



CHING FENG HOME FASHIONS CO., LTD. AND SUBSIDIARIES

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

Notice to Readers

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

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Contents

	Page
I. Cover	1
II. Contents	2
III. Independent Auditors' Review Report	3
IV. Consolidated Balance Sheets	4
V. Consolidated Statements of Comprehensive Income	5
VI. Consolidated Statements of Changes in Equity	6
VII. Consolidated Statements of Cash Flows	7
VIII. Notes to Consolidated Financial Statements	
Item 1 Company history	8
Item 2 Approval date and procedures of the consolidated financial statements	8
Item 3 New standards, amendments and interpretations adopted	8~10
Item 4 Summary of material accounting policies	10~11
Item 5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
Item 6 Explanation of significant accounts	11~41
Item 7 Related-party transactions	42
Item 8 Assets pledged as security	43
Item 9 Significant commitments and contingencies	43
Item 10 Losses due to major disasters	43
Item 11 Subsequent events	43
Item 12 Other	44
Item 13 Other disclosures	
1. Information on significant transactions	45~48
2. Information on investees	49
3. Information on investment in mainland China	49~50
Item 14 Segment information	50

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 June 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, and consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to 1,327,271 thousand and 1,438,228 thousand, constituting 18% and 20% of consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to 250,345 thousand and 229,874 thousand, constituting 5% and 5% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income amounting to 52,577 thousand, 39,267 thousand, 91,121 thousand and 69,003 thousand, absolute amount constituting 14%, 40%, 36% and 27% of consolidated total comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

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

KPMG, Taiwan
Chuang, Chun-Wei
Yu, Chi-Lung
August 7, 2025

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

		June 30, 2025		December 31, 2024		June 30, 2024						June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%			Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets :										Current liabilities :							
1100	Cash and cash equivalents (Note 6(1))	\$ 580,104	8	621,137	8	527,426	7	2100	Short-term loans (Note 6(12) and 8)	\$ 445,000	6	210,000	3	360,000	5		
1110	Financial assets at fair value through profit or loss - current							2110	Short-term notes and bills payable (Note 6(13) and 8)	179,764	2	189,858	3	159,916	2		
	(Note 6(2))	40,634	1	27,611	1	40,124	-	2120	Financial liabilities at fair value through profit or loss -								
1150	Net notes receivable (Note 6(3))	94	-	204	-	-	-		current (Note 6(2))	643	-	7,450	-	-	-		
1170	Net accounts receivable (Note 6(3))	1,538,922	21	1,563,114	21	1,509,000	21	2150	Notes and Accounts payable	510,614	7	774,967	10	695,731	10		
1200	Other receivables (Note 6(4))	47,534	1	172,028	2	258,881	4	2200	Other payables	754,131	10	369,343	5	458,383	6		
1220	Current tax assets (Note 6(18))	32,907	-	761	-	11,334	-	2220	Other payables - related parties (Note 7)	25	-	18	-	7	-		
130X	Inventories (Note 6(5))	986,950	13	1,148,244	15	1,015,117	14	2230	Current income tax liabilities (Note (18))	85,071	1	51,150	1	50,574	1		
1410	Prepayments	184,187	2	170,502	2	155,308	2	2280	Lease liabilities - current (Note 6(16))	42,944	1	20,866	-	21,617	-		
1470	Other current assets (Note 6(6))	151,407	2	224,953	3	217,463	3	2305	Other financial liabilities - current	170,000	2	85,000	1	-	-		
1476	Other financial assets - current (Note 8)	183,155	2	157,548	2	214,844	3	2320	Long-term liabilities due within 1 year or 1 business cycle								
	Total current assets	3,745,894	50	4,086,102	54	3,949,497	54		(Note 6(14))	231,155	3	232,296	3	265,713	4		
	Non-current assets :							2399	Other current liabilities - Others	6,799	-	5,703	-	6,401	-		
1511	Financial assets at fair value through profit or loss –	568,582	8	274,648	4	158,305	2		Total current liabilities	2,426,146	32	1,946,651	26	2,018,342	28		
	non-current (Note 6(2), (15) and 8)								Non-current liabilities :								
1600	Property, plant and equipment (Notes 6(7) and 8)	2,182,268	29	2,311,958	30	2,280,330	32	2500	Financial liabilities at fair value through profit or loss –								
1755	Right-of-use assets (Note 6(8))	629,995	9	567,336	7	555,990	8		non-current (Note 6(2) and (15))	2,340	-	2,040	-	-	-		
1760	Investment property, net (Note 6(9))	74,380	1	74,653	1	31,260	-	2530	Bonds payable (Notes 6(2) and (15))	281,036	4	277,061	4	-	-		
1780	Intangible assets (Note 6(10))	86,195	1	90,224	1	97,681	1	2540	Long-term loans (Note 6(14) and 8)	2,292,530	31	2,420,159	32	2,732,048	38		
1840	Deferred income tax assets (Note 6(18))	86,180	1	72,770	1	77,768	1	2569	Current tax liabilities - non-current (Note 6(18))	-	-	6,888	-	15,154	-		
1915	Advance payment for equipment	28,341	-	44,594	1	77,451	1	2570	Deferred income tax liabilities (Note 6(18))	9,480	-	21,706	-	20,869	-		
1900	Other non-current assets (Notes 6(11))	47,577	1	55,748	1	46,998	1	2580	Lease liabilities - non-current (Note 6(16))	184,964	3	79,759	1	63,718	1		
	Total non-current assets	3,703,518	50	3,491,931	46	3,325,783	46	2670	Other current liabilities - others	1,418	-	1,348	-	3,721	-		
									Total non-current liabilities	2,771,768	38	2,808,961	37	2,835,510	39		
									Total liabilities	5,197,914	70	4,755,612	63	4,853,852	67		
									Equity attributable to owners of parent company (Note								
									6(15) and (19)):								
								3110	Ordinary shares	1,778,389	24	1,778,389	24	1,738,389	24		
								3200	Capital surplus	111,098	1	111,098	1	13,030	-		
								3300	Retained earnings	666,170	9	933,806	12	702,371	9		
								3400	Other components of equity	(304,159)	(4)	(872)	-	(22,412)	-		
								3500	Treasury Shares	-	-	-	-	(9,950)	-		
									Total equity attributable to owners of the parent company	2,251,498	30	2,822,421	37	2,421,428	33		
									Total equity	2,251,498	30	2,822,421	37	2,421,428	33		
									Total liabilities and equity	\$ 7,449,412	100	7,578,033	100	7,275,280	100		
	Total Assets	\$ 7,449,412	100	7,578,033	100	7,275,280	100										

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 Six-Month Periods ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		<u>Three-month periods ended June 30,</u>				<u>Six-month periods ended June 30,</u>			
		2025		2024		2025		2024	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 6(21))	\$ 1,180,610	100	1,288,214	100	2,368,923	100	2,406,183	100
5000	Operating costs (Notes 6(5) and (17))	877,902	74	980,343	76	1,769,659	75	1,841,930	77
	Gross profit	302,708	26	307,871	24	599,264	25	564,253	23
	Operating expenses (Notes 6(17), (22) and 7):								
6100	Selling and marketing expenses	97,788	8	82,529	6	187,419	8	162,829	7
6200	General and administrative expenses	56,947	5	97,173	8	122,119	5	181,818	7
6300	Research and development expenses	18,249	2	23,146	2	37,867	2	47,616	2
6450	Expected credit gains (Note 6(3) and (24))	(4,002)	-	(6,365)	(1)	-	-	(27,069)	(1)
	Total operating expenses	168,982	15	196,483	15	347,405	15	365,194	15
	Operating income	133,726	11	111,388	9	251,859	10	199,059	8
	Non-operating income and expenses (Note 6(23)):								
7100	Interest income	7,392	1	7,117	1	13,256	1	10,725	1
7010	Other income	1,421	-	3,100	-	2,455	-	3,977	-
7020	Other gains and losses	(156,979)	(13)	23,716	2	(138,540)	(6)	80,194	3
7050	Financing costs	(25,187)	(2)	(23,388)	(2)	(48,332)	(2)	(45,627)	(2)
	Total non-operating income and expenses	(173,353)	(14)	10,545	1	(171,161)	(7)	49,269	2
7900	Net income (loss) before tax	(39,627)	(3)	121,933	10	80,698	3	248,328	10
7950	Less: Income tax expense (benefit) (Note 6(18))	(1,770)	-	25,412	2	28,224	1	64,300	3
	Net income (loss)	(37,857)	(3)	96,521	8	52,474	2	184,028	7
8300	Other comprehensive income (Note 6(18) and (19)):								
8360	Items that may subsequently be reclassified to profit or loss								
8361	Exchange differences on translation of foreign operating institutions	(419,159)	(36)	2,711	-	(379,109)	(16)	87,860	4
8399	Less: Income tax related to items that may be reclassified subsequently	(83,832)	(7)	542	-	(75,822)	(3)	17,572	1
	Total items that may subsequently be reclassified to profit or loss	(335,327)	(29)	2,169	-	(303,287)	(13)	70,288	3
8300	Total other comprehensive income (loss)	(335,327)	(29)	2,169	-	(303,287)	(13)	70,288	3
	Total comprehensive income (loss)	<u>\$ (373,184)</u>	<u>(32)</u>	<u>98,690</u>	<u>8</u>	<u>(250,813)</u>	<u>(11)</u>	<u>254,316</u>	<u>10</u>
	Earnings per share (Note 6(20))								
9750	Basic earnings per share (Unit: NT\$)	<u>\$ (0.21)</u>		<u>0.56</u>		<u>0.30</u>		<u>1.06</u>	
9850	Diluted earnings per share (Unit: NT\$)	<u>\$ 0.56</u>		<u>0.29</u>		<u>0.29</u>		<u>1.06</u>	

