



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

## **CONSOLIDATED FINANCIAL STATEMENTS with Independent Auditors' Review Report**

**For the Nine-Month Periods Ended September 30, 2024 and 2023**

### **Notice to Readers**

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

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## **Independent Auditors' Review Report**

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

### **Introduction**

We have reviewed the accompanying consolidated financial statements of Ching Feng Home Fashions Co., Ltd. and its subsidiaries which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2024 and 2023, and consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2024 and 2023, 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 1,448,271 thousand and 1,275,035 thousand, constituting

19% and 19% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to 235,952 thousand and 182,533 thousand, constituting 5% and 4% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to 52,127 thousand, 25,504 thousand, 121,130 thousand and 8,426 thousand, absolute amount constituting 48%, 19%, 33% and 6% of consolidated total comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Ching Feng Home Fashions Co., Ltd. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three-month and nine-month periods ended September 30, 2024 and 2023, and consolidated cash flows for the nine-month periods ended September 30, 2024 and 2023 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  
Taipei, Taiwan

With Approval from the Competent Authorities:

Chin-Kuan-Cheng-Shen-Tzu-1040010193  
Tai-Tsai-Cheng-Liu-Tzu-0920122026

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**September 30, 2024, December 31, 2023 and September 30, 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		September 30, 2024		December 31, 2023		September 30, 2023		Liabilities and Equity		September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets :</b>								<b>Current liabilities :</b>							
1100	Cash and cash equivalents (Note 6(1))	\$ 769,196	10	497,239	7	414,965	6	2100	Short-term loans (Note 6(12), 8)	\$ 480,000	6	-	-	30,000	-
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	30,694	-	32,561	-	31,960	-	2110	Short-term notes and bills payable (Note 6(13),8)	189,848	2	159,846	2	122,838	2
1150	Net notes receivable (Note 6(3))	-	-	-	-	95	-	2120	Financial liabilities at fair value through profit or loss-current (Note 6(2))	368	-	1,379	-	1,304	-
1170	Net accounts receivable (Note 6(3))	1,516,846	20	1,199,201	18	1,219,429	18	2150	Notes and Accounts payable	914,439	12	675,961	10	650,025	11
1200	Other receivables (Note 6(4))	232,142	3	376,682	6	502,524	8	2200	Other payables	426,422	6	254,584	4	273,353	4
1220	Current tax assets (Note 6(17))	16,263	-	-	-	-	-	2220	Other payables - related parties (Note 7)	328	-	-	-	-	-
130X	Inventories (Note 6(5))	1,134,236	15	904,514	14	894,034	13	2230	Current income tax liabilities (Note 6(17))	55,827	1	105,454	2	81,569	1
1410	Prepayments	168,298	2	129,504	2	142,085	2	2280	Lease liabilities - current (Note 6(15))	19,470	-	24,240	-	22,045	-
1470	Other current assets (Notes 6(6))	207,522	3	127,187	2	112,570	2	2320	Long-term liabilities due within 1 year or 1 business cycle (Note 6(14))	247,063	3	264,529	4	280,467	4
1476	Other financial assets - current (Note 8)	184,880	2	194,088	3	211,005	3	2399	Other current liabilities - Others	5,850	-	5,113	-	5,267	-
<b>Total current assets</b>		<b>4,260,077</b>	<b>55</b>	<b>3,460,976</b>	<b>52</b>	<b>3,528,667</b>	<b>52</b>	<b>Total current liabilities</b>		<b>2,339,615</b>	<b>30</b>	<b>1,491,106</b>	<b>22</b>	<b>1,466,868</b>	<b>22</b>
<b>Non-current assets :</b>								<b>Non-current liabilities :</b>							
1511	Financial assets at fair value through profit or loss - non-current (Note 6(2) and 8)	176,697	2	-	-	-	-	2540	Long-term loans (Note 6(14), 8)	2,709,245	35	2,818,291	42	2,876,802	42
1550	Investments accounted for using equity method	-	-	-	-	2,400	-	2569	Current tax liabilities-non-current (Note 6(17))	11,021	-	26,484	1	32,149	1
1600	Property, plant and equipment (Notes 6(7) and 8)	2,371,707	31	2,320,303	35	2,361,935	35	2570	Deferred income tax liabilities (Note 6(17))	13,228	-	9,688	-	6,150	-
1755	Right-of-use assets (Note 6(8))	553,494	7	541,508	8	571,393	8	2580	Lease liabilities - non-current (Note 6(15))	75,423	1	51,908	1	59,264	1
1760	Investment property, net (note 6 (9))	31,246	1	31,290	-	-	-	2670	Other current liabilities – others	1,563	-	1,383	-	1,188	-
1780	Intangible assets (Note 6(10))	91,763	1	101,563	2	107,940	2	<b>Total non-current liabilities</b>		<b>2,810,480</b>	<b>36</b>	<b>2,907,754</b>	<b>44</b>	<b>2,975,553</b>	<b>44</b>
1840	Deferred income tax assets (Note 6(17))	80,655	1	83,059	1	50,556	1	<b>Total liabilities</b>		<b>5,150,095</b>	<b>66</b>	<b>4,398,860</b>	<b>66</b>	<b>4,442,421</b>	<b>66</b>
1915	Advance payment for equipment	78,610	1	71,486	1	80,020	1	<b>Equity attributable to owners of parent company (Note 6 (18)) :</b>							
1900	Other non-current assets (Notes 6(11))	51,555	1	42,456	1	47,264	1	3110	Ordinary shares	1,738,389	23	1,738,389	26	1,738,389	26
<b>Total non-current assets</b>		<b>3,435,727</b>	<b>45</b>	<b>3,191,665</b>	<b>48</b>	<b>3,221,508</b>	<b>48</b>	3200	Capital surplus	13,030	-	13,030	-	13,030	-
<b>Total Assets</b>		<b>\$ 7,695,804</b>	<b>100</b>	<b>6,652,641</b>	<b>100</b>	<b>6,750,175</b>	<b>100</b>	3300	Retained earnings	815,118	11	605,012	9	576,175	8
								3400	Other components of equity	(10,878)	-	(92,700)	(1)	90	-
								3500	Treasury stock	(9,950)	-	(9,950)	-	(19,930)	-
								<b>Total equity attributable to owners of the parent company</b>		<b>2,545,709</b>	<b>34</b>	<b>2,253,781</b>	<b>34</b>	<b>2,307,754</b>	<b>34</b>
								<b>Total equity</b>		<b>2,545,709</b>	<b>34</b>	<b>2,253,781</b>	<b>34</b>	<b>2,307,754</b>	<b>34</b>
								<b>Total liabilities and equity</b>		<b>\$ 7,695,804</b>	<b>100</b>	<b>6,652,641</b>	<b>100</b>	<b>6,750,175</b>	<b>100</b>

Please refer to notes to the consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Three-Month and Nine-Month Periods ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	Three-month periods ended September 30,				Nine-month periods ended September 30,			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenues (Notes 6(20) and 7)</b>							
	\$ 1,564,465	100	1,324,182	100	3,970,648	100	3,261,441	100
5000	<b>Operating costs (Notes 6(5), (16))</b>							
	1,179,782	75	1,048,456	79	3,021,712	76	2,640,206	81
	<b>Gross profit</b>							
	384,683	25	275,726	21	948,936	24	621,235	19
	<b>Operating expenses (Notes 6(16)) :</b>							
6100	Selling and marketing expenses							
	84,127	5	59,590	4	246,956	6	165,563	5
6200	General and administrative expenses							
	73,281	5	95,943	7	255,099	7	259,624	8
6300	Research and development expenses							
	19,537	1	20,202	2	67,153	2	59,298	2
6450	Expected credit losses (gains) (Note 6(3) and (23))							
	(3,963)	-	20,455	2	(31,032)	(1)	28,084	1
	<b>Total operating expenses</b>							
	172,982	11	196,190	15	538,176	14	512,569	16
	<b>Operating income</b>							
	211,701	14	79,536	6	410,760	10	108,666	3
	<b>Non-operating income and expenses (Notes 6(22) and 7) :</b>							
7100	Interest income							
	5,330	-	1,697	-	16,055	-	6,532	-
7010	Other income							
	2,480	-	1,026	-	6,457	-	6,066	-
7020	Other gains and losses							
	(56,078)	(4)	50,368	4	24,116	1	54,524	2
7050	Financing costs							
	(24,534)	(1)	(23,712)	(2)	(70,161)	(2)	(71,581)	(2)
	<b>Total non-operating income and expenses</b>							
	(72,802)	(5)	29,379	2	(23,533)	(1)	(4,459)	-
7900	<b>Net income (loss) before tax</b>							
	138,899	9	108,915	8	387,227	9	104,207	3
7950	<b>Less: Income tax expenses (Note 6(17))</b>							
	26,152	2	24,448	2	90,452	2	29,040	1
	<b>Net income (loss)</b>							
	112,747	7	84,467	6	296,775	7	75,167	2
8300	<b>Other comprehensive income(Notes 6(17) and (18)) :</b>							
8360	<b>Items that may subsequently be reclassified to profit or loss</b>							
8361	Exchange difference on translation of foreign operating institutions							
	(5,189)	-	60,935	5	82,671	2	79,367	2
8399	Less: Income tax related to items that may be reclassified subsequently							
	(1,038)	-	12,187	1	16,534	-	15,873	-
	<b>Total items that may subsequently be reclassified to profit or loss</b>							
	(4,151)	-	48,748	4	66,137	2	63,494	2
8300	<b>Total other comprehensive income (loss)</b>							
	(4,151)	-	48,748	4	66,137	2	63,494	2
	<b>Total comprehensive income (loss)</b>							
	<b>\$ 108,596</b>	<b>7</b>	<b>133,215</b>	<b>10</b>	<b>362,912</b>	<b>9</b>	<b>138,661</b>	<b>4</b>
	<b>Earnings per share (Note 6(19))</b>							
9750	<b>Basic earnings per share (Unit: NT\$)</b>							
	<b>\$ 0.65</b>		<b>0.49</b>		<b>1.71</b>		<b>0.43</b>	
9850	<b>Diluted earnings per share (Unit: NT\$)</b>							
	<b>\$ 0.65</b>		<b>0.49</b>		<b>1.71</b>		<b>0.43</b>	

