

**Shinkong Synthetic Fibers Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SHINKONG SYNTHETIC FIBERS CORPORATION

By

March 10, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shinkong Synthetic Fibers Corporation

Opinion

We have audited the accompanying consolidated financial statements of Shinkong Synthetic Fibers Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Revenue Recognition from Specific Customers

The revenue of the Group has increased in 2024. According to the Standards on Auditing of the Republic of China, revenue recognition has a risk of material misstatement due to fraud. In addition, the revenue from specific customers has increased significantly compared with prior year. Therefore, the occurrence of revenue recognition from specific customers was considered as a key audit matter.

Refer to Note 4 of the consolidated financial statements for the revenue accounting policy information.

Our audit procedures performed were as follows:

1. We obtained an understanding of the design and implementation of internal control procedures over the recognition of sales revenue and tested the effectiveness of relevant internal controls.
2. We performed sampling from specific customer sales report and verified revenue through audit evidence relevant to recognition and collection.

Other Matter

We have also audited the parent company only financial statements of Shinkong Synthetic Fibers Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and enforced by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends either to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

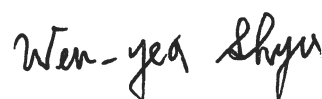
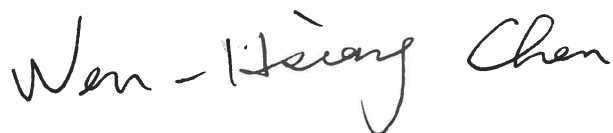
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Hsiang Chen and Wen-Yea Shyu.



Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 39)	\$ 9,916,370	5	\$ 10,499,318	6
Due from the Central Bank and call loans to other banks (Note 7)	4,244,695	2	4,274,003	2
Financial assets at fair value through profit or loss - current (Notes 4, 8 and 39)	1,813,263	1	1,474,320	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 9, 39 and 41)	7,194,414	3	4,495,217	2
Financial assets at amortized cost - current (Notes 4, 10, 39 and 41)	2,241,270	1	1,083,615	1
Bills and bonds purchased under resale agreements (Notes 4 and 11)	3,344,600	2	2,296,769	1
Other financial assets - current (Notes 39 and 41)	1,197,180	1	1,487,783	1
Notes receivable, net (Notes 4, 12, 39 and 40)	3,867,041	2	2,423,642	1
Trade receivables, net (Notes 4, 12, 39 and 40)	18,272,033	8	16,914,458	9
Other receivables (Notes 4, 12 and 39)	567,426	-	632,804	-
Margin loans receivable	15,254,669	7	9,926,738	5
Customer margin accounts	2,575,656	1	1,726,956	1
Inventories (Notes 4 and 13)	6,543,208	3	6,034,038	3
Prepayments	903,313	-	684,914	-
Other current assets (Note 23)	11,157,614	5	7,128,123	4
Discounts and loans, net (Notes 14 and 40)	<u>57,169,372</u>	<u>27</u>	<u>54,858,632</u>	<u>28</u>
Total current assets	<u>146,262,124</u>	<u>68</u>	<u>125,941,330</u>	<u>65</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 8 and 39)	52,409	-	63,724	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 9, 39 and 41)	8,827,024	4	9,053,576	5
Financial assets at amortized cost - non-current (Notes 4, 10, 39 and 41)	16,417,549	8	18,643,365	10
Investments accounted for using the equity method (Notes 4, 16 and 36)	2,066,394	1	2,079,499	1
Other financial assets - non-current (Notes 39 and 41)	145,185	-	135,255	-
Property, plant and equipment (Notes 4, 17 and 41)	21,840,652	10	22,260,544	11
Right-of-use assets (Notes 4, 18 and 40)	3,633,514	2	3,568,616	2
Investment properties (Notes 4, 19 and 41)	2,307,623	1	2,368,951	1
Goodwill (Notes 4 and 20)	280,204	-	280,204	-
Other intangible assets (Notes 4 and 21)	135,768	-	145,342	-
Deferred tax assets (Notes 4 and 33)	566,940	-	611,086	-
Other non-current assets (Notes 23 and 41)	11,435,774	6	9,582,415	5
Operating deposits and settlement funds (Note 22)	<u>320,785</u>	<u>-</u>	<u>309,621</u>	<u>-</u>
Total non-current assets	<u>68,029,821</u>	<u>32</u>	<u>69,102,198</u>	<u>35</u>
TOTAL	<u>\$ 214,291,945</u>	<u>100</u>	<u>\$ 195,043,528</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 24, 39, 40 and 41)	\$ 10,470,219	5	\$ 9,931,914	5
Short-term bills payable (Notes 24 and 39)	16,595,880	8	12,122,019	6
Bills and bonds sold under repurchase agreements (Notes 4 and 11)	1,120,618	-	3,315,758	2
Financial liabilities at fair value through profit or loss - current (Notes 4, 8 and 39)	6,721	-	10,223	-
Due to the Central Bank and other banks	3,831,773	2	2,918,153	1
Notes payable (Notes 26 and 39)	236,785	-	216,626	-
Trade payables (Notes 26, 39 and 40)	7,682,226	3	7,290,727	4
Other payables (Notes 28 and 39)	3,268,655	1	2,680,508	1
Securities financing refundable deposits (Note 4)	1,369,808	1	1,208,389	1
Deposits payable for securities financing (Note 4)	1,493,668	1	1,310,746	1
Futures traders' equity	2,575,049	1	1,726,551	1
Current tax liabilities (Notes 4 and 33)	478,711	-	303,803	-
Current portion of long-term borrowings and bonds payable (Notes 4, 24, 25, 39 and 41)	8,119,449	4	5,708,641	3
Lease liabilities - current (Notes 4, 19, 39 and 40)	470,452	-	434,592	-
Other current liabilities (Notes 4 and 28)	1,349,307	1	695,835	-
Deposits and remittances (Notes 27 and 40)	<u>76,592,628</u>	<u>36</u>	<u>73,558,473</u>	<u>38</u>
Total current liabilities	<u>135,661,949</u>	<u>63</u>	<u>123,432,958</u>	<u>63</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 25 and 39)	4,630,000	2	5,820,000	3
Long-term borrowings (Notes 25, 39 and 41)	20,596,112	10	15,128,768	8
Provisions - non-current (Notes 4, 29 and 30)	44,249	-	162,243	-
Guarantee deposits received (Note 28)	172,323	-	233,225	-
Lease liabilities - non-current (Notes 4, 19, 39 and 40)	1,838,445	1	1,762,042	1
Other non-current liabilities (Notes 4 and 28)	215,361	-	127,401	-
Deferred tax liabilities (Notes 4 and 33)	<u>1,506,896</u>	<u>1</u>	<u>1,531,812</u>	<u>1</u>
Total non-current liabilities	<u>29,003,386</u>	<u>14</u>	<u>24,765,491</u>	<u>13</u>
Total liabilities	<u>164,665,335</u>	<u>77</u>	<u>148,198,449</u>	<u>76</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 31)				
Share capital	<u>16,184,093</u>	<u>8</u>	<u>16,184,093</u>	<u>8</u>
Capital surplus	<u>2,165,692</u>	<u>1</u>	<u>1,963,101</u>	<u>1</u>
Retained earnings				
Legal reserve	2,623,738	1	2,544,458	1
Special reserve	2,328,591	1	2,328,591	1
Unappropriated earnings	<u>9,908,433</u>	<u>5</u>	<u>8,794,516</u>	<u>5</u>
Total retained earnings	<u>14,860,762</u>	<u>7</u>	<u>13,667,565</u>	<u>7</u>
Other equity	<u>4,903,427</u>	<u>2</u>	<u>4,566,158</u>	<u>3</u>
Treasury shares	<u>(29,834)</u>	<u>-</u>	<u>(29,834)</u>	<u>-</u>
Total equity attributable to owners of the Company	38,084,140	18	36,351,083	19
NON-CONTROLLING INTERESTS	<u>11,542,470</u>	<u>5</u>	<u>10,493,996</u>	<u>5</u>
Total equity	<u>49,626,610</u>	<u>23</u>	<u>46,845,079</u>	<u>24</u>
TOTAL	<u>\$ 214,291,945</u>	<u>100</u>	<u>\$ 195,043,528</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
REVENUE (Notes 4, 32 and 40)				
Interest income	\$ 3,292,789	7	\$ 2,717,644	7
Fee income	2,350,125	5	1,857,069	5
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	-	-	39,691	-
Share of profit of associates and joint ventures	6,382	-	6,417	-
Realized gain on financial assets at fair value through other comprehensive income	41,979	-	20,455	-
Net sales	37,232,745	81	33,545,388	85
Gain on sale of construction in progress	1,125,814	3	-	-
Rental revenue	569,145	1	413,429	1
Net gain on disposal of financial assets	69,122	-	14,735	-
Gain on disposal of property, plant and equipment	5,098	-	9,295	-
Gain on disposal of investment properties	156,276	-	-	-
Foreign exchange gains	352,940	1	80,700	-
Unrealized gain on transactions with associates	2,340	-	3,450	-
Realized gain on transactions with associates	664	-	-	-
Other revenue	943,746	2	856,867	2
Total revenue	46,149,165	100	39,565,140	100
EXPENSES (Notes 4, 13, 17, 18, 32 and 40)				
Finance costs	2,207,021	5	1,732,214	4
Bad debt expense, commitments and guarantee liability provisions (reversed)	61,199	-	(36,306)	-
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	3,878	-	-	-
Cost of goods sold	34,508,039	75	31,905,462	81
Cost of construction in progress sold	399,956	1	-	-
Rental costs	76,043	-	70,986	-
Operating expenses				
Selling and marketing expenses	1,502,751	3	1,178,132	3
General and administrative expenses	2,633,854	6	2,303,309	6
Research and development expenses	583,814	1	478,135	1
Total operating expenses	4,720,419	10	3,959,576	10
Impairment loss	676,601	1	7,529	-
Expected credit loss	55,684	-	47,794	-
Other expenses	318,066	1	377,054	1
Total expenses	43,026,906	93	38,064,309	96

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 3,122,259	7	\$ 1,500,831	4
INCOME TAX EXPENSE (Notes 4 and 33)	<u>699,685</u>	<u>2</u>	<u>331,257</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>2,422,574</u>	<u>5</u>	<u>1,169,574</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 31 and 33)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	50,516	-	29,692	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	410,009	1	1,247,211	3
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(22,491)	-	503,368	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(9,798)	-	(6,046)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	408,629	1	(25,655)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive (loss) income	<u>(53,575)</u>	<u>-</u>	<u>31,805</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>783,290</u>	<u>2</u>	<u>1,780,375</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,205,864</u>	<u>7</u>	<u>\$ 2,949,949</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,705,920	4	\$ 764,410	2
Non-controlling interests	<u>716,654</u>	<u>1</u>	<u>405,164</u>	<u>1</u>
	<u>\$ 2,422,574</u>	<u>5</u>	<u>\$ 1,169,574</u>	<u>3</u>

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,420,591	5	\$ 2,474,558	6
Non-controlling interests	<u>785,273</u>	<u>2</u>	<u>475,391</u>	<u>1</u>
	<u>\$ 3,205,864</u>	<u>7</u>	<u>\$ 2,949,949</u>	<u>7</u>
EARNINGS PER SHARE (NT\$; Note 34)				
Basic				
From continuing operations	<u>\$ 1.06</u>		<u>\$ 0.47</u>	
Diluted				
From continuing operations	<u>\$ 1.06</u>		<u>\$ 0.47</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
						Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings						
	Legal Reserve	Special Reserve									
BALANCE AT JANUARY 1, 2023	\$ 16,184,093	\$ 1,950,312	\$ 2,254,830	\$ 2,328,591	\$ 9,909,756	\$ (148,467)	\$ 3,032,864	\$ (29,834)	\$ 35,482,145	\$ 10,595,730	\$ 46,077,875
Appropriation of 2022 earnings											
Legal reserve	-	-	289,628	-	(289,628)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,618,409)	-	-	-	(1,618,409)	-	(1,618,409)
Changes in capital surplus from investments in associates accounted for using the equity method	-	1,988	-	-	-	-	-	-	1,988	-	1,988
Actual partial acquisition of interests in subsidiaries	-	18,324	-	-	-	-	-	-	18,324	(18,324)	-
Changes in percentage of ownership interest in subsidiaries	-	(7,523)	-	-	-	-	-	-	(7,523)	7,523	-
Net profit for the year ended December 31, 2023	-	-	-	-	764,410	-	-	-	764,410	405,164	1,169,574
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	23,930	(40,439)	1,726,657	-	1,710,148	70,227	1,780,375
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	788,340	(40,439)	1,726,657	-	2,474,558	475,391	2,949,949
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(566,324)	(566,324)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income/disposals of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	4,457	-	(4,457)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	16,184,093	1,963,101	2,544,458	2,328,591	8,794,516	(188,906)	4,755,064	(29,834)	36,351,083	10,493,996	46,845,079
Appropriation of 2023 earnings											
Legal reserve	-	-	79,280	-	(79,280)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(890,125)	-	-	-	(890,125)	-	(890,125)
Actual partial acquisition of interests in subsidiaries	-	193,216	-	-	-	-	-	-	193,216	(193,216)	-
Changes in percentage of ownership interest in subsidiaries	-	9,375	-	-	-	-	-	-	9,375	(9,375)	-
Net profit for the year ended December 31, 2024	-	-	-	-	1,705,920	-	-	-	1,705,920	716,654	2,422,574
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	30,231	320,199	364,241	-	714,671	68,619	783,290
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,736,151	320,199	364,241	-	2,420,591	785,273	3,205,864
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	465,792	465,792
Disposals of investments in equity instruments designated as at fair value through other comprehensive income/disposals of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	347,171	-	(347,171)	-	-	-	-
BALANCE AT DECEMBER 31, 2024	<u>\$ 16,184,093</u>	<u>\$ 2,165,692</u>	<u>\$ 2,623,738</u>	<u>\$ 2,328,591</u>	<u>\$ 9,908,433</u>	<u>\$ 131,293</u>	<u>\$ 4,772,134</u>	<u>\$ (29,834)</u>	<u>\$ 38,084,140</u>	<u>\$ 11,542,470</u>	<u>\$ 49,626,610</u>

The accompanying notes are an integral part of the consolidated financial statements.

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income before income tax	\$ 3,122,259	\$ 1,500,831
Adjustments for:		
Depreciation expenses	2,065,867	1,987,082
Amortization expenses	15,312	14,803
Expected credit loss recognized on trade receivables	116,883	11,488
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	3,878	(39,691)
Finance costs	2,207,021	1,732,214
Interest income	(3,292,789)	(2,717,644)
Share of profit of associates	(6,382)	(6,417)
Gain on disposal and retirement of property, plant and equipment	(5,098)	(9,295)
Gain on disposal of investment properties	(156,276)	-
Net gain on disposal of financial assets	(111,101)	(35,190)
Impairment loss recognized on property, plant and equipment	676,601	7,529
Unrealized loss on transactions with associates	(2,340)	(3,450)
Realized gain on transactions with associates	(664)	-
Net (gain) loss on foreign currency exchange	(407,553)	9,842
Gain on lease modifications	(409)	(588)
Changes in operating assets and liabilities		
Decrease (increase) in due from the Central Bank and call loans to other banks	29,308	(829,947)
Increase in financial assets at fair value through profit or loss	(265,886)	(77,721)
Increase in notes receivable and trade receivables	(4,673,881)	(4,667,050)
Increase in margin loans receivable	(5,327,931)	(3,437,753)
(Increase) decrease in customer margin accounts	(848,700)	83,782
(Increase) decrease in inventories	(509,170)	56,818
Increase in prepayments	(217,961)	(111,341)
Increase in other current assets	(4,029,483)	(1,481,716)
(Increase) decrease in discounts and loans	(2,374,960)	164,171
Increase (decrease) in due to the Central Bank and other banks	913,620	(582,999)
Increase in other payables	1,198,348	1,909,534
Increase (decrease) in securities financing refundable deposits	161,419	(674,278)
Increase (decrease) in deposits payable for securities financing	182,922	(311,412)
Increase (decrease) in futures traders' equity	848,498	(83,637)
Increase (decrease) in other current liabilities	482,279	(371,322)
Increase in deposits and remittances	3,034,155	2,406,598
Decrease in employee benefits provisions	(77,276)	(65,832)
Cash used in operations	(7,249,490)	(5,622,591)
Interest received	3,364,534	2,747,231
Interest paid	(2,160,067)	(1,710,059)
Income tax paid	(502,226)	(765,950)
Net cash used in operating activities	(6,547,249)	(5,351,369)

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (4,617,766)	\$ (1,677,251)
Proceeds from sale of financial assets at fair value through other comprehensive income	2,563,891	612,636
Refund of capital reduction on financial assets at fair value through other comprehensive income	15,523	-
Purchase of financial assets at amortized cost	(49,454,394)	(47,045,217)
Proceeds from sale of financial assets at amortized cost	50,713,401	46,620,880
Acquisition of associates	-	(128,588)
Net cash (outflow) inflow on the acquisition of subsidiary	(36)	2,481
Payments for property, plant and equipment	(1,853,509)	(3,523,847)
Proceeds from disposal of property, plant and equipment	15,897	26,634
(Increase) decrease in operating deposits	(11,164)	1,215
(Increase) decrease in refundable deposits	(52,093)	92,067
Decrease (increase) in other receivables	109,203	(6,941)
Payments for intangible assets	(5,723)	(8,662)
Payments for investment properties	(38,160)	-
Proceeds from disposal of investment properties	232,712	-
(Increase) decrease in bills and bonds purchased under resale agreements	(1,047,831)	1,009,329
Decrease (increase) in other financial assets	280,673	(645,727)
Decrease in other assets	15,898	1,098,011
Dividends received from associates	-	1,200
Net cash used in investing activities	<u>(3,133,478)</u>	<u>(3,571,780)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	532,113	2,074,269
Proceeds from short-term bills payable	4,473,861	5,590,442
Proceeds from bonds payable	310,000	-
Repayment of bonds payable	(500,000)	-
Proceeds from other borrowings	6,878,152	3,625,687
Decrease in bills and bonds sold under repurchase agreements	(2,195,140)	(658,046)
Decrease from guarantee deposits received	(60,902)	(21,329)
Payment of the principal portion of lease liabilities	(185,085)	(168,662)
Increase (decrease) in other non-current liabilities	14,405	(20,043)
Dividends paid to owners of the Company	(890,125)	(1,618,409)
Changes in non-controlling interests	<u>465,792</u>	<u>(566,324)</u>
Net cash generated from financing activities	<u>8,843,071</u>	<u>8,237,585</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>254,708</u>	<u>(5,061)</u>

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (582,948)	\$ (690,625)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>10,499,318</u>	<u>11,189,943</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,916,370</u>	<u>\$ 10,499,318</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Shinkong Synthetic Fibers Corporation (“SSF” or the “Company”) was established in the Republic of China (ROC) in 1967 with an initial capital of \$22,500 thousand. As of December 31, 2021, SSF’s paid-in capital had increased to \$16,184,093 thousand. SSF manufactures and sells polyester polymers, polyester staple fibers, polyester textured yarns, polyester chips, pre-oriented yarns, polyester flat yarns, polyethylene terephthalate (PET) resins used in PET bottles and polyester base films. The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since August 1973.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 10, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and enforced by the Financial Supervisory Commission (FSC)

The initial application of the following IFRS Accounting Standards endorsed enforced by the FSC did not have a material impact on the Group’s accounting policies:

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without using hindsight.

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments mainly pertain to the requirements for the classification of financial assets, including:

- 1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- 2) A financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

- 3) The characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets, using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

The Group has decided not to apply the amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

- 1) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise the following:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- To enhance the requirements for aggregation and disaggregation, the Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more descriptive label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's a view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the consolidated financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests' effects of related reconciliation items.
- 2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system becoming insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group was continuing to assess the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impacts when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and IFRS Accounting Standards as endorsed and enforced by the Financial Supervisory Commission (FSC).

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value and net defined benefit liabilities measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
 - 3) Level 3 inputs are unobservable inputs for an asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets at fair value through other comprehensive income or financial assets at fair value through profit or loss or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

See Note 15 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

In preparing the financial statements of each entity in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of its foreign operations (including subsidiaries, associates, and branches in other countries or those that use currencies that are different from the currency of the Company) are translated into the Company's functional currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, semi-finished goods, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When an entity in the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and the joint venture that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. For assets which were held under finance leases before January 1, 2019, if their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

For a transfer of classification from inventories to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the inception of an operating lease.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditure

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 39.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, time deposits with original maturities of more than 3 months, notes receivable, trade receivables and other receivables at amortized cost, margin loans receivable, securities purchased and sold under resale and repurchase agreements and overdue receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when significant financial difficulty of the issuer or the borrower; Breach of contract, such as a default; It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

For securities purchased under resale agreements, the actual amount paid to the counterparty is treated as a financing transaction. For securities sold under repurchase agreements, the actual amount received from the counterparty and the related interest revenue or interest expense is recognized on an accrual basis.

Margin loans pertain to provision of funds to customers for them to buy securities. Margin loans receivable represents the amount loaned to customers. The securities bought by customers are used to secure these loans and are recorded through memo entries as "collateral securities". The collateral securities are returned when the loans are repaid.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, discounts and loans and lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information indicates that the debt is impossible to be repaid.
- ii. When a financial asset is more than a certain period past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

In addition, the MOF regulations also require that credit assets be classified as normal assets, assets that require special mention, substandard assets, assets with doubtful collection, and assets on which there is loss, and the minimum allowance for credit losses and reserve for losses on guarantees for these assets should be 1%, 2%, 10%, 50%, and 100% of outstanding credits, respectively. According to FSC Rule No. 10010006830, the minimum allowance for credit losses and reserve for losses on guarantees for the normal assets should be 1%. According to FSC Rule No. 10300329440, allowance for doubtful accounts should not be lower than 1.5%.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 39.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps, cross-currency swap contracts and convertible bonds assets swap.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

5) Modification of financial instruments

When a financial instrument is modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Group elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Group first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

o. Collaterals assumed

Collaterals assumed by Taipei Star Bank are recorded at the book value and evaluated at fair value at the end of the period. An impairment loss is recognized when the book value of collaterals exceeds the fair value. According to the Rules of the FSC, collaterals are not disposed until the end of statutory holding period, but they must be evaluated for impairment loss.

p. Securities financing guarantee deposits-in and payable for securities financing guarantee

SKIS provides financing to customers for short sale of pledged securities on margin loans or short sale of securities borrowed from securities finance companies. The proceeds from short sale of securities borrowed by customers, net of commissions and securities transaction tax, are retained by SKIS and recorded as “deposit payable for securities financing”. In addition, the SFB requires that customers should make guarantee deposits to the Company or provide securities in lieu of cash deposits, which are recorded as “securities financing guarantee deposits”. The securities borrowed by the customers are recorded by memo entry. The guarantee deposit and the proceeds from short sale of securities will be returned to the customers as the customers redeem their credit.

q. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

r. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Sales of goods are recognized as revenue when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Service income is recognized when services are provided.

Revenue from a contract to provide services is recognized with reference to the stage of completion of the contract.

3) Dividend and interest income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the applicable effective interest rate.

4) Revenue from the finance and securities segment

SKIS, SKIC, SKIA, and SKPIA identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue of Taipei Star Bank is recognized as follows:

a) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to Taipei Star Bank and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the applicable effective interest rate.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is thereafter recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

b) Service fees

Service fees are recorded as income upon receipt and substantial completion of activities involved in the earnings process.

c) Dividend income

Dividend income on investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to Taipei Star Bank and the amount of income can be measured reliably.

s. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

t. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

u. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as a deduction from the carrying amount of the relevant assets and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

v. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

w. Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

x. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current tax and deferred tax for the period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

y. Treasury shares

When the Company acquires its outstanding shares that have not been disposed of or retired, treasury shares are stated at cost and shown as a deduction in stockholders' equity. When treasury shares are sold, if the selling price is above the carrying value, the differences should be credited to the capital surplus - treasury stock transactions. If the selling price is below the carrying value, the differences should first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings. The carrying value of treasury stock is calculated using the weighted-average approach in accordance with the purpose of the acquisition.