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

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

						Other equity		
			Retained earnings			Exchange Differences on Translation of Foreign Operations	Treasury Shares	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
Balance as of January 1, 2024	\$ 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	-	-	-	-	184,028	-	-	184,028
Other comprehensive income (loss)	-	-	-	-	-	70,288	-	70,288
Total comprehensive income (loss)	-	-	-	-	184,028	70,288	-	254,316
Balance as of June 30, 2024	\$ 1,738,389	13,030	105,081	92,700	504,590	(22,412)	(9,950)	2,421,428
Balance as of January 1, 2025	\$ 1,778,389	111,098	105,081	92,700	736,025	(872)	-	2,822,421
Appropriations of earnings :								
Legal reserve	-	-	41,546	-	(41,546)	-	-	-
Reversal of special reserve	-	-	-	(91,828)	91,828	-	-	-
Cash dividends	-	-	-	-	(320,110)	-	-	(320,110)
	-	-	41,546	(91,828)	(269,828)	-	-	(320,110)
Net income	-	-	-	-	52,474	-	-	52,474
Other comprehensive income (loss)	-	-	-	-	-	(303,287)	-	(303,287)
Total comprehensive income (loss)	-	-	-	-	52,474	(303,287)	-	(250,813)
Balance as of June 30, 2025	\$ 1,778,389	111,098	146,627	872	518,671	(304,159)	-	2,251,498

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

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

	<u>Six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities :		
Net income before tax	\$ 80,698	248,328
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	110,461	111,087
Amortization expense	14,284	17,393
Expected credit losses (gains)	-	(27,069)
Net losses on financial assets at fair value through profit or loss	13,668	(249)
Interest expense	48,332	45,627
Interest income	(13,256)	(10,725)
Dividend income	(41)	-
Loss (gain) on disposal of property, plant and equipment, net	(133)	313
Others	(9)	-
Total adjustments to reconcile profit (loss)	173,306	136,377
Changes in assets and liabilities related to operating activities :		
Changes in assets related to operating activities:		
Notes receivable	110	-
Accounts receivable	24,240	(309,885)
Other receivables	127,248	116,653
Inventories	161,294	(110,603)
Prepayments	(10,764)	(23,337)
Other current assets	73,546	(83,082)
Total net changes in assets related to operating activities	375,674	(410,254)
Changes in liabilities related to operating activities :		
Notes and Accounts payable	(264,353)	19,770
Other payables	64,191	116,893
Other payables - related parties	7	7
Other current liabilities	1,096	1,288
Total net changes in liabilities related to operating activities	(199,059)	137,958
Total net changes in assets and liabilities related to operating activities	176,615	(272,296)
Total adjustments	349,921	(135,919)

(Continued)

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

	Six-month periods ended June 30,	
	2025	2024
Cash inflow generated from operations	\$ 430,619	112,409
Interest charged	9,822	8,303
Interest paid	(42,517)	(43,638)
Income taxes paid	(60,231)	(124,310)
Net cash flows from operating activities	337,693	(47,236)
Cash flows from investing activities :		
Acquisition of financial assets at fair value through profit or loss	(393,135)	(169,416)
Disposal of financial assets at fair value through profit or loss	72,309	5,088
Financial liabilities at fair value through profit or loss	(6,306)	(2,670)
Acquisition of property, plant and equipment	(45,278)	(28,474)
Disposal of property, plant and equipment price	240	443
Other receivables decreased	-	20,283
Acquisition of intangible assets	(3,695)	(1,450)
Acquisition of investment properties	(104)	-
Other financial assets - current increased	(25,607)	(20,756)
Other non-current assets increased	(9,681)	(9,572)
Advance payment for equipment decreased (increased)	13,599	(7,331)
Net cash flows used in investing activities	(397,658)	(213,855)
Cash flows from financing activities :		
Short-term loans	430,000	480,000
Repayment of short-term loans	(195,000)	(120,000)
Increase in short-term notes and bills payable	29,906	110,070
Decrease in short-term notes and bills payable	(40,000)	(110,000)
Long-term loans	-	50,000
Repayment of long-term loans	(130,123)	(136,840)
Payments of lease liabilities	(14,655)	(14,873)
Other financial liabilities increased	85,000	-
Other non-current liabilities increased	70	2,338
Net cash flows from financing activities	165,198	260,695
Effects of exchange rate changes	(146,266)	30,583
Net increase (decrease) in cash and cash equivalents	(41,033)	30,187
Cash and equivalent cash, beginning balance	621,137	497,239
Cash and equivalent cash, ending balance	\$ 580,104	527,426

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

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

1. Company history

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

2. Approval date and procedures of the consolidated financial statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on August 7, 2025.

3. New standards, amendments and interpretations adopted

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

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

–Amendments to IAS21“Lack of Exchangeability”

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

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

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

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

–Annual Improvements to IFRS Accounting Standards

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

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

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

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

New standards or amendments	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use 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. • 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. • 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.	January 1, 2027

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 :

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

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

–IFRS19 “Subsidiaries without Public Accountability: Disclosures”

4. Summary of material accounting policies

(1) Statement of Compliance

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

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

(2) Basis of consolidation

(a) List of subsidiaries in the consolidated financial statements

Subsidiaries Included in Consolidated Financial Reports:

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

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

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

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

Note 3 : The establishment registration was completed in April 2024. As of the date of this report, the share capital has not yet been remitted.

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

(3) Income Tax

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

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

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

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

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

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

6. Explanation of significant accounts

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

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

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,086	1,221	2,253
Check and demand deposit	287,716	333,052	288,795
Foreign currency deposit	96,158	111,636	201,343
Time deposits	195,144	87,228	35,035
Cash equivalents	-	88,000	-
Total	<u>\$ 580,104</u>	<u>621,137</u>	<u>527,426</u>

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

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss :			
Fund	\$ 27,316	27,611	38,253
Forward exchange contracts	-	-	1
Domestic and foreign bonds	398,240	261,426	158,305
Stocks listed on domestic markets	13,318	-	1,870
Stocks of foreign non-listed companies	170,282	13,042	-
Unsecured convertible bonds - call options	60	180	-
Total	<u>\$ 609,216</u>	<u>302,259</u>	<u>198,429</u>
Current	\$ 40,634	27,611	40,124
Non-current	568,582	274,648	158,305
Total	<u>\$ 609,216</u>	<u>302,259</u>	<u>198,429</u>

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

	<u>June 30,</u> <u>2025</u>	<u>December</u> <u>31, 2024</u>	<u>June 30,</u> <u>2024</u>
Financial liabilities at fair value through profit or loss :			
Forward exchange contracts	\$ -	7,450	-
FX option contracts	643	-	-
Unsecured convertible bonds - put options	2,340	2,040	-
Total	<u>\$ 2,983</u>	<u>9,490</u>	<u>-</u>
Current	\$ 643	7,450	-
Non-current	2,340	2,040	-
Total	<u>\$ 2,983</u>	<u>9,490</u>	<u>-</u>

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

June 30, 2025				
	Amount (in thousands)		Currency	Maturity dates
FX option sold	US\$ 9,000		USD to NTD	July 2025 to October 2025
December 31, 2024				
	Amount (in thousands)		Currency	Maturity dates
Forward exchange sold	US\$ 13,080		USD to NTD	January 2025 to May 2025
June 30, 2024				
	Amount (in thousands)		Currency	Maturity dates
Forward exchange sold	US\$ 500		USD to NTD	August 2024

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

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

(3) Notes Receivable and Accounts Receivable

	<u>June 30,</u> <u>2025</u>	<u>December</u> <u>31, 2024</u>	<u>June 30,</u> <u>2024</u>
Notes receivable	<u>\$ 94</u>	<u>204</u>	<u>-</u>
Accounts receivable - measured at amortized cost	1,539,366	1,563,606	1,509,546
Less: Allowance for losses	(444)	(492)	(546)
	<u>\$ 1,538,922</u>	<u>1,563,114</u>	<u>1,509,000</u>

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

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

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

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,448,331	-	-
Less than 90 days past due	90,892	0.23%	207
91 to 180 days past due	218	100%	218
181 to 270 days past due	17	100%	17
More than 270 days past due	2	100%	2
	<u>\$ 1,539,460</u>		<u>444</u>

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,515,195	-	-
Less than 90 days past due	48,607	1%	484
91 to 180 days past due	8	100%	8
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<u>\$ 1,563,810</u>		<u>492</u>

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 1,447,926	-	-
Less than 90 days past due	61,561	0.79%	487
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	59	100%	59
	<u>\$ 1,509,546</u>		<u>546</u>

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

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

	Six-month periods ended	
	June 30,	
	2025	2024
Balance at January 1	\$ 492	2,087
Amount written off due to irrecoverableness	-	(1,627)
Foreign exchange gains (losses)	(48)	86
Balance at June 30	\$ 444	546

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

June 30, 2025						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced-Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
O-Bank	<u>\$ 59,129</u>	USD 18,000,000	<u>30,000</u>	<u>29,129</u>	2.2727%	-

December 31, 2024						
Purchaser	Amount Derecognized	Credit Lines	Amount Advanced-Paid	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
O-Bank	<u>\$ 225,165</u>	USD18,000,000	<u>64,000</u>	<u>161,165</u>	2.2643%	-

June 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>\$ 232,101</u>	USD18,000,000	<u>-</u>	<u>232,101</u>	Note	-

Note: The interest rates are negotiated on a case-by-case basis at the time of actual use.