Please refer to notes to the consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Nine-Month Periods ended September 30, 2024 and 2023**  
**(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, 2023</b>	\$ 1,696,233	13,030	72,622	184,067	396,080	(63,404)	(19,930)	2,278,698
Appropriations of earnings :								
Legal reserve	-	-	22,059	-	(22,059)	-	-	-
Special reserve	-	-	-	(120,663)	120,663	-	-	-
Cash dividends	-	-	-	-	(109,605)	-	-	(109,605)
Stock dividends	42,156	-	-	-	(42,156)	-	-	-
	42,156	-	22,059	(120,663)	(53,157)	-	-	(109,605)
Net income of the period	-	-	-	-	75,167	-	-	75,167
Other comprehensive income (loss) of the period	-	-	-	-	-	63,494	-	63,494
Total comprehensive income (loss) of the period	-	-	-	-	75,167	63,494	-	138,661
<b>Balance as of September 30, 2023</b>	<b>\$ 1,738,389</b>	<b>13,030</b>	<b>94,681</b>	<b>63,404</b>	<b>418,090</b>	<b>90</b>	<b>(19,930)</b>	<b>2,307,754</b>
<b>Balance as of January 1, 2024</b>	\$ 1,738,389	13,030	94,681	63,404	446,927	(92,700)	(9,950)	2,253,781
Appropriations of earnings :								
Legal reserve	-	-	10,400	-	(10,400)	-	-	-
Special reserve	-	-	-	29,296	(29,296)	-	-	-
Cash dividends	-	-	-	-	(86,669)	-	-	(86,669)
	-	-	10,400	29,296	(126,365)	-	-	(86,669)
Net income of the period	-	-	-	-	296,775	-	-	296,775
Other comprehensive income (loss) of the period	-	-	-	-	-	66,137	-	66,137
Total comprehensive income (loss) of the period	-	-	-	-	296,775	66,137	-	362,912
Liquidation of subsidiaries	-	-	-	-	-	15,685	-	15,685
<b>Balance as of September 30, 2024</b>	<b>\$ 1,738,389</b>	<b>13,030</b>	<b>105,081</b>	<b>92,700</b>	<b>617,337</b>	<b>(10,878)</b>	<b>(9,950)</b>	<b>2,545,709</b>

Please refer to notes to the consolidated financial report.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Nine-Month Periods ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Nine-month periods ended September 30,	
	2024	2023
<b>Cash flows from operating activities :</b>		
Net income before tax	\$ 387,227	104,207
<b>Adjustments :</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	169,154	159,880
Amortization expense	27,549	22,777
Expected credit losses (gains)	(31,032)	28,084
Net gains on financial assets at fair value through profit or loss	(9,973)	(734)
Interest expense	70,161	71,581
Interest income	(16,055)	(6,532)
Loss (gain) on disposal of property, plant and equipment, net	7,726	(93)
Other adjustments to reconcile profit (loss)	-	(42)
Loss on liquidation of subsidiaries	15,685	-
Total adjustments to reconcile profit (loss)	<u>233,215</u>	<u>274,921</u>
Changes in assets related to operating activities :		
Notes receivable	-	505
Accounts receivable	(317,727)	419,535
Accounts receivable – related parties	-	149,890
Other receivables	136,942	(198,994)
Inventories	(229,722)	65,563
Prepayments	(40,133)	(17,741)
Other current assets	(71,909)	(83,387)
Total net changes in assets related to operating activities	<u>(522,549)</u>	<u>335,371</u>
Changes in liabilities related to operating activities :		
Notes and Accounts payable	238,478	(26,042)
Other payables	171,461	30,752
Other payables – related parties	328	-
Other current liabilities	737	2,504
Total net changes in liabilities related to operating activities	<u>411,004</u>	<u>7,214</u>
Total net changes in assets and liabilities related to operating activities	<u>(111,545)</u>	<u>342,585</u>
Total adjustment	<u>121,670</u>	<u>617,506</u>

(Continued)



**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Nine-Month Periods ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Nine-month periods ended September 30,	
	2024	2023
Cash inflow (outflow) operations	\$ 508,897	721,713
Interest charged	14,052	6,532
Interest paid	(67,229)	(68,903)
Income taxes paid	(166,122)	(47,209)
<b>Net cash flows from operating activities</b>	<b>289,598</b>	<b>612,133</b>
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through profit or loss	(183,808)	(12,036)
Disposal of financial assets at fair value through profit or loss	20,869	1,087
Financial liabilities at fair value through profit or loss	(2,929)	(2,553)
Acquisition of investment accounted for using equity method	-	(2,400)
Acquisition of property, plant and equipment	(173,687)	(130,408)
Disposal of property, plant and equipment price	6,576	9,027
Increase in other receivables	-	(17,482)
Decrease in other receivables	28,209	-
Acquisition of intangible assets	(2,491)	(1,200)
Other financial assets - current	9,208	(46,130)
Other non-current assets	(15,033)	3,146
Advance payment for equipment	(5,361)	(21,982)
<b>Net cash flows used in investing activities</b>	<b>(318,447)</b>	<b>(220,931)</b>
<b>Cash flows from financing activities :</b>		
Short-term loans	700,000	390,895
Repayment of short-term loans	(220,000)	(688,487)
Increase in short-term notes and bills payable	140,002	122,838
Decrease in short-term notes and bills payable	(110,000)	-
Long-term loans	95,000	-
Repayment of long-term loans	(224,107)	(236,585)
Payments of lease liabilities	(22,832)	(21,426)
Other non-current liabilities	180	(224)
Cash dividends paid	(86,669)	(109,605)
<b>Net cash flows from financing activities</b>	<b>271,574</b>	<b>(542,594)</b>
Effects of exchange rate changes	29,232	27,024
Net increase in cash and cash equivalents	271,957	(124,368)
Cash and equivalent cash, beginning balance	497,239	539,333
Cash and equivalent cash, ending balance	<b>\$ 769,196</b>	<b>414,965</b>

**Please refer to notes to the consolidated financial report.**

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the 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 curtains, and their accessories for export and domestic sales. The company's stock has been officially listed and traded on the Taiwan Stock Exchange since August 18, 1989.

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

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on November 7, 2024.

**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, 2024 :

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements.

- Amendments to IAS21“Lack of Exchangeability”

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>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.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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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”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS9 and IFRS7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

#### 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 2023 consolidated financial report. For relevant information, please refer to Note 4 of 2023 consolidated financial report.

##### (2) Consolidation Basis

###### (a) List of subsidiaries in the consolidated financial statements

###### Subsidiaries Included in Consolidated Financial Reports:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			Sep. 30,2024	Dec. 31,2023	Sep. 30,2023	
Ching Feng Home Fashions Co., Ltd.	ALL STRONG INDUSTRY (USA) INC.	Buy & sell of blinds, pleated curtains	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. and Subsidiaries**  
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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			Sep. 30,2024	Dec. 31,2023	Sep. 30,2023	
Ching Feng Home Fashions Co., Ltd.	PARADISE GENERAL TRADING CO., LTD.	International trade	- %	100.00%	100.00%	Note 1,5
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 shutters	100.00%	100.00%	100.00%	Note 1
Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Cutting, assembly and packaging of curtains and textiles	100.00%	100.00%	100.00%	Note 1
Ching Feng Home Fashions Co., Ltd.	Zhenjiang Ching Lu Management Consulting Company	Business management and consulting, wholesaler and agent of home textiles, home decoration products, building materials, hardware products.	- %	100.00%	100.00%	Note 1,3
Ching Feng Home Fashions Co., Ltd.	Fu Yue Window Decoration Co., Ltd.	Manufacture and sale of blinds, pleated blinds.	100.00%	100.00%	100.00%	Note 1
LAMAE' GLOBAL HOME FASHION CO., LTD.	NEW NICE HOME FASHION L.L.C.	Investment (Investment in China)	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 curtains	100.00%	100.00%	100.00%	Note 1
ALL STRONG INDUSTRY (USA) INC.	REGAL ESTATE (USA) INC.	Buy & sell of blinds, pleated curtains	100.00%	- %	- %	Note 1,2
Ching Feng Home Fashions Co., Ltd.	CHING FENG SINGAPORE PTE. LTD.	Home decor wholesale	- %	- %	- %	Note 4

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

Note 2 : Regal Estate (USA) Inc. is a subsidiary established in January 2024.

Note 3 : The company completed the cancellation procedure in June 2024.

Note 4 : The establishment registration was completed in April 2024. As of the date of this report, the share capital has not yet been remitted.

Note 5 : The company completed the liquidation procedure in September 2024.

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

(3) Investing in affiliated companies

Affiliated companies are those in which the Group has significant influence over its financial and operating policies, but is not a controller or jointly controller.

The Group adopts the equity method to deal with the interests of affiliated companies. Under the equity method, the original acquisition is recognized at cost, and the investment cost includes transaction costs. The carrying amount of the investment in an affiliated company includes the goodwill identified at the time of investment, less any accumulated impairment losses.

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From the date of significant influence to the date of losing significant influence, after adjusting consistent with the accounting policies of the Group, the Company recognizes the profit or loss and other comprehensive profit or loss of each invested affiliated company according to the ratio of equity. When the equity changes of non-profit and loss and other comprehensive profit and loss of the affiliated enterprises do not affect the shareholding ratio of the Group, the Group will recognize the equity changes under the shares of the affiliated company that are attributable to the Group as capital reserve in proportion to shareholding.

Unrealized gains and losses arising from transactions between the Company and affiliated companies are recognized in the financial statements only to the extent that they are not related to investors' rights and interests in the affiliated company.

