Stocks of domestic and foreign non-listed companies	13,532	-	-	13,532	13,532
Unsecured convertible bonds – call option	90	90	-	-	90
Sub-total	<u>375,427</u>	<u>361,895</u>	-	<u>13,532</u>	<u>375,427</u>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	448,088	-	-	-	-
Notes receivable, accounts receivable and other	1,826,025	-	-	-	-
Other current assets	125,570	-	-	-	-
Other financial assets - current	180,567	-	-	-	-
Sub-total	<u>2,580,250</u>	-	-	-	-
Total	<u>\$ 2,955,677</u>	<u>361,895</u>	-	<u>13,532</u>	<u>375,427</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Forward exchange contracts	\$ 3,063	3,063	-	-	3,063
FX option contracts	607	607	-	-	607
Unsecured convertible bonds - put option	1,860	1,860	-	-	1,860
Sub-total	<u>5,530</u>	<u>5,530</u>	-	-	<u>5,530</u>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	2,792,839	-	-	-	-
Short-term notes and bills payable	189,771	-	-	-	-
Notes payable, accounts payable and other payables	1,358,385	-	-	-	-
Lease liabilities	254,905	-	-	-	-
Other financial liabilities	127,881	-	-	-	-
Bonds payable	279,042	-	-	-	-
Sub-total	<u>5,002,823</u>	-	-	-	-
Total	<u>\$ 5,008,353</u>	<u>5,530</u>	-	-	<u>5,530</u>

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(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

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.

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(iv) Transfers between Level 1 and Level 2

There were no transfers of levels in the three-month periods ended March 31, 2026 and 2025.

(v) Reconciliation of Level 3 fair values

	<b>At fair value through profit or loss-without public quotation of equity instruments</b>
Balance at March 31, 2026(Beginning Balance)	<u><u>\$ 154,886</u></u>
Balance at January 1, 2025	\$ 13,042
Purchased	<u>490</u>
Balance at March 31, 2025	<u><u>\$ 13,532</u></u>

(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".

Investments in equity instruments without an active market held by the Group involve multiple significant unobservable inputs. As the significant unobservable inputs used in the valuation of such unquoted equity instruments are independent of each other, there are no interrelationships among them. Please refer to Note 6(25) of the 2025 consolidated financial report.

(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.

There were no significant changes in valuation assumptions during the current period. For information regarding the impact on profit or loss, please refer to Note 6(25) of the 2025 consolidated financial report.

(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 (26) of 2025 consolidated financial report.

(26) Capital management

The objectives, policies, and procedures of the Group's capital management are consistent with those disclosed in 2025 consolidated financial report; and the aggregated quantitative data for capital management items have not changed significantly from those disclosed in 2025 consolidated financial report. For relevant information, please refer to Note 6 (27) of the 2025

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consolidated financial report.

(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 March 31, 2026 and 2025, were as follows:

	Non-cash changes						March 31, 2026
	January 1, 2026	Cash flows	Changes in lease payments	Foreign exchange movement	Changes in deferred government grants	Others	
Long-term loans	\$ 2,407,103	104,117	-	-	497	-	2,511,717
Short-term loans	696,900	158,000	-	-	-	-	854,900
Lease liabilities	211,965	(10,988)	2,323	3,981	-	-	207,281
Bonds payable	285,069	-	-	-	-	2,038	287,107
Total liabilities from financing activities	<u>\$ 3,601,037</u>	<u>251,129</u>	<u>2,323</u>	<u>3,981</u>	<u>497</u>	<u>2,038</u>	<u>3,861,005</u>

  

	Non-cash changes						March 31, 2025
	January 1, 2025	Cash flows	Changes in lease payments	Foreign exchange movement	Changes in deferred government grants	Others	
Long-term loans	\$ 2,652,455	(85,318)	-	-	702	-	2,567,839
Short-term loans	210,000	15,000	-	-	-	-	225,000
Lease liabilities	100,625	(7,778)	159,888	2,170	-	-	254,905
Bonds payable	277,061	-	-	-	-	1,981	279,042
Total liabilities from financing activities	<u>\$ 3,240,141</u>	<u>(78,096)</u>	<u>159,888</u>	<u>2,170</u>	<u>702</u>	<u>1,981</u>	<u>3,326,786</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
Chain Yarn Co., Ltd.	Other Related Parties

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	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	Other related parties	\$ 32	35	-

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(b) Leases

The Group leased land for use as parking lots and warehouses from key personnel of the management team in January 2017. Interest expenses for the three-month periods ended March 31, 2026 and 2025 are 6 thousand and 2 thousand respectively. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balance of lease liabilities is 939 thousand, 1,023 thousand and 445 thousand respectively.