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

(4) Other Receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Tax refund receivable	\$ 9,816	5,282	12,750
Unused amount of sold receivables	29,129	161,165	232,101
Other Receivables – Osaley (OSL)	-	-	7,926
Less: Allowance for losses	-	-	(3,963)
Others	8,589	5,581	10,067
	\$ 47,534	172,028	258,881

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

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 (24) for the movements in the allowance.

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

	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ -	-	-
Less than 90 days past due	-	-	-
91 to 180 days past due	7,926	50%	3,963
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<u>\$ 7,926</u>		<u>3,963</u>

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

(5) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 233,630	295,255	236,073
Supplies	152,897	164,387	180,262
Work-in progress, semi-finished goods	134,595	119,256	130,975
Finished goods	465,828	569,346	467,807
	<u>\$ 986,950</u>	<u>1,148,244</u>	<u>1,015,117</u>

The details of the cost of sales were as follows:

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Inventory that has been sold	\$ 877,526	968,665	1,769,074	1,830,252
Write-down of inventories (Reversal of write-downs)	-	11,678	(4,376)	11,678
Write-off of Inventory	376	-	4,961	-
Total	<u>\$ 877,902</u>	<u>980,343</u>	<u>1,769,659</u>	<u>1,841,930</u>

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

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

(6) Other current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Temporary debits	\$ 30,109	32,069	32,710
Payment on behalf of others	46,911	51,739	42
Payment on behalf of others — Osaley (OSL)	72,864	138,655	175,937
Less: Allowance for losses	(6,113)	(6,113)	-
Others	7,636	8,603	8,774
	<u><u>\$ 151,407</u></u>	<u><u>224,953</u></u>	<u><u>217,463</u></u>

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

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

June 30, 2025			
	Gross carrying amounts	Weighted-average loss rate	Loss allowance
Current	\$ 39,186	-	-
Less than 90 days past due	33,678	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<u><u>\$ 72,864</u></u>		<u><u>-</u></u>

December 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 54,602	-	-
Less than 90 days past due	84,053	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<u><u>\$ 138,655</u></u>		<u><u>-</u></u>

June 30, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 150,348	-	-
Less than 90 days past due	25,589	-	-
91 to 180 days past due	-	-	-
181 to 270 days past due	-	-	-
More than 270 days past due	-	-	-
	<u><u>\$ 175,937</u></u>		<u><u>-</u></u>

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

(7) Property, plant and equipment

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

		Land	Buildings and Structures	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2025	\$	588,029	1,223,445	956,021	13,392	12,052	328,992	11,091	3,133,022
Additions		-	1,494	28,834	32	1,123	4,355	9,440	45,278
Disposals		-	(31,874)	(20,789)	(92)	(933)	(18,430)	-	(72,118)
Reclassification		-	-	-	-	-	(903)	(1,782)	(2,685)
Impact of exchange rate changes		(964)	(40,464)	(80,150)	(1,228)	(1,018)	(8,517)	(1,950)	(134,291)
Balance at June 30, 2025	\$	<u>587,065</u>	<u>1,152,601</u>	<u>883,916</u>	<u>12,104</u>	<u>11,224</u>	<u>305,497</u>	<u>16,799</u>	<u>2,969,206</u>
Balance at January 1, 2024	\$	467,543	1,148,480	1,248,320	16,238	6,856	308,784	83,119	3,279,340
Additions		-	698	15,056	505	1,663	9,601	951	28,474
Disposals		-	-	(21,185)	(1,243)	-	(3,287)	-	(25,715)
Reclassification		-	-	(1,198)	-	1,198	-	4,049	4,049
Impact of exchange rate changes		(322)	1,202	16,397	290	59	2,140	427	20,193
Balance at June 30, 2024	\$	<u>467,221</u>	<u>1,150,380</u>	<u>1,257,390</u>	<u>15,790</u>	<u>9,776</u>	<u>317,238</u>	<u>88,546</u>	<u>3,306,341</u>
Accumulated depreciation and Impairment losses:									
Balance at January 1, 2025	\$	-	334,436	366,734	6,272	4,671	108,951	-	821,064
Additions		-	16,119	45,373	596	968	15,068	-	78,124
Disposals		-	(31,874)	(20,789)	(92)	(933)	(18,323)	-	(72,011)
Impact of exchange rate changes		-	(9,550)	(26,963)	(580)	(453)	(2,693)	-	(40,239)
Balance at June 30, 2025	\$	<u>-</u>	<u>309,131</u>	<u>364,355</u>	<u>6,196</u>	<u>4,253</u>	<u>103,003</u>	<u>-</u>	<u>786,938</u>
Balance at January 1, 2024	\$	-	286,143	579,711	8,371	2,572	82,240	-	959,037
Additions		-	18,550	47,849	620	747	16,096	-	83,862
Disposals		-	-	(20,514)	(1,184)	-	(3,261)	-	(24,959)
Reclassification		-	-	(791)	-	791	-	-	-
Impact of exchange rate changes		-	(101)	7,674	69	17	412	-	8,071
Balance at June 30, 2024	\$	<u>-</u>	<u>304,592</u>	<u>613,929</u>	<u>7,876</u>	<u>4,127</u>	<u>95,487</u>	<u>-</u>	<u>1,026,011</u>
Carrying value:									
Balance at January 1, 2025	\$	<u>588,029</u>	<u>889,009</u>	<u>589,287</u>	<u>7,120</u>	<u>7,381</u>	<u>220,041</u>	<u>11,091</u>	<u>2,311,958</u>
Balance at June 30, 2025	\$	<u>587,065</u>	<u>843,470</u>	<u>519,561</u>	<u>5,908</u>	<u>6,971</u>	<u>202,494</u>	<u>16,799</u>	<u>2,182,268</u>
Balance at January 1, 2024	\$	<u>467,543</u>	<u>862,337</u>	<u>668,609</u>	<u>7,867</u>	<u>4,284</u>	<u>226,544</u>	<u>83,119</u>	<u>2,320,303</u>
Balance at June 30, 2024	\$	<u>467,221</u>	<u>845,788</u>	<u>643,461</u>	<u>7,914</u>	<u>5,649</u>	<u>221,751</u>	<u>88,546</u>	<u>2,280,330</u>

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

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

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

(8) Right-of-use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery Equipment</u>	<u>Transportation Equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 590,107	180,335	9,215	3,873	783,530
Additions	234	151,532	4,502	2,813	159,081
Disposal/Write-off	(859)	(81,297)	(5,133)	(1,061)	(88,350)
Impact of exchange rate changes	<u>(59,643)</u>	<u>(19,070)</u>	<u>(674)</u>	<u>-</u>	<u>(79,387)</u>
Balance at June 30, 2025	<u>\$ 529,839</u>	<u>231,500</u>	<u>7,910</u>	<u>5,625</u>	<u>774,874</u>
Balance at January 1, 2024	\$ 559,966	135,102	15,286	3,669	714,023
Additions	-	17,326	202	1,071	18,599
Disposal/Write-off	-	-	(550)	(891)	(1,441)
Impact of exchange rate changes	<u>24,275</u>	<u>6,720</u>	<u>75</u>	<u>-</u>	<u>31,070</u>
Balance at June 30, 2024	<u>\$ 584,241</u>	<u>159,148</u>	<u>15,013</u>	<u>3,849</u>	<u>762,251</u>
Accumulated depreciation losses:					
Balance at January 1, 2025	\$ 115,315	93,922	4,741	2,216	216,194
Depreciation for the year	9,726	18,363	3,117	754	31,960
Disposal/Write-off	(859)	(81,297)	(4,289)	(1,061)	(87,506)
Impact of exchange rate changes	<u>(11,428)</u>	<u>(4,061)</u>	<u>(280)</u>	<u>-</u>	<u>(15,769)</u>
Balance at June 30, 2025	<u>\$ 112,754</u>	<u>26,927</u>	<u>3,289</u>	<u>1,909</u>	<u>144,879</u>
Balance at January 1, 2024	\$ 87,259	74,912	8,084	2,260	172,515
Depreciation for the year	13,019	10,192	3,343	641	27,195
Disposal/Write-off	-	-	(550)	(891)	(1,441)
Impact of exchange rate changes	<u>4,078</u>	<u>3,877</u>	<u>37</u>	<u>-</u>	<u>7,992</u>
Balance at June 30, 2024	<u>\$ 104,356</u>	<u>88,981</u>	<u>10,914</u>	<u>2,010</u>	<u>206,261</u>
Carrying amounts:					
Balance at January 1, 2025	<u>\$ 474,792</u>	<u>86,413</u>	<u>4,474</u>	<u>1,657</u>	<u>567,336</u>
Balance at June 30, 2025	<u>\$ 417,085</u>	<u>204,573</u>	<u>4,621</u>	<u>3,716</u>	<u>629,995</u>
Balance at January 1, 2024	<u>\$ 472,707</u>	<u>60,190</u>	<u>7,202</u>	<u>1,409</u>	<u>541,508</u>
Balance at June 30, 2024	<u>\$ 479,885</u>	<u>70,167</u>	<u>4,099</u>	<u>1,839</u>	<u>555,990</u>

(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.