When the loss of the affiliated company that should be recognized in proportion by the Group is equal to or exceeds its equity in the affiliated company, it will stop recognizing its loss. Additional losses and related liabilities are recognized only within the scope of statutory obligations, constructive obligations or payments made on behalf of the investee company.

**(4) 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, the Group must make judgments, estimates and assumptions that affect the adoption 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 2023 consolidated financial report.

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**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 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(1) Cash and cash equivalents

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand	\$ 1,694	1,009	1,602
Check and demand deposit	494,310	208,615	226,583
Foreign currency deposit	225,705	284,334	186,780
Time deposits	47,487	3,281	-
<b>Total</b>	<b>\$ 769,196</b>	<b>497,239</b>	<b>414,965</b>

Please refer to Note 6(23) for the exchange rate risk and sensitivity analysis of the Group's financial assets and liabilities.

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Financial assets at fair value through profit or loss :			
Fund	\$ 27,683	22,568	24,329
FX swap contracts	-	-	699
Forward exchange contracts	3,011	-	-
Foreign bonds	163,655	8,311	5,727
Stocks listed on domestic markets	-	1,682	1,205
Stocks of foreign non-listed companies	13,042	-	-
	<b>\$ 207,391</b>	<b>32,561</b>	<b>31,960</b>
Current	\$ 30,694	32,561	31,960
Non-current	176,697	-	-
<b>Total</b>	<b>\$ 207,391</b>	<b>32,561</b>	<b>31,960</b>
Financial liabilities at fair value through profit or loss :			
Forward exchange contracts	\$ -	-	1,304
FX swap contracts	-	1,379	-
FX option contracts	368	-	-
<b>Total</b>	<b>\$ 368</b>	<b>1,379</b>	<b>1,304</b>

Derivative financial instrument transactions are used to avoid risks of exchange rate and interest

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rate arising from business, financing and investment activities. As of September 30, 2024 and December 31, 2023 and September 30, 2023, the Group did not adopt hedge accounting, and financial assets measured at fair value through profit and loss and derivatives of financial liabilities held for trading are as follows:

<b>September 30, 2024</b>				
	<u>Amount(in thousands)</u>		<u>Currency</u>	<u>Maturity dates</u>
Forward exchange sold	US\$ 4,000		USD to NTD	113.10.15~113.11.6
FX option sold	US\$ 2,000		USD to NTD	113.10.21~113.11.21
<b>December 31, 2023</b>				
	<u>Amount(in thousands)</u>		<u>Currency</u>	<u>Maturity dates</u>
FX swap sold	US\$ 3,000		USD to NTD	113.1.2~113.2.26
<b>September 30, 2023</b>				
	<u>Amount(in thousands)</u>		<u>Currency</u>	<u>Maturity dates</u>
Forward exchange sold	US\$ 2,500		USD to NTD	112.10.16~112.10.17
FX swap sold	US\$ 1,000		USD to NTD	112.11.27

Please refer to Note 6 (22) for the amount recognized in profit or loss based on remeasurement at fair value.

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

None of the financial assets measured at fair value through profit or loss on December 31, 2023, and September 30, 2023 were used as guarantees for long-term and short-term loans and financing.

(3) Notes Receivable, Notes Receivable from Related Parties, Accounts Receivable and Accounts Receivable from Related Parties

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	\$ -	-	<b>95</b>
Accounts receivable – measured at amortized cost	\$ 1,517,321	1,201,288	1,235,959
Less: Allowance for losses	(475)	(2,087)	(16,530)
	<b>\$ 1,516,846</b>	<b>1,199,201</b>	<b>1,219,429</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.



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

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

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,131,747	-	-
Less than 90 days past due	67,862	0.6%	408
91 to 180 days past due	8	100%	8
181 to 270 days past due	-	-	-
More than 270 days past due	1,671	100%	1,671
	<b>\$ 1,201,288</b>		<b>2,087</b>

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 1,026,352	-	-
Less than 90 days past due	180,337	-	-
91 to 180 days past due	27,594	53.49%	14,759
181 to 270 days past due	265	100%	265
More than 270 days past due	1,506	100%	1,506
	<b>\$ 1,236,054</b>		<b>16,530</b>

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

	<b>Nine-month periods ended</b>	
	<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,087	520
Recognition of impairment losses	-	15,919
Amount written off due to irrecoverableness	(1,694)	-
Foreign exchange gains (losses)	82	91
Balance at September 30	<b>\$ 475</b>	<b>16,530</b>

The Group signed non-recourse receivable sales with financial institutions. According to the contract, the Group does not need to bear the credit risk of non-payment due to non-commercial

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

September 30, 2024						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced- Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
O-Bank	\$ <u>282,589</u>	USD 18,000,000	<u>64,000</u>	<u>218,589</u>	2.3375%	-
December 31, 2023						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced- Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Cathay United Bank	\$ <u>341,260</u>	USD 15,000,000	-	<u>341,260</u>	5.28%~6.43%	-
September 30, 2023						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced- Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Cathay United Bank	\$ <u>465,851</u>	USD 15,000,000	-	<u>465,851</u>	5.28%~6.40%	-

As of September 30, 2024 and December 31, 2023 and September 30, 2023, the Group's notes and accounts receivable were not used as guarantees for long-term, short-term loans and financing.

(4) Other Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Tax refund receivable	\$ 9,237	20,429	20,019
Unused amount of sold receivables	218,589	341,260	465,851
Other Receivables – Osaley (OSL)	-	28,209	33,669
Less: Allowance for losses	-	(21,109)	(20,259)
Others	4,316	7,893	3,244
	<u>\$ 232,142</u>	<u>376,682</u>	<u>502,524</u>

Other receivables - OSL are overdue accounts receivable arising from the sale of goods and are considered as a form of fund financing in the financial statements. Please refer to Note 6 (23) for the movements in the allowance.

(Note) The Group assessed that since the chairman of OSL disposed of all of his OSL shares and dismissed him as chairman in 2023, he has not been a related party since August 2023.

Regarding other receivables - OSL, the loss allowance is as follows:

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	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ -	-	-
Less than 90 days past due	-	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<b>\$ -</b>		<b>-</b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ -	-	-
Less than 90 days past due	-	-	-
91 to 180 days past due	192	50%	96
181 to 270 days past due	28,017	75%	21,013
More than 270 days past due	-	-	-
	<b>\$ 28,209</b>		<b>21,109</b>
	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ -	-	-
Less than 90 days past due	-	-	-
91 to 180 days past due	19,970	50%	9,985
181 to 270 days past due	13,699	75%	10,274
More than 270 days past due	-	-	-
	<b>\$ 33,669</b>		<b>20,259</b>

As of September 30, 2024 and December 31, 2023 and September 30, 2023, the Group's other receivables were not used as guarantees for long-term, short-term loans and financing.

(5) Inventories

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Raw materials	\$ 314,091	223,443	215,495
Supplies	170,348	154,861	172,988
Work-in process, semi-finished goods	116,473	120,100	114,067
Finished goods	533,324	406,110	391,484
	<b>\$ 1,134,236</b>	<b>904,514</b>	<b>894,034</b>

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The details of the cost of sales were as follows:

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Inventory that has been sold	\$ 1,179,606	1,047,709	3,009,858	2,646,164
Write-down of inventories				
(Reversal of write-downs)	<u>176</u>	<u>747</u>	<u>11,854</u>	<u>(5,958)</u>
<b>Total</b>	<b><u>\$ 1,179,782</u></b>	<b><u>1,048,456</u></b>	<b><u>3,021,712</u></b>	<b><u>2,640,206</u></b>

As of September 30, 2024 and December 31, 2023 and September 30, 2023, the Group's inventory was not used as guarantees for long-term, short-term loans and financing.

(6) Other current assets

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Temporary debits	\$ 32,987	32,115	32,954
Payment on behalf of others	148	3,840	158
Payment on behalf of others — Osaley (OSL)	166,604	94,583	75,647
Less: Allowance for losses	-	(9,923)	-
Others	<u>7,783</u>	<u>6,572</u>	<u>3,811</u>
	<b><u>\$ 207,522</u></b>	<b><u>127,187</u></b>	<b><u>112,570</u></b>

The above payment on behalf of others - OSL is the advance payment made by the Group on its behalf. Please refer to Note 6 (23) for the changes in allowance for losses.

(Note) The Group assessed that since the chairman of OSL disposed of all of his OSL shares and dismissed him as chairman in 2023, he has not been a related party since August 2023.

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 109,408	-%	-
Less than 90 days past due	57,196	-%	-
91 to 180 days past due	-	-%	-
181 to 270 days past due	-	-%	-
More than 270 days past due	<u>-</u>	<u>-%</u>	<u>-</u>
	<b><u>\$ 166,604</u></b>		<b><u>-</u></b>

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	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 38,529	-	-
Less than 90 days past due	36,207	-	-
91 to 180 days past due	19,847	50%	9,923
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<b>\$ 94,583</b>		<b>9,923</b>

  

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 54,785	-%	-
Less than 90 days past due	9,366	-%	-
91 to 180 days past due	168	-%	-
181 to 270 days past due	11,328	-%	-
More than 270 days past due	-	-%	-
	<b>\$ 75,647</b>		<b>-</b>

(7) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the nine-month periods ended September 30, 2024 and 2023 were as follows:

	<b>Land</b>	<b>Buildings and Structures</b>	<b>Machinery Equipment</b>	<b>Transportation Equipment</b>	<b>Office Equipment</b>	<b>Other Equipment</b>	<b>Construction in Progress</b>	<b>Total</b>
Cost:								
Balance at January 1, 2024	\$ 467,543	1,148,480	1,248,320	16,238	6,856	308,784	83,119	3,279,340
Additions	119,232	3,031	23,154	612	3,722	10,601	13,335	173,687
Disposals	-	-	(157,677)	(3,931)	(424)	(3,997)	-	(166,029)
Reclassification	-	63,132	(1,157)	-	1,203	1,581	(64,948)	(189)
Impact of exchange rate changes	1,779	9,437	25,471	509	97	2,201	811	40,305
Balance at September 30, 2024	<b>\$ 588,554</b>	<b>1,224,080</b>	<b>1,138,111</b>	<b>13,428</b>	<b>11,454</b>	<b>319,170</b>	<b>32,317</b>	<b>3,327,114</b>
Balance at January 1, 2023	\$ 459,076	1,190,545	1,051,818	15,706	7,818	289,460	216,605	3,231,028
Additions	-	491	30,691	1,365	2,297	34,778	60,786	130,408
Disposals	-	(39,789)	(42,618)	(721)	(3,417)	(18,090)	-	(104,635)
Reclassification	-	-	144,128	-	-	-	(112,058)	32,070
Impact of exchange rate changes	(246)	3,216	12,696	123	92	1,672	(621)	16,932
Balance at September 30, 2023	<b>\$ 458,830</b>	<b>1,154,463</b>	<b>1,196,715</b>	<b>16,473</b>	<b>6,790</b>	<b>307,820</b>	<b>164,712</b>	<b>3,305,803</b>

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	Land	Buildings and Structures	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Accumulated depreciation and								
Impairment losses:								
Balance at January 1, 2024	\$ -	286,143	579,711	8,371	2,572	82,240	-	959,037
Additions	-	32,096	71,188	928	1,135	24,036	-	129,383
Disposals	-	-	(143,845)	(3,555)	(360)	(3,967)	-	(151,727)
Reclassification	-	-	(794)	-	794	-	-	-
Impact of exchange rate changes	-	5,308	12,498	284	54	570	-	18,714
Balance at September 30, 2024	<u>\$ -</u>	<u>323,547</u>	<u>518,758</u>	<u>6,028</u>	<u>4,195</u>	<u>102,879</u>	<u>-</u>	<u>955,407</u>
Balance at January 1, 2023	\$ -	288,424	536,561	9,161	5,177	70,050	-	909,373
Additions	-	26,839	73,379	815	582	24,499	-	126,114
Disposals	-	(39,789)	(33,978)	(688)	(3,416)	(17,830)	-	(95,701)
Reclassification	-	-	(42)	-	-	-	-	(42)
Impact of exchange rate changes	-	155	3,562	19	41	347	-	4,124
Balance at September 30, 2023	<u>\$ -</u>	<u>275,629</u>	<u>579,482</u>	<u>9,307</u>	<u>2,384</u>	<u>77,066</u>	<u>-</u>	<u>943,868</u>
Carrying value:								
Balance at January 1, 2024	<u>\$ 467,543</u>	<u>862,337</u>	<u>668,609</u>	<u>7,867</u>	<u>4,284</u>	<u>226,544</u>	<u>83,119</u>	<u>2,320,303</u>
Balance at September 30, 2024	<u>\$ 588,554</u>	<u>900,533</u>	<u>619,353</u>	<u>7,400</u>	<u>7,259</u>	<u>216,291</u>	<u>32,317</u>	<u>2,371,707</u>
Balance at January 1, 2023	<u>\$ 459,076</u>	<u>902,121</u>	<u>515,257</u>	<u>6,545</u>	<u>2,641</u>	<u>219,410</u>	<u>216,605</u>	<u>2,321,655</u>
Balance at September 30, 2023	<u>\$ 458,830</u>	<u>878,834</u>	<u>617,233</u>	<u>7,166</u>	<u>4,406</u>	<u>230,754</u>	<u>164,712</u>	<u>2,361,935</u>

Please refer to Note 6 (22) for details on gains and losses of disposal.

Please refer to Note 8 for details of the guarantees for long-term and short-term loans and financing on September 30, 2024, December 31, 2023, and September 30, 2023.

(8) Right-of-use assets

The Group leases many assets including land and buildings, machinery and transportation equipment, etc. Information about leases for which the Group is a lessee is presented below:

	Land	Buildings	Machinery equipment	Transporta tion Equipment	Total
Cost:					
Balance at January 1, 2024	\$ 559,966	135,102	15,286	3,669	714,023
Additions	-	35,143	202	1,072	36,417
Disposal/Write-off	-	(7,183)	(550)	(1,321)	(9,054)
Impact of exchange rate changes	15,096	4,410	194	-	19,700
Balance at September 30, 2024	<u>\$ 575,062</u>	<u>167,472</u>	<u>15,132</u>	<u>3,420</u>	<u>761,086</u>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transporta tion Equipment</u>	<u>Total</u>
Balance at January 1, 2023	\$ 560,866	141,298	20,895	3,669	726,728
Additions	234	-	3,856	-	4,090
Disposal/Write-off	(591)	(3,840)	(3,213)	-	(7,644)
Impact of exchange rate changes	22,962	4,871	267	-	28,100
Balance at September 30, 2023	<b><u>\$ 583,471</u></b>	<b><u>142,329</u></b>	<b><u>21,805</u></b>	<b><u>3,669</u></b>	<b><u>751,274</u></b>
Accumulated depreciation losses:					
Balance at January 1, 2024	\$ 87,259	74,912	8,084	2,260	172,515
Depreciation for the year	18,017	15,894	4,863	953	39,727
Disposal/Write-off	-	(7,183)	(550)	(1,321)	(9,054)
Impact of exchange rate changes	2,214	2,065	125	-	4,404
Balance at September 30, 2024	<b><u>\$ 107,490</u></b>	<b><u>85,688</u></b>	<b><u>12,522</u></b>	<b><u>1,892</u></b>	<b><u>207,592</u></b>
Balance at January 1, 2023	\$ 69,689	61,054	14,200	1,037	145,980
Depreciation for the year	13,924	14,482	4,442	918	33,766
Disposal/Write-off	(591)	(2,710)	(3,213)	-	(6,514)
Impact of exchange rate changes	3,386	3,061	202	-	6,649
Balance at September 30, 2023	<b><u>\$ 86,408</u></b>	<b><u>75,887</u></b>	<b><u>15,631</u></b>	<b><u>1,955</u></b>	<b><u>179,881</u></b>
Carrying amount**					
Balance at January 1, 2024	<b><u>\$ 472,707</u></b>	<b><u>60,190</u></b>	<b><u>7,202</u></b>	<b><u>1,409</u></b>	<b><u>541,508</u></b>
Balance at September 30, 2024	<b><u>\$ 467,572</u></b>	<b><u>81,784</u></b>	<b><u>2,610</u></b>	<b><u>1,528</u></b>	<b><u>553,494</u></b>
Balance at January 1, 2023	<b><u>\$ 491,177</u></b>	<b><u>80,244</u></b>	<b><u>6,695</u></b>	<b><u>2,632</u></b>	<b><u>580,748</u></b>
Balance at September 30, 2023	<b><u>\$ 497,063</u></b>	<b><u>66,442</u></b>	<b><u>6,174</u></b>	<b><u>1,714</u></b>	<b><u>571,393</u></b>

(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 cost, depreciation, and impairment of the investment property of the Group for the nine-month periods ended September 30, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2024	<b><u>\$ 28,375</u></b>	<b><u>2,915</u></b>	<b><u>31,290</u></b>
Balance at September 30, 2024	<b><u>\$ 28,375</u></b>	<b><u>2,871</u></b>	<b><u>31,246</u></b>

There is no significant addition, disposal, impairment, or reversal of the investment properties of the Group from January 1 to September 30, 2024. Please refer to Note 12 for details of the depreciation in the current period. For other relevant information, please refer to Note 6(10) of 2023 Consolidated Financial Report.

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The fair value of investment properties of the Group does not significantly differ from the information disclosed in Note 6(10) of 2023 Consolidated Financial Report.

As of September 30, 2024 and December 31, 2023, the Group's investment properties were not used as guarantees for long-term, short-term loans and financing.

The Group has no investment property as of September 30, 2023.

(10) Intangible assets

	<u>Goodwill</u>	<u>Technical Know-how</u>	<u>Computer Software</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2024	\$ 69,032	15,736	16,795	101,563
Balance at September 30, 2024	\$ 71,168	4,056	16,539	91,763
Balance at January 1, 2023	\$ 69,070	31,490	15,822	116,382
Balance at September 30, 2023	\$ 72,559	20,675	14,706	107,940

There is no significant addition, disposal, impairment, or reversal of the intangible assets of the Group from January 1 to September 30, 2024 and 2023. Please refer to Note 12 for details of the amortization in the current period. The change in the amount of goodwill is mainly due to the impact of exchange rate changes.

For other relevant information, please refer to Note 6(11) of 2023 Consolidated Financial Report.

(11) Other non-current assets

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Refundable deposits	\$ 8,038	7,340	8,085
Others	43,517	35,116	39,179
	<u>\$ 51,555</u>	<u>42,456</u>	<u>47,264</u>

As of September 30, 2024 and December 31, 2023 and September 30, 2023, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank loans	\$ 480,000	-	30,000
Unused short-term credit lines	\$ 1,096,632	1,255,664	1,059,770
Range of interest rates	<u>2.12%~2.48%</u>	<u>-</u>	<u>3%</u>



**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(a) Borrowing and repayment of short-term loans

The newly increased amounts from January 1 to September 30, 2024 and 2023 are 700,000 thousand and 390,895 thousand respectively, and the repaid amounts are 220,000 thousand and 688,487 thousand respectively.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Taiwan	2.12%~2.48%	-%	3%

As of September 30, 2024 and 2023, the maturity dates of short-term loans of the Group are July, 2025 and October, 2023 respectively. As of December 31, 2023, the Group did not apply for short-term loan financing.

(b) Collateral for bank loans

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

(13) Short-term notes and bills payable

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

<b>September 30, 2024</b>			
	<b>Guarantee or acceptance institution</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	China Bills Finance Corporation	2.2%	\$ 59,866
	O-Bank	1.658%	129,982
Total			<b>\$ 189,848</b>
<b>December 31, 2023</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%	\$ 59,959
	O-Bank	1.438%~1.478%	99,887
Total			<b>\$ 159,846</b>
<b>September 30, 2023</b>			
	<b>Guarantee or acceptance institution</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	China Bills Finance Corporation	1.438%~2.238%	<b>\$ 122,838</b>

Please refer to Note 6 (22) for details on interest expense.