(3) Key management personnel compensation

Key management personnel compensation comprised:

	<b>Three-month periods ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Short-term employee benefits	\$ 11,231	13,963
Termination benefits	145	163
	<b>\$ 11,376</b>	<b>14,126</b>

**8. Assets pledged as security**

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

<b>Assets pledged as security</b>	<b>Liabilities secured by pledge</b>	<b>March 31, 2025</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Fixed certificates of deposits and restricted deposits (listed as other financial assets-current)	Long-term and short-term loans and line of credit	\$ 232,895	241,080	163,968
Property, plant and equipment	"	1,100,935	1,109,435	1,136,920
Financial assets at fair value through profit or loss	Short-term loans and line of credit	508,992	308,086	211,085
		<b>\$ 1,842,822</b>	<b>1,658,601</b>	<b>1,511,973</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>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Contract price	\$ 622,557	72,803	134,250
Unpaid amount	<b>\$ 379,142</b>	<b>35,537</b>	<b>98,902</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)**

(2) Others

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group issued guarantee notes for the security of long-term and short-term loan secure of 1,669,022 thousand, 2,509,348 thousand and 2,214,369 thousand respectively.

**10. Losses due to major disasters: None.**

**11. Subsequent events:**

On April 13, 2026, the Group's Board of Directors resolved to issue the fourth domestic unsecured convertible corporate bonds. Each bond has a par value of 100 thousand, with a total issuance amount of 300,000 thousand. The bonds are issued at 100.5% of par value, carry a coupon rate of 0%, and have a maturity of three years. The total proceeds from the issuance amount to 301,500 thousand.

**12. Other**

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

By item	Three-month periods ended March 31, 2026			Three-month periods ended March 31, 2025		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	152,788	67,722	220,510	133,701	66,718	200,419
Labor and health insurance (Note)	10,605	5,635	16,240	10,829	4,992	15,821
Pension	4,813	3,374	8,187	4,952	3,248	8,200
Remuneration of directors	-	3,863	3,863	-	3,725	3,725
Other	5,238	3,954	9,192	6,257	3,764	10,021
Depreciation	39,102	18,142	57,244	39,591	15,524	55,115
Amortization	6,468	1,697	8,165	5,220	1,823	7,043

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. On April 16, 2026, the Chinese Arbitration Association rendered an arbitral award, ordering the counterparty to pay the Group USD 692 thousand plus default interest. The Group has assessed this matter and recognized an appropriate expected credit loss provision accordingly.

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

**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 three-month periods ended March 31, 2026 :

(a) Loans to other parties:

(In Thousands of New Taiwan Dollar)

No (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	3,201	-	-	-	2	-	Working capital turnover	-	-	-	258,912	388,368

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: None.

(c) Securities held as of March 31, 2026 (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 (3942)	None	Financial assets at fair value through profit or loss-Current	45,912	14,241	- %	14,241	
Ching Feng Home Fashions Co., Ltd.	Fubon NASDAQ-100 Index Fund (48BG)	None	Financial assets at fair value through profit or loss-Current	204,687	1,875	- %	1,875	
Ching Feng Home Fashions Co., Ltd.	Taishin US S&P Consumer Staples Select Index Fund (A234)	None	Financial assets at fair value through profit or loss-Current	300,000	2,991	- %	2,991	
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	10,000	1,635	- %	1,635	
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	5,475	- %	5,475	
Ching Feng Home Fashions Co., Ltd.	Yageo Corporation (2327) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	2,000	487	- %	487	
Ching Feng Home Fashions Co., Ltd.	E.SUN Financial Holding Company, Ltd. (2884) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	80,000	2,540	- %	2,540	
Ching Feng Home Fashions Co., Ltd.	L. & K Engineering Co., Ltd. (6139) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	8,000	4,192	- %	4,192	
Ching Feng Home Fashions Co., Ltd.	Phoenix Silicon International Corporation (8028) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	6,000	1,086	- %	1,086	