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

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

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2025	\$ 37,535	37,118	74,653
Balance at June 30, 2025	\$ 37,535	36,845	74,380
Balance at January 1, 2024	\$ 28,375	2,915	31,290
Balance at June 30, 2024	\$ 28,375	2,885	31,260

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

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

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

(10) Intangible assets

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

	<u>Goodwill</u>	<u>Technical Know-how</u>	<u>Computer Software</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2025	\$ 73,721	-	16,503	90,224
Balance at June 30, 2025	\$ 66,514	-	19,681	86,195
Balance at January 1, 2024	\$ 69,032	15,736	16,795	101,563
Balance at June 30, 2024	\$ 72,926	8,312	16,443	97,681

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

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

(11) Other non-current assets

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Refundable deposits	\$ 9,576	10,195	8,021
Others	38,001	45,553	38,977
	\$ 47,577	55,748	46,998

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

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

(12) Short-term loans

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

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ 445,000	210,000	360,000
Unused short-term credit lines	<u>\$ 773,764</u>	<u>1,281,176</u>	<u>1,239,520</u>
Range of interest rate	<u>2.12%~2.4313%</u>	<u>2.2899%~2.35%</u>	<u>2.125%~2.43%</u>

(a) Borrowing and repayment of short-term loans

The newly increased amounts from January 1 to June 30, 2025 and 2024 were 430,000 thousand and 480,000 thousand respectively, and the repaid amounts are 195,000 thousand and 120,000 thousand respectively.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Taiwan	2.12%~2.4313%	2.2899%~2.35%	2.125%~2.43%

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

(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:

	June 30, 2025	
	Guarantee or acceptance institution	Range of interest rates
		Amount
Commercial papers payable	China Bills Finance Corporation	\$ 29,994
	O-Bank	119,775
	Taiwan Cooperative Bank	<u>29,995</u>
Total		<u><u>\$ 179,764</u></u>

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

December 31, 2024			
	Guarantee or acceptance institution	Range of interest rates	Amount
Commercial papers payable	China Bills Finance Corporation	2.2%	\$ 59,982
	O-Bank	1.738%	129,876
Total			\$ 189,858

June 30, 2024			
	Guarantee or acceptance institution	Range of interest rates	Amount
Commercial papers payable	China Bills Finance Corporation	2.2%	\$ 29,980
	O-Bank	1.628%	129,936
Total			\$ 159,916

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

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

(14) Long-term Loans

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

June 30, 2025			
	Range of interest rate	Expiration Date	Amount
Unsecured bank loans	2.22%~2.8789%	July, 2027	\$ 2,095,746
Secured bank loans	1.05%~2.255%	July, 2035	427,939
			2,523,685
Less: current portion			(231,155)
Total			\$ 2,292,530
Unused long-term credit lines			\$ 590,000

December 31, 2024			
	Range of interest rate	Expiration Date	Amount
Unsecured bank loans	2.22%~2.8789%	July, 2027	\$ 2,176,889
Secured bank loans	1.05%~2.255%	July, 2035	475,566
			2,652,455
Less: current portion			(232,296)
Total			\$ 2,420,159
Unused long-term credit lines			\$ 653,231

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

	June 30, 2024		
	Range of interest rate	Expiration Date	Amount
Unsecured bank loans	1.925%~2.8789%	January, 2027	\$ 2,474,768
Secured bank loans	1.05%~2.255%	July, 2035	<u>522,993</u>
			2,997,761
Less: current portion			<u>(265,713)</u>
Total			<u>\$ 2,732,048</u>
Unused long-term credit lines			<u>\$ 652,659</u>

(a) Borrowing and repayment of long-term loans

From January 1 to June 30, 2025, there are no new long-term loans; from January 1 to June 30, 2024, the new long-term loans were 50,000 thousand, the interest rate was 2.8789%, the maturity date was January, 2027. The repayment amounts from January 1 to June 30, 2025 and 2024 were 130,123 thousand and 136,840 thousand respectively.

(b) Collateral for bank loans

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

(c) Special agreement on the joint credit contract

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

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

- A. Current ratio: not less than 140%
- B. Debt ratio: not higher 280%
- C. Interest coverage ratio: not less than 3 times
- D. Net worth: not less than NT\$1,800,000 thousand.

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

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

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

(15) Bonds payable

The details of unsecured convertible bonds were as follows:

	June 30, 2025	December 31, 2024
Total amount of the third domestic unsecured convertible corporate bonds issued	\$ 300,000	300,000
Unamortized discounted corporate bonds payable	(18,964)	(22,939)
Ending balance of bonds payable	<u>\$ 281,036</u>	<u>277,061</u>
Embedded derivative		
Embedded derivative - call options, included in financial assets at fair value through profit or loss - non-current	<u>\$ 60</u>	<u>180</u>
Embedded derivative - put options, included in financial liabilities at fair value through profit or loss - non-current	<u>\$ 2,340</u>	<u>2,040</u>
Equity component - conversion options, included in capital surplus— stock options	<u>\$ 21,661</u>	<u>21,661</u>

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

	Three-month periods ended June 30, 2025	Six-month periods ended June 30, 2025
Loss on remeasurement of embedded derivatives - call and put options at fair value, included in other gains and losses)	<u>\$ 510</u>	<u>420</u>
Interest expense	<u>\$ 1,994</u>	<u>3,975</u>

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

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

(a) Repayment method

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

(b) Conversion method

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

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

(c) Conversion price and adjustment

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

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

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

(d) Call option of the Company

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

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

(e) Put option of bondholders

The repurchase base date for the convertible bonds is set as the second anniversary of the issuance date. The Company shall send a "Put Option Exercise Notice" to bondholders at least forty days before the repurchase base date. Bondholders may submit a repurchase request to the original broker within forty days prior to the repurchase base date. The original broker will then submit the application to the Taiwan Depository & Clearing Corporation (TDCC), which, upon accepting the application, will request the Company to repurchase the bonds at 100% of their face value (put yield 0%) in cash. The Company shall repurchase the convertible bonds in cash within five business days after the repurchase base date upon accepting the repurchase request.

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

(16) Lease liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ 42,944	20,866	21,617
Non-current	\$ 184,964	79,759	63,718

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

The amounts recognized in profit or loss were as follows:

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 1,528	674	2,545	1,325
Expenses relating to short-term leases	\$ 294	339	600	594
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 595	432	1,371	883

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

	Six-month periods ended June 30,	
	2025	2024
Total cash outflow for leases	\$ 19,171	17,675

(a) Leasing of land and buildings

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

(b) Other lease

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

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

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

(17) Employee benefits

(a) Defined contribution plans

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Operating cost	\$ 1,281	1,449	2,722	2,880
Selling and marketing expenses	690	516	1,374	1,030
General and administrative expenses	585	566	1,135	1,080
Research and development expenses	289	286	575	575
Total	<u>\$ 2,845</u>	<u>2,817</u>	<u>5,806</u>	<u>5,565</u>

The pensions of other subsidiaries are determined in accordance with local laws. The pension expenses recognized for the three-month and six-month periods ended June 30, 2025 and 2024 were 5,027 thousand, 5,133 thousand, 10,266 thousand and 9,890 thousand respectively.