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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
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(14) Long-term Loans

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

	<b>September 30, 2024</b>		
	<b>Range of interest rates</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	2.22%~2.8789%	116.07	\$ 2,457,003
Secured bank loans	1.05%~2.255%	124.07	499,305
			2,956,308
Less: current portion			(247,063)
Total			<b>\$ 2,709,245</b>
Unused long-term credit lines			<b>\$ 653,313</b>
	<b>December 31, 2023</b>		
	<b>Range of interest rates</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	1.8%~6.99%	116.10	\$ 2,512,599
Secured bank loans	0.925%~2.125%	124.07	570,221
			3,082,820
Less: current portion			(264,529)
Total			<b>\$ 2,818,291</b>
Unused long-term credit lines			<b>\$ 697,383</b>
	<b>September 30, 2023</b>		
	<b>Range of interest rates</b>	<b>Expiration Date</b>	<b>Amount</b>
Unsecured bank loans	1.8%~6.85%	116.10	\$ 2,563,509
Secured bank loans	0.925%~2.125%	124.7	593,760
			3,157,269
Less: current portion			(280,467)
Total			<b>\$ 2,876,802</b>
Unused long-term credit lines			<b>\$ 699,481</b>

(a) Borrowing and repayment of long-term loans

From January 1 to September 30, 2024, the new long-term loans were 95,000 thousand, the interest rate was 2.2509%~2.8789%, the maturity date was July, 2027. From January 1 to September 30, 2023, there were no new long-term loans.

The repayment amounts from January 1 to September 30, 2024 and 2023 were 224,107 thousand and 236,585 thousand respectively.

(b) Collateral for bank loans

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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(c) Special agreement on the joint credit contract

On November 30, 2021, the Group signed a joint loan credit contract with 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 2021 restricts that the consolidated financial report after 2021 must meet the following conditions:

- A. Current ratio: not less than 140%.
- B. Debt ratio: not higher than 230%.
- C. Interest coverage ratio: not less than 6 times.
- D. Net worth: not less than NT\$1,800,000 thousand.

In addition, 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 than 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 2023 and 2022 as the calculation basis, and none of them violated the restrictions.

(15) Lease liabilities

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	<u>\$ 19,470</u>	<u>24,240</u>	<u>22,045</u>
Non-current	<u>\$ 75,423</u>	<u>51,908</u>	<u>59,264</u>

For the maturity analysis, please refer to Note 6 (23) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	<b>Three-month periods ended September 30,</b>		<b>Nine-month periods ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	<u>\$ 720</u>	<u>749</u>	<u>2,045</u>	<u>2,397</u>
Expenses relating to short-term leases	<u>\$ 182</u>	<u>151</u>	<u>776</u>	<u>683</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 448</u>	<u>393</u>	<u>1,331</u>	<u>1,295</u>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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The amounts recognized in the statement of cash flows by the Group were as follows:

	Nine-month periods ended September 30,	
	2024	2023
	\$ 26,984	25,801
Total cash outflow for leases		

(a) Leasing of land, houses and buildings

The Group leases land, houses 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.

(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.

(16) Employee benefits

(a) Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three-month and nine-month periods ended September 30, 2024 and 2023 were as follows:

	Three-month periods ended September 30,		Nine -month periods ended September 30,	
	2024	2023	2024	2023
	\$ 1,455	1,370	4,335	4,232
Operating cost				
Selling and marketing expenses	551	337	1,581	972
General and administrative expenses	593	628	1,673	2,327
Research and development expenses	290	299	865	883
Total	<b>\$ 2,889</b>	<b>2,634</b>	<b>8,454</b>	<b>8,414</b>

The pensions of other subsidiaries are determined in accordance with local laws. The pension expenses recognized for the three-month and nine-month periods ended September 30, 2024 and 2023 were 5,532 thousand, 4,305 thousand, 15,422 thousand and 13,867 thousand respectively.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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(17) Income tax

The components of income tax for the three-month and nine-month periods ended September 30, 2024 and 2023 were as follows:

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expenses				
Current period	\$ 32,309	17,602	74,856	32,408
Adjustment for prior periods	5,050	4,393	8,998	7,331
	<u>37,359</u>	<u>21,995</u>	<u>83,854</u>	<u>39,739</u>
Deferred tax expenses				
Origination and reversal of temporary differences	(11,207)	2,453	6,598	(10,699)
Income tax expenses	<u><b>\$ 26,152</b></u>	<u><b>24,448</b></u>	<u><b>90,452</b></u>	<u><b>29,040</b></u>

The amounts of income tax recognized in other comprehensive income for the three-month and nine-month periods ended September 30, 2024 and 2023 were as follows:

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation	<u><b>\$ (1,038)</b></u>	<u><b>12,187</b></u>	<u><b>16,534</b></u>	<u><b>15,873</b></u>

The company's income tax return has been approved by the tax collection agency until 2022.

(18) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to September 30, 2024 and 2023. For the related information, please refer to Note 6 (19) to 2023 consolidated financial report.

(a) Capital surplus

The Company's capital surplus is as follows:

	<b>September</b>	<b>December</b>	<b>September</b>
	<b>30, 2024</b>	<b>31, 2023</b>	<b>30, 2023</b>
Additional paid-in capital	<u><b>\$ 13,030</b></u>	<u><b>13,030</b></u>	<u><b>13,030</b></u>

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(b) Retained earnings

According to 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 distributed. Afterwards, if the reduced amount of other shareholders' equity is reversed, then the reversed portion may be distributed.

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(ii) Earnings distribution

The amounts of cash dividends for the 2023 earnings distribution had been approved, the board meeting held on March 13, 2024, as well as the shareholders' meeting on May 28, 2024.

The amounts of cash dividends for the 2022 earnings distribution had been approved, the board meeting held on March 14, 2023, and on May 24, 2023, the shareholders' meeting decided on the amount of stock dividends, were as follows:

	2023		2022	
	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)	Amount
Dividends distributed to shareholders of common stocks				
Cash	\$ 0.500	86,669	0.650	109,605
Shares	-	-	0.250	42,156
Total		<u><u>\$ 86,669</u></u>		<u><u>151,761</u></u>

(c) Other equities (net amount after tax)

	<b>Exchange Differences on Translation of Foreign Operations</b>
Balance at January 1, 2024	\$ (92,700)
Liquidation of subsidiaries	15,685
Exchange differences on foreign operations	<u>66,137</u>
Balance at September 30, 2024	<u><u>\$ (10,878)</u></u>
Balance at January 1, 2023	\$ (63,404)
Exchange differences on foreign operations	<u>63,494</u>
Balance at September 30, 2023	<u><u>\$ 90</u></u>

(19) Earnings per share

For the three-month and nine-month periods ended September 30, 2024 and 2023, the Group's earnings per share were calculated as follows:

(a) Basic earnings per share

(i) Profit attributable to ordinary shareholders of the Company

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	2023	2024	2023
Profit of the Company for the year	<u><u>\$ 112,747</u></u>	<u><u>84,467</u></u>	<u><u>296,775</u></u>	<u><u>75,167</u></u>

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**

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	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Common stock outstanding on January 1	173,839	169,623	173,839	169,623
The impact of treasury stocks	(500)	(1,000)	(500)	(1,000)
The impact of stock dividends	-	4,216	-	4,216
Weighted average shares outstanding as of September 30	<u>173,339</u>	<u>172,839</u>	<u>173,339</u>	<u>172,839</u>
Basic earnings per share (Unit: NT\$)	<u>\$ 0.65</u>	<u>0.49</u>	<u>1.71</u>	<u>0.43</u>

(b) Diluted earnings per share

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders of the Company (diluted)				
Profit attributable to ordinary shareholders of the Company (basic)	<u>\$ 112,747</u>	<u>84,467</u>	<u>296,775</u>	<u>75,167</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>\$ 112,747</u>	<u>84,467</u>	<u>296,775</u>	<u>75,167</u>

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Weighted average shares outstanding as of September 30	173,339	172,839	173,339	172,839
Effect of dilutive potential common stocks				
Effect of employee share bonus	75	127	244	211
Weighted-average number of common stocks (diluted) at September 30	<u>173,414</u>	<u>172,966</u>	<u>173,583</u>	<u>173,050</u>
Diluted earnings per share (Unit: NT\$)	<u>\$ 0.65</u>	<u>0.49</u>	<u>1.71</u>	<u>0.43</u>



**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
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(20) Revenue from contracts with customers

(a) Disaggregation of revenue

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Primary geographical markets				
USA	\$ 1,280,743	1,135,737	3,168,717	2,695,399
Europe	206,359	112,102	621,765	376,993
Taiwan	36,450	34,167	90,520	89,383
Others	40,913	42,176	89,646	99,666
	<b><u>\$ 1,564,465</u></b>	<b><u>1,324,182</u></b>	<b><u>3,970,648</u></b>	<b><u>3,261,441</u></b>

(b) Contract balances

	<b>September</b>	<b>December</b>	<b>September</b>
	<b>30, 2024</b>	<b>31, 2023</b>	<b>30, 2023</b>
Notes Receivable and Accounts	\$ 1,517,321	1,201,288	1,236,054
Less: Allowance for losses	(475)	(2,087)	(16,530)
Total	<b><u>\$ 1,516,846</u></b>	<b><u>1,199,201</u></b>	<b><u>1,219,524</u></b>

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

(21) Remunerations to employees, directors and supervisors

According to the Articles of Incorporation, the company distributes employee remuneration based on no less than 2% of the current year's profit and no more than 3% as remuneration for directors and supervisors. However, if the company still has accumulated losses, losses shall be covered first. The recipients of the stock or cash payment include employees of affiliated companies who meet certain conditions.