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

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.	Brilliant Network & Automation Integrated System Co., Ltd. (6788) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	5,000	1,760	- %	1,760	
Ching Feng Home Fashions Co., Ltd.	King Yuan Electronics Co., Ltd. (2449) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	16,000	4,176	- %	4,176	
Ching Feng Home Fashions Co., Ltd.	Altrich Group USD investment corporate bond (US02209SBF92)	None	Financial assets at fair value through profit or loss-Non-Current	100	3,068	- %	3,068	
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	2,853	- %	2,853	
Ching Feng Home Fashions Co., Ltd.	Exxon Mobil Corp. Bonds (US30231GBF81)	None	Financial assets at fair value through profit or loss-Non-Current	80	2,299	- %	2,299	
Ching Feng Home Fashions Co., Ltd.	Saudi Arabia Konigreich Bonds (XS1694218469)	None	Financial assets at fair value through profit or loss-Non-Current	400	10,390	- %	10,390	
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	11,613	- %	11,613	
Ching Feng Home Fashions Co., Ltd.	Wells Fargo & Co. Bonds (US94974BGT17)	None	Financial assets at fair value through profit or loss-Non-Current	400	9,978	- %	9,978	
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RDJ86)	None	Financial assets at fair value through profit or loss-Non-Current	200	5,163	- %	5,163	
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	5,822	- %	5,822	
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	4,835	- %	4,835	
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	11,502	- %	11,502	
Ching Feng Home Fashions Co., Ltd.	PacifiCorp Bonds (US695114DA39)	None	Financial assets at fair value through profit or loss-Non-Current	600	16,808	- %	16,808	
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	11,017	- %	11,017	
Ching Feng Home Fashions Co., Ltd.	Brazilian Government International Bonds (US105756BW95)	None	Financial assets at fair value through profit or loss-Non-Current	700	17,207	- %	17,207	
Ching Feng Home Fashions Co., Ltd.	Ford Motor Co. Bonds (US345370CQ17)	None	Financial assets at fair value through profit or loss-Non-Current	300	7,103	- %	7,103	
Ching Feng Home Fashions Co., Ltd.	Oracle Corp. Bonds (US68389XBJ37)	None	Financial assets at fair value through profit or loss-Non-Current	200	4,139	- %	4,139	
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RKF81)	None	Financial assets at fair value through profit or loss-Non-Current	100	1,932	- %	1,932	
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	8,525	- %	8,525	
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	8,624	- %	8,624	
Ching Feng Home Fashions Co., Ltd.	Perusahaan Listrik Negara Bonds (US71568QAK31)	None	Financial assets at fair value through profit or loss-Non-Current	300	7,656	- %	7,656	
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	4,544	- %	4,544	
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	20,160	- %	20,160	
Ching Feng Home Fashions Co., Ltd.	Mercuries Life Insurance Subordinated Bonds (B99211)	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 Unsecured Cumulative Subordinated Bonds (B99515)	None	Financial assets at fair value through profit or loss-Non-Current	100,000	99,986	- %	99,986	
Ching Feng Home Fashions Co., Ltd.	KGI Life Insurance Co., Ltd. Subordinated Bonds (B9AK05)	None	Financial assets at fair value through profit or loss-Non-Current	50,000	50,500	- %	50,500	
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	8,333	2.00 %	8,333	

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

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

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.	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	146,063	6.70 %	146,063	

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	(516,695)	(62.71)%	T/T 195 days	Sell at agreed price	-	846,484	73.17%	
Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	Sub-subsidiary	Purchases	181,488	24.35%	T/T 180 days	Sell at agreed price	-	(125,886)	(20.45)%	
Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	Subsidiary	Purchases	294,276	39.48%	T/T 180 days	Sell at agreed price	-	(276,827)	(44.98)%	
ALL STRONG INDUSTRY (USA) INC.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Purchases	516,695	100.00%	T/T 195 days	Sell at agreed price	-	(846,484)	(100.00)%	
Sun Ocean Vietnam Co., Ltd.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(181,488)	(100.00)%	T/T 180 days	Sell at agreed price	-	125,886	100.00%	
Ching Feng Vietnam Company Limited	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(294,276)	(100.00)%	T/T 180 days	Sell at agreed price	-	276,827	100.00%	