(18) Income taxes

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Current tax expenses				
Current period	\$ 24,441	26,463	63,364	42,547
Adjustment for prior periods	(4,501)	459	(5,173)	3,948
	<u>19,940</u>	<u>26,922</u>	<u>58,191</u>	<u>46,495</u>
Deferred tax expenses (benefit)				
Origination and reversal of temporary differences	<u>(21,710)</u>	<u>(1,510)</u>	<u>(29,967)</u>	<u>17,805</u>
Income tax expenses (benefit)	<u>\$ (1,770)</u>	<u>25,412</u>	<u>28,224</u>	<u>64,300</u>

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Items that may subsequently be reclassified to profit or loss:				
Exchange differences on translation	<u>\$ (83,832)</u>	<u>542</u>	<u>(75,822)</u>	<u>17,572</u>

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

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

(19) Capital and other equity

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

(a) Capital surplus

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

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

(b) Retained earnings

According to the Articles of Incorporation, if the Company has a surplus in the annual settlement, it should first cover losses of previous years. If there is still a surplus, after 10% of the legal reserve, and another sum as special reserve are set aside, together with the unappropriated surplus at the beginning of the period, and the adjusted amount of the unappropriated surplus of the current year, such surplus will be the surplus available for appropriation, but a part of it may be retained depending on the situation of the Company, and the Board of Directors shall prepare a proposal for surplus distribution and submit it to the shareholders' meeting for approval. The distribution of dividends and bonuses or all or part of the legal reserve in the form of cash requires the attendance of more than two-thirds of the directors, and the approval of more than half of the directors' present, and reports to the shareholders meeting.

Ching Feng Home Fashions Co., Ltd. is a traditional manufacturing factory with its life cycle in the "growth period". Taking into consideration of the working capital needs and the protection of shareholders' rights and interests, every year, no less than 10% of the distributable surplus is appropriated to distribute shareholder dividends. However, when the accumulated distributable surplus is lower than 10% of the paid-in share capital, no 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.

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

(i) Special reserve

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

(ii) Earnings distribution

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

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

(c) Other equities (net amount after tax)

	Exchange differences on translation of foreign operations
Balance at January 1, 2025	\$ (872)
Exchange differences on foreign operations	<u>(303,287)</u>
Balance at June 30, 2025	<u>\$ (304,159)</u>
Balance at January 1, 2024	\$ (92,700)
Exchange differences on foreign operations	<u>70,288</u>
Balance at June 30, 2024	<u>\$ (22,412)</u>

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

(20) Earnings per share

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

(a) Basic earnings per share

(i) Profit attributable to ordinary shareholders of the Company

	Three-month periods		Six-month periods	
	ended June 30,		ended June 30,	
	2025	2024	2025	2024
Profit (loss) of the Company for the year	<u>\$ (37,857)</u>	<u>96,521</u>	<u>52,474</u>	<u>184,028</u>

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

	Three-month periods		Six-month periods	
	ended June 30,		ended June 30,	
	2025	2024	2025	2024
Issued ordinary shares at January 1	177,839	173,839	177,839	173,839
Effect of treasury shares (in thousands)	-	(500)	-	(500)
Weighted average number of ordinary shares at June 30	<u>177,839</u>	<u>173,339</u>	<u>177,839</u>	<u>173,339</u>
Basic earnings per share (Unit: NT\$)	<u>\$ (0.21)</u>	<u>0.56</u>	<u>0.30</u>	<u>1.06</u>

(b) Diluted earnings per share

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

	Three-month	Six-month periods ended	
	periods ended	June 30,	
	June 30,	2025	2024
	2024		
Profit attributable to ordinary shareholders of the Company (basic)	<u>96,521</u>	<u>52,474</u>	<u>184,028</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>96,521</u>	<u>52,474</u>	<u>184,028</u>

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

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

	Three-month periods ended June 30, 2024	Six-month periods ended June 30, 2025	2024
Weighted average number of ordinary shares outstanding (basic)	173,339	177,839	173,339
Effect of dilutive potential ordinary shares			
Effect of employee share bonus	82	110	217
Weighted average number of ordinary shares outstanding (diluted)	<u>173,421</u>	<u>177,949</u>	<u>173,556</u>
Diluted earnings per share (Unit: NT\$)	<u>0.56</u>	<u>0.29</u>	<u>1.06</u>

The Group incurred a net loss after tax for the three-month periods ended June 30, 2025, which would have an anti-dilutive effect on potential ordinary shares. Therefore, diluted earnings per share were not calculated.

(21) Revenue from contracts with customers

(a) Details of revenue

	Three-month periods ended June 30, 2025	2024	Six-month periods ended June 30, 2025	2024
Primary geographical markets				
United States	\$ 981,572	1,015,230	1,999,574	1,887,974
Europe	123,301	220,805	233,115	415,406
Taiwan	18,883	24,995	49,044	54,070
Others	56,854	27,184	87,190	48,733
	<u>\$ 1,180,610</u>	<u>1,288,214</u>	<u>2,368,923</u>	<u>2,406,183</u>

(b) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Notes Receivable and Accounts Receivable	\$ 1,539,460	1,563,810	1,509,546
Less: Allowance for losses	(444)	(492)	(546)
Total	<u>\$ 1,539,016</u>	<u>1,563,318</u>	<u>1,509,000</u>

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.

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

(22) Remunerations to employees, directors and supervisors

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

For the three-month and six-month periods ended June 30, 2025 and 2024, the employee remunerations were (1,455) thousand (including the amount allocated to base-level employees), 2,196 thousand, 510 thousand (including the amount allocated to base-level employees) and 4,452 thousand respectively; as well as the remunerations to both directors and supervisors were (728) thousand, 1,098 thousand, 255 thousand and 2,226 thousand respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, directors and supervisors, multiplied by the proposed percentages of remunerations of employees, directors, and supervisors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

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

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

(23) Non-operating income and expenses

(a) Interest income

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Interest income from deposits in banks	\$ 3,903	4,981	6,304	7,230
Interest income from foreign bonds	3,489	2,136	6,952	3,495
	\$ 7,392	7,117	13,256	10,725

(b) Other income

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Rental income	\$ 939	538	1,772	1,076
Other income	482	2,562	683	2,901
	\$ 1,421	3,100	2,455	3,977

(c) Other gains and losses

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Losses of disposal of property, plant and equipment gains (losses)	\$ 133	(313)	133	(313)
Foreign exchange gains (losses)	(142,447)	22,647	(125,601)	80,644
Net gains on financial assets (liabilities) at fair value through profit or loss	(14,411)	1,261	(13,668)	249
Other gains and losses	(254)	121	596	(386)
	\$ (156,979)	23,716	(138,540)	80,194

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

(d) Finance cost

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

	Three-month periods ended 30,		Six-month periods ended 30,	
	2025	2024	2025	2024
Interest expense	\$ 21,014	21,863	40,459	42,549
Add : Interest of below-market interest rate loan	651	851	1,353	1,753
Interest of Lease liabilities	1,528	674	2,545	1,325
Corporate bonds interest expense	1,994	-	3,975	-
	\$ 25,187	23,388	48,332	45,627

(24) Financial instruments

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

(a) Credit risk

(i) Risk of credit risk

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

(ii) Concentration of credit risk

In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial status of customers, and regularly evaluates the possibility of recovering accounts receivable and has allowance for impairment losses. The impairment losses are always within the expectations of the management. As of June 30, 2025 and December 31, 2024 and June 30, 2024, 89% and 94% and 94% of the Group's accounts receivable balance came from several major customers, which made the Group have significant concentration of credit risk.

(iii) Credit risk of accounts receivable

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

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7) of 2024 Consolidated Financial Report.

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

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

	Six-month periods ended June 30,	
	2025	2024
Opening balance	\$ 6,113	31,032
Recognition of impairment losses (reversed profit)	-	(27,069)
Ending balance	<u>\$ 6,113</u>	<u>3,963</u>

(b) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12Months	Over 1 years
June 30, 2025					
Non-derivative financial liabilities					
Bank loans	\$ 2,968,685	3,088,348	586,884	157,270	2,344,194
Short-term notes and bills payable	179,764	180,000	180,000	-	-
Notes payable, accounts payable and other payables	1,264,770	1,264,770	1,264,770	-	-
Lease liabilities	227,908	257,061	24,985	23,368	208,708
Other financial liabilities	170,000	170,777	170,777	-	-
Bonds payable	281,036	300,000	-	-	300,000
Derivative financial liabilities					
Forward exchange contract					
FX option contracts					
Flow Out	643	205	205	-	-
	<u>\$ 5,092,806</u>	<u>5,261,161</u>	<u>2,227,621</u>	<u>180,638</u>	<u>2,852,902</u>
December 31, 2024					
Non-derivative financial liabilities					
Bank loans	\$ 2,862,455	3,026,021	245,494	267,249	2,513,278
Short-term notes and bills payable	189,858	190,000	190,000	-	-
Notes payable, accounts payable and other payables	1,144,328	1,144,328	1,144,328	-	-
Lease liabilities	100,625	124,761	13,735	9,906	101,120
Other financial liabilities	85,000	85,441	85,441	-	-
Bonds payable	277,061	300,000	-	-	300,000
Derivative financial liabilities					
Forward exchange contract					
Flow Out	7,450	7,450	7,450	-	-
	<u>\$ 4,666,777</u>	<u>4,878,001</u>	<u>1,686,448</u>	<u>277,155</u>	<u>2,914,398</u>
June 30, 2025					
Non-derivative financial liabilities					
Bank loans	\$ 3,357,761	3,567,641	484,194	221,111	2,862,336
Short-term notes and bills payable	159,916	160,000	160,000	-	-
Notes payable, accounts payable and other payables	1,154,121	1,154,121	1,154,121	-	-
Lease liabilities	85,335	109,265	15,590	8,445	85,230
	<u>\$ 4,757,133</u>	<u>4,991,027</u>	<u>1,813,905</u>	<u>229,556</u>	<u>2,947,566</u>

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

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

(c) Market risk

(i) Risk of foreign exchange rate

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

		June 30, 2025			December 31, 2024			(in thousands) June 30, 2024		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	32,369	29.588	957,734	32,446	32.794	1,064,034	39,360	32.440	1,276,838
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		11,341	29.588	335,558	18,207	32.794	597,080	14,376	32.440	466,357

(ii) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets at fair value through profit or loss, accounts and other receivables, loans and borrowings; and accounts and other payables that are denominated in foreign currency. On June 30, 2025 and 2024, when the NT dollar depreciates or appreciates by 1% against the US dollar, and all other factors remain unchanged, the net profit before tax from January 1 to June 30, 2025 and 2024 will increase or decrease by 6,222 thousand and 8,105 thousand respectively, the analysis for the two periods was conducted using the same basis.