The remunerations to employees recognized for the three-month and nine-month periods ended September 30, 2024 and 2023 were 2,461 thousand, 2,183 thousand, 6,913 thousand and 2,183 thousand respectively. The remunerations to directors and supervisors recognized for the three-month and nine-month periods ended September 30, 2024 and 2023 were 1,230 thousand, 1,091 thousand, 3,456 thousand and 1,091 thousand respectively. It is calculated by multiplying the net profit before tax before deducting the compensation of employees and directors by the distribution ratio stipulated in the company's Articles of Incorporation, and present it as operating costs or operating expenses for the period. For relevant information, please refer to Market Observation Post System.

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
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(22) Remunerations to employees, directors and supervisors

(a) Interest income

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	2023	2024	2023
Interest income from deposits in banks	\$ 3,277	1,697	10,507	6,532
Interest income from foreign bonds	2,053	-	5,548	-
<b>Total</b>	<b>\$ 5,330</b>	<b>1,697</b>	<b>16,055</b>	<b>6,532</b>

(b) Other income

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	2023	2024	2023
Rental income	\$ 698	281	1,774	843
Other income	1,782	745	4,683	5,223
<b>Total</b>	<b>\$ 2,480</b>	<b>1,026</b>	<b>6,457</b>	<b>6,066</b>

(c) Other gains and losses

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

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	2023	2024	2023
Losses of disposal of property, plant and equipment losses	\$ (7,413)	(210)	(7,726)	93
Foreign exchange (losses) gains	(42,186)	50,886	38,458	71,037
Net gains on financial assets (liabilities) at fair value through profit or loss	9,724	(1,544)	9,973	734
Other gains and losses	(16,203)	1,236	(16,589)	(17,340)
<b>Total</b>	<b>\$ (56,078)</b>	<b>50,368</b>	<b>24,116</b>	<b>54,524</b>

(d) Finance cost

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

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

	<b>Three-month periods ended</b>		<b>Nine-month periods ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense	\$ 23,012	21,963	65,561	66,036
Add: Interest of below-market interest rate loan	802	1,000	2,555	3,148
Interest of Lease liabilities	720	749	2,045	2,397
Net finance cost	<b>\$ 24,534</b>	<b>23,712</b>	<b>70,161</b>	<b>71,581</b>

(23) 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 2023 Consolidated Financial Report.

(a) Credit risk

(i) Risk of credit risk

The carrying amount of financial assets is the maximum amount of credit risk.

(ii) Concentration of credit risk

In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial status of customers, and regularly evaluates the possibility of recovering accounts receivable and has allowance for impairment losses. The impairment losses are always within the expectations of the management.

As of September 30, 2024, December 31, 2023, September 30, 2023, 95%, 94% and 91% of the Group's accounts receivable balance came from several major customers, which made the Group have significant concentration of credit risk.

(iii) Credit risk of accounts receivable

Please refer to Note 6 (3) for details of the credit risk and impairment allowance of notes receivable and accounts receivable. Other financial assets at amortized cost includes cash, 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 2023 Consolidated Financial Report.

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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements (Continued)**  
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	<b>Nine-month periods ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Opening balance	\$ 31,032	8,094
Recognition of impairment losses		
(Impairment losses reversed)	(31,032)	12,165
Ending balance	\$ -	<b>20,259</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>Cash Flow of Contracts</b>	<b>Within 6 Months</b>	<b>6-12Months</b>	<b>More Than 1 Year</b>
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Bank loans	\$ 3,436,308	3,668,954	490,481	317,498	2,860,975
Short-term notes and bills payable	189,848	190,000	190,000	-	-
Notes payable, accounts payable and other payables	1,341,189	1,341,189	1,341,189	-	-
Lease liabilities	94,893	118,906	15,183	6,729	96,994
Derivative financial liabilities					
FX option contracts:					
Flow Out	368	119	119	-	-
	<b>\$ 5,062,606</b>	<b>5,319,168</b>	<b>2,036,972</b>	<b>324,227</b>	<b>2,957,969</b>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Bank loans	\$ 3,082,820	3,240,496	174,009	169,898	2,896,589
Short-term notes and bills payable	159,846	160,000	160,000	-	-
Notes payable, accounts payable and other payables	930,545	930,545	930,545	-	-
Lease liabilities	76,148	101,418	15,680	13,285	72,453
Derivative financial liabilities					
FX swap contracts:					
Flow Out	1,379	1,379	1,379	-	-
	<b>\$ 4,250,738</b>	<b>4,433,838</b>	<b>1,281,613</b>	<b>183,183</b>	<b>2,969,042</b>
<b>September 30, 2023</b>					
Non-derivative financial liabilities					
Bank loans	\$ 3,187,269	3,364,429	211,485	179,244	2,973,700
Short-term notes and bills payable	122,838	123,000	123,000	-	-
Notes payable, accounts payable and other payables	923,378	923,378	923,378	-	-
Lease liabilities	81,309	109,352	14,674	13,675	81,003
Derivative financial liabilities					
Forward exchange contract:					
Flow Out	1,304	1,304	1,304	-	-
	<b>\$ 4,316,098</b>	<b>4,521,463</b>	<b>1,273,841</b>	<b>192,919</b>	<b>3,054,703</b>

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

(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):

		<b>September 30, 2024</b>			<b>December 31, 2023</b>			<b>September 30, 2023</b>		
		<u>Foreign</u>	<u>Exchange</u>	<u>NTD</u>	<u>Foreign</u>	<u>Exchange</u>	<u>NTD</u>	<u>Foreign</u>	<u>Exchange</u>	<u>TNTD</u>
		<u>currency</u>	<u>rate</u>		<u>currency</u>	<u>rate</u>		<u>currency</u>	<u>rate</u>	
(in thousands)										
<u>Financial assets</u>										
<u>Momentary item</u>										
USD	\$	39,992	31.658	1,266,067	34,271	30.708	1,052,394	41,137	32.277	1,327,779
<u>Financial liabilities</u>										
<u>Momentary item</u>										
USD		21,063	31.658	666,812	15,763	30.708	484,050	14,141	32.277	456,429

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, accounts and other receivables, loans and borrowings; and accounts and other payables that are denominated in foreign currency.

On September 30, 2024 and 2023, when the NT dollar depreciates or appreciates by 1% against the US dollar, and all other factors remain unchanged, the net profit before tax from January 1 to September 30, 2024 and 2023 will increase or decrease by 5,993 thousand and 8,714 thousand respectively, the analysis of the two periods was conducted using the same basis.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three-month and nine-month periods ended September 30, 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to (42,186) thousand, 50,886 thousand, 38,458 thousand and 71,037 thousand, respectively.

(ii) Interest rate risk

Please refer to the note of the liquidity risk management for the interest rate risk of the Group's financial assets and financial liabilities. The sensitivity analysis is determined based on the interest rate risk of derivative and non-derivative instruments at 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. This is the assessment of the management about reasonably possible range of interest rate changes.

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If the interest rate is increased or decreased by 1% with all other variables remaining unchanged, the Group's net profit for the period from January 1 to September 30, 2024 and 2023 will be decreased or increased by 20,041 thousand and 20,131 thousand respectively. The main reason is the floating interest rates on loans, time deposits and demand deposits.

(d) Information on fair value

(i) Types and fair values of financial instruments

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

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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Fund	\$ 22,568	22,568	-	-	22,568
Foreign bonds	8,311	8,311	-	-	8,311
Stocks listed on domestic markets	1,682	1,682	-	-	1,682
Sub-total	<b>32,561</b>	<b>32,561</b>	-	-	<b>32,561</b>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	497,239	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,575,883	-	-	-	-
Other current assets	88,500	-	-	-	-
Other financial assets - current	194,088	-	-	-	-
Sub-total	<b>2,355,710</b>	-	-	-	-
Total	<b>\$ 2,388,271</b>	<b>32,561</b>	-	-	<b>32,561</b>
<b>Financial liabilities at fair value through profit or loss</b>					
FX swap contracts	\$ 1,379	1,379	-	-	1,379
Sub-total	<b>1,379</b>	<b>1,379</b>	-	-	<b>1,379</b>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	3,082,820	-	-	-	-
Short-term notes and bills payable	159,846	-	-	-	-
Notes payable, accounts payable and other payables	930,545	-	-	-	-
Lease liabilities	76,148	-	-	-	-
Sub-total	<b>4,249,359</b>	-	-	-	-
Total	<b>\$ 4,250,738</b>	<b>1,379</b>	-	-	<b>1,379</b>

	September 30, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Fund	\$ 24,329	24,329	-	-	24,329
FX swap contracts	699	699	-	-	699
Foreign bonds	5,727	5,727	-	-	5,727
Stocks listed on domestic markets	1,205	1,205	-	-	1,205
Sub-total	<b>31,960</b>	<b>31,960</b>	-	-	<b>31,960</b>
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	414,965	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,722,048	-	-	-	-
Other current assets	75,805	-	-	-	-
Other financial assets - current	211,005	-	-	-	-
Sub-total	<b>2,423,823</b>	-	-	-	-
Total	<b>\$ 2,455,783</b>	<b>31,960</b>	-	-	<b>31,960</b>

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	September 30, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities at fair value through profit or loss</b>					
Forward exchange contracts	\$ 1,304	1,304	-	-	1,304
Sub-total	<b>1,304</b>	<b>1,304</b>	-	-	<b>1,304</b>
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	3,187,269	-	-	-	-
Short-term notes and bills payable	122,838	-	-	-	-
Notes payable, accounts payable and other payables	923,378	-	-	-	-
Lease liabilities	81,309	-	-	-	-
Sub-total	<b>4,314,794</b>	-	-	-	-
Total	<b>\$ 4,316,098</b>	<b>1,304</b>	-	-	<b>1,304</b>

(ii) Valuation techniques for financial instruments that are 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 that are 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.



**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
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B. Derivative financial instruments

It is evaluated based on an evaluation model widely accepted and recognized, such as discount method and option pricing model. 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, estimated using the market approach, is determined with reference to recent fundraising activities, valuations of comparable companies, market conditions, and other economic indicators.

(iv) Transfer of levels

There were no transfers of levels in the nine-month periods ended September 30, 2024 and 2023.