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	846,484	237%	-		110,768	-
Sun Ocean Vietnam Co., Ltd.	Ching Feng Home Fashions Co., Ltd.	Parent Company	125,886	585%	-		15,235	-
Ching Feng Vietnam Company Limited	Ching Feng Home Fashions Co., Ltd.	Parent Company	276,827	425%	-		47,878	-

Note 1: It refers to the amount recovered as of April 17, 2026.

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

(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	516,695	The price is at the normal or negotiated price	42.81%
			1	Accounts receivables	846,484	The terms of payment are based on the agreement or the general terms of payment	10.12%
			1	Other Receivables	20,352	The terms of payment are based on the agreement or the general terms of payment	0.24%
			1	Other payables	35	The terms of payment are based on the agreement or the general terms of payment	-%
0	Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	1	Other Receivables	242,934	The terms of payment are based on the agreement or the general terms of payment	2.91%
			1	Purchases	294,276	The price is at the normal or negotiated price	24.38%
			1	Accounts payables	276,827	The terms of payment are based on the agreement or the general terms of payment	3.31%
			1	Other income	20	The price is at the normal or negotiated price	-%
0	Ching Feng Home Fashions Co., Ltd.	Grandtop Decorative Product (Zhenjiang) Co., Ltd.	2	Sales	2,841	The price is at the normal or negotiated price	0.24%
			2	Accounts receivables	2,506	The terms of payment are based on the agreement or the general terms of payment	0.03%
			2	Other Receivables	3	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Purchases	1,567	The price is at the normal or negotiated price	0.13%
			2	Accounts payables	15,785	The terms of payment are based on the agreement or the general terms of payment	0.19%
			2	Other payables	136	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Other income	3	The price is at the normal or negotiated price	-%
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	2	Sales	5	The price is at the normal or negotiated price	-%
			2	Accounts receivables	38	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Other Receivables	91,502	The terms of payment are based on the agreement or the general terms of payment	1.09%
			2	Purchases	181,488	The price is at the normal or negotiated price	15.04%
			2	Accounts payables	125,886	The terms of payment are based on the agreement or the general terms of payment	1.51%
			2	Other income	2,807	The price is at the normal or negotiated price	0.23%
			2	Purchases	1	The price is at the normal or negotiated price	-%
0	Ching Feng Home Fashions Co., Ltd.	Fu Yue Window Decoration Co., Ltd.	2	Accounts payables	2	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Other income	12	The price is at the normal or negotiated price	-%
0	Ching Feng Home Fashions Co., Ltd.	Regal Estate (USA) Inc.	2	Sales	2,783	The price is at the normal or negotiated price	0.23%
			2	Accounts receivables	2,820	The terms of payment are based on the agreement or the general terms of payment	0.03%
			2	Other Receivables	150	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Other income	12	The price is at the normal or negotiated price	-%
1	All Strong Industry (USA) Inc.	Regal Estate (USA) Inc.	3	Sales	7,059	The price is at the normal or negotiated price	0.58%
			3	Accounts receivables	11,343	The terms of payment are based on the agreement or the general terms of payment	0.14%
			3	Other Receivables	6	The terms of payment are based on the agreement or the general terms of payment	-%
1	All Strong Industry (USA) Inc.	Fu Yue Window Decoration Co., Ltd.	3	Sales	1,184	The price is at the normal or negotiated price	0.10%
			3	Accounts receivables	1,276	The terms of payment are based on the agreement or the general terms of payment	0.02%
2	Grandtop Decorative Product (Zhenjiang) Co., Ltd.	Fu Yue Window Decoration Technology Zhenjiang Co., Ltd.	3	Sales	141	The price is at the normal or negotiated price	0.01%
3	Fu Yue Window Decoration Technology Zhenjiang Co., Ltd.	Regal Estate (USA) Inc.	3	Other Receivables	21	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)**