When the Company's treasury shares are retired, the treasury stock account should be credited, and the capital surplus - premium on stock and capital stock account should be debited proportionately according to the share ratio. The carrying value of treasury shares in excess of the sum of its par value and premium on stock should first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings. The sum of the par value and premium on treasury stock in excess of its carrying value should be credited to capital surplus from the same class of treasury stock transactions.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the international political and economic situation on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 1,162,004	\$ 1,205,569
Checking accounts and demand deposits	5,623,083	5,554,439
Cash equivalents (investments with original maturities not exceeding 3 months)		
Checks for clearance	301,705	284,382
Due from banks	537,182	883,367
Time deposits	2,292,396	2,541,521
Short-term notes	-	30,040
	<u>\$ 9,916,370</u>	<u>\$ 10,499,318</u>

The market rate intervals of bank deposits and short-term notes at the end of the reporting period were as follows:

	December 31	
	2024	2023
Bank deposits	0.002%-4.88%	0.001%-5.40%
Short-term notes	-	1.33%

7. DUE FROM CENTRAL BANK AND CALL LOANS TO BANKS

	December 31	
	2024	2023
Deposit reserve account A	\$ 1,176,974	\$ 1,595,127
Deposit reserve account B	2,665,544	2,278,021
Financial Information Service Center settlement account	<u>402,177</u>	<u>400,855</u>
	<u>\$ 4,244,695</u>	<u>\$ 4,274,003</u>

The deposit reserves are determined monthly at prescribed rates based on the average balances of customers' deposits. The deposit reserve account B is subject to withdrawal restrictions, but other accounts can be withdrawn anytime. Refer to Note 41 for information relating to deposit reserve account B pledged as security on December 31, 2024 and 2023.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Convertible bond assets swaps	\$ 599,115	\$ 725,240
Convertible bonds	5,688	4,640
Derivative financial assets (not under hedge accounting)		
Foreign exchange rate swaps contracts (a)	96	334
Foreign exchange contracts (b)	4,800	16,303
Non-derivative financial assets		
Domestic listed shares	51,348	52,417
Emerging market shares	52,818	50,409
Mutual funds	220,995	32,677
Domestic bonds	50,003	50,074
Overseas bonds	628,586	292,477
Short-term financial instruments	<u>199,814</u>	<u>249,749</u>
	<u>\$ 1,813,263</u>	<u>\$ 1,474,320</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Limited partnership funds	<u>\$ 52,409</u>	<u>\$ 63,724</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange rate swaps contracts (a)	1,129	-
Foreign exchange contracts (b)	<u>5,592</u>	<u>10,223</u>
	<u>\$ 6,721</u>	<u>\$ 10,223</u>

- a. At the end of the reporting period, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2024</u>			
Exchange rate swapes	JPY/NTD	2025.04.17-2025.11.17	JPY225,000/NTD48,716

December 31, 2023

Exchange rate swapes	JPY/NTD	2024.06.21-2024.08.20	JPY90,000/NTD19,464
----------------------	---------	-----------------------	---------------------

- b. At the end of the reporting period, outstanding foreign exchange contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2024</u>			
Buy	USD	2025.01.08-2025.02.19	\$ 5,883
	AUD	2025.02.18	2,000
	CNY	2025.01.10-2025.02.18	30,523
Sell	JPY	2025.01.18	477,483
	EUR	2025.02.19	700
	NZD	2025.02.18	400
	USD	2025.01.10-2025.02.18	19,449
	GBP	2025.02.19	500
	HKD	2025.02.19	10,094
	AUD	-	-

December 31, 2023

Buy	USD	2024.01.16-2024.02.23	16,285
	AUD	2024.02.21	2,000
	CNY	2024.01.16-2024.02.21	25,121
Sell	JPY	2024.01.16-2024.01.31	1,284,139
	EUR	2024.02.23	600
	NZD	2024.02.21	500
	USD	2024.01.16-2024.02.21	14,814
	GBP	2024.02.23	500
	HKD	2024.02.23	10,520
	AUD	2024.02.21	500

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
<u>Current</u>		
Investments in equity instruments at FVTOCI	\$ 1,265,436	\$ 1,264,833
Investments in debt instruments at FVTOCI	<u>5,928,978</u>	<u>3,230,384</u>
	<u>\$ 7,194,414</u>	<u>\$ 4,495,217</u>

Non-current

Investments in equity instruments at FVTOCI	<u>\$ 8,827,024</u>	<u>\$ 9,053,576</u>
---	---------------------	---------------------

a. Investments in equity instruments at FVTOCI

	December 31	
	2024	2023
<u>Current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 1,215,991	\$ 1,224,981
Unlisted shares	<u>49,445</u>	<u>39,852</u>
	<u>\$ 1,265,436</u>	<u>\$ 1,264,833</u>
<u>Non-current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 6,341,428	\$ 6,533,941
Unlisted shares	<u>2,423,893</u>	<u>2,441,134</u>
Foreign investments		
Unlisted shares	<u>61,703</u>	<u>78,501</u>
	<u>\$ 8,827,024</u>	<u>\$ 9,053,576</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes; refer to Table 14 for details of the investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

During 2024 and 2023, the Group sold its shares in domestic investments in order to manage credit concentration risk. The sold shares had fair values of \$1,017,301 thousand in 2024 and \$9,480 thousand in 2023, and the Group transferred gains of \$346,987 thousand and \$3,976 thousand, respectively, from other equity to retained earnings.

Refer to Note 41 for information relating to investments in equity instruments at FVTOCI pledged as security.

b. Investments in debt instruments at FVTOCI

	December 31	
	2024	2023
<u>Current</u>		
Domestic investments		
Government Bonds	\$ 1,684,011	\$ 995,450
Corporate bonds	2,663,580	2,142,493
Financial debentures	<u>1,581,387</u>	<u>92,441</u>
	<u>\$ 5,928,978</u>	<u>\$ 3,230,384</u>

1) During 2024 and 2023, the expected credit loss (gain) on debt instruments of \$608 thousand and \$804 thousand, respectively, were recognized as an impairment loss (reversal) after the Group evaluated expected credit loss on investments in debt instruments at FVTOCI.

2) Refer to Note 45 for information relating to their credit risk management and impairment.

10. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	<u>\$ 2,241,270</u>	<u>\$ 1,083,615</u>
<u>Non-current</u>		
Domestic investments		
Government bonds (b)	\$ 4,646,279	\$ 4,869,612
Corporate bonds (b)	4,690,788	6,143,234
Financial bonds (b)	2,374,288	2,474,946
Bills (b)	4,550,000	5,160,000
Others	<u>160,000</u>	<u>-</u>
	16,421,355	18,647,792
Less: Allowance for impairment loss	<u>(3,806)</u>	<u>(4,427)</u>
	<u>\$ 16,417,549</u>	<u>\$ 18,643,365</u>

a. The interest rates for time deposits with original maturities of more than 3 months were 0.68%-5.17% and 0.55%-5.42% as of December 31, 2024 and 2023, respectively.

b. The investments in debt instruments at amortized cost under repurchase agreements as of December 31, 2024 and 2023 amounted to \$1,162,248 thousand and \$3,326,615 thousand, respectively.

c. Refer to Note 41 for information relating to the investments in debt instruments at amortized cost under trust funds compensation provisions as of December 31, 2024 and 2023.

d. Refer to Note 41 for information relating to the investments in debt instruments at amortized cost used as interbank loan and overdraft pledged as security as of December 31, 2024 and 2023.

- e. During 2024 and 2023, the expected credit gain on debt instruments of \$670 thousand and \$240 thousand, respectively, was recognized after the Group evaluated expected credit loss on investments in debt instruments at amortized cost.
- f. Refer to Note 45 for information relating to their credit risk management and impairment assessment.
- g. Refer to Note 41 for information relating to investments in financial assets at amortized cost pledged as security.

11. BILLS AND BONDS PURCHASED UNDER RESALE AGREEMENTS

Bills and Bonds Purchased under Resale Agreements

	December 31	
	2024	2023
Notional amounts	\$ 3,344,600	\$ 2,296,769
Interest rate	1.64%	1.43%-1.45%
Agreed resale price	\$ 3,345,830	\$ 2,297,429

Bills and Bonds Issued under Redemption Agreements

	December 31	
	2024	2023
Notional amounts	\$ 1,120,618	\$ 3,315,758
Interest rate	1.63%-4.84%	1.23%-6.00%
Agreed redemption price	\$ 1,126,101	\$ 3,319,740

12. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 3,867,041	\$ 2,423,642
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 3,867,041</u>	<u>\$ 2,423,642</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 18,492,680	\$ 17,126,793
Less: Allowance for impairment loss	<u>(220,647)</u>	<u>(212,335)</u>
	<u>\$ 18,272,033</u>	<u>\$ 16,914,458</u>
<u>Other receivables</u>		
Others	<u>\$ 567,426</u>	<u>\$ 632,804</u>

a. Trade receivables

Credit periods are typically provided in the Group's sales agreements. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit limits and scores attributed to customers are reviewed regularly.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance for trade receivables based on the Group's credit classification matrix.

December 31, 2024

	Credit Classification - Type A	Credit Classification - Type B	Credit Classification - Type C	Credit Classification - Type D	Credit Classification - Type E	Total
Expected credit loss rate	0%-2%	4%	15%	50%	100%	
Gross carrying amount	\$ 2,230,026	\$ 918,576	\$ 3,059	\$ -	\$ -	\$ 3,151,661
Loss allowance (lifetime ECLs)	<u>(27,455)</u>	<u>(36,743)</u>	<u>(459)</u>	<u>-</u>	<u>-</u>	<u>(64,657)</u>
Amortized cost	<u>\$ 2,202,571</u>	<u>\$ 881,833</u>	<u>\$ 2,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,087,004</u>

December 31, 2023

	Credit Classification - Type A	Credit Classification - Type B	Credit Classification - Type C	Credit Classification - Type D	Credit Classification - Type E	Total
Expected credit loss rate	0%-2%	4%	15%	50%	100%	
Gross carrying amount	\$ 2,185,480	\$ 780,460	\$ 2,852	\$ -	\$ -	\$ 2,968,792
Loss allowance (lifetime ECLs)	<u>(37,337)</u>	<u>(31,218)</u>	<u>(428)</u>	<u>-</u>	<u>-</u>	<u>(68,983)</u>
Amortized cost	<u>\$ 2,148,143</u>	<u>\$ 749,242</u>	<u>\$ 2,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,899,809</u>

The aging of receivables was as follows:

	December 31	
	2024	2023
Not past due	\$ 2,043,420	\$ 2,435,654
Past due 1- 90 days	1,079,911	516,197
Past due 91-180 days	28,330	15,333
Past due 181-360 days	-	1,608
Past due over 360 days (Note)	<u>-</u>	<u>-</u>
	<u>\$ 3,151,661</u>	<u>\$ 2,968,792</u>

Note: The above aging schedule was based on the number of past due days from the end of the credit term.

The following table details the loss allowance of trade receivables based on the Group's aging provision matrix.

December 31, 2024

	Up to 60 Days	61 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%-100%	-	100%	
Gross carrying amount	\$ 6,392,162	\$ -	\$ 7,263	\$ 6,399,425
Loss allowance (lifetime ECLs)	<u>(19,817)</u>	<u>-</u>	<u>(7,263)</u>	<u>(27,080)</u>
Amortized cost	<u>\$ 6,372,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,372,345</u>

December 31, 2023

	Up to 60 Days	61 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%-100%	0%-100%	100%	
Gross carrying amount	\$ 5,862,925	\$ -	\$ 8,231	\$ 5,871,156
Loss allowance (lifetime ECLs)	<u>(26,781)</u>	<u>-</u>	<u>(8,231)</u>	<u>(35,012)</u>
Amortized cost	<u>\$ 5,836,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,836,144</u>

The following table details the loss allowance for current and non-current trade receivables based on the Group's provision matrix.

December 31, 2024

1) General case

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	Over 61 Days Past Due	Total
Expected credit loss rate	0%-1.0848%	0.52%-10.888%	0.97%-100%	100%	
Gross carrying amount	\$ 19,665,392	\$ 227,263	\$ 49,365	\$ 2,436	\$ 19,944,456
Loss allowance (lifetime ECLs)	<u>(159,367)</u>	<u>(1,487)</u>	<u>(2,199)</u>	<u>(2,436)</u>	<u>(165,489)</u>
Amortized cost	<u>\$ 19,506,025</u>	<u>\$ 225,776</u>	<u>\$ 47,166</u>	<u>\$ -</u>	<u>\$ 19,778,967</u>

2) Redemption case

	Not Past Due 1 Year	1 to 2 Years Past Due	2 to 3 Years Past Due	3 to 4 Years Past Due	4 to 5 Years Past Due	Total
Expected credit loss rate	0%-60.65%	56.33%-76.88%	73.06%-85.43%	83.77%-92.27%	100%	
Gross carrying amount	\$ 96,482	\$ 63,503	\$ 48,494	\$ 37,857	\$ 186,756	\$ 433,092
Loss allowance (lifetime ECLs)	<u>(54,852)</u>	<u>(46,722)</u>	<u>(40,695)</u>	<u>(34,942)</u>	<u>(186,756)</u>	<u>(363,967)</u>
Amortized cost	<u>\$ 41,630</u>	<u>\$ 16,781</u>	<u>\$ 7,799</u>	<u>\$ 2,915</u>	<u>\$ -</u>	<u>\$ 69,125</u>

December 31, 2023

1) General case

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	Over 61 Days Past Due	Total
Expected credit loss rate	0%-1.078%	0.61%-11.59%	2.51%-100%	100%	
Gross carrying amount	\$ 17,243,832	\$ 216,730	\$ 27,151	\$ 110	\$ 17,487,823
Loss allowance (lifetime ECLs)	<u>(148,564)</u>	<u>(1,631)</u>	<u>(1,683)</u>	<u>(110)</u>	<u>(151,988)</u>
Amortized cost	<u>\$ 17,095,268</u>	<u>\$ 215,099</u>	<u>\$ 25,468</u>	<u>\$ -</u>	<u>\$ 17,335,835</u>

2) Redemption case

	Not Past Due 1 Year	1 to 2 Years Past Due	2 to 3 Years Past Due	3 to 4 Years Past Due	4 to 5 Years Past Due	Total
Expected credit loss rate	0%-56.90%	53.86%-73.44%	70.86%-82.54%	82.49%-91.90%	100%	
Gross carrying amount	\$ 77,514	\$ 52,285	\$ 40,478	\$ 39,550	\$ 160,197	\$ 370,024
Loss allowance (lifetime ECLs)	<u>(42,060)</u>	<u>(37,175)</u>	<u>(33,393)</u>	<u>(36,286)</u>	<u>(160,197)</u>	<u>(309,111)</u>
Amortized cost	<u>\$ 35,454</u>	<u>\$ 15,110</u>	<u>\$ 7,085</u>	<u>\$ 3,264</u>	<u>\$ -</u>	<u>\$ 60,913</u>

The movements of the loss allowance of current and non-current trade receivables were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 565,095	\$ 519,423
Add: Net remeasurement of loss allowance	55,649	50,160
Less: Amounts written off	(554)	(4,666)
Foreign exchange differences	<u>1,003</u>	<u>178</u>
Balance at December 31	<u>\$ 621,193</u>	<u>\$ 565,095</u>

13. INVENTORIES

	December 31	
	2024	2023
Finished goods	\$ 3,547,605	\$ 3,122,113
Work in progress	431,958	564,772
Raw materials	1,947,656	1,622,216
Semi-finished goods	12,882	223,301
Inventory in transit	22,865	9,388
Construction in progress	<u>580,242</u>	<u>492,248</u>
	<u>\$ 6,543,208</u>	<u>\$ 6,034,038</u>

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 were \$34,508,039 thousand and \$31,905,462 thousand, respectively, and the costs of goods sold included inventory write-downs of \$5,342 thousand and \$154,412 thousand, respectively.

14. DISCOUNTS AND LOANS

	December 31	
	2024	2023
Short-term secured overdrafts	\$ 7,303	\$ 2,029,501
Short-term loans	667,670	574,438
Short-term secured loans	5,320,576	2,651,915
Medium-term loans	2,298,478	2,125,533
Medium-term secured loans	37,378,472	35,386,993
Long-term loans	29,415	30,034
Long-term secured loans	12,148,379	12,671,406
Nonperforming loans	<u>44,727</u>	<u>39,335</u>
	57,895,020	55,509,155
Add: Discount adjustment	(27,697)	(21,642)
Less: Allowance for impairment loss	<u>(697,951)</u>	<u>(628,881)</u>
	<u>\$ 57,169,372</u>	<u>\$ 54,858,632</u>

- The nonperforming loans of Taipei Star Bank in the amounts of \$44,727 thousand and \$39,335 thousand as of December 31, 2024 and 2023, respectively, were no longer generating interest revenue.
- All unpaid credit extensions of Taipei Star Bank had been repaid as of December 31, 2024 and 2023.
- The movements of the loss allowance of loans for the years ended December 31, 2024 and 2023 were as follows:

In 2024

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment Loss Recognized under IFRSs 9	Difference of Impairment Loss Recognized	Total
Balance at January 1, 2024	\$ 36,312	\$ 4,821	\$ 9,885	\$ 51,018	\$ 577,863	\$ 628,881
Changes in financial instruments recognized at the beginning of the current year						
Transferred to						
Lifetime ECLs	(13)	63	(147)	(97)	-	(97)
Credit-impaired financial assets	(14)	(20)	13,463	13,429	-	13,429
12-month ECLs	100	(319)	-	(219)	-	(219)
Derecognition of financial assets in the current year	(17,647)	(1,067)	(4,517)	(23,231)	-	(23,231)
New financial assets purchased or originated	15,805	375	3,658	19,838	-	19,838
Difference of impairment loss recognized under regulations	-	-	-	-	65,001	65,001
Write-offs	-	-	(1,538)	(1,538)	-	(1,538)
Recovery of written-off receivables	-	-	6,382	6,382	-	6,382
Change in exchange rates or others	<u>(3,502)</u>	<u>(2,060)</u>	<u>(4,933)</u>	<u>(10,495)</u>	<u>-</u>	<u>(10,495)</u>
Balance at December 31, 2024	<u>\$ 31,041</u>	<u>\$ 1,793</u>	<u>\$ 22,253</u>	<u>\$ 55,087</u>	<u>\$ 642,864</u>	<u>\$ 697,951</u>

In 2023

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Non- purchased or Originated Credit- impaired Financial Assets)	Impairment Loss Recognized under IFRSs 9	Difference of Impairment Loss Recognized	Total
Balance at January 1, 2023	\$ 41,715	\$ 5,932	\$ 16,699	\$ 64,346	\$ 600,065	\$ 664,411
Changes in financial instruments recognized at the beginning of the current year						
Transferred to						
Lifetime ECLs	(547)	561	-	14	-	14
Credit-impaired financial assets	(11)	(19)	2,564	2,534	-	2,534
12-month ECLs	12	(33)	(389)	(410)	-	(410)
Derecognition of financial assets in the current year	(26,233)	(86)	(8,812)	(35,131)	-	(35,131)
New financial assets purchased or originated	24,087	924	4	25,015	-	25,015
Difference of impairment loss recognized under regulations	-	-	-	-	(22,202)	(22,202)
Write-offs	-	-	(335)	(335)	-	(335)
Recovery of written-off receivables	-	-	8,139	8,139	-	8,139
Change in exchange rates or others	(2,711)	(2,458)	(7,985)	(13,154)	-	(13,154)
Balance at December 31, 2023	<u>\$ 36,312</u>	<u>\$ 4,821</u>	<u>\$ 9,885</u>	<u>\$ 51,018</u>	<u>\$ 577,863</u>	<u>\$ 628,881</u>

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2024	2023	
Shinkong Synthetic Fibers Corporation (SSF)	Pan Asian Plastics Corp. (PAP)	Manufacturing and sale of polyester pellets and polyester preforms	100.00	100.00	
SSF	Hsingshing Investment Co., Ltd. (HSI)	Investment in and construction of business and public housing	100.00	100.00	
SSF	Shinkong Engineering Co., Ltd. (SKE)	Contracting for various projects such as air pollution prevention, piping engineering and machine installation	100.00	100.00	
SSF and PAP	Shinpont Industry Inc. (SPI)	Manufacturing of synthetic fibers, wholesale and retail sale of textiles	50.00	50.00	2)
SSF	Shin Chiun Industrial Co., Ltd. (SEC)	Investment and others	100.00	100.00	
SSF	Maxima Pacific Ltd. (MPL)	Investment	100.00	100.00	
SSF	SSFC Investment Ltd. (SSFC)	Investment	100.00	100.00	
SSF, SKE and SEC	UBright Optronics Corp. (UBO)	Precision chemical materials and mold manufacturing wholesale, etc.	49.06	59.64	2) and 9)
SSF	Shinkong Polyester Film Corp., Ltd. (SPF)	Electronic parts and components manufacturing	100.00	100.00	
SSF	Shinkong International Securities Co., Ltd. (SKIS)	Consignment trading of securities and futures	77.32	77.73	10)
SSF	Pan Asian Plastics Industry Corp. (PAPI)	Precision chemical materials and electronic parts and components manufacturing	100.00	100.00	
SSF and SEC	Tac Bright Optronics Corp. (TBO)	Precision chemical materials - synthetic resin and plastic manufacturing	59.06	59.06	2)
SSF	Taipei Star Bank	Commercial bank	27.07	27.07	2)
SSF	Hsinshin Asset Management Co., Ltd. (HAM)	Housing and building development for sale and rental	100.00	100.00	
SSF	Shin Kong International Leasing Corp. (SKIL)	Leasing	100.00	100.00	
SSF	Shin Kong Technologies Corporation (SKT)	Electronic Information Software Business	100.00	100.00	
SSF and Far Trust	OTOBUY Co., Ltd. (OTOBUY)	Other machinery equipment manufacturing	100.00	100.00	1)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2024	2023	
SSF	Shin Kong Applied Materials Co., Ltd. (SKAM)	Other chemical materials manufacturing	73.33	73.33	1)
SSF	Shinkong Fintech Co., Ltd. (SKF)	Information software service	100.00	100.00	
SSF and SKIL	Far Trust International Finance Co., Ltd. (Far Trust)	Overdue receivables management service	51.03	51.03	2)
SSF	Shinkong Youth Co., Ltd. (SKY)	Manufacture and sale of chemical fiber and plastic related products	100.00	100.00	
SSF	SHINKONG VIETNAM LLC (SKV)	Manufacture and sale of chemical fiber related products	-	100.00	6)
SSF	Thai Shinkong Industry Corporation Ltd. (TSI)	Manufacturing and sales of plastic, polyester film, and PET	62.04	62.04	2)
SSF	Chi Teng Construction Co., Ltd. (CTC)	Residence and building development activities and renting and leasing of real estate	100.00	100.00	4)
SSF	Shinkong Vietnam Enterprise Company Limited (SKVE)	Wholesale Trade	100.00	100.00	5)
SSFC	Dayspring Ltd. (Dayspring)	Investment	-	100.00	7)
SSFC	Shinkong Applied Materials (Jiangsu) Company Limited (SKJS)	Sale of synthetic materials, fibers and manufacturing of plastic product	100.00	100.00	
TBO	Maxpro Ltd. (MPO)	Investment	100.00	100.00	
MPO	Lofo Holding GmbH (LFHO)	Investment	100.00	100.00	
SSF	Chi Jian Human-Resource & Management Co., Ltd. (CJH)	Human resources management consulting	100.00	100.00	1)
SKIS	Shin Kong Investment Consultant Co., Ltd. (SKIC)	Securities investment consulting	100.00	100.00	
SKIS	Shin Kong Insurance Agent Co., Ltd. (SKIA)	Life insurance agent	100.00	100.00	
SKIS	Shin Kong Property Insurance Agency Co., Ltd. (SKPIA)	Property insurance agent	100.00	100.00	
PAP	Hsin Lung Chemical Co., Ltd. (HLC)	Manufacturing of magnetic tapes for recording and video disks and polyester film	93.80	93.80	
SEC	Intelligent Medical Big Data Co., Ltd. (IMBD)	Consulting, biotechnology research and development services	83.33	83.33	
SKT	Shin Kong Innovations Co., Ltd. (SKIN)	Electronic Information Software Business	66.67	66.67	1)
Far Trust	Far Trust International Leasing Co., Ltd. (Far Trust Leasing)	Overdue receivables management service	100.00	100.00	
Far Trust	Far Trust Car Rental Co., Ltd. (Far Trust Car Rental)	Car Rental	100.00	100.00	
SKIL	Shinkong Power Service Corporation (SKPS)	Solar industry business	100.00	85.00	11)
SKIL	Jin Liang Power Service Co., Ltd. (JLP)	Solar industry business	89.63	89.63	
SKIL	Shinkong Energy Service Corporation (SKES)	Solar industry business	100.00	100.00	
SKES	Co-creation Ingenuity Renewable Corp. (CRI)	Solar industry business	100.00	100.00	3)
SKES	You-Ji Renewable Corp. (You-Ji)	Solar industry business	100.00	100.00	8)
UBO	Rise Concept Enterprises Limited (RCE)	Sale of Brightness Enhancement Film	100.00	100.00	
RCE	Suzhou Ubright Optronics (SUBO)	Brightness Enhancement Film Cutting	100.00	100.00	

(Concluded)

Remarks:

- 1) It is an immaterial subsidiary; its financial statements have not been audited. Management believes there would have been no material impact had the financial statements been audited.
- 2) It is a subsidiary that has material non-controlling interests.
- 3) In June 2023, Shin Kong International Leasing Crop. wholly acquired the equity shares of Co-creation Ingenuity Renewable Corp. in cash. Refer to Note 36 for information relating to business combinations.
- 4) In July 2023, Chi Teng Construction Co., Ltd. was established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.
- 5) In October 2023, Shinkong Vietnam Enterprise Company Limited was established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.