(24) 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 2023 consolidated financial report.

(25) Capital Management

The objectives, policies, and procedures of the Group's capital management are consistent with those disclosed in 2023 consolidated financial report; and the aggregated quantitative data for capital management items have not changed significantly from those disclosed in 2023 consolidated financial report. For relevant information, please refer to Note 6 (27) of the 2023 consolidated financial report.

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

The Group's investing and financing activities, which did not affect the current cash flow in the nine-month periods ended September 30, 2024 and 2023, were as follows:

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

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	January 1, 2023	Cash flows	Non-cash changes			September 30, 2023
			Changes in lease payments	Foreign exchange movement	Changes in Deferred Government Subsidies	
Long-term loans	\$ 3,390,443	(236,585)	-	263	3,148	3,157,269
Short-term loan	327,592	(297,592)	-	-	-	30,000
Lease liability	98,130	(21,426)	2,777	1,828	-	81,309
Total liabilities from financing activities	<u>\$ 3,816,165</u>	<u>(555,603)</u>	<u>2,777</u>	<u>2,091</u>	<u>3,148</u>	<u>3,268,578</u>

**7. Related-party transactions**

(1) Names of related parties and their relationships with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
OSALEY HOME FASHIONS CO., LTD. (OSL)(Note)	Its President and the President of the Group are relatives within three generations
Hsu, Ming-Hsuan	Key management personnel of the Group
Hsu, Chun-Jan	Key management personnel of the Group
Hong, Yi-Jing	With President of the Group are relatives within one generation
Directors, general manager and deputy general managers	

(Note) The Group assessed that since the chairman of OSL disposed of all of his OSL shares and dismissed him as chairman in 2023, he has not been a related party since August 2023.

(2) Significant transactions with related parties

(a) Sales

The amounts of significant sales by the Group to related parties were as follows:

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Other related parties	\$ -	17	-	452

The sales conditions for sales to related parties are not significantly different from the general sales prices. Its payment term is not significantly different from that of general dealers.

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(b) Payables from related parties

The payables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other payable	Other related parties	<u>\$ 328</u>	<u>-</u>	<u>-</u>

(c) Leases

The Group leased land, factories, offices and parking spaces from key personnel of the management team in January 2017. Interest expenses for the three-month and nine-month periods ended September 30, 2024 and 2023 are 3 thousand, 3 thousand, 9 thousand and 12 thousand respectively. As of September 30, 2024, December 31, 2023, and September 30, 2023, the balance of lease liabilities is 621 thousand, 822 thousand and 968 thousand respectively.

(3) Key management personnel compensation

Key management personnel compensation comprised:

	<u>Three-month periods ended</u>		<u>Nine-month periods ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 8,375	7,761	22,570	25,994
Termination benefits	168	201	505	625
	<u>\$ 8,543</u>	<u>7,962</u>	<u>23,075</u>	<u>26,619</u>

**8. Assets pledged as security**

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Fixed certificates of deposits and restricted deposits (listed as other financial assets-current)	Long-term and short-term loans and line of credit	\$ 167,468	194,088	211,005
Property, plant and equipment	"	1,154,781	1,184,261	1,193,698
Fixed certificates of deposits				
Financial assets at fair value through profit or loss	Short-term loans and line of credit	60,773	-	-
		<u>\$ 1,383,022</u>	<u>1,378,349</u>	<u>1,404,703</u>

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

**9. Significant Commitments and Contingencies**

(1) Unrecognized contractual commitments

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Contract price	\$ 208,672	190,204	257,425
Unpaid amount	\$ 113,602	58,962	85,998

(2) Others

On September 30, 2024, December 31, 2023, and September 30, 2023, the Group issued guaranteed notes for the security of long-term and short-term loan secure of 4,159,474 thousand, 3,953,455 thousand and 3,815,496 thousand respectively.

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

**11. Subsequent events:**

(1) On August 8, 2024, the company's board of directors resolved to issue 4,000 thousand new shares, each with a face value of NT\$10. This cash capital increase was approved by the Financial Supervisory Commission (FSC) on September 16, 2024, and became effective on October 7, 2024. The actual issuance price was set at NT\$27.3 per share, with a total issuance value of NT\$109,200 thousand. In accordance with Article 267 of the Company Act, 15% of the newly issued shares were reserved for employee subscription. The record date for the capital increase was set as November 8, 2024. As of the issuance date of this financial report, all payments for the issued shares have been collected, and an application for change registration has been submitted to the Department of Commerce, Ministry of Economic Affairs, in accordance with regulations.

(2) On August 8, 2024, the company's board of directors resolved to issue the third domestic unsecured convertible corporate bonds. Each bond has a face value of NT\$100,000, with a total face value of NT\$300,000 thousand. The issuance price was set at 100.5% of the par value, with a coupon rate of 0%, a term of three years, and total proceeds of NT\$301,500 thousand. The third domestic unsecured convertible corporate bonds were listed for trading on the Republic of China's Securities Over-the-Counter Trading Center on October 14, 2024.

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

**12. Others**

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

By function By item	Three-month periods ended September 30, 2024			Three-month periods ended September 30, 2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	147,655	61,206	208,861	115,690	65,468	181,158
Labor and health insurance (Note)	8,901	7,238	16,139	8,275	6,645	14,920
Pension	1,747	6,674	8,421	1,544	5,395	6,939
Remuneration of directors	-	866	866	-	640	640
Others	7,081	2,883	9,964	5,408	2,461	7,869
Depreciation	43,497	14,570	58,067	36,135	18,690	54,825
Amortization	4,420	5,736	10,156	928	6,967	7,895

By function By item	Nine-month periods ended September 30, 2024			Nine-month periods ended September 30, 2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	418,451	214,757	633,208	322,272	171,271	493,543
Labor and health insurance (Note)	24,212	17,896	42,108	23,532	16,777	40,309
Pension	5,093	18,783	23,876	4,674	17,607	22,281
Remuneration of directors	-	2,270	2,270	-	1,938	1,938
Others	19,446	10,306	29,752	13,721	7,151	20,872
Depreciation	123,972	45,182	169,154	106,699	53,181	159,880
Amortization	10,793	16,756	27,549	2,138	20,639	22,777

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.

**13. Others disclosure items**

(1) Information on significant transaction:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine-month periods ended September 30, 2024:

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

(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.	Ching Feng Vietnam Company Limited	Other Receivables – Related Party	Yes	31,658	-	-	-	2	-	Working capital turnover	-	-	-	254,571	381,856
0	Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Other Receivables – Related Party	Yes	63,316	41,155	9,497	-	2	-	To build plant and purchase equipment	-	-	-	254,571	381,856
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	Other Receivables – Related Party	Yes	63,316	63,316	-	-	2	-	Working capital turnover	-	-	-	254,571	381,856
0	Ching Feng Home Fashions Co., Ltd.	Osaley Home Fashions Co., Ltd.	Other Receivables	No	57,377	57,377	-	-	2	-	Working capital turnover	-	-	-	254,571	381,856
1	Ching Feng Vietnam Company Limited	Sun Ocean Vietnam Co., Ltd.	Other Receivables – Related Party	Yes	9,497	-	-	-	2	-	Working capital turnover	-	-	-	286,854	286,854

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.

Note 4: The above transactions expect for OSALEY HOME FASHIONS CO., LTD. have been written off when preparing the consolidated financial report.

(b) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollar)

No (Note1)	Company that Gives Endorsement and Guarantee	Guaranteed Company (Note2)		Limit to a Single Enterprise (Note3)	Highest Amount of the Period	Ending Balance	Actual Amount	Endorsement & Guarantee with Securities	Ratio of Accumulated Endorsement & Guarantee to the Net Value of The Latest Financial Statement	Limit of Endorsement and Guarantee	Parent company to the subsidiary	Subsidiary to the Parent Company	For Mainland China
		Name	Relationship (Note2)										
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co./Ching Feng Vietnam Company	3	1,272,855	31,658	-	-	-	- %	2,545,709	Y	N	N
0	Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	3	1,272,855	63,316	-	-	-	- %	2,545,709	Y	N	N
0	Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company	3	1,272,855	94,974	94,974	-	-	3.73%	2,545,709	Y	N	N

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

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

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**

**Notes to the Consolidated Financial Statements (Continued)**

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

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

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

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

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

(c) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollar)

Company	Type and name of securities	Relationship with company	Account	Ending Balance			Note
				Shares/Units	Carrying value	Percentage of ownership (%)	
Ching Feng Home Fashions Co., Ltd.	Alliance Bernstein American Income Profolio (1010)	None	Financial assets at fair value through profit or loss-Current	5,205	5,291	- %	5,291
Ching Feng Home Fashions Co., Ltd.	Nomura Multi-Asset Diversified Income Investment Fund (02049)	None	Financial assets at fair value through profit or loss-Current	15,854	6,689	- %	6,689
Ching Feng Home Fashions Co., Ltd.	Jupiter Global Fixed Income Fund (0E02)	None	Financial assets at fair value through profit or loss-Current	54,556	15,703	- %	15,703
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	3,300	- %	3,300
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	3,132	- %	3,132
Ching Feng Home Fashions Co., Ltd.	Exxon Mobil Corp. Bonds (US30231GBF81)	None	Financial assets at fair value through profit or loss- Non-Current	80	2,364	- %	2,364
Ching Feng Home Fashions Co., Ltd.	Saudi-Arabien. Königreich Bonds (XS1694218469)	None	Financial assets at fair value through profit or loss- Non-Current	400	11,346	- %	11,346
Ching Feng Home Fashions Co., Ltd.	Altria Group Inc. Bonds (US02209SAV51)	None	Financial assets at fair value through profit or loss- Non-Current	500	12,339	- %	12,339
Ching Feng Home Fashions Co., Ltd.	Wells Fargo & Co. Bonds (US94974BGT17)	None	Financial assets at fair value through profit or loss- Non-Current	400	10,913	- %	10,913
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RDJ86)	None	Financial assets at fair value through profit or loss- Non-Current	200	5,635	- %	5,635
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	5,782	- %	5,782
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	5,358	- %	5,358
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	12,376	- %	12,376
Ching Feng Home Fashions Co., Ltd.	PacificCorp Bonds (US695114DA39)	None	Financial assets at fair value through profit or loss- Non-Current	600	19,230	- %	19,230
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	12,391	- %	12,391
Ching Feng Home Fashions Co., Ltd.	Brasilien, Föderative Republik Bonds (US105756BW95)	None	Financial assets at fair value through profit or loss- Non-Current	700	18,102	- %	18,102
Ching Feng Home Fashions Co., Ltd.	Ford Motor Co. Bonds (US345370CQ17)	None	Financial assets at fair value through profit or loss- Non-Current	300	7,902	- %	7,902