(iii) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three-month and six-month periods ended June 30, 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to (142,447) thousand, 22,647 thousand, (125,601) thousand and 80,644 thousand, respectively.

(iv) Interest rate analysis

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

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

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 June 30, 2025 and 2024 will be decreased or increased by 12,776 thousand and 13,877 thousand respectively. The main reason is the floating interest rates on loans, Other financial assets, time deposits and demand deposits.

(d) Information on fair value

(i) Types and fair values of financial instruments

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

	June 30, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund	\$ 27,316	27,316	-	-	27,316
Domestic and foreign bonds	398,240	246,611	151,629	-	398,240
Stocks listed on domestic markets	13,318	13,318	-	-	13,318
Stocks of foreign non-listed companies	170,282	-	157,240	13,042	170,282
Unsecured convertible bonds – call option	60	60	-	-	60
Sub-total	609,216	287,305	308,869	13,042	609,216
Financial assets measured at amortized cost					
Cash and cash equivalents	580,104	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,586,550	-	-	-	-
Other current assets	113,662	-	-	-	-
Other financial assets - current	183,155	-	-	-	-
Sub-total	2,463,471	-	-	-	-
Total	\$ 3,072,687	287,305	308,869	13,042	609,216
Financial liabilities at fair value through profit or loss					
FX option contracts	\$ 643	643	-	-	643
Unsecured convertible bonds - put option	2,340	2,340	-	-	2,340
Sub-total	2,983	2,983	-	-	2,983
Financial liabilities measured at amortized cost					
Bank loans	2,968,685	-	-	-	-
Short-term notes and bills payable	179,764	-	-	-	-
Notes payable, accounts payable and other payables	1,264,770	-	-	-	-
Other financial liabilities	170,000	-	-	-	-
Bonds payable	281,036	-	-	-	-
Lease liabilities	227,908	-	-	-	-
Sub-total	5,092,163	-	-	-	-
Total	\$ 5,095,146	2,983	-	-	2,983

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

December 31, 2024					
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund	\$ 27,611	27,611	-	-	27,611
Domestic and foreign bonds	261,426	261,426	-	-	261,426
Stocks of foreign non-listed companies	13,042	-	-	13,042	13,042
Unsecured convertible bonds – call option	180	180	-	-	180
Sub-total	302,259	289,217	-	13,042	302,259
Financial assets measured at amortized cost					
Cash and cash equivalents	621,137	-	-	-	-
Notes receivable, accounts receivable and other receivable	1,735,346	-	-	-	-
Other current assets	184,281	-	-	-	-
Other financial assets - current	157,548	-	-	-	-
Sub-total	2,698,312	-	-	-	-
Total	\$ 3,000,571	289,217	-	13,042	302,259
Financial liabilities at fair value through profit or loss					
Forward exchange contracts	\$ 7,450	7,450	-	-	7,450
Unsecured convertible bonds - put option	2,040	2,040	-	-	2,040
Sub-total	9,490	9,490	-	-	9,490
Financial liabilities measured at amortized cost					
Bank loans	2,862,455	-	-	-	-
Short-term notes and bills payable	189,858	-	-	-	-
Notes payable, accounts payable and other payables	1,144,328	-	-	-	-
Lease liabilities	100,625	-	-	-	-
Other financial liabilities	85,000	-	-	-	-
Bonds payable	277,061	-	-	-	-
Sub-total	4,659,327	-	-	-	-
Total	\$ 4,668,817	9,490	-	-	9,490
June 30, 2024					
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Fund	\$ 38,253	38,253	-	-	38,253
Forward exchange contracts	1	1	-	-	1
Foreign bonds	158,305	158,305	-	-	158,305
Stocks listed on domestic markets	1,870	1,870	-	-	1,870
Sub-total	198,429	198,429	-	-	198,429
Financial assets measured at amortized cost					
Cash and cash equivalents	527,426	-	-	-	-
Notes receivable, accounts receivable and other	1,767,881	-	-	-	-
Other current assets	175,979	-	-	-	-
Other financial assets - current	214,844	-	-	-	-
Sub-total	2,686,130	-	-	-	-
Total	\$ 2,884,559	198,429	-	-	198,429

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

Financial liabilities measured at amortized cost

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

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.

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.

- 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.

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

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

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

C. Unlisted company stocks at fair value level 3

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

(iv) Transfers between Level 1 and Level 2

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

(v) Reconciliation of Level 3 fair values

**At fair value
through profit or
loss-without public
quotation of equity
instruments**

Balance at June 30, 2025 (Balance at January 1, 2025)	\$ 13,042
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(vi) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

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

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

**Inter-relationship
between significant
unobservable
inputs and fair
value measurement**

Item	Valuation techniques	Significant unobservable inputs	
Financial assets at fair value through profit or loss - equity instruments without an active market	Transaction price	• No active market trading price	• Not applicable e

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

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

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

			Changes in fair value are reflected in current profit and loss	
	Input value	Upwards or downwards change	Favorable change	Unfavorable changes
June 30, 2025				
Financial assets at fair value through profit or loss - equity instruments without an active market	Transaction price	5%	<u>\$ 660</u>	<u>(660)</u>
December 31, 2024				
Financial assets at fair value through profit or loss - equity instruments without an active market	Transaction price	5%	<u>\$ 499</u>	<u>(821)</u>

(25) Financial risk management

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

(26) Capital management

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

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

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

	January 1, 2025	Cash flows	Non-cash changes				June 30, 2025
			Changes in lease payments	Foreign exchange movement	Changes in deferred government grants	Others	
Long-term loans	\$ 2,652,455	(130,123)	-	-	1,353	-	2,523,685
Short-term loans	210,000	235,000	-	-	-	-	445,000
Lease liabilities	100,625	(14,655)	158,227	(16,289)	-	-	227,908
Bonds payable	277,061	-	-	-	-	3,975	281,036
Total liabilities from financing activities	<u>\$ 3,240,141</u>	<u>90,222</u>	<u>158,227</u>	<u>(16,289)</u>	<u>1,353</u>	<u>3,975</u>	<u>3,477,629</u>

	January 1, 2024	Cash flows	Non-cash changes				June 30, 2024
			Changes in lease payments	Foreign exchange movement	Changes in deferred government grants		
Long-term loans	\$ 3,082,820	(86,840)	-	28	1,753		2,997,761
Short-term loans	-	360,000	-	-	-		360,000
Lease liabilities	76,148	(14,873)	21,067	2,993	-		85,335
Total liabilities from financing activities	<u>\$ 3,158,968</u>	<u>258,287</u>	<u>21,067</u>	<u>3,021</u>	<u>1,753</u>		<u>3,443,096</u>

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

7. Related-party transactions

(1) Names and relationship with the Group

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

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

(2) Significant transactions with related parties

(a) Payables from related parties

The payables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other payables	Other related parties	<u>\$ 25</u>	<u>18</u>	<u>7</u>

(b) Leases

The Group leased land, factories, offices and parking spaces from key personnel of the management team in January 2017. Interest expenses for the three-month and six-month periods ended June 30, 2025 and 2024 are 1 thousand, 3 thousand, 3 thousand and 6 thousand respectively. As of June 30, 2025, December 31, 2024 and June 30, 2024, the balance of lease liabilities is 356 thousand, 533 thousand and 708 thousand respectively.

(3) Key management personnel compensation

Key management personnel compensation comprised:

	<u>Three-month periods ended June 30,</u>		<u>Six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 7,349	7,189	21,312	14,195
Termination benefits	163	171	326	337
	<u>\$ 7,512</u>	<u>7,360</u>	<u>21,638</u>	<u>14,532</u>

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

8. Assets pledged as security

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

Assets pledged as security	Liabilities secured by pledge	June 30, 2025	December 31, 2024	June 30, 2024
Fixed certificates of deposits and restricted deposits (listed as other financial assets-current)	Long-term and short-term loans and line of credit	\$ 163,361	141,151	154,830
Property, plant and equipment	"	1,127,737	1,145,626	1,164,342
Financial assets at fair value through profit or loss	Short-term loans and line of credit	253,822	158,846	58,642
		<u>\$ 1,544,920</u>	<u>1,445,623</u>	<u>1,377,814</u>

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: :

	June 30, 2025	December 31, 2024	June 30, 2024
Contract price	<u>\$ 117,953</u>	<u>20,166</u>	<u>139,175</u>
Unpaid amount	<u>\$ 85,918</u>	<u>8,554</u>	<u>22,394</u>

(2) Others

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group issued guarantee notes for the security of long-term and short-term loan secure of 2,209,674 thousand, 4,041,270 thousand and 5,124,756 thousand respectively.