- 6) SHINKONG VIETNAM LLC completed its liquidation procedures in February 2024.
- 7) DAYSPRING Ltd completed its liquidation procedures in July 2024.
- 8) In August 2024, Shinkong Energy Service Corporation wholly acquired the equity shares of You-Ji Renewable Corp. in cash. Refer to Note 36 for information on business combinations.
- 9) In 2024, the Group disposed of partial interests in UBright Optronics Corp., and its shareholding percentage decreased from 59.64% to 49.06%. Refer to Note 37 for information on equity transactions with non-controlling interests.
- 10) In 2024, Shinkong Synthetic Fibers Corporation (SSFC) did not subscribe for shares issued for a capital increase by Shinkong International Securities Co., Ltd. in proportion to its shareholding. As a result, its shareholding percentage decreased from 77.73% to 77.32%. Refer to Note 37 for information on equity transactions with non-controlling interests.
- 11) In September 2024, Shin Kong International Leasing Corp. acquired partial interests in Shinkong Power Service Corporation. As a result, its shareholding percentage increased from 85% to 100%. Refer to Note 37 for information on equity transactions with non-controlling interests.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2024	2023
Shinpont Industry Inc. (SPI)	50.00%	50.00%
UBright Optronics Corp. (UBO)	50.94%	40.36%
Tac Bright Optronics Corp. (TBO)	40.94%	40.94%
Taipei Star Bank	72.93%	72.93%
Thai Shinkong Industry Corporation Ltd. (TSI)	37.96%	37.96%
Far Trust International Finance Co., Ltd. (Far Trust)	48.97%	48.97%

See Table 6 for information on places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2024	2023	2024	2023
Tac Bright Optronics Corp. (TBO)	\$ (37,765)	\$ (81,225)	\$ 914,481	\$ 952,232
UBright Optronics Corp. (UBO)	248,421	136,537	1,922,453	1,388,076
Shinpont Industry Inc. (SPI)	141,524	93,550	567,901	510,572
Taipei Star Bank	183,275	82,513	4,325,877	4,215,478
Thai Shinkong Industry Corporation Ltd. (TSI)	(161,282)	(88,371)	1,415,628	1,484,674
Far Trust International Finance Co., Ltd. (Far Trust)	33,792	32,166	638,627	624,136
Others	<u>308,689</u>	<u>229,994</u>	<u>1,757,503</u>	<u>1,318,828</u>
	<u>\$ 716,654</u>	<u>\$ 405,164</u>	<u>\$ 11,542,470</u>	<u>\$ 10,493,996</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

TBO and TBO's subsidiaries

	December 31	
	2024	2023
Current assets	\$ 659,327	\$ 634,863
Non-current assets	2,697,627	3,006,101
Current liabilities	(816,637)	(788,278)
Non-current liabilities	<u>(389,736)</u>	<u>(609,894)</u>
Equity	<u>\$ 2,150,581</u>	<u>\$ 2,242,792</u>
Equity attributable to:		
Owners	\$ 1,236,100	\$ 1,290,560
Non-controlling interests	<u>914,481</u>	<u>952,232</u>
	<u>\$ 2,150,581</u>	<u>\$ 2,242,792</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 1,296,768</u>	<u>\$ 1,174,256</u>
Loss for the year	\$ (92,246)	\$ (198,401)
Other comprehensive income for the year	<u>35</u>	<u>13</u>
Total comprehensive loss for the year	<u>\$ (92,211)</u>	<u>\$ (198,388)</u>
Loss attributable to:		
Owners	\$ (54,481)	\$ (117,176)
Non-controlling interests	<u>(37,765)</u>	<u>(81,225)</u>
	<u>\$ (92,246)</u>	<u>\$ (198,401)</u>
Total comprehensive loss attributable to:		
Owners	\$ (54,460)	\$ (117,169)
Non-controlling interests	<u>(37,751)</u>	<u>(81,219)</u>
	<u>\$ (92,211)</u>	<u>\$ (198,388)</u>
Net cash (outflow) inflow from:		
Operating activities	\$ 243,543	\$ 368,507
Investing activities	(75,745)	(89,278)
Financing activities	<u>(211,667)</u>	<u>(221,859)</u>
Net cash (outflow) inflow	<u>\$ (43,869)</u>	<u>\$ 57,370</u>

UBO and UBO's subsidiaries

	December 31	
	2024	2023
Current assets	\$ 3,920,192	\$ 3,464,612
Non-current assets	901,037	884,009
Current liabilities	(817,357)	(673,943)
Non-current liabilities	<u>(287,524)</u>	<u>(300,505)</u>
Equity	<u>\$ 3,716,348</u>	<u>\$ 3,374,173</u>
Equity attributable to:		
Owners	\$ 1,793,895	\$ 1,986,097
Non-controlling interests	<u>1,922,453</u>	<u>1,388,076</u>
	<u>\$ 3,716,348</u>	<u>\$ 3,374,173</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 2,936,777</u>	<u>\$ 2,498,270</u>
Profit for the year	\$ 575,589	\$ 339,544
Other comprehensive loss for the year	<u>(12,599)</u>	<u>(45,441)</u>
Total comprehensive income for the year	<u>\$ 562,990</u>	<u>\$ 294,103</u>
Profit attributable to:		
Owners	\$ 327,168	\$ 203,007
Non-controlling interests	<u>248,421</u>	<u>136,537</u>
	<u>\$ 575,589</u>	<u>\$ 339,544</u>
Total comprehensive income attributable to:		
Owners	\$ 320,896	\$ 175,898
Non-controlling interests	<u>242,094</u>	<u>118,205</u>
	<u>\$ 562,990</u>	<u>\$ 294,103</u>
Net cash outflow from:		
Operating activities	\$ 640,413	\$ 472,358
Investing activities	(546,576)	(387,848)
Financing activities	<u>(250,176)</u>	<u>(240,446)</u>
Net cash outflow	<u>\$ (156,339)</u>	<u>\$ (155,936)</u>

SPI

	December 31	
	2024	2023
Current assets	\$ 1,102,070	\$ 993,947
Non-current assets	171,603	227,531
Current liabilities	(109,184)	(154,775)
Non-current liabilities	<u>(28,687)</u>	<u>(45,559)</u>
Equity	<u>\$ 1,135,802</u>	<u>\$ 1,021,144</u>
Equity attributable to:		
Owners	\$ 567,901	\$ 510,572
Non-controlling interests	<u>567,901</u>	<u>510,572</u>
	<u>\$ 1,135,802</u>	<u>\$ 1,021,144</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 1,110,477</u>	<u>\$ 986,159</u>
Profit for the year	\$ 283,048	\$ 187,100
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 283,048</u>	<u>\$ 187,100</u>
Profit attributable to:		
Owners	\$ 141,524	\$ 93,550
Non-controlling interests	<u>141,524</u>	<u>93,550</u>
	<u>\$ 283,048</u>	<u>\$ 187,100</u>
Total comprehensive income attributable to:		
Owners	\$ 141,524	\$ 93,550
Non-controlling interests	<u>141,524</u>	<u>93,550</u>
	<u>\$ 283,048</u>	<u>\$ 187,100</u>
Net cash inflow from:		
Operating activities	\$ 404,065	\$ 257,837
Investing activities	1,171	37,128
Financing activities	<u>(241,071)</u>	<u>(194,689)</u>
Net cash inflow	<u>\$ 164,165</u>	<u>\$ 100,276</u>

Taipei Star Bank

	December 31	
	2024	2023
Current assets	\$ 90,637,781	\$ 87,484,143
Non-current assets	1,971,033	2,101,114
Current liabilities	(85,172,308)	(81,929,315)
Non-current liabilities	<u>(1,499,550)</u>	<u>(1,870,358)</u>
Equity	<u>\$ 5,936,956</u>	<u>\$ 5,785,584</u>
Equity attributable to:		
Owners	\$ 1,611,079	\$ 1,570,106
Non-controlling interests	<u>4,325,877</u>	<u>4,215,478</u>
	<u>\$ 5,936,956</u>	<u>\$ 5,785,584</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 2,118,269</u>	<u>\$ 1,878,360</u>
Profit for the year	\$ 251,292	\$ 113,134
Other comprehensive (loss) income for the year	<u>(20,777)</u>	<u>94,932</u>
Total comprehensive income for the year	<u>\$ 230,515</u>	<u>\$ 208,066</u>
Profit attributable to:		
Owners	\$ 68,107	\$ 30,621
Non-controlling interests	<u>183,275</u>	<u>82,513</u>
	<u>\$ 251,292</u>	<u>\$ 113,134</u>
Total comprehensive income attributable to:		
Owners	\$ 68,903	\$ 56,315
Non-controlling interests	<u>161,612</u>	<u>151,751</u>
	<u>\$ 230,515</u>	<u>\$ 208,066</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 489,821	\$ 1,680,581
Investing activities	68,934	(1,119,601)
Financing activities	<u>(300,619)</u>	<u>(683,034)</u>
Net cash inflow (outflow)	<u>\$ 258,136</u>	<u>\$ (122,054)</u>

TSI

	December 31	
	2024	2023
Current assets	\$ 2,195,023	\$ 2,574,622
Non-current assets	4,185,042	3,978,029
Current liabilities	(1,833,545)	(1,960,886)
Non-current liabilities	<u>(817,259)</u>	<u>(680,612)</u>
Equity	<u>\$ 3,729,261</u>	<u>\$ 3,911,153</u>
Equity attributable to:		
Owners	\$ 2,313,633	\$ 2,426,479
Non-controlling interests	<u>1,415,628</u>	<u>1,484,674</u>
	<u>\$ 3,729,261</u>	<u>\$ 3,911,153</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 8,816,445</u>	<u>\$ 6,906,193</u>
Loss for the year	\$ (424,874)	\$ (232,799)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$ (424,874)</u>	<u>\$ (232,799)</u>
Loss attributable to:		
Owners	\$ (263,592)	\$ (144,428)
Non-controlling interests	<u>(161,282)</u>	<u>(88,371)</u>
	<u>\$ (424,874)</u>	<u>\$ (232,799)</u>
Total comprehensive loss attributable to:		
Owners	\$ (263,592)	\$ (144,428)
Non-controlling interests	<u>(161,282)</u>	<u>(88,371)</u>
	<u>\$ (424,874)</u>	<u>\$ (232,799)</u>
Net cash outflow from:		
Operating activities	\$ (25,706)	\$ 71,912
Investing activities	(252,546)	(1,383,004)
Financing activities	<u>62,018</u>	<u>1,025,327</u>
Net cash outflow	<u>\$ (216,234)</u>	<u>\$ (285,765)</u>

Far Trust and Far Trust's subsidiaries

	December 31	
	2024	2023
Current assets	\$ 8,876,095	\$ 7,945,557
Non-current assets	4,962,185	4,851,791
Current liabilities	(7,629,011)	(7,013,605)
Non-current liabilities	<u>(4,909,832)</u>	<u>(4,513,894)</u>
Equity	<u>\$ 1,299,437</u>	<u>\$ 1,269,849</u>
Equity attributable to:		
Owners	\$ 660,810	\$ 645,713
Non-controlling interests	<u>638,627</u>	<u>624,136</u>
	<u>\$ 1,299,437</u>	<u>\$ 1,269,849</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 694,419</u>	<u>\$ 629,971</u>
Profit for the year	\$ 69,000	\$ 65,681
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 69,000</u>	<u>\$ 65,681</u>
Profit attributable to:		
Owners	\$ 35,208	\$ 33,515
Non-controlling interests	<u>33,792</u>	<u>32,166</u>
	<u>\$ 69,000</u>	<u>\$ 65,681</u>
Total comprehensive income attributable to:		
Owners	\$ 35,208	\$ 33,515
Non-controlling interests	<u>33,792</u>	<u>32,166</u>
	<u>\$ 69,000</u>	<u>\$ 65,681</u>
Net cash outflow from:		
Operating activities	\$ (579,232)	\$ (376,428)
Investing activities	(270,672)	323,941
Financing activities	<u>866,860</u>	<u>(15,002)</u>
Net cash outflow	<u>\$ (16,956)</u>	<u>\$ (67,489)</u>

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

Name of Associate	December 31	
	2024	2023
Unlisted companies		
Tai Jin Investment Co., Ltd.	\$ 7,579	\$ 7,183
Tai Shin Leasing & Financial Co., Ltd.	1,736,877	1,708,426
Da Chun Universe Investment Co., Ltd.	4,917	4,754
Topbottle Resources Technology Corporation	18,466	17,583
Ecofun Lab Corporation	5,690	8,897
Shinsol Advanced Chemical Corporation	<u>292,865</u>	<u>332,656</u>
	<u>\$ 2,066,394</u>	<u>\$ 2,079,499</u>

At the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	December 31	
	2024	2023
Tai Jin Investment Co., Ltd.	48.57%	48.57%
Tai Shin Leasing & Financial Co., Ltd.	30.00%	30.00%
Da Chun Universe Investment Co., Ltd.	45.00%	45.00%
Topbottle Resources Technology Corporation	20.00%	20.00%
Ecofun Lab Corporation	33.33%	33.33%
Shinsol Advanced Chemical Corporation *	43.63%	43.63%

Remarks:

- * In April 2023, Shinkong Synthetic Fibers Corporation subscribed additional new ordinary shares of Shinsol Advanced Chemical Corporation for \$128,588 thousand at a percentage different from its existing ownership percentage, decreasing its continuing interest from 49.00% to 43.63%.

Refer to Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

Summarized financial information on respect of the Group’s associates is set out below:

	For the Year Ended December 31	
	2024	2023
The Group’s share of:		
Profit for the year	\$ 6,382	\$ 6,417
Other comprehensive (loss) gain	<u>(22,491)</u>	<u>503,368</u>
Total comprehensive (loss) income for the year	<u>\$ (16,109)</u>	<u>\$ 509,785</u>

In 2024 and 2023, the Group’s associates disposed of their shares in equity instruments at FVTOCI, and the Group’s shares of unrealized gain of \$184 thousand and \$481 thousand, respectively, were transferred from other equity to retained earnings.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of part investments were calculated based on the financial statements which have not been audited. Management believes there will be no material impact on the equity-method accounting or the calculation of the share of profit or loss and other comprehensive income even if the financial statements were to be audited.

17. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2024	2023
Assets used by the Group	\$ 21,808,836	\$ 22,222,206
Assets leased under operating leases	<u>31,816</u>	<u>38,338</u>
	<u>\$ 21,840,652</u>	<u>\$ 22,260,544</u>

a. Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Construction in Progress and Equipment to be Inspected	Transportation Equipment	Other Equipment	Office Equipment	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 8,060,509	\$ 10,363,931	\$ 34,853,726	\$ 848,504	\$ 268,826	\$ 494,231	\$ 303,291	\$ 55,193,018
Acquisition through business combination	-	-	8,054	-	-	-	-	8,054
Additions	3,144	26,651	256,173	1,410,829	3,865	4,634	39,390	1,744,686
Disposals	-	-	(56,344)	-	(4,453)	(120)	(16,770)	(77,687)
Effect of foreign currency exchange differences	-	157,659	231,237	-	1,374	6,251	3,768	400,289
Transfers from assets leased under operating leases	-	-	-	-	1,254	-	-	1,254
Transfers from investment properties	207	84	-	-	-	-	-	291
Reclassified	<u>17,258</u>	<u>39,206</u>	<u>1,247,375</u>	<u>(1,236,851)</u>	<u>1,315</u>	<u>22,559</u>	<u>508</u>	<u>91,370</u>
Balance at December 31, 2024	<u>\$ 8,081,118</u>	<u>\$ 10,587,531</u>	<u>\$ 36,540,221</u>	<u>\$ 1,022,482</u>	<u>\$ 272,181</u>	<u>\$ 527,555</u>	<u>\$ 330,187</u>	<u>\$ 57,361,275</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 5,584,110	\$ 26,634,287	\$ -	\$ 206,990	\$ 337,391	\$ 208,034	\$ 32,970,812
Disposals	-	-	(55,143)	-	(3,818)	(120)	(16,770)	(75,851)
Impairment losses	-	3,295	554,366	-	734	118,131	75	676,601
Depreciation expenses	-	304,543	1,429,008	-	22,581	20,418	35,061	1,811,611
Transfers from assets leased under operating leases	-	-	-	-	1,048	-	-	1,048
Transfers from investment properties	-	21	-	-	-	-	-	21
Effect of foreign currency exchange differences	-	29,569	128,863	-	974	6,228	2,563	168,197
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 5,921,538</u>	<u>\$ 28,691,381</u>	<u>\$ -</u>	<u>\$ 228,509</u>	<u>\$ 482,048</u>	<u>\$ 228,963</u>	<u>\$ 35,552,439</u>
Carrying amounts at December 31, 2024	<u>\$ 8,081,118</u>	<u>\$ 4,665,993</u>	<u>\$ 7,848,840</u>	<u>\$ 1,022,482</u>	<u>\$ 43,672</u>	<u>\$ 45,507</u>	<u>\$ 101,224</u>	<u>\$ 21,808,836</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 7,948,093	\$ 8,253,281	\$ 33,496,824	\$ 994,767	\$ 253,067	\$ 483,922	\$ 267,848	\$ 51,697,802
Acquisition through business combination	-	-	-	141,845	-	-	-	141,845
Additions	112,757	13,690	334,170	2,991,494	7,370	2,540	33,113	3,495,134
Disposals	-	(3,912)	(157,059)	(1,337)	(2,862)	(419)	(1,238)	(166,827)
Effect of foreign currency exchange differences	-	5,367	22,290	3,659	85	783	365	32,549
Reclassified	<u>(341)</u>	<u>2,095,505</u>	<u>1,157,501</u>	<u>(3,281,924)</u>	<u>11,166</u>	<u>7,405</u>	<u>3,203</u>	<u>(7,485)</u>
Balance at December 31, 2023	<u>\$ 8,060,509</u>	<u>\$ 10,363,931</u>	<u>\$ 34,853,726</u>	<u>\$ 848,504</u>	<u>\$ 268,826</u>	<u>\$ 494,231</u>	<u>\$ 303,291</u>	<u>\$ 55,193,018</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 5,300,364	\$ 25,389,870	\$ -	\$ 182,636	\$ 313,098	\$ 172,928	\$ 31,358,896
Disposals	-	(2,220)	(157,533)	-	(2,127)	(417)	(1,238)	(163,535)
Impairment losses	-	3,295	4,234	-	-	-	-	7,529
Depreciation expenses	-	284,971	1,383,747	-	26,411	23,966	36,996	1,756,091
Effect of foreign currency exchange differences	-	2,687	13,969	-	70	744	259	17,729
Reclassified	<u>-</u>	<u>(4,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(911)</u>	<u>(5,898)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 5,584,110</u>	<u>\$ 26,634,287</u>	<u>\$ -</u>	<u>\$ 206,990</u>	<u>\$ 337,391</u>	<u>\$ 208,034</u>	<u>\$ 32,970,812</u>
Carrying amounts at December 31, 2023	<u>\$ 8,060,509</u>	<u>\$ 4,779,821</u>	<u>\$ 8,219,439</u>	<u>\$ 848,504</u>	<u>\$ 61,836</u>	<u>\$ 156,840</u>	<u>\$ 95,257</u>	<u>\$ 22,222,206</u>

- 1) The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	3-55 years
Machinery equipment	2-20 years
Transportation equipment	2-7 years
Office equipment	3-18 years
Other equipment	3-15 years

- 2) Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 41.
 - 3) The Group carried out a review of the recoverable amount of related equipment and determined that the carrying amount exceeded the recoverable amount, and that the future expected recoverable amount of buildings was above the carrying value. The review led to the recognition of an impairment of \$676,601 thousand for the year ended December 31, 2024. The Group determined the recoverable amount of the relevant assets on the basis of their value in use. The discount rate used in measuring the value in use was 9.735%.
- b. Assets leased under operating leases

	Transportation Equipment
<u>Cost</u>	
Balance at January 1, 2024	\$ 74,071
Additions	17,461
Disposals	(20,692)
Transfers to assets used by the Group	<u>(1,254)</u>
Balance at December 31, 2024	<u>\$ 69,586</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 35,733
Depreciation expenses	14,814
Disposals	(11,729)
Transfers to assets used by the Group	<u>(1,048)</u>
Balance at December 31, 2024	<u>\$ 37,770</u>
Carrying amounts at December 31, 2024	<u>\$ 31,816</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 67,700
Additions	34,867
Disposals	<u>(28,496)</u>
Balance at December 31, 2023	<u>\$ 74,071</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 32,603
Disposals	(12,757)
Depreciation expenses	<u>15,887</u>
Balance at December 31, 2023	<u>\$ 35,733</u>
Carrying amounts at December 31, 2023	<u>\$ 38,338</u>

- 1) Operating leases relate to leases of transportation equipment with lease terms between 1 and 3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

- 2) Depreciation expenses are depreciated on a straight-line basis over their estimated useful lives as follows:

Transportation equipment	1-8 years
--------------------------	-----------

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Land	\$ 3,055,711	\$ 3,024,896
Buildings	404,436	406,233
Machinery	166,286	128,734
Transportation equipment	1,226	1,921
Office equipment	<u>5,855</u>	<u>6,832</u>
	<u>\$ 3,633,514</u>	<u>\$ 3,568,616</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets		
Additions	\$ 175,556	\$ 106,085
Acquisition through business combination	<u>-</u>	<u>44</u>
	<u>\$ 175,556</u>	<u>\$ 106,129</u>
Depreciation charge for right-of-use assets		
Land	\$ 103,157	\$ 97,447
Buildings	97,167	81,237
Machinery	12,768	10,831
Transportation equipment	694	596
Office equipment	<u>2,874</u>	<u>3,146</u>
	<u>\$ 216,660</u>	<u>\$ 193,257</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Current	<u>\$ 470,452</u>	<u>\$ 434,592</u>
Non-current	<u>\$ 1,838,445</u>	<u>\$ 1,762,042</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	0.70%-2.80%	0.70%-2.80%
Buildings	0.70%-4.35%	0.70%-2.80%
Machinery	0.70%-2.80%	0.70%-2.80%
Transportation equipment	1%	0.70%-4.00%
Office equipment	0.70%-2.50%	0.70%-2.80%

c. Material lease activities and terms (the Group is lessee)

The Group leases certain machinery and equipment for the use of operating activities with lease terms of 2 to 6 years.

The Group also leases land and buildings for the use of plants and offices with lease terms of 2 to 70 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

In the first quarter of 2014, the Group signed the contract of setting national non-public use land superficiesies with the Northern Region Branch, National Property Administration, MOF and obtained the superficiesies and also paid the royalty of \$1,234,568 thousand. The duration of the superficiesies is 70 years, and during this time, the Group could construct buildings on the land under the terms of the contract.