## Ching Feng Home Fashions Co., Ltd. and Subsidiaries

### Notes to the Consolidated Financial Statements (Continued)

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

Company	Type and name of securities	Relationship with company	Account	Ending Balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair Value	
Ching Feng Home Fashions Co., Ltd.	Oracle Corp. Bonds (US68389XBJ37)	None	Financial assets at fair value through profit or loss- Non-Current	200	5,162	- %	5,162	
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RKF81)	None	Financial assets at fair value through profit or loss- Non-Current	100	2,188	- %	2,188	
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	8,305	- %	8,305	
Ching Feng Home Fashions Co., Ltd.	Saudi-Arabien, Königreich Bonds (XS2109770151)	None	Financial assets at fair value through profit or loss- Non-Current	400	9,467	- %	9,467	
Ching Feng Home Fashions Co., Ltd.	Perusahaan Listrik Negara Bonds (US71568QAK31)	None	Financial assets at fair value through profit or loss- Non-Current	300	8,363	- %	8,363	
Ching Feng Home Fashions Co., Ltd.	Dentall (Global) Limited series A Preferred share	None	Financial assets at fair value through profit or loss- Non-Current	305,000	13,042	- %	13,042	

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

- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (g) 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 Dollar)

Company	Related party	Nature of relationship	Transaction details				Abnormal transaction		Trade receivables (payables) and notes receivable (payable)		Note
			Item	Amount	Percentage of total purchases (sales) (%)	Payment terms	Unit Price	Payment terms (Note2)	Ending balance	Percentage of total receivables (payables)	
Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	Subsidiary	Sales	(1,713,060)	(51.57) %	T/T 195 days	Sell at agreed price	-	1,094,022	83.06%	
Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	Sub-Subsidiary	Purchases	632,542	21.96%	T/T 180 days	Sell at agreed price	-	(154,078)	(17.26) %	
Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	Subsidiary	Purchases	737,389	25.60%	T/T 180 days	Sell at agreed price	-	(206,280)	(23.11) %	
All Strong Industry (USA) Inc.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Purchases	1,713,060	100.00%	T/T 195 days	Sell at agreed price	-	(1,094,022)	(100.00) %	
Sun Ocean Vietnam Co., Ltd.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(632,542)	(100.00) %	T/T 180 days	Sell at agreed price	-	154,078	100.00%	
Ching Feng Vietnam Company Limited	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(737,389)	(100.00) %	T/T 180 days	Sell at agreed price	-	206,280	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.



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

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

(In Thousands of New Taiwan Dollar)

Company	Related party	Relationship	Ending balance	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	1,094,022	231%	-		172,967	-

Note 1: It refers to the amount recovered as of October 18, 2024.

(i) Trading in derivative instruments: Please refer to Note 6 (2).

(j) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollar)

No.	Company	Counterparty	Relationship	Intercompany transactions			
				Account	Amount.	Trading terms	Percentage of the consolidated net revenue or total assets
0	Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	1	Sales	1,713,060	The price is at the normal or negotiated price	43.14%
			1	Accounts receivables	1,094,022	The terms of payment are based on the agreement or the general terms of payment	14.22%
			1	Other receivables	495	The terms of payment are based on the agreement or the general terms of payment	0.01%
0	Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	1	Sales	5,075	The price is at the normal or negotiated price	0.13%
			1	Accounts receivables	4,956	The terms of payment are based on the agreement or the general terms of payment	0.06%
			1	Other receivables	142,005	The terms of payment are based on the agreement or the general terms of payment	1.85%
			1	Purchases	737,389	The price is at the normal or negotiated price	18.57%
			1	Accounts payables	206,280	The terms of payment are based on the agreement or the general terms of payment	2.68%
			0	Ching Feng Home Fashions Co., Ltd.	Grandtop Decorative Product (Zhenjing) Co., Ltd.	2	Sales
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd	2	Accounts receivables	2,773	The terms of payment are based on the agreement or the general terms of payment	0.04%
			2	Other receivables	2	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Purchases	17,375	The price is at the normal or negotiated price	0.44%
			2	Accounts payables	21,977	The terms of payment are based on the agreement or the general terms of payment	0.29%
			0	Ching Feng Home Fashions Co., Ltd.	Fu Yue Window Decoration Co., Ltd.	1	Sales

**Ching Feng Home Fashions Co., Ltd. and Subsidiaries**  
**Notes to the 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.

Note3: 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:**

The followings are the information on investees for the nine-month periods ended September 30, 2024:

(In Thousands of New Taiwan Dollar/shares)

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of September 30, 2024		Carrying value (Note 1)	Net income (loss) of the investee	Investment income (loss) recognized by the Company (Note 2)	Note
				September 30, 2024	December 31, 2023	Shares (in thousands)	Percentage				
Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	USA	Buy & sell of blinds, pleated curtains	202,863	202,863	65	100.00%	426,871	75,002	75,002	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%	783,966	(46,290)	(46,290)	"
Ching Feng Home Fashions Co., Ltd.	Sincere Capital Limited	Samoa	Investment	398,660	398,660	13,084	100.00%	401,363	38,428	38,428	"
Ching Feng Home Fashions Co., Ltd.	Paradise General Trading Co., Ltd.	Samoa	International trade	-	30,690	-	- %	-	(305)	(305)	"
Ching Feng Home Fashions Co., Ltd.	Praise Home Industry co., Ltd.	Thailand	Manufacture of plastic bags & shopping bags	217,099	217,099	2,000	100.00%	61,842	(21,812)	(21,812)	"
Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	Vietnam	Production and processing of plastic and alu. Blinds, Faux wood shutters	590,129	590,129	Note 3	100.00%	709,490	115,311	115,311	"
Ching Feng Home Fashions Co., Ltd.	Fu Yue Window Decoration Co., Ltd.	Taiwan	Cutting, assembly and packaging of curtains and textiles	5,000	5,000	Note 3	100.00%	4,556	(474)	(474)	"
Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Vietnam	Buy & sell of blinds, pleated curtains	167,384	167,384	Note 3	100.00%	136,816	(9,714)	(9,714)	"
Lamae' Global Home Fashion Co., Ltd.	New Nice Home Fashion L.L.C.	USA	Investment	1,218,421 (USD38,487 thousand)	1,181,859 (USD38,487 thousand)	24,655	100.00%	783,962	(23,145)	(46,290)	Sub-Subsidiary
Sincere Capital Limited	Sun Ocean Investment Limited	Samoa	Investment	426,528 (USD13,473 thousand)	413,729 (USD13,473 thousand)	13,473	100.00%	401,362	38,428	38,428	"
Sun Ocean Investment Limited	Sun Ocean Vietnam Co., Ltd.	Vietnam	Manufacture and assembly of blinds	416,809 (USD13,166 thousand)	404,302 (USD13,166 thousand)	Note 3	100.00%	393,772	38,428	38,428	"
All Strong Industry (USA) Inc.	Regal Estate (USA) Inc.	USA	Buy & sell of blinds, pleated curtains	3,166 (USD100 thousand)	- (USD - thousand)	100	100.00%	2,693	(478)	(478)	"

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

(3) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollar)

Investee	Main businesses and products	Total amount of paid-in capital	Method of Investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of September 30, 2024 (Note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (loss) recognized (Note 3)	Carrying value as of September 30, 2024 (Note 4)	Accumulated inward remittance of earnings as of September 30, 2024
					Outflow	Inflow						
Grandtop Decorative Product (Zhenjing) Co., Ltd.	Processing, 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)	(23,146)	100.00%	(23,146) USD (722) thousand)	362,917 USD 11,464 thousand)	-
Zhenjiang Ching Lu Management Consulting Company	Business management and consulting, wholesaler and agent of home textiles, home decoration products, building materials, hardware products.	- USD - thousand)	(1)	6,038 USD 200 thousand)	-	-	6,038 USD 200 thousand)	(16)	-%	(16)	-	-
Fu Yue Window Decoration Technology Zhenjiang Co., Ltd.	Manufacture, process, and assembly of blinds.	434 RMB 100 thousand)	(2)	434 RMB 100 thousand)	-	-	434 RMB 100 thousand)	(131)	100.00%	(131)	(112)	-

(b) Upper limit on investment in Mainland China:

Accumulated investment in Mainland China as of September 30, 2024	Investment amount authorized by Investment Commission, MOEA (Note 2、4、6、7)	Upper limit on investment
1,033,760 (USD 32,654 thousand)	1,036,958 (USD 32,755 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 8.29.2008, 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 the Consolidated Financial Statements (Continued)**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

(4) Major shareholders

Shareholder's Name	Shareholding	Shares	Percentage
Hsu, Ming-Hsuan		8,822,743	5.07%

**14. Segment information**

(1) General information

The Group is mainly engaged in various blinds, pleated curtains and other curtain products, operating as a single product and segment.

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenue				
Revenue from external customers	\$ 1,564,465	1,324,182	3,970,648	3,261,441
Interest revenue	5,330	1,697	16,055	6,532
Total revenue	<u>\$ 1,569,795</u>	<u>1,325,879</u>	<u>3,986,703</u>	<u>3,267,973</u>
<b>Reportable segment profit or loss</b>	<u>\$ 112,747</u>	<u>84,467</u>	<u>296,775</u>	<u>75,167</u>