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 March 31, 2026:

(In Thousands of New Taiwan Dollar/shares)

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of March 31, 2026			Net income (loss) of the investee	Investment income (loss) recognized by the company (Note2)	Note
				March 31, 2026	December 31, 2025	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%	760,727	66,968	66,968	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%	787,274	9,541	9,541	"
Ching Feng Home Fashions Co., Ltd.	Sincere Capital Limited	Samoa	Investment	398,660	398,660	13,084	100.00%	445,459	11	11	"
Ching Feng Home Fashions Co., Ltd.	Praise Home Industry co., Ltd.	Thailand	Plastic bags, etc.	193,059	193,059	1,750	100.00%	44,227	(2,398)	(2,398)	"
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%	952,065	38,141	38,141	"
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%	5,599	1,043	1,043	"
Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Vietnam	Manufacture and assembly of blinds and textiles	167,384	167,384	Note 3	64.71%	123,169	(5,171)	(3,346)	"
Ching Feng Home Fashions Co., Ltd.	Ching Feng Singapore Pte. Ltd.	Singapore	Home decor wholesale	87,420	87,420	3,000	100.00%	67,842	(1,820)	(1,820)	"
Lamae' Global Home Fashion Co., Ltd.	New Nice Home Fashion L.L.C.	United States	Investment	1,232,007 (USD38,487 thousand)	1,209,223 (USD38,487 thousand)	24,655	100.00%	787,271	13,106	9,541	Sub-subsidiary
Sincere Capital Limited	Sun Ocean Investment Limited	Samoa	Investment	431,284 (USD13,473 thousand)	423,308 (USD13,473 thousand)	13,473	100.00%	445,457	11	11	"
Sun Ocean Investment Limited	Sun Ocean Vietnam Co., Ltd.	Vietnam	Manufacture and assembly of blinds	421,457 (USD13,166 thousand)	413,663 (USD13,166 thousand)	Note 3	100.00%	437,783	11	11	"
All Strong Industry (USA) Inc.	Regal Estate (USA) Inc.	United States	Buy & sell of blinds, pleated shades	12,804 (USD400 thousand)	12,568 (USD400 thousand)	400	100.00%	3,054	(1,147)	(1,147)	"
Ching Feng Singapore Pte. Ltd.	Fu Vietnam Company Limited	Vietnam	Manufacture and assembly of blinds and textiles	96,033 (USD3,000 thousand)	94,257 (USD3,000 thousand)	Note 3	35.29%	92,453	(5,171)	(1,825)	"

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)**  
(In 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, 2026(Note 2)	Investment		Accumulated outflow of investment from Taiwan as of March 31, 2026 (Note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (loss) recognized (Note 3)	Carrying value as of March 31, 2026 (Note 4)	Accumulated inward remittance of earnings as of March 31, 2026
					Outflow	Inflow						
Grandtop Decorative Product (Zhenjiang) Co., Ltd.	Manufacture, production, assembly and sales of blinds.	559,241 (USD 17,000 thousand)	(2)	559,241 (USD 17,000 thousand)	-	-	559,241 (USD 17,000 thousand)	13,106	100.00%	13,106 (USD 414 thousand)	387,261 (USD 12,098 thousand)	
Fu Yue Window Decoration Technology Zhenjiang Co., Ltd.	Buy & sell of blinds, pleated shades	434 (RMB 100 thousand)	(2)	434 (RMB 100 thousand)	-	-	434 (RMB 100 thousand)	26	100.00%	26	(208)	-

- (b) Upper limit on investment in Mainland China:

Accumulated investment in Mainland China as of March 31, 2026	Investment amount authorized by Investment Commission, MOEA (Note 2、4、6、7)	Upper limit on investment
1,038,885 (USD 32,454 thousand)	1,042,118 (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 USD\$25,454 thousand. The fund was not remitted from Taiwan.

- (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".

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

**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 ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Revenue		
Revenue from external customers	\$ 1,207,014	1,188,313
Interest income	8,439	5,864
Total revenue	<b>\$ 1,215,453</b>	<b>1,194,177</b>
<b>Reportable segment profit or loss</b>	<b>\$ 89,363</b>	<b>90,331</b>