The Group leased industrial land from the Industrial Development Bureau of the Ministry of Economic Affairs on May 10, 2007, measuring 52,033 square meters in total. The rental amount is calculated on the basis of the annual rental ratio of the market price of each square meter at the time the Group contracted with the local government, adjusted for any changes in the announced land values and share of the construction cost of public facilities associated with the leased land.

In 2022, the Group signed a contract with the Department of Economic Development, Taoyuan for the development of the Youth Entrepreneurship Village and Intelligent Manufacturing Park, and obtained the superficiesies and also paid the royalty of \$950,000 thousand. The duration of the superficiesies is 50 years, and during this time, the Group could construct buildings on the land under the terms of the contract.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 22,679	\$ 48,217
Expenses relating to low-value asset leases	\$ 9,640	\$ 7,863
Total cash outflow for leases	\$ (244,552)	\$ (256,188)

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption; thus, it did not recognize right-of-use assets and lease liabilities for these leases.

19. INVESTMENT PROPERTIES

	Completed Investment Properties
<u>Cost</u>	
Balance at January 1, 2024	\$ 2,630,430
Additions	38,160
Disposals	(82,826)
Transfers to property, plant and equipment	<u>(291)</u>
Balance at December 31, 2024	<u>\$ 2,585,473</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ (261,479)
Depreciation expenses	(22,782)
Disposals	6,390
Transfers to property, plant and equipment	<u>21</u>
Balance at December 31, 2024	<u>\$ (277,850)</u>
Carrying amounts at December 31, 2024	<u>\$ 2,307,623</u>
<u>Cost</u>	
Balance at January 1, 2023	<u>\$ 2,630,430</u>
Balance at December 31, 2023	<u>\$ 2,630,430</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ (239,632)
Depreciation expenses	<u>(21,847)</u>
Balance at December 31, 2023	<u>\$ (261,479)</u>
Carrying amounts at December 31, 2023	<u>\$ 2,368,951</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives of 30 to 50 years.

For the year ended December 31, 2024, the Group sold some investment properties for \$232,712 thousand. The carrying amount of that investment property at the time of sale was \$76,436 thousand. The disposal gain of \$156,276 thousand and land value increment tax of \$3,682 thousand were recognized (under income tax expenses).

The fair values of the Group's investment properties as of December 31, 2024 and 2023 were \$3,377,355 thousand and \$3,445,941 thousand, respectively. Management of the Company used the valuation model that market participants use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment property was held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 41.

20. GOODWILL

	For the Year Ended December 31	
	2024	2023
<u>Cost</u>		
Balance at January 1	<u>\$ 280,204</u>	<u>\$ 280,204</u>
Balance at December 31	<u>\$ 280,204</u>	<u>\$ 280,204</u>

The Group did not recognize any impairment loss on goodwill for the years ended December 31, 2024 and 2023.

21. OTHER INTANGIBLE ASSETS

	December 31	
	2024	2023
<u>Intangible assets</u>		
Balance at January 1	\$ 145,342	\$ 151,686
Additions	5,723	8,662
Amortization expenses	(15,312)	(14,803)
Effect of foreign currency exchange differences	<u>15</u>	<u>(203)</u>
Balance at December 31	<u>\$ 135,768</u>	<u>\$ 145,342</u>

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Corporate renewable power purchase agreements	20 years
Other intangible assets	1-10 years

22. OPERATING DEPOSITS AND SETTLEMENT FUNDS

	December 31	
	2024	2023
Operating deposits	\$ 226,500	\$ 226,500
Settlement funds	<u>94,285</u>	<u>83,121</u>
	<u>\$ 320,785</u>	<u>\$ 309,621</u>

a. Operating deposits

As stipulated in the Rules Governing Securities Firms, underwriters, dealers, and brokers should provide \$40 million, \$10 million and \$50 million, respectively, in the form of cash, government bonds, and/or bank notes as operating deposits to be placed in designated banks. For each additional branch, the Company should place \$5 million in designated banks.

As stipulated in the Regulations Governing Margin Purchase and Short Sale of Securities by Securities Firms, securities firms should have operating deposits of \$50 million.

As stipulated in the Rules Governing Futures Commission Merchants, futures dealers should have operating deposits of \$25 million for registration purposes and \$5 million for each of its branches.

- b. SKIA and SKPIA both placed guarantee deposit of \$1.5 million calculated by the sales revenue in the prior fiscal year as stipulated in the Regulation Governing Deposit of Bond for Acquisition of Insurance by Insurance Agents, Insurance Brokers and Insurance Surveyors.
- c. SKIC has deposited \$5 million as the operating deposit for establishment according to the ROC securities and investing trust association and investment consulting operating deposit regulations.
- d. Settlement funds

As stipulated in the Rules Governing Securities Firms, all brokers should place \$15 million as settlement funds with the Taiwan Stock Exchange before starting trading transactions in the first year of trading and contribute a certain percentage of the transaction amounts to the fund within 10 days after the end of each quarter. In the second year, the settlement funds need to reach only \$3.5 million including the previous year's contribution. If the funds accumulated until the previous year are more or less than \$3.5 million, the brokers can claim a refund from the Taiwan Stock Exchange or submit the shortage, respectively, at the end of January each year.

Securities firms are required to deposit \$3 million as settlement fund to the Taiwan Stock Exchange before each additional branch starts trading operations, and this deposit will be reduced to \$0.5 million from the second year.

As stipulated in the Taipei Exchange Rules for Administration of the Joint Responsibility System Clearing and Settlement Fund, securities brokers will need to deposit to the settlement fund \$1.5 million for main institution, and an extra \$0.25 million for every new branch established, and an extra \$2 million for dealers of securities listed in exchange institution. In addition, the Taipei Exchange will calculate an amount using the total buy and sell dollar value for the last year multiplied by a fixed percentage for the securities brokers to deposit or withdraw the settlement fund every year.

As stipulated in the Taiwan Futures Exchange Corporation Criteria for clearing membership, before carrying out clearing and settlement operations, the clearing member shall make a deposit to the clearing and settlement fund equal to 20% of its paid-in capital or designated operating funds.

As of December 31, 2024 and 2023, SKIC had deposited \$94,285 thousand and \$83,121 thousand as settlement fund, respectively.

23. OTHER ASSETS

	December 31	
	2024	2023
<u>Current</u>		
Right to recover a product	\$ 27,679	\$ 27,679
Loans receivable from the securities department	9,779,445	6,510,121
Underwriting shares to collect from the securities department	580,571	17,088
Others	<u>769,919</u>	<u>573,235</u>
	<u>\$ 11,157,614</u>	<u>\$ 7,128,123</u>
<u>Non-current</u>		
Refundable deposits	\$ 227,640	\$ 175,547
Long-term receivables	11,435,954	9,571,003
Loss allowance for long-term receivables	(400,546)	(352,760)
Overdue receivables	62,288	63,488
Loss allowance for overdue receivables	(62,288)	(63,488)
Prepayments for equipment	119,164	162,629
Others	<u>53,562</u>	<u>25,996</u>
	<u>\$ 11,435,774</u>	<u>\$ 9,582,415</u>

24. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
<u>Secured borrowings</u>		
Bank loans	\$ 616,000	\$ 972,000
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>9,854,219</u>	<u>8,959,914</u>
	<u>\$ 10,470,219</u>	<u>\$ 9,931,914</u>

The range of weighted average effective interest rate on bank loans was 1.21%-3.61% and 1.45%-3.86% per annum as of December 31, 2024 and 2023, respectively.

b. Short-term bills payable

	December 31	
	2024	2023
Commercial paper	\$ 16,616,000	\$ 12,135,000
Less: Unamortized discount on bills payable	<u>(20,120)</u>	<u>(12,981)</u>
	<u>\$ 16,595,880</u>	<u>\$ 12,122,019</u>

Outstanding short-term bills payable were as follows:

December 31, 2024

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Ta Ching Bills Finance Corporation (1)	\$ 422,700	\$ 367	\$ 422,333	1.45%-3.13%	None
Ta Ching Bills Finance Corporation (2)	80,000	289	79,711	1.45%-3.13%	Marketable securities
China Bills Finance Corporation (1)	1,428,100	2,426	1,425,674	1.45%-3.13%	None
China Bills Finance Corporation (2)	100,000	165	99,835	1.45%-3.13%	Pledged certificates of deposit
Taiwan Finance Corporation (1)	1,272,700	585	1,272,115	1.45%-3.13%	None
Taiwan Finance Corporation (2)	50,000	84	49,916	1.45%-3.13%	Pledged certificates of deposit
Mega Bills Finance Corporation (1)	4,608,100	6,114	4,601,986	1.45%-3.13%	None
Mega Bills Finance Corporation (2)	100,000	173	99,827	1.45%-3.13%	Marketable securities
Taiwan Cooperative Bills Finance Corporation (1)	880,000	940	879,060	1.45%-3.13%	None
Taiwan Cooperative Bills Finance Corporation (2)	100,000	169	99,831	1.45%-3.13%	Marketable securities
International Bills Finance Corporation (1)	485,400	479	484,921	1.45%-3.13%	None
International Bills Finance Corporation (2)	70,000	11	69,989	1.45%-3.13%	Pledged certificates of deposit
Grand Bills Finance Corporation	2,169,000	3,194	2,165,806	1.45%-3.13%	None
Dah Chung Bills Finance Corporation	150,000	376	149,624	1.45%-3.13%	Pledged certificates of deposit
Sunny Bank	500,000	198	499,802	1.45%-3.13%	None
Union Bank	100,000	78	99,922	1.45%-3.13%	None
First Bank	200,000	119	199,881	1.45%-3.13%	None
Bank SinoPac	900,000	2,492	897,508	1.45%-3.13%	None
KGI Bank (1)	1,000,000	332	999,668	1.45%-3.13%	None
KGI Bank (2)	200,000	324	199,676	1.45%-3.13%	5% reserve for savings deposits
Yuanta Commercial Bank	300,000	312	299,688	1.45%-3.13%	None
Taipei Fubon Bank	<u>1,500,000</u>	<u>893</u>	<u>1,499,107</u>	1.45%-3.13%	None
	<u>\$ 16,616,000</u>	<u>\$ 20,120</u>	<u>\$ 16,595,880</u>		

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Ta Ching Bills Finance Corporation (1)	\$ 300,000	\$ 255	\$ 299,745	1.34%-2.74%	None
Ta Ching Bills Finance Corporation (2)	80,000	285	79,715	1.34%-2.74%	Marketable securities
China Bills Finance Corporation (1)	600,000	213	599,787	1.34%-2.74%	None
China Bills Finance Corporation (2)	130,000	379	129,621	1.34%-2.74%	Pledged certificates of deposit
Taiwan Finance Corporation (1)	280,000	79	279,921	1.34%-2.74%	None
Taiwan Finance Corporation (2)	50,000	129	49,871	1.34%-2.74%	Pledged certificates of deposit
Mega Bills Finance Corporation (1)	2,150,000	1,323	2,148,677	1.34%-2.74%	None
Mega Bills Finance Corporation (2)	100,000	359	99,641	1.34%-2.74%	Marketable securities
Taiwan Cooperative Bills Finance Corporation (1)	900,000	944	899,056	1.34%-2.74%	None
Taiwan Cooperative Bills Finance Corporation (2)	100,000	263	99,737	1.34%-2.74%	Marketable securities
International Bills Finance Corporation (1)	200,000	166	199,834	1.34%-2.74%	None
International Bills Finance Corporation (2)	70,000	55	69,945	1.34%-2.74%	Pledged certificates of deposit
Grand Bills Finance Corporation	765,000	560	764,440	1.34%-2.74%	None
Dah Chung Bills Finance Corporation	130,000	399	129,601	1.34%-2.74%	Pledged certificates of deposit
ChinaTrust Commercial Bank	100,000	104	99,896	1.34%-2.74%	None
Sunny Bank	500,000	350	499,650	1.34%-2.74%	None
Yuanta Commercial Bank	220,000	28	219,972	1.34%-2.74%	None
First Bank	200,000	689	199,311	1.34%-2.74%	None
Bank SinoPac	200,000	67	199,933	1.34%-2.74%	None
Mega Bank (Syndicated Loan)	2,980,000	3,808	2,976,192	1.34%-2.74%	None
Hua Nan Bank (Syndicated Loan)	780,000	1,090	778,910	1.34%-2.74%	None
KGI Bank (1)	1,100,000	1,097	1,098,903	1.34%-2.74%	None
KGI Bank (2)	<u>200,000</u>	<u>339</u>	<u>199,661</u>	1.34%-2.74%	5% reserve for savings deposits
	<u>\$ 12,135,000</u>	<u>\$ 12,981</u>	<u>\$ 12,122,019</u>		

c. Long-term borrowings

	December 31	
	2024	2023
Taiwan Bank (1)	\$ 3,150,000	\$ 1,800,000
Taiwan Bank (2)	150,000	150,000
Hua Nan Bank (1)	350,000	350,000
Hua Nan Bank (2)	60,000	140,000
Hua Nan Bank (3)	20,600	48,067
Hua Nan Bank (4)	200,000	-
Hua Nan Bank (Syndicated Loan) (1)	1,570,000	720,000
Hua Nan Bank (Syndicated Loan) (2)	1,150,000	600,000
Taiwan Business Bank (1)	350,000	350,000

(Continued)

	December 31	
	2024	2023
Bank SinoPac (1)	\$ 658,991	\$ 690,460
Bank SinoPac (2)	264,300	783,750
Bank SinoPac (3)	189,027	142,676
Bank SinoPac (4)	124,829	-
Bank SinoPac (5)	130,332	-
Bank SinoPac (6)	315,900	-
Bank SinoPac (7)	-	500,000
Bank SinoPac (8)	-	100,000
Bank of East Asia	200,000	300,000
Cathay United Bank (1)	350,000	350,000
E.Sun Bank	18,105	37,855
Mega Bank (1)	1,675,400	1,627,400
Mega Bank (2)	500,000	500,000
Mega Bank (3)	135,662	31,229
Mega Bank (4)	214,333	-
Mega Bank (5)	33,184	-
Mega Bank (Syndicated Loan) (1)	500,000	550,000
Mega Bank (Syndicated Loan) (2)	800,000	580,000
Far Eastern International Bank (1)	300,000	250,000
Far Eastern International Bank (2)	150,000	150,000
Far Eastern International Bank (3)	2,198,083	2,208,805
Far Eastern International Bank (4)	2,137,206	2,120,592
Taiwan Cooperative Bank	-	92,000
Bank of Panhsin (1)	-	103,200
Bank of Panhsin (2)	253,000	305,000
Mizuho Bank	726,000	200,000
KGI Bank	200,000	-
KGI Bank (Syndicated Loan)	1,150,000	-
Yuanta Commercial Bank	350,000	500,000
Union Bank	43,800	81,120
Mega International Commercial Bank (1)	294,784	233,111
Mega International Commercial Bank (2)	310,090	254,528
China Bills Finance Corporation	1,500,000	1,500,000
Ta Ching Bills Finance Corporation	1,000,000	1,000,000
Union Bills Finance Corporation	1,000,000	500,000
Mega Bills Finance Corporation	1,000,000	500,000
Grand Bills Finance Corporation	500,000	-
Taiwan Finance Corporation	500,000	-
Taiwan Cooperative Bills Finance Corporation	500,000	-
	<u>27,223,626</u>	<u>20,349,793</u>
Less: Current portion	(6,619,449)	(5,208,641)
Less: Unamortized discounts on commercial papers	<u>(8,065)</u>	<u>(12,384)</u>
Long-term borrowings	<u>\$ 20,596,112</u>	<u>\$ 15,128,768</u> (Concluded)

As of December 31, 2024 and 2023, the range of weighted average effective interest rate of the bank borrowings was 1.6%-4.21% and 1.20%-4.22% per annum, respectively.

Refer to Note 41 for information relating to assets pledged to secure bank borrowings.

25. FINANCIAL DEBENTURES

	December 31	
	2024	2023
Secondary financial debentures (1)	\$ 1,130,000	\$ 1,320,000
Secured domestic bonds (2)	5,000,000	5,000,000
Less: Current portion	<u>(1,500,000)</u>	<u>(500,000)</u>
	<u>\$ 4,630,000</u>	<u>\$ 5,820,000</u>

a. Secondary Financial Debentures

1) Taipei Star Bank issued their first, second, third and fourth financial debentures on June 19, June 30, August 18, September 29, 2017, respectively, which were approved under ruling reference No. 10600104680 issued by the Banking Bureau of the FSC on May 11, 2017. Details of the financial debenture issuance are summarized as follows:

a) Total approved principal: \$500,000 thousand.

b) Principal issued:

- i. 2017 first term: \$200,000 thousand.
- ii. 2017 second term: \$100,000 thousand.
- iii. 2017 third term: \$100,000 thousand.
- iv. 2017 fourth term: \$100,000 thousand.

c) Denomination:

- i. 2017 first term: \$10,000 thousand, issued at par.
- ii. 2017 second term: \$10,000 thousand, issued at par.
- iii. 2017 third term: \$10,000 thousand, issued at par.
- iv. 2017 fourth term: \$10,000 thousand, issued at par.

d) Period:

- i. 2017 first term: 7 years with maturity date on June 19, 2024.
- ii. 2017 second term: 7 years with maturity date on June 30, 2024.
- iii. 2017 third term: 7 years with maturity date on August 18, 2024.
- iv. 2017 fourth term: 7 years with maturity date on September 29, 2024.

e) Nominal interest rate:

- i. 2017 first term: Fixed interest rate, 1.90%.
- ii. 2017 second term: Fixed interest rate, 1.85%.
- iii. 2017 third term: Fixed interest rate, 1.85%.
- iv. 2017 fourth term: Fixed interest rate, 1.85%.

f) Repayment: The financial debenture will be paid on the maturity date.

g) The interest will be paid annually from the issuance date.

- 2) Taipei Star Bank made its first and second issues of financial debentures with no maturity dates on September 17 and December 24, 2018, January 25, April 25 and June 17, 2019, respectively, which were approved under ruling reference No. 10701122210 issued by the Banking Bureau of the FSC on July 30, 2018. Details of the financial debenture issuance are summarized as follows:
- a) Total approved principal: \$600,000 thousand.
 - b) Principal issued:
 - i. 2018 first term: \$200,000 thousand.
 - ii. 2018 second term: \$130,000 thousand.
 - iii. 2019 first term: \$40,000 thousand.
 - iv. 2019 second term: \$20,000 thousand.
 - v. 2019 third term: \$210,000 thousand.
 - c) Denomination:
 - i. 2018 first term: \$10,000 thousand, issued at par.
 - ii. 2018 second term: \$10,000 thousand, issued at par.
 - iii. 2019 first term: \$10,000 thousand, issued at par.
 - iv. 2019 second term: \$10,000 thousand, issued at par.
 - v. 2019 third term: \$10,000 thousand, issued at par.
 - d) Period:
 - i. 2018 first term: No maturity date.
 - ii. 2018 second term: No maturity date.
 - iii. 2019 first term: No maturity date.
 - iv. 2019 second term: No maturity date.
 - v. 2019 third term: No maturity date.
 - e) Nominal interest rate:
 - i. 2018 first term: Fixed interest rate, 4.00%.
 - ii. 2018 second term: Fixed interest rate, 4.00%.
 - iii. 2019 first term: Fixed interest rate, 4.00%.
 - iv. 2019 second term: Fixed interest rate, 4.00%.
 - v. 2019 third term: Fixed interest rate, 4.00%.
 - f) Repayment: The financial debenture can be redeemed after 5 years from the issuance date.
 - g) The interest will be paid annually from the issuance date.
- 3) Taipei Star Bank made its first issues of financial debentures with no maturity dates on November 1, 2021, respectively, which were approved under ruling reference No. 1100214232 issued by the Banking Bureau of the FSC on June 21, 2021. Details of the financial debenture issuance are summarized as follows:
- a) Total approved principal: \$600,000 thousand.
 - b) Principal issued: \$220,000 thousand.
 - c) Denomination: \$10,000 thousand, issued at par.
 - d) Period: No maturity date.

- e) Nominal interest rate: Fixed interest rate, 2.50%.
 - f) Repayment: The financial debenture can be redeemed after 5 years from the issuance date.
 - g) The interest will be paid annually from the issuance date.
- 4) Taipei Star Bank made its first and second issues of financial debentures with no maturity dates on July 8 and July 22, 2024, respectively, which were approved under ruling reference no. 1120229092 issued by the Banking Bureau of the FSC on September 23, 2023. Details of the financial debenture issuance are summarized as follows:
- a) Total approved principal: \$500,000 thousand.
 - b) Principal issued:
 - i. 2024 first term: \$150,000 thousand.
 - ii. 2024 second term: \$50,000 thousand.
 - c) Denomination:
 - i. 2024 first term: \$10,000 thousand, issued at par.
 - ii. 2024 second term: \$10,000 thousand, issued at par.
 - d) Period:
 - i. 2024 first term: 7 years with a maturity date on July 8, 2031.
 - ii. 2024 second term: 7 years with a maturity date on July 22, 2031.
 - e) Nominal interest rate:
 - i. 2024 first term: Fixed interest rate, 2.55%.
 - ii. 2024 second term: Fixed interest rate, 2.55%.
 - f) Repayment: The financial debenture will be paid on the maturity date.
 - g) The interest will be paid annually from the issuance date.
- 5) Taipei Star Bank made its third and fourth issues of financial debentures with no maturity dates on September 20, 2024, which were approved under ruling reference no. 1120229092 issued by the Banking Bureau of the FSC on September 23, 2023. Details of the financial debenture issuance are summarized as follows:
- a) Total approved principal: \$300,000 thousand.
 - b) Principal issued:
 - i. 2024 third term: \$80,000 thousand.
 - ii. 2024 fourth term: \$30,000 thousand.
 - c) Denomination:
 - i. 2024 third term: \$10,000 thousand, issued at par.
 - ii. 2024 fourth term: \$10,000 thousand, issued at par.

- d) Period:
 - i. 2024 third term: No maturity date.
 - ii. 2024 fourth term: No maturity date.
 - e) Nominal interest rate:
 - i. 2024 third term: The interest rate is based on the bank's fixed deposit rate index (quarterly adjusted) plus 2.28%, calculated on a simple interest basis. The current floating interest rate is 4%, and the rate is reset quarterly. The initial rate-setting date is two business days prior to the issuance date, and subsequent rate-setting dates are two business days prior to the 20th of March, June, September, and December each year.
 - ii. 2024 fourth term: Fixed interest rate, 4.00%.
 - f) Repayment: The financial debenture can be redeemed after 5 years from the issuance date.
 - g) The interest will be paid annually from the issuance date.
- b. Secured Domestic Bonds
- 1) The Company issued its first secured domestic bonds on November 19, 2020, which were approved under ruling reference No. 10900126701 issued by the Taipei Exchange on November 10, 2020. Details of the secured domestic bonds issuance are summarized as follows:
 - a) Total approved principal: \$1,500,000 thousand.
 - b) Principal issued: \$1,500,000 thousand.
 - c) Denomination: \$1,000 thousand, issued at par.
 - d) Period: 5 years with maturity date on November 19, 2025.
 - e) Nominal interest rate: Fixed interest rate of 0.58%.
 - f) Repayment: The secured domestic bonds will be paid on the maturity date.
 - g) The interest will be paid annually from the issuance date.
 - h) Secured: Secured by bank.
 - 2) The Company issued its second secured domestic bonds on January 14, 2021, which were approved under ruling reference No. 10900149071 issued by the Taipei Exchange on January 5, 2021. Details of the secured domestic bonds issuance are summarized as follows:
 - a) Total approved principal: \$1,500,000 thousand.
 - b) Principal issued: \$1,500,000 thousand.
 - c) Denomination: \$1,000 thousand, issued at par.
 - d) Period: 5 years with maturity date on January 14, 2026.
 - e) Nominal interest rate: Fixed interest rate of 0.56%.
 - f) Repayment: The secured domestic bonds will be paid on the maturity date.

- g) The interest will be paid annually from the issuance date.
 - h) Secured: Secured by bank.
- 3) The Company issued its first secured domestic bonds on October 28, 2021, which were approved under ruling reference No. 11000117541 issued by the Taipei Exchange on October 20, 2021. Details of the secured domestic bonds issuance are summarized as follows:
- a) Total approved principal: \$2,000,000 thousand.
 - b) Principal issued: \$2,000,000 thousand.
 - c) Denomination: \$1,000 thousand, issued at par.
 - d) Period: 5 years with maturity date on October 28, 2026.
 - e) Nominal interest rate: Fixed interest rate of 0.54%.
 - f) Repayment: The secured domestic bonds will be paid on the maturity date.
 - g) The interest will be paid annually from the issuance date.
 - h) Secured: Secured by bank.

26. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2024	2023
<u>Notes payable</u>		
Operating	\$ 236,785	\$ 216,626
<u>Trade payables</u>		
Operating	\$ 7,682,226	\$ 7,290,727

27. DEPOSITS AND REMITTANCES

	December 31	
	2024	2023
Checking accounts	\$ 668,451	\$ 757,581
Demand deposits	10,039,163	8,857,462
Demand savings deposits	18,307,371	18,860,825
Time deposits	16,381,952	20,843,242
Time savings deposits	24,714,432	23,354,725
Negotiable certificates of deposit	6,481,000	881,000
Remittances	259	3,638
	<u>\$ 76,592,628</u>	<u>\$ 73,558,473</u>

28. OTHER LIABILITIES

	December 31	
	2024	2023
<u>Current</u>		
Other payables		
Payables for purchase of equipment	\$ 48,236	\$ 222,450
Notes payable for exchange	301,705	284,382
Payables for salaries or bonuses	1,369,445	1,035,153
Provisions for loss on lawsuit	66,589	66,589
Others	<u>1,482,680</u>	<u>1,071,934</u>
	<u>\$ 3,268,655</u>	<u>\$ 2,680,508</u>
Other liabilities		
Refund liabilities	\$ 294,981	\$ 252,145
Advance receipts	254,284	237,412
Underwriting to collect from the securities department	580,417	16,934
Others	<u>219,625</u>	<u>189,344</u>
	<u>\$ 1,349,307</u>	<u>\$ 695,835</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 172,323	\$ 233,225
Long-term payables	180,376	106,821
Others	<u>34,985</u>	<u>20,580</u>
	<u>\$ 387,684</u>	<u>\$ 360,626</u>

29. PROVISIONS

	December 31	
	2024	2023
<u>Non-current</u>		
Employee retirement benefits (a)	\$ 20,600	\$ 139,864
Other employee benefits (b)	318	629
Other	<u>23,331</u>	<u>21,750</u>
	<u>\$ 44,249</u>	<u>\$ 162,243</u>

- a. Refer to Note 30 for information related to employee retirement benefits.
- b. Other employee benefits refer to the preferential benefit deposit interest of retired employees.

30. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and HAM, SKIS, SKIC, SKIA, SKPIA, Taipei Star Bank, UBO, SPF, PAPI, TBO, SPI, CJH, IMBD, HIS, SKT, SKIN, SKIL, OTObUY, Far Trust, Far Trust Leasing, Far Trust Rental, SKF, SKPS and JLP of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China (SKJS and SUBO) are members of a state-managed retirement benefit plan operated by the government of mainland China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plan adopted by the Company and SKE, Taipei Star Bank, UBO, PAPI, CJH and Far Trust of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. Except The Company contributes amounts equal to 9% of total monthly salaries and wages to a pension fund. SKE, Taipei Star Bank, UBO, PAP, PAPI, CJH and Far Trust contribute an amount equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 1,051,692	\$ 1,100,817
Fair value of plan assets	<u>(1,031,092)</u>	<u>(960,953)</u>
Net defined benefit liabilities (assets)	<u>\$ 20,600</u>	<u>\$ 139,864</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	<u>\$ 1,214,771</u>	<u>\$ (965,966)</u>	<u>\$ 248,805</u>
Service cost			
Current service cost	6,992	-	6,992
Net interest expense (income)	<u>17,060</u>	<u>(13,518)</u>	<u>3,542</u>
Recognized in profit or loss	<u>24,052</u>	<u>(13,518)</u>	<u>10,534</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,408)	(5,408)
Actuarial (gain) loss			
Changes in demographic assumptions	-	(586)	(586)
Changes in financial assumptions	(26,702)	(552)	(27,254)
Experience adjustments	<u>3,556</u>	<u>-</u>	<u>3,556</u>
Recognized in other comprehensive income	<u>(23,146)</u>	<u>(6,546)</u>	<u>(29,692)</u>
Contributions from the employer	-	(59,366)	(59,366)
Benefits paid	(115,058)	84,443	(30,615)
Exchange differences on foreign plans	<u>198</u>	<u>-</u>	<u>198</u>
Balance at December 31, 2023	<u>1,100,817</u>	<u>(960,953)</u>	<u>139,864</u>
Service cost			
Current service cost	5,642	-	5,642
Past service cost and loss on settlements	2	-	2
Net interest expense (income)	<u>14,495</u>	<u>(12,729)</u>	<u>1,766</u>
Recognized in profit or loss	<u>20,139</u>	<u>(12,729)</u>	<u>7,410</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(72,108)	(72,108)
Actuarial (gain) loss			
Changes in demographic assumptions	-	(6,682)	(6,682)
Changes in financial assumptions	(10,005)	(5,613)	(15,618)
Experience adjustments	<u>43,892</u>	<u>-</u>	<u>43,892</u>
Recognized in other comprehensive income	<u>33,887</u>	<u>(84,403)</u>	<u>(50,516)</u>
Contributions from the employer	-	(44,522)	(44,522)
Benefits paid	(104,709)	71,515	(33,194)
Exchange differences on foreign plans	<u>1,558</u>	<u>-</u>	<u>1,558</u>
Balance at December 31, 2024	<u>\$ 1,051,692</u>	<u>\$ (1,031,092)</u>	<u>\$ 20,600</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate(s)	1.5%-1.6755%	1.249%-1.444%
Expected rate(s) of salary increase	0.75%-2.00%	0.75%-2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate(s)		
0.25% increase	\$ (20,229)	\$ (22,413)
0.25% decrease	\$ 20,848	\$ 23,128
Expected rate(s) of salary increase		
0.25% increase	\$ 20,625	\$ 22,851
0.25% decrease	\$ (20,108)	\$ (22,255)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plan for the next year	\$ 51,023	\$ 54,325
Average duration of the defined benefit obligation	6.4-23.83 years	7.08-24.75 years

- c. MPL, SSFC, Dayspring, MPO and LFHO do not have pension plans, as pension plans are not mandatory under the local government legislations.
- d. HLC, SEC, SKAM, PAP, SKES, SKY, CTC, CRI, You-Ji, RCE, SKV and SKVE have no full-time employees, therefore, they have no pension plans.
- e. TSI's pension plan is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average salaries before retirement. TSI recognized \$819 thousand and \$892 thousand as pension expense for the years ended December 31, 2024 and 2023, and its pension liabilities amounted to \$24,608 thousand and \$23,755 thousand on December 31, 2024 and 2023, respectively.

31. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	<u>2,800,000</u>	<u>2,800,000</u>
Shares authorized	<u>\$ 28,000,000</u>	<u>\$ 28,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>1,618,409</u>	<u>1,618,409</u>
Shares issued	<u>\$ 16,184,093</u>	<u>\$ 16,184,093</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit distributed as <u>cash dividends, or transferred to share capital (1)</u>		
Issuance of ordinary shares	\$ 272,247	\$ 272,247
Conversion of bonds	163,223	163,223
Treasury share transactions	275,547	275,547
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	<u>646,955</u>	<u>453,739</u>
	1,357,972	1,164,756
<u>May be used to offset deficit only</u>		
Changes in percentage of ownership interest in subsidiaries (2)	805,732	796,357
Share of changes in capital surplus of associates	<u>1,988</u>	<u>1,988</u>
	<u>807,720</u>	<u>798,345</u>
	<u>\$ 2,165,692</u>	<u>\$ 1,963,101</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Company's Articles of Incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be for distribution of dividends to shareholders of preference shares first, and then for distribution of dividends to shareholders of ordinary shares, and the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 32-g.

The Company's Articles also stipulate a dividends policy whereby the issuance of stock dividends or the payment of cash dividends. In principle, cash dividends are limited to 20% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 79,280	\$ 289,628
Cash dividends	\$ 890,125	\$ 1,618,409
Cash dividends per share (NT\$)	\$ 0.55	\$ 1.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 11, 2024 and March 13, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 30, 2024 and June 2, 2023, respectively.

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 10, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 208,332
Cash dividends	\$ 971,046
Cash dividends per share (NT\$)	\$ 0.60

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 27, 2025.

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1 and December 31	<u>\$ 2,328,591</u>	<u>\$ 2,328,591</u>

On first-time adoption of IFRS Accounting Standards, the Company appropriated for special reserve, the amounts that was the same as unrealized revaluation increment transferred to retained earnings, which was \$1,673,314 thousand.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ (188,906)	\$ (148,467)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	378,450	(41,124)
Share from subsidiaries and associates accounted for using the equity method	(1,653)	685
Reclassification adjustments		
Disposal of foreign operations	<u>(56,598)</u>	<u>-</u>
Balance at December 31	<u>\$ 131,293</u>	<u>\$ (188,906)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 4,755,064	\$ 3,032,864
Recognized for the year		
Unrealized gain - equity instruments	326,594	1,123,934
Share from subsidiaries and associates accounted for using the equity method	<u>37,647</u>	<u>602,723</u>
Other comprehensive income recognized for the year	<u>364,241</u>	<u>1,726,657</u>
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(347,171)</u>	<u>(4,457)</u>
Balance at December 31	<u>\$ 4,772,134</u>	<u>\$ 4,755,064</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 10,493,996	\$ 10,595,730
Share in profit for the year	716,654	405,164
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	88,430	14,784
Unrealized (loss) gain on financial assets at FVTOCI	(30,492)	55,724
Remeasurement on defined benefit plans	13,205	(300)
Related income tax	(2,524)	19
Partial disposal of subsidiaries - UBO	371,909	8,483
Acquisition of non-controlling interests in subsidiaries - UBO	-	(15,022)
Acquisition of non-controlling interests in subsidiaries - JLP	-	(71,739)
Capital increase of securities subsidiaries - JLP	-	3,499
Issuance of cash dividend in subsidiaries	(266,724)	(528,023)
Acquisition of non-controlling interests in subsidiaries - SKPS	(30,776)	(666)
Capital increase of securities subsidiaries - SKIS	159,856	-
Others	<u>28,936</u>	<u>26,343</u>
Balance at December 31	<u>\$ 11,542,470</u>	<u>\$ 10,493,996</u>

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Cancelled (In Thousands of Shares)	Shares Held by Its Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2023	-	-	4,680	4,680
Increase during the year	-	-	-	-
Decrease during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at December 31, 2023	-	-	4,680	4,680
Increase during the year	-	-	-	-
Decrease during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at December 31, 2024	<u>-</u>	<u>-</u>	<u>4,680</u>	<u>4,680</u>

The Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>December 31, 2024</u>			
Hsin Lung Chemical Co., Ltd.	4,680	<u>\$ 69,037</u>	<u>\$ 69,037</u>
<u>December 31, 2023</u>			
Hsin Lung Chemical Co., Ltd.	4,680	<u>\$ 72,782</u>	<u>\$ 72,782</u>

Hsin Lung Chemical Co., Ltd. acquired the Company's shares for investment purposes before the Company obtained control over Hsin Lung Chemical Co., Ltd.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

32. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Revenue from contracts

Refer to Note 51 for detailed revenue information on contracts for the years ended December 31, 2024 and 2023.

b. Finance costs

	<u>For the Year Ended December 31</u>	
	2024	2023
Interest on bank loans	\$ 992,907	\$ 668,578
Interest on lease liabilities	27,148	31,446
Other interest expense	<u>42,300</u>	<u>45,331</u>
Total interest expense for financial liabilities not measured at fair value through profit or loss	1,062,355	745,355
Interest due to the funds borrowed from the Central Bank and other banks	110,261	82,040
Interest on bills and bonds sold under repurchase agreements	34,752	46,720
Interest on deposits	969,552	826,535
Other finance costs	<u>30,101</u>	<u>31,564</u>
	<u>\$ 2,207,021</u>	<u>\$ 1,732,214</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest	\$ 8,034	\$ 6,425
Capitalization rate	1.51%-3.45%	1.38%-4.00%
c. Impairment (losses) recognized reversed		
	For the Year Ended December 31	
	2024	2023
Investments in debt instruments at FVTOCI	<u>\$ (608)</u>	<u>\$ (804)</u>
Financial assets at amortized cost	<u>\$ 667</u>	<u>\$ 240</u>
Bad debt expense, commitments and guarantee liability provisions	<u>\$ (61,199)</u>	<u>\$ 36,306</u>
Trade receivables, other trade receivables and overdue receivables	<u>\$ (55,743)</u>	<u>\$ (47,230)</u>
Property, plant and equipment	<u>\$(676,601)</u>	<u>\$ (7,529)</u>
d. Depreciation and amortization		
	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 1,826,425	\$ 1,771,978
Investment property	22,782	21,847
Right-of-use assets	216,660	193,257
Others	<u>15,312</u>	<u>14,803</u>
	<u>\$ 2,081,179</u>	<u>\$ 2,001,885</u>
An analysis of depreciation by function		
Operating costs	\$ 1,859,177	\$ 1,745,187
Operating expenses	<u>206,690</u>	<u>241,895</u>
	<u>\$ 2,065,867</u>	<u>\$ 1,987,082</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 15,312</u>	<u>\$ 14,803</u>
e. Operating expenses directly related to investment properties		
	For the Year Ended December 31	
	2024	2023
Direct operating expenses from investment properties that generated rental income	<u>\$ 76,043</u>	<u>\$ 70,986</u>

f. Employee benefit expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (See Note 30)		
Defined benefit plans	\$ 7,410	\$ 10,534
Defined contribution plans	98,640	109,707
	<u>106,050</u>	<u>120,241</u>
Share-based payments (See Note 35)		
Equity-settled	<u>2,462</u>	<u>6,852</u>
Total employee benefits expense	<u>\$ 108,512</u>	<u>\$ 127,093</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 64,853	\$ 66,808
Operating expenses	<u>43,659</u>	<u>60,285</u>
	<u>\$ 108,512</u>	<u>\$ 127,093</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and the remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 10, 2025 and March 11, 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	1%	1%
Remuneration of directors	-	-

Amount

	For the Year Ended December 31			
	2024		2023	
	Cash	Share	Cash	Share
Compensation of employees	\$ 17,377	\$ -	\$ 6,721	\$ -
Remuneration of directors	-	-	-	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

- h. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 1,404,736	\$ 1,198,036
Foreign exchange losses	<u>(1,051,796)</u>	<u>(1,117,336)</u>
	<u>\$ 352,940</u>	<u>\$ 80,700</u>

33. INCOME TAXES RELATING TO CONTINUING OPERATIONS

- a. Major components of income tax expense recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 748,355	\$ 496,410
Income tax on unappropriated earnings	859	50,198
Adjustments for prior years	(53,011)	(45,929)
Others	<u>3,682</u>	<u>-</u>
	<u>699,885</u>	<u>500,679</u>
Deferred tax		
In respect of the current year	(200)	(168,730)
Adjustments to prior years	<u>-</u>	<u>(692)</u>
	<u>(200)</u>	<u>(169,422)</u>
Income tax expense recognized in profit or loss	<u>\$ 699,685</u>	<u>\$ 331,257</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	<u>\$ 3,122,259</u>	<u>\$ 1,500,831</u>
Income tax expense calculated at the statutory rate	\$ 624,452	\$ 300,166
Nondeductible expenses in determining taxable income	3,203	(6,110)
Deferred tax effect from earnings of subsidiaries	(277,422)	(250,300)
Tax-exempt income	(195,565)	(42,662)
Additional income tax under the Alternative Minimum Tax Act	84	-
Income tax on unappropriated earnings	859	50,198
Unrecognized loss carryforwards/deductible temporary differences investment credits	272,209	163,671
Adjustments for prior years' tax	(53,011)	(45,929)
Adjustments for prior years' deferred income tax expense	-	(642)
Others	<u>324,876</u>	<u>162,865</u>
Income tax expense recognized in profit or loss	<u>\$ 699,685</u>	<u>\$ 331,257</u>

Partial subsidiaries of the Group were incorporated in Vietnam and Germany, where the Pillar Two income tax legislation had been in effect. Under the legislation, partial subsidiaries of the Group located in Vietnam and Germany will be required to pay a top-up tax on their profits so that these subsidiaries' effective tax rates will not be lower than 15 percent in these countries. In 2024, the aforementioned Pillar Two income tax did not significantly impact the Group's current income tax expense.

Partial subsidiaries of the Group were incorporated in Thailand and Hong Kong, where the Pillar Two income tax legislation was substantively enacted and became effective from January 1, 2025. Under the legislation, the Group's partial subsidiaries located in Thailand and Hong Kong will be required to pay a top-up tax on the profits of its subsidiaries, which were previously taxed at an effective tax rate of less than 15 percent. Since the Pillar Two income tax legislation was not effective at the reporting date, the Group has no related current tax exposure.

As of December 31, 2024, the Group had no significant impact on its income tax in relation to the main jurisdictions exposed to the Pillar Two tax. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year:		
Remeasurement of defined benefit plan	<u>\$ (9,798)</u>	<u>\$ (6,046)</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	<u>\$ 44,597</u>	<u>\$ 45,068</u>
Current tax liabilities		
Income tax payable	<u>\$ 478,711</u>	<u>\$ 303,803</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Temporary differences					
Property, plant and equipment	\$ 45,353	\$ (8,649)	\$ -	\$ -	\$ 36,704
Fair value changes of financial assets	1,667	(1,667)	-	-	-

(Continued)

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Others	Closing Balance
Inventory write-downs	\$ 165,055	\$ (12,392)	\$ -	\$ -	\$ 152,663
Unrealized gross profit	60,432	4,192	-	-	64,624
Defined benefit obligation	106,997	(1,903)	(8,554)	-	96,540
Gain or loss on foreign currency exchange	11,711	(11,711)	-	-	-
Allowance for impairment loss of receivables	86,276	11,926	-	-	98,202
Others	<u>111,998</u>	<u>(6,592)</u>	<u>-</u>	<u>-</u>	<u>105,406</u>
	589,489	(26,796)	(8,554)	-	554,139
Loss carryforwards	<u>21,597</u>	<u>(8,796)</u>	<u>-</u>	<u>-</u>	<u>12,801</u>
	<u>\$ 611,086</u>	<u>\$ (35,592)</u>	<u>\$ (8,554)</u>	<u>\$ -</u>	<u>\$ 566,940</u> (Concluded)

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Others	Closing Balance
Temporary differences					
Property, plant and equipment	\$ 829,685	\$ -	\$ -	\$ 9,632	\$ 839,317
Defined benefit obligation	2,183	-	1,244	-	3,427
Others	<u>699,944</u>	<u>(35,792)</u>	<u>-</u>	<u>-</u>	<u>664,152</u>
	<u>\$ 1,531,812</u>	<u>\$ (35,792)</u>	<u>\$ 1,244</u>	<u>\$ 9,632</u>	<u>\$ 1,506,896</u>

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Others	Closing Balance
Temporary differences					
Property, plant and equipment	\$ 53,914	\$ (8,561)	\$ -	\$ -	\$ 45,353
Fair value changes of financial assets	2,213	(546)	-	-	1,667
Inventory write-downs	137,229	27,826	-	-	165,055
Unrealized gross profit	74,779	(14,347)	-	-	60,432
Defined benefit obligation	113,340	(2,388)	(3,955)	-	106,997
Gain or loss on foreign currency exchange	(781)	12,492	-	-	11,711
Allowance for impairment loss of receivables	79,786	6,490	-	-	86,276
Others	<u>92,077</u>	<u>19,921</u>	<u>-</u>	<u>-</u>	<u>111,998</u>
	552,557	40,887	(3,955)	-	589,489
Loss carryforwards	<u>25,768</u>	<u>(4,171)</u>	<u>-</u>	<u>-</u>	<u>21,597</u>
	<u>\$ 578,325</u>	<u>\$ 36,716</u>	<u>\$ (3,955)</u>	<u>\$ -</u>	<u>\$ 611,086</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Others	Closing Balance
Temporary differences					
Property, plant and equipment	\$ 829,685	\$ -	\$ -	\$ -	\$ 829,685
Defined benefit obligation	92	-	2,091	-	2,183
Others	<u>832,650</u>	<u>(132,706)</u>	<u>-</u>	<u>-</u>	<u>699,944</u>
	<u>\$ 1,662,427</u>	<u>\$ (132,706)</u>	<u>\$ 2,091</u>	<u>\$ -</u>	<u>\$ 1,531,812</u>

- e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2024	\$ -	\$ 150,219
Expiry in 2025	304,502	264,327
Expiry in 2026	578,095	578,095
Expiry in 2027	794,492	794,492
Expiry in 2028	506,153	509,196
Expiry in 2029	76,036	76,041
Expiry in 2030	67,035	67,069
Expiry in 2031	-	9,461
Expiry in 2032	499,492	499,492
Expiry in 2033	819,942	810,627
Expiry in 2034	<u>556,125</u>	<u>-</u>
	<u>\$ 4,201,872</u>	<u>\$ 3,759,019</u>
Deductible temporary differences		
Share of loss of associates	<u>\$ 3,533,493</u>	<u>\$ 3,366,629</u>
Others	<u>\$ 673,306</u>	<u>\$ -</u>

- f. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
\$ 346,033	2025
578,095	2026
794,492	2027
506,153	2028
76,036	2029
80,581	2030
-	2031
504,904	2032
819,842	2033
<u>559,740</u>	<u>2034</u>
<u>\$ 4,265,876</u>	

g. Income tax assessments

The income tax returns of SSF, UBO, Taipei Star Bank, PAPI, SPF, PAP, TBO, HAM, HSI, SKE, SKPS, SKY, SKIS, SKIA, SKPIA, SKIC, SKIL, SKAM, SKY, OTOBUY, SKT, SEC, SKIN, Far Trust, Far Trust Car Rental, Far Trust Leasing, SPI, HLC, CJH, JLP, IMBO, CRI, SKIN through 2022 have been assessed by the tax authorities. The income tax returns of You-Ji through 2023 have been assessed by the tax authorities. The income tax returns of Taipei Star Bank through 2021 have not been assessed by the tax authorities.

34. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share from continuing operations are as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2024	2023
Profit for the year attributable to owners of the Company	<u>\$ 1,705,920</u>	<u>\$ 764,410</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,613,729	1,613,729
Effect of potentially dilutive ordinary shares:		
Employees' compensation	<u>1,282</u>	<u>794</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,615,011</u>	<u>1,614,523</u>

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

35. SHARE-BASED PAYMENT ARRANGEMENTS

UBO

Qualified employees of UBO were granted 2,050 options in October 2021 and 880 options in January 2020. Each option entitles the holder to subscribe for one thousand ordinary shares of UBO. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of UBO's ordinary shares listed on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

The Plan of October 2021				
	2024		2023	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance at January 1	1,513	\$ 25.90	2,050	\$ 28.20
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	(345)	25.90	(537)	25.90
Options exercised	(207)	24.80	-	-
Options expired	-	-	-	-
Balance at December 31	<u>961</u>	24.80	<u>1,513</u>	25.90
Options exercisable, end of period	<u>449</u>	24.80	<u>488</u>	25.90
Weighted-average fair value of options granted (\$)	<u>\$ -</u>		<u>\$ -</u>	

The Plan of January 2020				
	2024		2023	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance at January 1	370	\$ 19.10	647	\$ 20.80
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	(278)	19.10	(171)	20.80
	(32)	18.30	(106)	19.10
Options expired	-	-	-	-
Balance at December 31	<u>60</u>	18.30	<u>370</u>	19.10
Options exercisable, end of period	<u>60</u>	18.30	<u>18</u>	19.10
Weighted-average fair value of options granted (\$)	<u>\$ -</u>		<u>\$ -</u>	

Information on outstanding options as of December 31, 2024 and 2023 were as follows:

	December 31	
	2024	2023
Range of exercise price (NT\$)	\$18.3-\$24.8	\$19.1-\$25.9
Weighted-average remaining contractual life (in years)	0.02-1.8 years	1.02-2.8 years

Options granted in January 2020 and October 2021 were priced using the binomial option pricing model and the inputs to the model are as follows:

	October 2021	January 2020
Grant-date share price (\$)	\$31.15	\$25.50
Exercise price (\$)	\$31.15	\$25.50
Expected volatility	35.36%	34.08%
Expected life (in years)	5 years	5 years
Risk-free interest rate	0.3947%	0.5526%

Expected volatility was based on the historical share price volatility over the past 1 year. To allow for the effects of early exercise, UBO assumed that employees would exercise their options after the vesting date when the share price was higher than the exercise price.