10. Losses due to major disasters: None.

11. Subsequent events:

On August 7, 2025, the Board of Directors of the Group resolved to repurchase 2,000,000 shares as treasury stock during the period from August 8 to October 7, 2025, for the purpose of future transfer to employees.

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

12. Other

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

By function By item	Three-month periods ended June 30, 2025			Three-month periods ended June 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	145,894	58,515	204,409	142,026	82,679	224,705
Labor and health insurance (Note)	9,608	4,369	13,977	8,624	5,492	14,116
Pension	4,421	3,451	7,872	1,703	6,247	7,950
Remuneration of directors	-	1,575	1,575	-	3,061	3,061
Other	6,329	3,336	9,665	7,746	3,594	11,340
Depreciation	37,590	17,756	55,346	40,338	16,959	57,297
Amortization	5,288	1,953	7,241	3,613	5,598	9,211

By function By item	Six-month periods ended June 30, 2025			Six-month periods ended June 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	279,595	125,233	404,828	270,796	148,843	419,639
Labor and health insurance (Note)	20,437	9,361	29,798	15,311	10,658	25,969
Pension	9,373	6,699	16,072	3,346	12,109	15,455
Remuneration of directors	-	5,300	5,300	-	6,112	6,112
Other	12,586	7,100	19,686	12,365	7,423	19,788
Depreciation	77,181	33,280	110,461	80,475	30,612	111,087
Amortization	10,508	3,776	14,284	6,373	11,020	17,393

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.

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

13. Other disclosures

(1) Information on significant transactions:

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

(a) Loans to other parties:

(In Thousands of New Taiwan Dollar)

No (Note1)	Lender	Borrower	Account	Related Party	Highest Amount in the Period	Ending Balance	Actual Amount	Interest	Nature (Note2)	Translation between both parties	Reasons for the short-term financing	Allowance for bad debt	Collateral		Limit for Each Borrower (Note3)	Total Limit of Loan (Note3)
													Title	Value		
0	Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Other Receivables – Related Party	Yes	29,588	29,588	29,588	-	2	-	Working capital turnover	-	-	-	225,150	337,725
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	Other Receivables – Related Party	Yes	29,588	-	-	-	2	-	Working capital turnover	-	-	-	225,150	337,725
0	Ching Feng Home Fashions Co., Ltd.	OSALEY HOME FASHIONS Co., LTD.	Other Receivables	No	7,134	7,134	-	-	2	-	Working capital turnover	-	-	-	225,150	337,725

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

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

Note 2: Nature of the loan:

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

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

(b) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No (Note1)	Company that Gives Endorsement and Guarantee	Guarantee Company (Note2)		Limit to a Single Enterprise (Note3)	Highest Amount of the Period	Ending Balance	Actual Amount	Endorsement & Guarantee with Securities	Ratio of Accumulated Endorsement & Guarantee to the Net Value of The Latest Financial Statement	Limit of Endorsement and Guarantee	Parent company to the subsidiary	Subsidiary to the Parent Company	For Mainland China
		Name	Relationship (Note2)										
0	Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	3	1,125,749	88,764	-	-	-	- %	2,251,498	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.

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.

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

- (4) 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 June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(Unit: NT\$ thousand)

Company	Type and name of securities	Relationship with company	Account	End of period				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair Value	
Ching Feng Home Fashions Co., Ltd.	Alliance Bernstein American Income Portfolio (1010)	None	Financial assets at fair value through profit or loss-Current	5,205	5,050	- %	5,050	
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	6,444	- %	6,444	
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	13,911	- %	13,911	
Ching Feng Home Fashions Co., Ltd.	Nomura All Weather Global Bond Fund (006103)	None	Financial assets at fair value through profit or loss-Current	200,000	1,911	- %	1,911	
Ching Feng Home Fashions Co., Ltd.	C.C.P. Contact Probes Co., LTD. (6217) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	196,000	5,233	- %	5,233	
Ching Feng Home Fashions Co., Ltd.	M.J. International Flooring and Interior Products Inc. (8466) Ordinary Shares	None	Financial assets at fair value through profit or loss-Current	300,000	8,085	- %	8,085	
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	2,909	- %	2,909	
Ching Feng Home Fashions Co., Ltd.	JPMorgan Chase Bank USD Corporate Bonds (US46625HLL23)	None	Financial assets at fair value through profit or loss-Non-Current	100	2,688	- %	2,688	
Ching Feng Home Fashions Co., Ltd.	Exxon Mobil Corp. Bonds (US30231GBF81)	None	Financial assets at fair value through profit or loss-Non-Current	80	2,098	- %	2,098	
Ching Feng Home Fashions Co., Ltd.	Saudi Arabia Konigreich Bonds (XS1694218469)	None	Financial assets at fair value through profit or loss-Non-Current	400	9,800	- %	9,800	
Ching Feng Home Fashions Co., Ltd.	Altrich Group USD Corporate Bonds (US02209SAV51)	None	Financial assets at fair value through profit or loss-Non-Current	500	10,827	- %	10,827	
Ching Feng Home Fashions Co., Ltd.	Wells Fargo & Co. Bonds (US94974BGT17)	None	Financial assets at fair value through profit or loss-Non-Current	400	9,481	- %	9,481	
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RDJ86)	None	Financial assets at fair value through profit or loss-Non-Current	200	4,830	- %	4,830	
Ching Feng Home Fashions Co., Ltd.	B.A.T. Capital Corp. Bonds (US05526BBD66)	None	Financial assets at fair value through profit or loss-Non-Current	200	5,235	- %	5,235	
Ching Feng Home Fashions Co., Ltd.	Berkshire Hathaway Finance Corp. Bonds (US084664DB47)	None	Financial assets at fair value through profit or loss-Non-Current	200	4,497	- %	4,497	
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	10,707	- %	10,707	
Ching Feng Home Fashions Co., Ltd.	PacifiCorp Bonds (US695114DA39)	None	Financial assets at fair value through profit or loss-Non-Current	600	16,104	- %	16,104	
Ching Feng Home Fashions Co., Ltd.	United States of America Bonds (US912810TL26)	None	Financial assets at fair value through profit or loss-Non-Current	400	10,200	- %	10,200	
Ching Feng Home Fashions Co., Ltd.	Brazilian Government International Bonds (US105756BW95)	None	Financial assets at fair value through profit or loss-Non-Current	700	15,664	- %	15,664	
Ching Feng Home Fashions Co., Ltd.	Ford Motor Co. Bonds (US345370CQ17)	None	Financial assets at fair value through profit or loss-Non-Current	300	6,697	- %	6,697	

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

Company	Type and name of securities	Relationship with company	Account	End of period				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair Value	
Ching Feng Home Fashions Co., Ltd.	Oracle Corp. Bonds (US68389XB37)	None	Financial assets at fair value through profit or loss-Non-Current	200	4,468	- %	4,468	
Ching Feng Home Fashions Co., Ltd.	AT & T Inc. Bonds (US00206RKF81)	None	Financial assets at fair value through profit or loss-Non-Current	100	1,851	- %	1,851	
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	7,720	- %	7,720	
Ching Feng Home Fashions Co., Ltd.	Kingdom of Saudi Arabia USD Bonds (XS2109770151)	None	Financial assets at fair value through profit or loss-Non-Current	400	8,055	- %	8,055	
Ching Feng Home Fashions Co., Ltd.	Perusahaan Listrik Negara Bonds (US71568QAK31)	None	Financial assets at fair value through profit or loss-Non-Current	300	7,333	- %	7,333	
Ching Feng Home Fashions Co., Ltd.	Taiwan Cooperative Bank Three-Year USD Bonds (SBAG)	None	Financial assets at fair value through profit or loss-Non-Current	150	4,197	- %	4,197	
Ching Feng Home Fashions Co., Ltd.	KGI Life Insurance Subordinated Bonds (B9AK03)	None	Financial assets at fair value through profit or loss-Non-Current	50,000	50,500	- %	50,500	
Ching Feng Home Fashions Co., Ltd.	Fubon Life Insurance Subordinated Corporate Bonds (B99511)	None	Financial assets at fair value through profit or loss-Non-Current	100,000	101,000	- %	101,000	
Ching Feng Home Fashions Co., Ltd.	Cathay Life Insurance Co., Ltd. Subordinated Bonds (B99603)	None	Financial assets at fair value through profit or loss-Non-Current	80,000	81,200	- %	81,200	
Ching Feng Home Fashions Co., Ltd.	Cathay Life Insurance Co., Ltd. Subordinated Bonds (B99607)	None	Financial assets at fair value through profit or loss-Non-Current	20,000	20,179	- %	20,179	
Ching Feng Home Fashions Co., Ltd.	Chain Yarn Corporation (4427) Ordinary Shares	None	Financial assets at fair value through profit or loss-Non-Current	14,250,000	156,750	6.70 %	156,750	
Ching Feng Home Fashions Co., Ltd.	Dentall (Global) Limited series A Preferred shares	None	Financial assets at fair value through profit or loss-Non-Current	305,000	13,042	2.00 %	13,042	
Ching Feng Home Fashions Co., Ltd.	SEEDLEE CONSULTANT COMPANY	None	Financial assets at fair value through profit or loss-Non-Current	Note1	490	3.00 %	490	

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

Note 1: The invested company is a limited company.