Compensation cost recognized were \$2,195 thousand and \$6,585 thousand for the years ended December 31, 2024 and 2023, respectively.

SKF

Qualified employees of SKF were granted 2,000 options in August 2021. Each option entitles the holder to subscribe for one thousand ordinary shares of SKF. The options granted are valid for 10 years and exercisable at certain percentages after the seventh anniversary from the grant date. The options were granted at an exercise price equal to the closing price of SKF's ordinary shares listed on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	The Plan of August 2022			
	2024		2023	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance at January 1	2,000	\$ 10.00	2,000	\$ 10.00
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance at December 31	<u>2,000</u>	10.00	<u>2,000</u>	10.00
Options exercisable, end of period	<u>-</u>	-	<u>-</u>	-
Weighted-average fair value of options granted (\$)	<u>\$ -</u>		<u>\$ -</u>	

Information on outstanding options as of December 31, 2024 and 2023 is as follows:

	December 31	
	2024	2023
Range of exercise price (NT\$)	\$10	\$10
Weighted-average remaining contractual life (in years)	6.67 years	7.67 years

Options granted in August 2021 were priced using the binomial option pricing model and the inputs to the model are as follows:

	August 2021
Grant-date share price (\$)	\$6.6
Exercise price (\$)	\$10
Expected volatility	24.91%
Expected life (in years)	10 years
Risk-free interest rate	0.333%

Expected volatility was based on the historical share price volatility over the past 1 year. To allow for the effects of early exercise, SKF assumed that employees would exercise their options after the vesting date when the share price was higher than the exercise price.

Compensation cost recognized were \$267 thousand and \$267 thousand for the years ended December 31, 2024 and 2023, respectively.

36. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
You-Ji Renewable Corp.	Solar industry business	Augustus 2024	100.00	<u>\$ 330</u>
Co-creation Ingenuity Renewable	Solar industry business	June 2023	100.00	<u>\$ 500</u>

The Group acquired You-Ji Renewable Corp. and Co-creation Ingenuity Renewable in 2024 and 2023, respectively, for the purpose of expanding the operations of the Group's solar industry business.

b. Consideration transferred

	You-Ji Renewable Corp.	Co-creation Ingenuity Renewable
Cash	<u>\$ 330</u>	<u>\$ 500</u>

Acquisition-related costs were excluded from the consideration transferred and were recognized as other expenses in the period incurred in the consolidated statements of comprehensive income.

c. Assets acquired and liabilities assumed at the date of acquisition

	You-Ji Renewable Corp.	Co-creation Ingenuity Renewable
Current assets		
Cash and cash equivalents	\$ 294	\$ 2,981
Trade receivables	-	27,094
Prepayments	438	2,100
Other current assets	8	5,597
Non-current assets		
Property, plant and equipment	8,054	141,845
Right-of-use assets	-	44
Other non-current assets	-	1,000
Current liabilities		
Short-term borrowings	(6,192)	-
Other payables	(2,272)	(177,100)
Other current liabilities	-	(3,016)
Non-current liabilities		
Lease liabilities	<u>-</u>	<u>(45)</u>
	<u><u>\$ 330</u></u>	<u><u>\$ 500</u></u>

d. Goodwill recognized on acquisitions

	You-Ji Renewable Corp.	Co-creation Ingenuity Renewable
Consideration transferred	\$ 330	\$ 500
Less: Fair value of identifiable net assets acquired	<u>(330)</u>	<u>(500)</u>
Goodwill recognized on acquisitions	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

e. Net cash inflow (outflow) on the acquisition of subsidiaries

	You-Ji Renewable Corp.	Co-creation Ingenuity Renewable
Consideration paid in cash	\$ 330	\$ 500
Less: Cash and cash equivalent balances acquired	<u>(294)</u>	<u>(2,981)</u>
	<u><u>\$ 36</u></u>	<u><u>\$ (2,481)</u></u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates (August 1, 2024), which are included in the consolidated statements of comprehensive income, were as follows:

	You-Ji Renewable Corp.
Revenue	<u>\$ 409</u>
Profit	<u>\$ (178)</u>

The financial results of the acquirees since their acquisition date (June 29, 2023), which are included in the consolidated statements of comprehensive income, were as follows:

	Co-creation Ingenuity Renewable
Revenue	<u>\$ 15,228</u>
Profit	<u>\$ 3,965</u>

Had the acquisition of You-Ji Renewable Corp. been completed on January 1, 2024, the Group's revenue would have been \$46,149,165 thousand, and the profit would have been \$2,422,428 thousand, for the year ended December 31, 2024. Had the acquisition of Co-creation Ingenuity Renewable been completed on January 1, 2023, the Group's revenue would have been \$39,565,140 thousand, and the profit would have been \$1,167,125 thousand, for the year ended December 31, 2023. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that would actually have been achieved had the acquisition been completed at the beginning of the acquisition years of 2024 and 2023, nor is it intended to be a projection of future results.

37. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2024, the Group disposed of shares of UBO, and UBO's employees exercised their share options, decreasing its continuing interest from 59.64% to 49.06%.

For the year ended December 31, 2024, the Group acquired partial interests in Shinkong Power Service Corporation, increasing its continuing interest from 85.00% to 100%.

For the year ended December 31, 2024, the Group did not subscribe for shares issued for a capital increase by Shinkong International Securities Co., Ltd., decreasing its continuing interest from 77.73% to 77.32%.

For the year ended December 31, 2023, the Group subscribed for additional new shares of UBO at a percentage lower than its existing ownership percentage and UBO's employees exercised their share options, decreasing its continuing interest from 59.77% to 59.64%.

For the year ended December 31, 2023, the Group subscribed for additional new shares of JLP at a percentage higher than its existing ownership percentage, increasing its continuing interest from 70% to 89.63%.

For the year ended December 31, 2023, the Group subscribed for additional new shares of SKPS at a percentage higher than its existing ownership percentage, increasing its continuing interest from 70% to 85%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	For the Year Ended December 31, 2024		
	UBO	SKPS	SKIS
Cash consideration received (paid)	\$ 559,313	\$ (33,028)	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(371,909)</u>	<u>30,776</u>	<u>17,439</u>
Differences recognized from equity transactions	<u>\$ 187,404</u>	<u>\$ (2,252)</u>	<u>\$ 17,439</u>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 195,468	\$ (2,252)	\$ -
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>(8,064)</u>	<u>-</u>	<u>17,439</u>
	<u>\$ 187,404</u>	<u>\$ (2,252)</u>	<u>\$ 17,439</u>

	For the Year Ended December 31, 2023		
	UBO	JLP	SKPS
Cash consideration paid	\$ (13,256)	\$ (91,388)	\$ (100,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>6,539</u>	<u>108,240</u>	<u>100,666</u>
Differences recognized from equity transactions	<u>\$ (6,717)</u>	<u>\$ 16,852</u>	<u>\$ 666</u>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1,766	\$ 16,558	\$ -
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>(8,483)</u>	<u>294</u>	<u>666</u>
	<u>\$ (6,717)</u>	<u>\$ 16,852</u>	<u>\$ 666</u>

38. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key Management personnel consider the cost of capital and the risk associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

39. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except for financial instruments measured at fair value, management believes the carrying amounts of the financial instruments approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 4,896	\$ -	\$ 4,896
Domestic investments - listed shares and emerging market shares	104,166	-	-	104,166
Convertible bonds with assets exchange	-	599,115	-	599,115
Convertible bonds	-	5,688	-	5,688
Mutual funds	220,995	-	-	220,995
Limited partnership funds	-	52,409	-	52,409
Short-term transactions instruments	199,814	-	-	199,814
Foreign corporate bonds	628,586	-	-	628,586
Domestic corporate bonds	<u>50,003</u>	<u>-</u>	<u>-</u>	<u>50,003</u>
	<u>\$ 1,203,564</u>	<u>\$ 662,108</u>	<u>\$ -</u>	<u>\$ 1,865,672</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic investments - listed shares and emerging market shares	\$ 7,557,419	\$ -	\$ -	\$ 7,557,419
Domestic investments - unlisted shares	-	2,339,610	133,728	2,473,338
Foreign investments	-	61,703	-	61,703
Investments in debt instruments at FVTOCI				
Bond investments	<u>3,958,721</u>	<u>1,970,257</u>	<u>-</u>	<u>5,928,978</u>
	<u>\$ 11,516,140</u>	<u>\$ 4,371,570</u>	<u>\$ 133,728</u>	<u>\$ 16,021,438</u>
Financial liabilities at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ 6,721</u>	<u>\$ -</u>	<u>\$ 6,721</u> (Concluded)

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 16,637	\$ -	\$ 16,637
Domestic investments - listed shares and emerging market shares	102,826	-	-	102,826
Convertible bonds with assets exchange	-	725,240	-	725,240
Convertible bonds	-	4,640	-	4,640
Mutual funds	32,677	-	-	32,677
Limited partnership funds	-	63,724	-	63,724
Short-term transactions instruments	249,749	-	-	249,749
Foreign corporate bonds	292,477	-	-	292,477
Domestic corporate bonds	<u>50,074</u>	<u>-</u>	<u>-</u>	<u>50,074</u>
	<u>\$ 727,803</u>	<u>\$ 810,241</u>	<u>\$ -</u>	<u>\$ 1,538,044</u> (Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic investments				
- listed shares and emerging market shares	\$ 7,758,922	\$ -	\$ -	\$ 7,758,922
Domestic investments				
- unlisted shares	-	2,367,589	113,397	2,480,986
Foreign investments	-	78,501	-	78,501
Investments in debt instruments at FVTOCI				
Bond investments	<u>2,006,398</u>	<u>1,223,986</u>	<u>-</u>	<u>3,230,384</u>
	<u>\$ 9,765,320</u>	<u>\$ 3,670,076</u>	<u>\$ 113,397</u>	<u>\$ 13,548,793</u>
Financial liabilities at FVTPL				
Derivatives	<u>\$ -</u>	<u>\$ 10,223</u>	<u>\$ -</u>	<u>\$ 10,223</u>
				(Concluded)

There were no transfers between Levels 1 and 2 in the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 113,397
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	<u>20,331</u>
Balance at December 31, 2024	<u>\$ 133,728</u>

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 101,062
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	<u>12,335</u>
Balance at December 31, 2023	<u>\$ 113,397</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange rate swaps contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - foreign exchange forward contracts	Based on the exchange rates quoted by Reuters on each settlement date.
Unlisted debt securities - ROC	Discounted cash flow: Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the reporting period.
Unlisted equity securities - ROC	Based on market observations, economic trends and industry characteristics, value multipliers that are highly relevant to the target are used as inputs for fair value calculation.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted equity securities - ROC	Discounted cash flow: Future cash flows are estimated based on observable cash dividends at the end of the reporting period and other parameters, discounted at a rate that reflects the credit risk of various counterparties. Market multiplier: Based on the transaction prices of the shares in an active market of companies in comparable industries, the corresponding net value multiplier and taking into consideration the liquidity discount ratio, the fair value of the target is evaluated. The main significant unobservable input is the liquidity discount.

5) Sensitivity analysis of the reasonable possible alternative assumptions for Level 3 fair value measurement

The significant unobservable inputs of the income approach used by the Group are the discount rate, non-controlling equity discount rate and the liquidity discount ratio. The sensitivity analysis is as follows:

December 31, 2024		
Significant Unobservable Input	Range of Changes	Affected Amount
Discount rate	1% increase	\$ (2,704)
	1% decrease	3,366
Discount for lack of marketability	10% increase	(18,772)
	10% decrease	18,772

December 31, 2023		
Significant Unobservable Input	Range of Changes	Affected Amount
Discount rate	1% increase	\$ (1,965)
	1% decrease	2,432
Discount for lack of marketability	10% increase	(11,839)
	10% decrease	(720)

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 1,865,672	\$ 1,538,044
Financial assets at amortized cost (1)	52,624,054	51,820,240
Financial assets at FVTOCI		
Equity instruments	10,092,460	10,318,409
Debt instruments	5,928,978	3,230,384
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	6,721	10,223
Amortized cost (2)	68,575,169	56,590,456

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, debt investments, other financial assets, notes receivable, trade and other receivables.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable, trade and other payables and bonds issued.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risk or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amount of monetary assets and monetary liabilities denominated in the non-functional currency at the balance sheet date (including monetary items denominated in non-functional currency that had reversed in the consolidated financial statements) and the carrying amount of derivatives exposed to exchange rate risk, please refer to Note 44.

The Group uses foreign exchange forward contracts to eliminate currency exposure. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the U.S. dollar. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 5% against the U.S. dollar. For a 5% strengthening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative. This was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollars, which were not hedged at the end of the reporting period.

	USD Impact	
	For the Year Ended December 31	
	2024	2023
Profit or loss	<u>\$ 315,052</u>	<u>\$ 879,241</u>

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	December 31	
	2024	2023
Fair value interest rate risk	\$ 22,746,000	\$ 18,455,000
Cash flow interest rate risk	37,685,780	30,269,323

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the each of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by \$94,214 thousand and \$75,673 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk and commodity price risk through its investments in equity securities and mutual funds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$18,879 thousand and \$9,961 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$504,623 thousand and \$515,920 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparties to discharge its obligation and due to the financial guarantees provided by the Group, could be arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In order to minimize credit risk, management of the Group has delegated a team responsible for determination credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group's available unutilized bank loan facilities are set out in (c) below.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 9,338,089	\$ -	\$ -	\$ -	\$ 9,338,089
Lease liabilities	470,452	554,822	402,860	880,763	2,308,897
Variable interest rate liabilities	17,284,533	15,465,461	5,130,651	-	37,880,645
Fixed interest rate liabilities	16,595,880	-	-	-	16,595,880
Financial debentures	<u>1,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>1,130,000</u>	<u>6,130,000</u>
	<u>\$ 45,188,954</u>	<u>\$ 19,520,283</u>	<u>\$ 5,533,511</u>	<u>\$ 2,010,763</u>	<u>\$ 72,253,511</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 470,452</u>	<u>\$ 957,682</u>	<u>\$ 299,186</u>	<u>\$ 198,102</u>	<u>\$ 59,785</u>	<u>\$ 323,690</u>

December 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 8,914,267	\$ -	\$ -	\$ -	\$ 8,914,267
Lease liabilities	434,592	430,805	395,876	935,361	2,196,634
Variable interest rate liabilities	15,327,306	10,934,992	3,406,745	787,031	30,456,074
Fixed interest rate liabilities	12,122,019	-	-	-	12,122,019
Financial debentures	<u>500,000</u>	<u>1,500,000</u>	<u>3,500,000</u>	<u>820,000</u>	<u>6,320,000</u>
	<u>\$ 37,298,184</u>	<u>\$ 12,865,797</u>	<u>\$ 7,302,621</u>	<u>\$ 2,542,392</u>	<u>\$ 60,008,994</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 434,592</u>	<u>\$ 826,681</u>	<u>\$ 339,142</u>	<u>\$ 202,525</u>	<u>\$ 82,521</u>	<u>\$ 311,173</u>

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to pay should the counterparty of the contract demand payment of the full amount of the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be paid under the contracts.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Net settled</u>					
Foreign exchange forward contracts	\$ (1,033)	\$ -	\$ -	\$ -	\$ (1,033)
Foreign exchange contracts	\$ (792)	\$ -	\$ -	\$ -	\$ (792)

December 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
<u>Net settled</u>					
Foreign exchange forward contracts	\$ 334	\$ -	\$ -	\$ -	\$ 334
Foreign exchange contracts	\$ 6,080	\$ -	\$ -	\$ -	\$ 6,080

c) Financing facilities

	December 31	
	2024	2023
Amount unused	\$ 24,295,876	\$ 21,811,069

40. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
The LYCRA Company Taiwan Limited, Taiwan Branch (H.K.)	Affiliated company of subsidiary's main shareholder
LYCRA Singapore	Affiliated company of subsidiary's main shareholder
Tai Shin Leasing & Financial Co., Ltd.	Associate
Topbottle Resources Technology Corporation	Associate
Shinsol Advanced Chemical Corporation	Associate
Da Chun Universe Investment Co., Ltd.	Associate
Tai Jin Investment Co., Ltd.	Associate
Ecofun Lab Corporation	Associate
Shin Kong Bank Co., Ltd.	Related party in substance
Chairman Wu and related parties of Chairman Wu	Related party in substance
The Bank of Taipei Cultural Foundation	Related party in substance
Shin Kong Life Insurance Co., Ltd.	Related party in substance
Shin Kong Textile Co., Ltd.	Related party in substance
Shin Kong Construction and Development Co., Ltd.	Related party in substance
Shin-Kong Life Real Estate Service Co., Ltd.	Related party in substance
Shin Kong Insurance Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd.	Related party in substance
Hwa Jian Human-Resource & Management Co., Ltd.	Related party in substance
Taishin International Co., Ltd., Bank	Related party in substance
Shin Kong Mitsukoshi Department Store Co., Ltd.	Related party in substance
The Great Taipei Gas Corporation	Related party in substance
Shinkong iEcofun Corporation	Related party in substance
Jin Guang Fu Cultural & Education Foundation	Related party in substance
Shin Kong Recreation Co., Ltd.	Related party in substance
Everlight Co., Ltd.	Related party in substance
Wang Tien Woolen Textile Co., Ltd.	Related party in substance
Shinkong Co., Ltd.	Related party in substance
Waibel Enterprise Inc.	Related party in substance
Sian Shun Co., Ltd.	Related party in substance
Ner Victory Company Ltd.	Related party in substance
Star Thomas Corporation	Related party in substance
Guei Lan Cultural & Art Foundation	Related party in substance
Jin Sian Investment Co., Ltd.	Related party in substance
Guei Yuan Investment Co., Ltd.	Related party in substance
Liang Yue Investment Co., Ltd.	Related party in substance
Shinkong Asset Management Co., Ltd.	Related party in substance
Yi Guang Co., Ltd.	Related party in substance
Yi Yin Co., Ltd.	Related party in substance
Shinkong ilive Co., Ltd.	Related party in substance
Shinkong Leasing Co., Ltd.	Related party in substance

(Continued)

Related Party Name	Related Party Category
Yuan Bao Co., Ltd.	Related party in substance
Beitou Hotel Co., Ltd.	Related party in substance
Rueishing Investment Co., Ltd.	Related party in substance
Taipei City Guei Lan Foundation	Related party in substance
Guangsheng International Enterprise Inc.	Related party in substance
Hengsheng International Enterprise Inc.	Related party in substance
GGP Biotechnology Co., Ltd.	Related party in substance
Defu Cultural & Education Foundation	Related party in substance
Shin Kong Wu Ho-Su Rescue Foundation	Related party in substance
Bilisi Co., Ltd.	Related party in substance
Jilien Investment Co., Ltd.	Related party in substance
Shin Kong Development Co., Ltd.	Related party in substance
Tai Yu Investment Co., Ltd.	Related party in substance
Jia Jia Investment Co., Ltd.	Related party in substance
Jia-Jia Investment Co., Ltd.	Related party in substance
Yuan Sheng Investment Co., Ltd.	Related party in substance
Chang Sheng Investment Co., Ltd.	Related party in substance
Dongrong Investment Co., Ltd.	Related party in substance
Yu Bang Investment Co., Ltd.	Related party in substance
Jia Bang Investment Co., Ltd.	Related party in substance
Shin Kong Investment Trust Co., Ltd.	Related party in substance
Mian Hao Enterprise Co., Ltd.	Related party in substance
Ji Zhen Co., Ltd.	Related party in substance
Tay Way Enterprise Co., Ltd.	Related party in substance
Sheng Bao Investment Co., Ltd.	Related party in substance
Bei Yuan Investment Co., Ltd.	Related party in substance
Others	Key management personnel and others
	(Concluded)

b. Sales of goods

Line Items	Related Party Categories/Name	For the Year Ended December 31	
		2024	2023
Sales	Affiliated company of subsidiary's investors main shareholder/others	\$ 1,107,601	\$ 986,159
	Associates/others	\$ 906	\$ -
	Related party in substance/others	\$ 99,795	\$ 41,659

c. Purchases of goods

Related Party Categories/Name	For the Year Ended December 31	
	2024	2023
Associates/others	\$ 545,919	\$ 339,010
Related parties in substance/others	\$ 3,631	\$ 1,987
Affiliated company of subsidiary's investors main shareholder/others	\$ 6,401	\$ 3,492

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31	
		2024	2023
Trade receivables	Affiliated company of subsidiary's investors main shareholder/others	<u>\$ 200,843</u>	<u>\$ 236,359</u>
	Related parties in substance/others	<u>\$ 8,877</u>	<u>\$ 7,973</u>

e. Payables to related parties

Line Items	Related Party Categories/Name	December 31	
		2024	2023
Trade payables	Associates/others	<u>\$ 2,121</u>	<u>\$ 15,716</u>
	Affiliated company of subsidiary's investors main shareholder/others	<u>\$ 2,904</u>	<u>\$ 1,136</u>
	Related parties in substance/others	<u>\$ 17</u>	<u>\$ -</u>

f. Loans

For the Year Ended December 31, 2024							
Category	Number or Name of Related Party	Highest Balance	Ending Balance	Normal Loans	Non- Performing Loans	Type of Collateral	Differences in Transaction Terms Between Related and Nonrelated Parties
Employee consumer loans	2	\$ 757	\$ -	\$ -	-	None	None
Self-used residential mortgage loans	12	72,412	65,808	65,808	-	Real estate	None
Secured loans	Key executives	5,790	5,734	5,734	-	Real estate	None
Secured loans	Others	6,352	2,144	2,144	-	Real estate	None
Unsecured loans	Related parties in substance	14,656	-	-	-	None	None

For the Year Ended December 31, 2023							
Category	Number or Name of Related Party	Highest Balance	Ending Balance	Normal Loans	Non- Performing Loans	Type of Collateral	Differences in Transaction Terms Between Related and Nonrelated Parties
Employee consumer loans	3	\$ 1,948	\$ 757	\$ 757	-	None	None
Self-used residential mortgage loans	13	91,700	65,000	65,000	-	Real estate	None
Secured loans	Key executives	7,160	5,657	5,657	-	Real estate	None
Secured loans	Others	15,404	4,702	4,702	-	Real estate	None

In compliance with the Banking Law, except for consumer loans and government loans, credits extended by Taipei Star Bank to any related party were fully secured, and the other terms of these credits extended to related parties were similar to those for third parties.

g. Deposits from related parties

	For the Year Ended December 31					
	2024			2023		
	Ending Balance	Interest Rate %	Interest Expense	Ending Balance	Interest Rate %	Interest Expense
Related party in substance	\$ 2,077,876	0.00-1.78	\$ 69,215	\$ 1,250,816	0.00-1.58	\$ 36,857
Others	<u>231,110</u>	0.00-7.95	<u>6,152</u>	<u>153,068</u>	0.00-7.82	<u>5,013</u>
	<u>\$ 2,308,986</u>		<u>\$ 75,367</u>	<u>\$ 1,403,884</u>		<u>\$ 41,870</u>

The terms of the transactions with related parties were similar to those for third parties, except for certain preferential interest rate, which was 7.95% and 7.82% as of December 31, 2024 and 2023, respectively, for employees' savings and loans.

h. Other operating expenses

Related Party Categories/Name	For the Year Ended December 31	
	2024	2023
Related party is substance/others	<u>\$ 2,128</u>	<u>\$ 1,705</u>

The above amounts represent other operating expenses, the Group's transaction prices with related parties were the same as those of unrelated parties.

i. Lease agreements - the Group is lessee

Lessor	Object	Period
Related party in substance	Office and parking space	1-4 years
Related party in substance	Land	5-20 years

Line Items	Related Party Categories/Name	December 31	
		2024	2023
Lease liabilities	Related party in substance/Shin Kong Textile Co., Ltd.	<u>\$ 206,125</u>	<u>\$ 225,312</u>
	Others/The Great Taipei Gas Corporation	<u>\$ 6,894</u>	<u>\$ 8,401</u>

Related Party Categories/Name	For the Year Ended December 31	
	2024	2023
Interest expense		
Related party is substance/Shin Kong Textile Co., Ltd.	<u>\$ 1,792</u>	<u>\$ 2,354</u>
Related party is substance/The Great Taipei Gas Corporation	<u>\$ 185</u>	<u>\$ 170</u>

j. Lease agreements

Operating lease

Lessor	Object	Period	Rent Income	
			For the Year Ended	
			December 31	
			2024	2023
Related party in substance/others	Buildings and parking spaces	March 1, 2020 - February 28, 2030	\$ 748	\$ 1,334

k. Loans from related parties

Related Party Categories/Name	December 31	
	2024	2023
Related party is substance/others	\$ -	\$ 250,000

Interest expense

Related Party Categories/Name	For the Year Ended December 31	
	2024	2023
Related party is substance/others	\$ 1,244	\$ 3,427

The Group obtained loans from related parties bear interest at rates comparable to market rates.

l. Others

Other income

Related Party Categories/Name	For the Year Ended December 31	
	2024	2023
Associates/others	\$ 2,892	\$ 9,998

m. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 31,839	\$ 58,029
Post-employment benefits	1,416	1,740
Others	5,254	6,582
	\$ 38,509	\$ 66,351

n. Capital increase to related parties

In 2023, the Group paid \$128,588 thousand in cash to acquire additional new shares of Shinsol Advanced Chemical Corporation at a percentage different from its original ownership percentage, decreasing its interest from 49.00% to 43.63%. However, it is still classified as an investment in an associate as the Group does not have control over Shinsol Advanced Chemical Corporation.

41. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and the tariff of imported raw materials guarantees:

Pledged Asset	Type	December 31	
		2024	2023
Other financial assets - current	Refundable deposits, demand deposits, time deposits, pledged time deposits and restricted demand deposits	\$ 1,197,180	\$ 1,487,783
Other financial assets - non-current	Pledged time deposits	145,185	135,255
Financial assets at fair value through other comprehensive income - current and non-current	Listed shares	3,926,772	3,671,421
Financial assets at amortized cost - non-current	Trust fund compensation provision	960,000	950,000
Property, plant and equipment and investment properties	Land, buildings and machineries	7,811,780	7,069,065
Contracts in progress-building land	Land - building land	<u>294,900</u>	<u>-</u>
		<u>\$ 14,335,817</u>	<u>\$ 13,313,524</u>

As of December 31, 2024 and 2023, the interest rates for the pledged deposits both ranged from 0.68% to 1.575% and 1.00% to 1.575%, respectively.

42. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2024 and 2023 were as follows:

a. Letters of credit

Outstanding letters of credit not reflected in the accompanying consolidated financial statements as of December 31, 2024 and 2023 were as follows:

	December 31	
	2024	2023
EUR	\$ -	\$ 125
JPY	123,550	181,475
USD	3,391	5,289

b. Significant commitments and contingent liabilities of Taipei Star Bank

Except for the commitments in respect of financial instruments in Note 11, as of December 31, 2024 and 2023, the significant commitments and contingent liabilities of Taipei Star Bank were as follows:

	December 31	
	2024	2023
Unused loan commitments	\$ 19,318,389	\$ 20,715,719
Guarantees	356,000	705,000
Letters of credit	167	5,976
Trust liabilities	21,253,686	16,598,791

c. Trust assets

According to Article 17 of the Enforcement Rules of the Trust Enterprise Act, the Bank discloses assets and liabilities of trust accounts and inventory of trust assets as follows:

**Trust Account Balance Sheet
December 31, 2024**

Trust Assets	Amount	Trust Liabilities	Amount
Bank deposits	\$ 2,378,421	Trust capital	
Short-term investments		Funds and investment	\$ 5,144,208
Mutual funds	3,543,688	Securities and investment	2,309,275
Securities	1,004,211	Real estate and investment	13,744,799
Securities	1,936,379	Net profit	35,890
Real estate		Deferred income	<u>19,514</u>
Land	8,600,466		
Buildings	65,113		
Construction in progress	<u>3,725,408</u>		
	<u>\$ 21,253,686</u>		<u>\$ 21,253,686</u>

**Trust Account Statement of Income
For the Year Ended December 31, 2024**

Income from trust	
Dividend income	\$ 73,942
Interest income	<u>4,207</u>
	<u>78,149</u>
Expense from trust	
Management fee	(3,567)
Administration fee	(322)
Insurance expense	(9,023)
Tax expense	(29,328)
Remittance charge	<u>(19)</u>
	<u>(42,259)</u>
Net income before tax	35,890
Income tax expense	<u>-</u>
Net income	<u>\$ 35,890</u>

The summary of trust assets as of December 31, 2024 is as follows:

Type	Amount
Bank deposits	\$ 2,378,421
Short-term investments	
Mutual funds	3,543,688
Bonds	1,004,211
Securities	1,936,379
Real estate	
Land	8,600,466
Buildings	65,113
Construction in progress	<u>3,725,408</u>
	<u>\$ 21,253,686</u>

**Trust Account Balance Sheet
December 31, 2023**

Trust Assets	Amount	Trust Liabilities	Amount
Bank deposits	\$ 1,812,867	Trust capital	
Short-term investments		Funds and investment	\$ 4,227,644
Mutual funds	2,996,677	Securities and investment	1,795,936
Securities	806,058	Real estate and investment	10,359,034
Securities	1,480,063	Net loss	211,829
Real estate		Deferred income	<u>4,348</u>
Land	6,777,987		
Buildings	57,750		
Construction in progress	<u>2,667,389</u>		
	<u>\$ 16,598,791</u>		<u>\$ 16,598,791</u>

**Trust Account Statement of Income
For the Year Ended December 31, 2023**

Income from trust	
Dividend income	\$ 236,407
Interest income	<u>1,695</u>
	<u>238,102</u>
Expense from trust	
Management fee	(2,761)
Administration fee	(386)
Insurance expense	(5,287)
Tax expense	(17,823)
Interest expense	-
Remittance charge	<u>(16)</u>
	<u>(26,273)</u>
Net income before tax	211,829
Income tax expense	<u>-</u>
Net income	<u>\$ 211,829</u>

The summary of trust assets as of December 31, 2023 is as follows:

Type	Amount
Bank deposits	\$ 1,812,867
Short-term investments	
Mutual funds	2,996,677
Bonds	806,058
Securities	1,480,063
Real estate	
Land	6,777,987
Buildings	57,750
Construction in progress	<u>2,667,389</u>
	<u>\$ 16,598,791</u>

- d. An employee of the Group was investigated and prosecuted by the Taipei District Prosecutors Office for involvement in New Site Industries Group's fraud case, and the case was concluded. In the fourth quarter of 2020, Yuanta Commercial Bank Co., Ltd. accused the Company of violating employer's joint and several liability. Based on the opinion of lawyer, there is a civil liability and the Company recognized the related compensation amounts as provisions for loss on lawsuit. Please refer to the Note 28.

43. OTHER ITEMS

On February 15, 2023, the president of the ROC announced the amendments to the "Climate Change Response Act", which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the "Regulations Governing the Collection of Carbon Fees", "Regulations for Administration of Voluntary Reduction Plans" and "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees" on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Group in 2023, the Group expects that it will be the entity subject to carbon fees. The Group will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

44. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	December 31			
	2024		2023	
	Foreign Currency (In Thousands)	Exchange Rate	Foreign Currency (In Thousands)	Exchange Rate
<u>Financial assets</u>				
Monetary items				
USD	\$ 201,419	32.785	\$ 589,695	30.705
EUR	35,696	34.14	14,516	33.98
JPY	2,228,601	0.2099	1,593,697	0.2172
RMB	20,838	4.222	8,122	4.327
<u>Financial liabilities</u>				
Monetary items				
USD	9,226	32.785	16,993	30.705
JPY	355,398	0.2099	1,024,948	0.2172
EUR	56	34.14	210	33.98

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$352,940 thousand and \$80,700 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

45. DISCLOSURES ACCORDING TO REGULATIONS GOVERNING THE PREPARATION OF FINANCIAL REPORTS BY PUBLIC BANKS

a. Financial instruments

1) Fair value of financial instruments not measured at fair value

Except as detailed in the following table, the management of Taipei Star Bank considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values; therefore, the fair value hierarchy is not disclosed.

December 31, 2024

	Carrying Amount	Estimated Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost - debt instruments	\$ 16,257,549	\$ 6,686,404	\$ 9,221,672	\$ -	\$ 15,908,076
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Financial debenture	1,130,000	-	1,136,855	-	1,136,855

December 31, 2023

	Carrying Amount	Estimated Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets at amortized cost - debt instruments	\$ 18,643,365	\$ 8,350,347	\$ 9,828,038	\$ 99,343	\$ 18,277,728
<u>Financial liabilities</u>					
Financial liabilities at amortized cost Financial debenture	1,320,000	-	1,322,620	-	1,322,620

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis.

2) Fair value of financial instruments measured at fair value on a recurring basis

a) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative	\$ -	\$ 603,915	\$ -	\$ 603,915
Short-term transactions instruments	<u>199,814</u>	<u>-</u>	<u>-</u>	<u>199,814</u>
	<u>\$ 199,814</u>	<u>\$ 603,915</u>	<u>\$ -</u>	<u>\$ 803,729</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI	\$ 573,544	\$ -	\$ 49,445	\$ 622,989
Investments in debt instruments at FVTOCI	<u>3,958,721</u>	<u>1,970,257</u>	<u>-</u>	<u>5,928,978</u>
	<u>\$ 4,532,265</u>	<u>\$ 1,970,257</u>	<u>\$ 49,445</u>	<u>\$ 6,551,967</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ (5,592)</u>	<u>\$ -</u>	<u>\$ (5,592)</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative	\$ -	\$ 741,543	\$ -	\$ 741,543
Short-term transactions instruments	<u>249,749</u>	<u>-</u>	<u>-</u>	<u>249,749</u>
	<u>\$ 249,749</u>	<u>\$ 741,543</u>	<u>\$ -</u>	<u>\$ 991,292</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI	\$ 536,288	\$ -	\$ 39,852	\$ 576,140
Investments in debt instruments at FVTOCI	<u>2,006,398</u>	<u>1,223,986</u>	<u>-</u>	<u>3,230,384</u>
	<u>\$ 2,542,686</u>	<u>\$ 1,223,986</u>	<u>\$ 39,852</u>	<u>\$ 3,806,524</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives	<u>\$ -</u>	<u>\$ (10,223)</u>	<u>\$ -</u>	<u>\$ (10,223)</u>

There were no transfers between Levels 1 and 2 in the years ended December 31, 2024 and 2023.

b) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 39,852
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	<u>9,593</u>
Balance at December 31, 2024	<u>\$ 49,445</u>

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023	\$ 37,951
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	<u>1,901</u>
Balance at December 31, 2023	<u>\$ 39,852</u>

c) Valuation technique and assumptions used for fair value measurement

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. When market prices are not available, valuation techniques are applied. The estimates and assumptions used by Taipei Star Bank for financial instrument valuation is consistent with those used by other market participants in pricing of financial instruments. Fair values of derivatives that have no quoted market prices in an active market are calculated using the discounted cash flow method, the fair value of each individual contract is calculated based on the exchange rates quoted by Reuters on each settlement date.

d) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange contracts	Based on the exchange rates quoted by Reuters on each settlement date.
Derivatives - convertible bond asset swap	The value of convertible bond asset swap is the conversion price plus the fixed income value minus the conversion option value. The average price is input into the SYSTEX information system to calculate value of convertible bond asset swap and convertible option. The interbank overnight call loan rate, TAIBIR and IRS from Bloomberg are input into the SYSTEX information system to calculate the discounted fixed income.
Investments in debt instruments	Based on market quoted prices or prices quoted by Bloomberg.

e) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted equity securities - ROC	Discounted cash flow: Future cash flows are estimated based on observable cash dividends at the end of the reporting period and other parameters, discounted at a rate that reflects the credit risk of various counterparties.

- f) Sensitivity analysis of reasonable possible alternative assumptions for Level 3 fair value measurement

The significant unobservable inputs of the income approach used by Taipei Star Bank are the discount rate, non-controlling equity discount rate and the liquidity discount ratio. The sensitivity analysis is as follows:

December 31, 2024		
Significant Unobservable Input	Range of Changes	Affected Amount
Discount rate	1% increase	\$ (2,704)
	1% decrease	3,366
Discount for lack of marketability	10% increase	(7,380)
	10% decrease	7,380

December 31, 2023		
Significant Unobservable Input	Range of Changes	Affected Amount
Discount rate	1% increase	\$ (1,965)
	1% decrease	2,432
Discount for lack of marketability	10% increase	(5,115)
	10% decrease	5,115

3) Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 803,729	\$ 991,292
Financial assets at FVTOCI	6,551,967	3,806,524
Financial assets at amortized cost (a)	83,256,517	82,661,700
<u>Financial liabilities</u>		
Financial liabilities at FVTPL	5,592	10,223
Amortized cost (b)	83,377,121	81,746,411

- a) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, due from the Central Bank and call loans to other banks, debt investments, bills and bonds purchased under resale agreements, trade receivables, discounts and loans and refundable deposits.
- b) The balances include financial liabilities at amortized cost, which comprise due to the Central Bank and other banks, funds borrowed from the Central Bank and other banks, bills and bonds sold under repurchase agreements, trade payables, deposits and remittances, bonds issued, other financial liabilities and deposits.

b. Financial risk management objectives and policies

Taipei Star Bank has rules for risk management policies and risk control procedures, which include organizational structure, procedures, mechanism and information system. The rules had been approved by the board of directors (including credit risks, market risks, operation risks, liquidity risks and national risks).

Taipei Star Bank has Risk Management Committee and Risk Management Division, and takes the full responsibility for risk management in order to operate risk management effectively. Chief Executive Officer as the chairman of Risk Management Committee, and Vice Chief Executive Officer as substitute. Risk Management Committee takes charge of risk management as follows:

- 1) Monitoring capital adequacy.
- 2) Measurement and monitoring liquidity risks.
- 3) Risk management of every business segment.
- 4) Assessment of asset quality, classification and loss allowance.
- 5) Information security protection mechanism and emergency response plan.
- 6) Planning, proposal and assessment of risk management policies.
- 7) Reporting implementation status of risk management to the board of directors.
- 8) The Risk Management Committee can assign specialists who are responsible for specific risk tasks, in order to achieve the goals of risk management.

Member of Risk Management Committee sets risk management measurement index depend on their business, and report to Risk Management Committee as a reference for decision making.

1) Market risk

Fair value changes of Taipei Star Bank's fixed rate debt instruments, bills, loans and other financial instruments, when the market rate changes on the balance sheet date.

Sensitivity analysis

a) Interest rate risk

If interest rates had been 100 basis points higher and all other variables were held constant, Taipei Star Bank pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased by \$478 thousand and \$515 thousand, respectively, and the pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have decreased by \$298,332 thousand and \$112,893 thousand, respectively.

b) Foreign currency risk

If exchange rates of USD/NTD and CNY/NTD strengthened by 3% and all other variables were held constant, the pre-tax profit of Taipei Star Bank for the years ended December 31, 2024 and 2023 would have increased by \$13,923 thousand and \$11,964 thousand, respectively, and the pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased by \$76,554 thousand and \$26,935 thousand, respectively.

c) Equity price risk

If equity prices had been 15% higher and all other variables were held constant, the Taipei Star Bank pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased by \$93,448 thousand and \$86,421 thousand, respectively.

d) Summarized sensitivity analysis

December 31, 2024			
Main Risk	Range of Changes	Impact Amounts	
		Equity	Profit/Loss
Interest rate risk	Interest rate yield higher 100BPS	\$ (298,810)	\$ (478)
Interest rate risk	Interest rate yield lower 100BPS	298,810	478
Foreign currency risk	USD/NTD and RMB/NTD strengthen 3%	90,477	13,923
Foreign currency risk	USD/NTD and RMB/NTD weakening 3%	(90,477)	(13,923)
Equity price risk	Equity price higher 15%	93,448	-
Equity price risk	Equity price lower 15%	(93,448)	-

December 31, 2023			
Main Risk	Range of Changes	Impact Amounts	
		Equity	Profit/Loss
Interest rate risk	Interest rate yield higher 100BPS	\$ (113,408)	\$ (515)
Interest rate risk	Interest rate yield lower 100BPS	113,408	515
Foreign currency risk	USD/NTD and RMB/NTD strengthen 3%	38,899	11,964
Foreign currency risk	USD/NTD and RMB/NTD weakening 3%	(38,899)	(11,964)
Equity price risk	Equity price higher 15%	86,421	-
Equity price risk	Equity price lower 15%	(86,421)	-

2) Interest rate risk

a) Definition of interest rate risk

Interest rate risk refers to the change in interest rate, which causes Taipei Star Bank to bear the risk of changes in the fair value of the interest rate risk or the loss of surplus liquidity. The main sources of risk include deposits and interest rate-related securities.

b) Measurement methods and management procedures

Taipei Star Bank regularly reports the monitoring results to the Risk Management Committee and the board of directors for interest rate risk, and makes adjustment according to the overall operating conditions.

c) The effect of interest rate benchmark reform

For the financial instruments of Taipei Star Bank that are affected by changes in interest rate benchmark, the linked indicator interest rates include USD LIBOR. It is expected that the US Secured Overnight Financing Rate (SOFR) will replace the USD LIBOR. However, there is a fundamental difference between the replacement interest rate and LIBOR. LIBOR is a forward-looking interest rate indicator that implies market expectations for future interest rate trends and includes inter-bank credit discounts. Each alternative interest rate is a retrospective interest rate indicator calculated with reference to actual transaction data, which does not include a credit discount. Therefore, when an existing contract is modified from a linked LIBOR to a linked alternative interest rate, additional adjustments must be made to the aforementioned differences to ensure that the interest rate basis before and after the modification is economically equivalent.

Taipei Star Bank has completed its USD LIBOR transition plan. Financial instruments affected by the interest rate benchmark reform have now adopted alternative reference rates.

3) Credit risk

Credit risk refers to Taipei Star Bank's exposure to financial losses due to inability of customers or counterparties to meet the contractual obligations on financial instruments. When offering loans, loan commitments and guarantees, Taipei Star Bank adopts cautious approach in the assessment process. Secured loans constituted were both 97% of all loans as of December 31, 2024 and 2023, respectively. Pledged assets are properties, cash, securities and other assets, when counterparties inability to meet the contractual obligations, Taipei Star Bank has the right to obtain pledged assets and reduce credit risk. However, the fair value of pledged assets is not considered in the disclosure of exposure amounts.

a) Credit risk management procedures

The credit risk management procedures and measurement methods of Taipei Star Bank's main business are as follows:

i. Credit granting business

The loss allowance for Taipei Star Bank's discounts and loans whose credit risk have not increased significantly since initial recognition is evaluated using 12-month ECLs; for the discounts and loans whose credit risk have increased significantly or have defaulted and financial assets that are credit-impaired, Lifetime ECLs are used to evaluate the loss allowance.

Determination that credit risk has increased significantly since initial recognition

At the end of each reporting period, Taipei Star Bank assesses the changes in risk of default over the expected lifetime of the discounts and loans to determine if credit risk has increased significantly since initial recognition. For this assessment, reasonable and corroborative information that indicates that credit risk has increased significantly is taken into consideration, the main indicators include:

Quantitative indicators

Past due for at least a certain number of days.

Qualitative indicators

- i) Significant changes in expected or actual operating results.
- ii) Current or expected worsening of debt payment ability due to unfavorable changes in operating, financial or economic conditions.

Definition of credit-impaired and defaulted financial assets

If one or more of the following conditions are met, Taipei Star Bank determines that the financial assets have defaulted and are credit-impaired.

Quantitative indicators

Loans that met the definition of overdue loans in accordance with “Non-performing loans from Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”.

Qualitative indicators

If there is evidence showing the inability of the borrower to repay the loan or showing that the borrower is in significant financial difficulties, such as the following:

- i) Borrower met the requirements of exemption from reporting in accordance with “Nonperforming loans from Regulations Governing the Procedures for Banking”.
- ii) New payment schedule is negotiated so that the loan is not classified as non-performing.
- iii) Do not belong to the aforementioned non-performing loans, but showing signs of significant financial difficulties or bad credit record such as the following:
 - Reported a returned check issued by debtor or on a “No business transaction” list.
 - There are cases of overdue loans of the borrower or its enterprise with other financial institutions.
 - Businesses operated or invested in by the borrower or its affiliates have ceased operations.
 - Returned check not make up or pledged shares account decrease from loans maintenance ratio to minimum notification recovery maintenance ratio, and did not return to the standard ratio within the specified period.
 - Situations where the pledged collateral of the debtor is seized by another bank, receivables have been reclassified as overdue receivables by another financial institution, debtor has filed for bankruptcy, reorganization, or other debt clearance proceedings, or when the auditor has issued an opinion expressing material uncertainty over the Company’s ability to continue as a going concern.

The definition of defaulted and credit-impaired credit assets above is applicable to all financial assets of Taipei Star Bank, and used in the model for impairment assessment.

Measurement of expected credit loss

For the measurement of expected credit loss, Taipei Star Bank classified the credit assets based on credit risk characteristics such as purpose of borrowings, industry characteristics, type of collateral, and borrowing status into the following groups:

Business	Type of Collateral	Credit Risk Group
Corporate banking	State-owned enterprises	
	Pledged time deposits	
	Corporate banking - secured borrowings	Small and medium enterprises - credit guaranteed
		Small and medium enterprises - non-credit guaranteed
		Non small and medium enterprises
	Corporate banking - unsecured borrowings	Small and medium enterprises - non-credit guaranteed
		Non small and medium enterprises
Consumer banking	Consumer banking - secured borrowings	Property, plant and equipment
		Pledged shares
		Others
	Consumer banking - unsecured borrowings	Check financing
		Consumer credit
		Self-negotiating and resolving
		Consumer debt clearance
		Others

Taipei Star Bank adopted the 12-month ECL model to evaluate the loss allowance of financial instruments whose credit risk have not increased significantly since initial recognition, and adopted the lifetime ECL model to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or those that are credit-impaired.

Taipei Star Bank considers both the 12-month and lifetime probability of default (PD) of the borrower with the loss given default (LGD), multiplied by the exposure at default (EAD), as well as the impact of time value, to calculate the respective 12-month ECLs and lifetime ECLs.

“PD” refers to the borrower’s probability of default and “LGD” refers to losses caused by the default. Taipei Star Bank applies the “PD” and “LGD” to the credit business according to each group’s historical information (such as credit loss experience) from internal historical data, and adjusts the historical data based on current observable and forward-looking macroeconomic information, and calculates by the grouping and estimation method.

Taipei Star Bank estimates the account balance based on the grouping and estimation method. In addition, Taipei Star Bank estimates the 12-month ECLs and Lifetime ECLs of loan commitments by considering the portion of the loan commitments expected to be used within 12 months after the reporting date and within the expected lifetime based on the grouping and estimation method to determine the amount of EAD for calculating expected credit losses.

Forward-looking information

The Growth Rate of Gross Domestic Product (GDP) and unemployment rate announced by the government of the ROC are used as indicators to adjust the probability of default and are included in the evaluation of the loss allowance of financial instruments.

ii. Investments in debt instruments

Taipei Star Bank considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecasts when estimating 12-month or lifetime expected credit losses.

Determination that credit risk has increased significantly since initial recognition

At the end of each reporting period, Taipei Star Bank assesses the changes in risk of default over the expected lifetime of the discounts and loans to determine if credit risk has increased significantly since initial recognition. For this assessment, reasonable and corroborative information that indicates that credit risk has increased significantly is taken into consideration, the main indicators include:

Quantitative indicators

According to the changes in external credit ratings, Taipei Star Bank determines the investments in debt instruments whose credit risk has increased significantly since initial recognition at the end of the reporting period.

The three stages of impairment are as follows:

- i) Stage 1 (low-risk or no significant increase): No changes in external credit ratings or do not conform to the definition of Stage 2 and 3.
- ii) Stage 2 (significant increase in credit risk): Rating is over Baa3 on the initial recognition date, and rating is lower than Ba1, not including ratings of Ca-D on the measurement date; rating is Ba1-Ba3 on the initial recognition date, and rating is downgraded to B1-Caa3 on the measurement date; Rating is B1-Caa3 on the initial recognition date; rating provided by external credit agencies is Baa3/BBB-/BBB-.
- iii) Stage 3 (credit impaired): The rating is Ca-D on the measurement date or have defaulted.