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

(In Thousands of New Taiwan Dollars)

Company	Related party	Nature of relationship	Transaction Details				Abnormal transaction		Trade receivables (payables) and notes receivable (payable)		Note
			Item	Amount	Percentage of total purchases (sales) (%)	Payment terms	Unit Price	Payment terms (Note2)	Ending balance	Percentage of total receivables (payables)	
Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	Subsidiary	Sales	(1,099,715)	(63.80)%	T/T 195 days	Sell at agreed price	-	893,339	81.64%	
Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd	Sub-subsidiary	Purchases	402,789	25.54%	T/T 180 days	Sell at agreed price	-	(118,519)	(20.10)%	
Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	Subsidiary	Purchases	522,276	33.12%	T/T 180 days	Sell at agreed price	-	(251,927)	(42.72)%	
ALL STRONG INDUSTRY (USA) INC.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Purchases	1,099,715	100.00%	T/T 195 days	Sell at agreed price	-	(893,339)	(100.00)%	
Sun Ocean Vietnam Co., Ltd.	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(402,789)	(100.00)%	T/T 180 days	Sell at agreed price	-	118,519	100.00%	
Ching Feng Vietnam Company Limited	Ching Feng Home Fashions Co., Ltd.	Parent Company	Sales	(522,276)	(100.00)%	T/T 180 days	Sell at agreed price	-	251,927	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 Consolidated Financial Statements (Continued)
(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

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

(In Thousands of New Taiwan Dollars)

Company	Related party	Relationship	Ending balance (Note1)	Turnover %	Overdue		Amount received in subsequent period (Note1)	Loss allowance
					Amount	Action taken		
Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	Subsidiary	893,339	217%	-		138,182	-

Note 1: It refers to the amount recovered as of July 18, 2025.

(f) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No	Company	Counterparty	Relation-ship	Transaction Details			
				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	1,099,715	The price is at the normal or negotiated price	46.42%
			1	Accounts receivables	893,339	The terms of payment are based on the agreement or the general terms of payment	11.99%
			1	Other Receivables	1,901	The terms of payment are based on the agreement or the general terms of payment	0.03%
0	Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	1	Sales	94	The price is at the normal or negotiated price	-%
			1	Accounts receivables	92	The terms of payment are based on the agreement or the general terms of payment	-%
			1	Other Receivables	47,365	The terms of payment are based on the agreement or the general terms of payment	0.64%
			1	Purchases	522,276	The price is at the normal or negotiated price	22.05%
			1	Accounts payables	251,927	The terms of payment are based on the agreement or the general terms of payment	3.38%
0	Ching Feng Home Fashions Co., Ltd.	Grandtop Decorative Product (Zhenjing) Co., Ltd.	2	Sales	4,487	The price is at the normal or negotiated price	0.19%
			2	Accounts receivables	524	The terms of payment are based on the agreement or the general terms of payment	0.01%
			2	Purchases	13,840	The price is at the normal or negotiated price	0.58%
			2	Accounts payables	21,401	The terms of payment are based on the agreement or the general terms of payment	0.29%
0	Ching Feng Home Fashions Co., Ltd.	Sun Ocean Vietnam Co., Ltd.	2	Sales	1,244	The price is at the normal or negotiated price	0.05%
			2	Accounts receivables	90	The terms of payment are based on the agreement or the general terms of payment	-%
			2	Other Receivables	69,113	The terms of payment are based on the agreement or the general terms of payment	0.93%
			2	Purchases	402,789	The price is at the normal or negotiated price	17.00%
			2	Accounts payables	118,519	The terms of payment are based on the agreement or the general terms of payment	1.59%
0	Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	1	Purchases	6,983	The price is at the normal or negotiated price	0.29%
			1	Accounts payables	1,810	The terms of payment are based on the agreement or the general terms of payment	0.02%
0	Ching Feng Home Fashions Co., Ltd.	Regal Estate (USA) Inc.	2	Other Receivables	324	The terms of payment are based on the agreement or the general terms of payment	-%

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

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

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

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

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

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

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

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

(In Thousands of New Taiwan Dollar/shares)

Name of investor	Name of investee	Location	Main businesses	Original investment amount		Balance as of June 30, 2025			Net income (loss) of the investee	Investment income (loss) recognized by the company (Note 2)	Note
				June 30, 2025	December 31, 2024	Shares (in thousands)	percentage	Carrying value (Note 1)			
Ching Feng Home Fashions Co., Ltd.	All Strong Industry (USA) Inc.	United States	Buy & sell of blinds, pleated shades	202,863	202,863	65	100.00%	552,443	107,929	107,929	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%	704,792	(420)	(420)	"
Ching Feng Home Fashions Co., Ltd.	Sincere Capital Limited	Samoa	Investment	398,660	398,660	13,084	100.00%	390,463	20,140	20,140	"
Ching Feng Home Fashions Co., Ltd.	Praise Home Industry co., Ltd.	Thailand	Plastic bags, etc.	217,099	217,099	2,000	100.00%	48,165	(4,131)	(4,131)	"
Ching Feng Home Fashions Co., Ltd.	Ching Feng Vietnam Company Limited	Vietnam	Production and processing of plastic and alu. blinds, faux wood blinds	590,129	590,129	Note 3	100.00%	738,456	85,779	85,779	"
Ching Feng Home Fashions Co., Ltd.	Fu Yue Window Decoration Co., Ltd.	Taiwan	Manufacture and sale of blinds, pleated shades	5,000	5,000	Note 3	100.00%	4,549	(3)	(3)	"
Ching Feng Home Fashions Co., Ltd.	Fu Vietnam Company Limited	Vietnam	Manufacture and assembly of blinds and textiles	167,384	167,384	Note 3	100.00%	106,804	(10,227)	(10,227)	"
Lamae' Global Home Fashion Co., Ltd.	New Nice Home Fashion L.L.C.	United States	Investment	1,138,753 (USD38,487 thousand)	1,262,143 (USD38,48 thousand)	24,655	100.00%	704,789	6,749	(420)	Sub-subsidiary
Sincere Capital Limited	Sun Ocean Investment Limited	Samoa	Investment	398,639 (USD13,473 thousand)	441,834 (USD13,473 thousand)	13,473	100.00%	390,462	20,140	20,140	"
Sun Ocean Investment Limited	Sun Ocean Vietnam Co., Ltd.	Vietnam	Manufacture and assembly of blinds	389,556 (USD13,166 thousand)	431,766 (USD13,166 thousand)	Note 3	100.00%	383,368	20,140	20,140	"
All Strong Industry (USA) Inc.	Regal Estate (USA) Inc.	United States	Buy & sell of blinds, pleated shades	2,959 (USD100 thousand)	3,279 (USD100 thousand)	100	100.00%	553	(359)	(359)	"

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.

(3) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Investee	Main businesses and products	Total amount of paid-in capital	Method of Investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of June 30, 2025 (Note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (loss) recognized (Note 3)	Carrying value as of June 30, 2025 (Note 4)	Accumulated inward remittance of earnings as of June 30, 2025
					Outflow	Inflow						
Grandtop Decorative Product (Zhenjiang) Co., Ltd.	Manufacture, production, assembly and sales of blinds.	559,241 (USD 17,000 thousand)	(2)	559,241 (USD 17,000 thousand)	-	-	559,241 (USD 17,000 thousand)	6,749	100.00%	6,749 (USD 212 thousand)	325,061 (USD 10,986 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)	-	-	-%	-	-	-
Fu Yue Window Decoration Technology Zhenjiang Co., Ltd.	Buy & sell of blinds, pleated shades	434 (RMB 100 thousand)	(2)	434 (RMB 100 thousand)	-	-	434 (RMB 100 thousand)	(78)	100.00%	(78)	(191)	-

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

(b) Upper limit on investment in Mainland China:

Accumulated investment in Mainland China as of June 30, 2025	Investment amount authorized by Investment Commission, MOEA (Note 2、4、6、7)	Upper limit on investment
960,249 (USD 32,454 thousand)	963,237 (USD 32,555 thousand)	(Note 6)

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

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

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

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

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

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

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

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

(c) Significant transactions:

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

14. Segment information

(1) General information

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

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Revenue				
Revenue from external customers	\$ 1,180,610	1,288,214	2,368,923	2,406,183
Interest income	7,392	7,117	13,256	10,725
Total revenue	\$ 1,188,002	1,295,331	2,382,179	2,416,908
Reportable segment profit or loss	\$ (37,857)	96,521	52,474	184,028