Measurement of ECLs

- i) The measurement of ECLs of debt instruments will be done on a group basis based on the nature of the products.
- ii) At the end of the reporting period, Taipei Star Bank evaluates the risk of default occurring over the expected life of debt instruments, to determine if the credit risk has increased significantly since original recognition.
 - Normal credit risk, based on the probability of default (PD) within one year.
 - Significant increase in credit risk, based on the probability of default (PD) over the full lifetime of the debt instruments, if cash flow can be assessed, the discounted cash flow method is used to measure ECLs.

- Abnormal credit risk, probability of default (PD) is 100%, probability of default (PD) over the full lifetime of the debt instruments is not considered, only the recoverable amount is considered in the measurement of ECLs.
- Taipei Star Bank assesses the PD of investments in debt instruments using data from external credit rating agencies to calculate the PD of different secured or unsecured repayment orders.

b) Credit risk hedging or mitigation policies

i. Collateral

Taipei Star Bank has a series of measures for credit granting to reduce credit risks. One of the procedures is requesting for collateral from the borrowers. To secure the loans, Taipei Star Bank manages and assesses the collateral based on the procedures that suggest the scope of collateralization and valuation of collateral and the process of disposal. In credit contracts, Taipei Star Bank stipulates the security mechanism for loans and the conditions and terms for collateral and offsetting to state clearly that Taipei Star Bank reserves the right to reduce the limit granted or to reduce the repayment period in order to reduce the credit risks.

Taipei Star Bank closely observes the value of collateral of financial assets and considers the financial assets that need to be recognized for impairment or those that are already impaired. The following table details the value of collateral of credit-impaired financial assets or those that need to be recognized for impairment.

	Gross Carrying Amount	Loss Allowance	Exposure (At Amortized Cost)	Collateral Fair Value
Credit-impaired financial assets:				
Receivables				
Credit card business	\$ -	\$ -	\$ -	\$ -
Others	1,015	(78)	937	-
Discounts and loans	<u>304,364</u>	<u>(22,253)</u>	<u>282,111</u>	<u>282,111</u>
Total amount of credit-impaired financial assets	<u>\$ 305,379</u>	<u>\$ (22,331)</u>	<u>\$ 283,048</u>	<u>\$ 282,111</u>

ii. Credit risk concentration limits and control

To avoid over concentration of credit risks, Taipei Star Bank has included credit limits for a single counterparty and for a single group in its credit-related guidelines. Taipei Star Bank has also included credit limits for an individual (entity) and for related enterprises (group) in the guidelines for investment and regulations for risk control on equity investments. To manage the concentration risk on the assets, Taipei Star Bank set credit limits by industry, conglomerate, country, transactions collateralized by shares, and other categories and integrated within one system the supervision of concentration of credit risk in these categories.

iii. Other credit enhancements

To reduce credit risk, Taipei Star Bank stipulates in its credit contracts the terms for offsetting which clearly defines that Taipei Star Bank reserves the right to offset the borrowers' debt against their deposits in Taipei Star Bank.

c) Credit risk exposure

Credit risk exposure is evaluated based on the positive fair value on the balance sheet date and off-balance loan commitments and other guaranteed commitments.

Except off-balance sheet credit risk exposure, the maximum credit risk exposures of various financial instruments held by the Taipei Star Bank are the same as the per book amounts.

i. Off-balance sheet credit risk exposure

	December 31	
	2024	2023
Commitments	\$ 19,318,389	\$ 20,715,719
Guarantees	356,000	705,000
Letters of credit	167	5,976

ii. Concentration of credit risk

Concentration of credit risk exists when the counterparty of financial transactions are concentrated on one individual or when there is more than one counterparty but they are engaged in similar business activities or have similar economic characteristics, which result in their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Taipei Star Bank did not have transactions involving a single customer or counterparty, but has transactions with counterparties with similar industries or geographical locations. The contract amounts of significant concentration of credit risk and their maximum amounts of credit risk are as follows:

	December 31	
Group or Industry	2024	2023
Natural person	\$ 37,011,645	\$ 35,844,684
Real estate	14,198,091	12,755,105
Manufacturing	364,336	411,503
Wholesale, retail and restaurants	1,999,715	2,060,906
Construction	781,211	837,400
Others	<u>3,896,189</u>	<u>4,310,533</u>
	<u>\$ 58,251,187</u>	<u>\$ 56,220,131</u>

	December 31	
Region	2024	2023
Domestic	\$ 58,251,020	\$ 56,214,155
Overseas	<u>167</u>	<u>5,976</u>
	<u>\$ 58,251,187</u>	<u>\$ 56,220,131</u>

d) Credit quality information

Some financial assets held by Taipei Star Bank, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, financial assets at fair value through profit or loss, bills and bonds purchased under resale agreements and refundable deposits, are exposed to low credit risks because the counterparties have high credit ratings.

In addition to the above-mentioned assets, credit quality analyses on other financial assets were as follows:

i. Analysis of credit quality of discounts and loans

December 31, 2024

Discounts and Loans					
December 31, 2024					
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs (Collectively Assessed)	Stage 3 Lifetime ECLs (Credit- impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 56,813,811	\$ 776,845	\$ 304,364	\$ -	\$ 57,895,020
Loss allowance	(31,041)	(1,793)	(22,253)	-	(55,087)
Difference of impairment loss under regulations	-	-	-	(642,864)	(642,864)
	<u>\$ 56,782,770</u>	<u>\$ 775,052</u>	<u>\$ 282,111</u>	<u>\$ (642,864)</u>	<u>\$ 57,197,069</u>

Trades Receivable and Other Financial Assets					
December 31, 2024					
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs (Collectively Assessed)	Stage 3 Lifetime ECLs (Credit- impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 7,830,208	\$ 2,286	\$ 1,015	\$ -	\$ 7,833,509
Loss allowance	(34)	(3)	(78)	-	(115)
Difference of impairment loss under regulations	-	-	-	(701)	(701)
	<u>\$ 7,830,174</u>	<u>\$ 2,283</u>	<u>\$ 937</u>	<u>\$ (701)</u>	<u>\$ 7,832,693</u>

Note: Trades receivable and other financial assets above included due from the Central Bank and call loans to other banks, bills and bonds purchase under resale agreements, loans interest receivable, securities settlement price receivables, other receivables and refundable deposits.

Off-balance Sheet Commitments					
December 31, 2024					
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs (Collectively Assessed)	Stage 3 Lifetime ECLs (Credit- impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 419,667	\$ -	\$ -	\$ -	\$ 419,667
Loss allowance	(7)	-	-	-	(7)
Difference of impairment loss under regulations	-	-	-	(4,190)	(4,190)
	<u>\$ 419,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,190)</u>	<u>\$ 415,470</u>

December 31, 2023

Discounts and Loans					
December 31, 2023					
	Stage 1	Stage 2	Stage 3		
	12-month ECLs	Lifetime ECLs (Collectively Assessed)	Lifetime ECLs (Credit-impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 53,926,379	\$ 1,446,909	\$ 135,867	\$ -	\$ 55,509,155
Loss allowance	(36,312)	(4,821)	(9,885)	-	(51,018)
Difference of impairment loss under regulations	-	-	-	(577,863)	(577,863)
	<u>\$ 53,890,067</u>	<u>\$ 1,442,088</u>	<u>\$ 125,982</u>	<u>\$ (577,863)</u>	<u>\$ 54,880,274</u>

Trades Receivable and Other Financial Assets					
December 31, 2023					
	Stage 1	Stage 2	Stage 3		
	12-month ECLs	Lifetime ECLs (Collectively Assessed)	Lifetime ECLs (Credit-impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 6,786,999	\$ 3,359	\$ 430	\$ -	\$ 6,790,788
Loss allowance	(44)	(4)	(36)	-	(84)
Difference of impairment loss under regulations	-	-	-	(830)	(830)
	<u>\$ 6,786,955</u>	<u>\$ 3,355</u>	<u>\$ 394</u>	<u>\$ (830)</u>	<u>\$ 6,789,874</u>

Note: Trades receivable and other financial assets above included due from the Central Bank and call loans to other banks, bills and bonds purchase under resale agreements, loans interest receivable, securities settlement price receivables, other receivables and refundable deposits.

Off-balance Sheet Commitments					
December 31, 2023					
	Stage 1	Stage 2	Stage 3		
	12-month ECLs	Lifetime ECLs (Collectively Assessed)	Lifetime ECLs (Credit-impaired Financial Assets)	Difference of Impairment Loss Recognized	Total
Gross carrying amount	\$ 712,576	\$ -	\$ -	\$ -	\$ 712,576
Loss allowance	(10)	-	-	-	(10)
Difference of impairment loss under regulations	-	-	-	(7,116)	(7,116)
	<u>\$ 712,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,116)</u>	<u>\$ 705,450</u>

ii. Analysis of credit quality of marketable securities

Credit quality of debt instruments

Investments in debt instruments were classified as at FVTOCI and as at amortized cost.

December 31, 2024	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 6,025,936	\$ 16,261,355
Loss allowance	<u>(2,849)</u>	<u>(3,806)</u>
Amortized cost	6,023,087	16,257,549
Adjustments to fair value	<u>(94,109)</u>	<u>-</u>
	<u>\$ 5,928,978</u>	<u>\$ 16,257,549</u>
December 31, 2023	At FVTOCI	At Amortized Cost
Gross carrying amount	\$ 3,273,156	\$ 18,647,792
Loss allowance	<u>(2,238)</u>	<u>(4,427)</u>
Amortized cost	3,270,918	18,643,365
Adjustments to fair value	<u>(40,534)</u>	<u>-</u>
	<u>\$ 3,230,384</u>	<u>\$ 18,643,365</u>

Taipei Star Bank's current credit risk grading framework comprises the following categories:

December 31, 2024

Credit Rating	Description	Basis for Recognizing Expected Credit Losses	Expected Credit Loss Rate	Gross Carrying Amount
Stage 1 (low credit risk)	No changes in external credit ratings and do not conform to the definition of Stages 2 and 3.	12-month ECLs	0.00%-0.40%	\$ 22,287,291
Stage 2 (significant increase in credit risk)	The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date. B1-Caa3 on the initial recognition date.	Lifetime ECLs (not credit impaired)	-	-
Stage 3 (credit impaired)	The rating is Ca-D on the measurement date and defaulted.	Lifetime ECLs (credit impaired)	-	-

December 31, 2023

Credit Rating	Description	Basis for Recognizing Expected Credit Losses	Expected Credit Loss Rate	Gross Carrying Amount
Stage 1 (low credit risk)	No changes in external credit ratings and do not conform to the definition of Stages 2 and 3.	12-month ECLs	0.00%-0.40%	\$ 21,920,948
Stage 2 (significant increase in credit risk)	The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date. B1-Caa3 on the initial recognition date.	Lifetime ECLs (not credit impaired)	-	-
Stage 3 (credit impaired)	The rating is Ca-D on the measurement date and defaulted.	Lifetime ECLs (credit impaired)	-	-

The allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost grouped by credit rating is summarized as follows:

For the year ended December 31, 2024

	Credit Rating		
	Stage 1	Stage 2	Stage 3
Allowance for Impairment Loss	12-month ECLs	Lifetime ECLs Not Credit-impaired	Lifetime ECLs Credit-impaired
Balance at January 1, 2024	\$ 6,665	\$ -	\$ -
Financial assets changed from normal to abnormal	-	-	-
New financial assets purchased	1,529	-	-
Derecognition	(1,140)	-	-
Change in exchange rates or others	<u>(399)</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 6,655</u>	<u>\$ -</u>	<u>\$ -</u>

For the year ended December 31, 2023

Allowance for Impairment Loss	Credit Rating		
	Stage 1 12-month ECLs	Stage 2	Stage 3
		Lifetime ECLs Not Credit- impaired	Lifetime ECLs Credit- impaired
Balance at January 1, 2023	\$ 6,101	\$ -	\$ -
Financial assets changed from normal to abnormal	-	-	-
New financial assets purchased	670	-	-
Derecognition	(151)	-	-
Change in exchange rates or others	45	-	-
Balance at December 31, 2023	<u>\$ 6,665</u>	<u>\$ -</u>	<u>\$ -</u>

3) Liquidity risk

Taipei Star Bank manages liquidity risk by maintaining adequate reserves, liquidity reserves ratio was 20% and 19% as of December 31, 2024 and 2023, respectively. The fund is sufficient to meet the needs of asset acquisition or debt repayment on maturity, therefore, there is no possibility of financial loss resulting from the shortage of funds. The liquidity risk is quite low due to there is minimum possibility of sell derivatives in a non-reasonable price.

The basic policy of Taipei Star Bank is to match the maturity profiles of financial assets and liabilities, and managed non-matching gap. Due to the uncertainty of transaction details and types, the maturity profiles of financial assets and liabilities cannot match the interest rates completely. This kind of gap can generate potential profit or loss, Taipei Star Bank classified financial assets and liabilities into different groups by its nature and assessed its liquidity as follows:

Financial Instruments	December 31, 2024					
	Less than 1 Month	1-6 Months	6-12 Months	1-7 Years	Over 7 Years	Total
<u>Assets</u>						
Cash and cash equivalents	\$ 1,996,903	\$ -	\$ -	\$ -	\$ -	\$ 1,996,903
Due from the Central Bank and call loans to other banks	1,790,054	737,128	733,422	984,091	-	4,244,695
Financial assets at FVTPL	803,729	-	-	-	-	803,729
Financial assets at FVTOCI	-	462,653	378,049	4,386,466	1,324,799	6,551,967
Financial assets at amortized cost - debt investments	3,500,000	1,172,968	1,673,786	8,075,247	1,835,548	16,257,549
Bills and bonds purchased under resale agreements	3,344,600	-	-	-	-	3,344,600
Trade receivables	122,474	78,474	33,281	422	-	234,651
Discounts and loans	1,498,040	7,806,421	11,982,105	25,846,810	10,761,644	57,895,020
Total assets	<u>13,055,800</u>	<u>10,257,644</u>	<u>14,800,643</u>	<u>39,293,036</u>	<u>13,921,991</u>	<u>91,329,114</u>
<u>Liabilities</u>						
Due to the Central Bank and other banks	3,172,839	658,934	-	-	-	3,831,773
Financial liabilities at FVTPL	5,592	-	-	-	-	5,592
Bills and bonds sold under repurchase agreements	394,590	726,028	-	-	-	1,120,618
Trade payables	425,063	176,701	34,630	46,740	-	683,134
Deposits and remittances	6,287,408	21,974,245	18,994,631	29,336,344	-	76,592,628
Bonds payable	-	-	-	1,130,000	-	1,130,000
Lease liabilities	2,778	13,890	16,668	94,140	-	127,476
Total liabilities	<u>10,288,270</u>	<u>23,549,798</u>	<u>19,045,929</u>	<u>30,607,224</u>	<u>-</u>	<u>83,491,220</u>
Net liquidity gap	<u>\$ 2,767,530</u>	<u>\$ (13,292,154)</u>	<u>\$ (4,245,286)</u>	<u>\$ 8,685,812</u>	<u>\$ 13,921,991</u>	<u>\$ 7,837,894</u>

Financial Instruments	December 31, 2023					
	Less than 1 Month	1-6 Months	6-12 Months	1-7 Years	Over 7 Years	Total
<u>Assets</u>						
Cash and cash equivalents	\$ 2,369,767	\$ -	\$ -	\$ -	\$ -	\$ 2,369,767
Due from the Central Bank and call loans to other banks	2,173,040	722,657	604,851	773,455	-	4,274,003
Financial assets at FVTPL	991,292	-	-	-	-	991,292
Financial assets at FVTOCI	-	-	289,830	3,105,453	411,241	3,806,524
Financial assets at amortized cost - debt investments	3,761,470	1,064,183	2,096,944	9,198,409	2,522,359	18,643,365
Bills and bonds purchased under resale agreements	2,296,769	-	-	-	-	2,296,769
Trade receivables	120,220	60,530	27,636	2,399	-	210,785
Discounts and loans	<u>1,989,914</u>	<u>7,838,405</u>	<u>10,031,252</u>	<u>24,216,667</u>	<u>11,432,917</u>	<u>55,509,155</u>
Total assets	<u>13,702,472</u>	<u>9,685,775</u>	<u>13,050,513</u>	<u>37,296,383</u>	<u>14,366,517</u>	<u>88,101,660</u>
<u>Liabilities</u>						
Due to the Central Bank and other banks	2,718,375	199,778	-	-	-	2,918,153
Financial liabilities at FVTPL	10,223	-	-	-	-	10,223
Bills and bonds sold under repurchase agreements	3,018,758	297,000	-	-	-	3,315,758
Trade payables	422,108	131,503	20,595	40,337	-	614,543
Deposits and remittances	5,838,147	23,813,528	18,419,341	25,487,457	-	73,558,473
Bonds	-	200,000	300,000	820,000	-	1,320,000
Lease liabilities	<u>2,598</u>	<u>13,060</u>	<u>16,049</u>	<u>119,656</u>	<u>-</u>	<u>151,363</u>
Total liabilities	<u>12,010,209</u>	<u>24,654,869</u>	<u>18,755,985</u>	<u>26,467,450</u>	<u>-</u>	<u>81,888,513</u>
Net liquidity gap	<u>\$ 1,692,263</u>	<u>\$ (14,969,094)</u>	<u>\$ (5,705,472)</u>	<u>\$ 10,828,933</u>	<u>\$ 14,366,517</u>	<u>\$ 6,213,147</u>

Analysis of cash outflows from nonderivative financial liabilities

Taipei Star Bank disclosed the analysis of cash outflows from nonderivative financial liabilities by the residual maturities as of the balance sheet date. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Due to the Central Bank and other banks	\$ 3,172,839	\$ 658,934	\$ -	\$ -	\$ -	\$ 3,831,773
Bills and bonds sold under repurchase agreements	396,038	730,063	-	-	-	1,126,101
Trade payables	425,061	139,245	37,457	34,630	46,741	683,134
Deposits and remittances	6,287,408	9,900,347	12,073,898	18,994,631	29,336,344	76,592,628
Bonds payable	-	-	-	-	1,130,000	1,130,000
Other items of cash outflow on maturity	3,489	5,556	8,334	45,376	344,205	406,960

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Due to the Central Bank and other banks	\$ 2,718,375	\$ 199,778	\$ -	\$ -	\$ -	\$ 2,918,153
Bills and bonds sold under repurchase agreements	2,751,757	567,983	-	-	-	3,319,740
Trade payables	422,108	105,890	25,613	20,595	40,337	614,543
Deposits and remittances	5,838,147	10,022,368	13,791,160	18,419,341	25,487,457	73,558,473
Bonds	-	-	200,000	300,000	820,000	1,320,000
Other items of cash outflow on maturity	6,969	5,481	34,653	42,874	433,180	523,157

Analysis of cash outflows from derivative financial liabilities

Derivative financial liabilities to be settled at gross amounts

Derivatives: Foreign exchange contracts.

Taipei Star Bank assessed the maturity date of contracts to understand the basic elements of all derivative financial instruments shown in the consolidated balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities was as follows:

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivative						
Cash outflows	\$ 575,869	\$ 218,256	\$ -	\$ -	\$ -	\$ 794,125
Cash inflows	570,573	217,960	-	-	-	788,533
Subtotal of cash outflows	575,869	218,256	-	-	-	794,125
Subtotal of cash inflows	570,573	217,960	-	-	-	788,533
Net cash outflow (inflow)	\$ (5,296)	\$ (296)	\$ -	\$ -	\$ -	\$ 5,592

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivative						
Cash outflows	\$ 221,457	\$ 216,976	\$ -	\$ -	\$ -	\$ 438,433
Cash inflows	215,794	212,416	-	-	-	428,210
Subtotal of cash outflows	221,457	216,976	-	-	-	438,433
Subtotal of cash inflows	215,794	212,416	-	-	-	428,210
Net cash outflow (inflow)	\$ (5,663)	\$ (4,560)	\$ -	\$ -	\$ -	\$ (10,223)

4) Maturity analysis of off-balance sheet items

Taipei Star Bank conducted the maturity analysis of off-balance sheet items based on the residual maturities as of the balance sheet date. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Loan commitments issued	\$ 498,414	\$ 996,829	\$ 1,495,243	\$ 2,990,487	\$ 13,337,416	\$ 19,318,389
Letters of credit issued and yet unused	167	-	-	-	-	167
Other guarantees	150,000	2,000	-	13,000	191,000	356,000
Total	\$ 648,581	\$ 998,829	\$ 1,495,243	\$ 3,003,487	\$ 13,528,416	\$ 19,674,556

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days- 1 Year	Over 1 Year	Total
Loan commitments issued	\$ 704,334	\$ 1,408,669	\$ 2,113,003	\$ 4,226,007	\$ 12,263,706	\$ 20,715,719
Letters of credit issued and yet unused	30	5,946	-	-	-	5,976
Other guarantees	350,000	150,000	11,000	3,000	191,000	705,000
Total	\$ 1,054,364	\$ 1,564,615	\$ 2,124,003	\$ 4,229,007	\$ 12,454,706	\$ 21,426,695

5) Cash flow risk of variable interest rate

The future cash flow of Taipei Star Bank's variable interest rate assets and variable interest rate liabilities can be fluctuation and have risk due to the change of market interest rate. After assessed by Taipei Star Bank, Taipei Star Bank decided to manage gap of cash flow to reduce risk from interest rate change.

c. Disclosure Requirement of Regulations Governing the Preparation of Financial Reports by Public Banks - Article 16

1) Asset quality

Period Items			December 31, 2024					December 31, 2023				
			Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate Banking	Secured		\$ 3,200	\$ 18,373,900	0.02%	\$ 209,727	6,553.97%	\$ 7,653	\$ 17,329,381	0.04%	\$ 193,143	2,523.76%
	Unsecured		-	2,509,476	-	32,405	-	25	2,335,090	-	29,615	118,460.00%
Consumer Banking	Residential mortgage (Note 4)		-	6,202,900	-	92,750	-	-	6,541,290	-	97,568	-
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		467	17,386	2.69%	527	112.85%	730	30,155	2.42%	861	117.95%
	Other (Note 6)	Secured	53,420	30,322,657	0.18%	356,071	666.55%	32,030	28,908,212	0.11%	302,770	945.27%
		Unsecured	-	468,701	-	6,471	-	-	365,027	-	4,924	-
Total loans			57,087	57,895,020	0.10%	697,951	1,222.61%	40,438	55,509,155	0.07%	628,881	1,555.17%

Period Items		December 31, 2024					December 31, 2023				
		Nonperforming Receivables	Receivables	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio	Nonperforming Receivables	Receivables	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit cards		\$ -	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	-
Accounts receivable factored without recourse (Note 7)		-	-	-	-	-	-	-	-	-	-

	December 31, 2024		December 31, 2023	
	Not Reported as Nonperforming Loans	Not Reported as Nonperforming Receivables	Not Reported as Nonperforming Loans	Not Reported as Nonperforming Receivables
Amounts of executed contracts on negotiated debts (Note 8)	\$ -	\$ -	\$ -	\$ -
Amounts of executed debt-restructuring projects (Note 9)	1,063	-	632	-
Total	1,063	-	632	-

- Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans”. Nonperforming receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau’s letter dated July 6, 2005 (Ref. No. 0944000378).
- Note 2: Ratio of nonperforming loans: $\text{Nonperforming loans} \div \text{Outstanding loans balance}$. Ratio of nonperforming receivables: $\text{Nonperforming receivables} \div \text{Outstanding receivables balance}$.
- Note 3: Coverage ratio of loans: $\text{Allowance for possible losses for loans} \div \text{Nonperforming loans}$. Coverage ratio of receivables: $\text{Allowance for possible losses for receivables} \div \text{Nonperforming receivables}$.
- Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or the minor children of the borrowers.
- Note 5: Based on the Banking Bureau’s letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.
- Note 6: Other consumers’ banking loans refer to secured or unsecured loans that exclude housing mortgage, cash cards, credit cards and small-scale credit loans.
- Note 7: As required by the Banking Bureau in its letter dated August 24, 2009 (Ref. No. 09850003180), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.
- Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the Banking Bureau’s letter dated April 25, 2006 (Ref. No. 09510001270).
- Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau’s letter dated September 15, 2008 (Ref. No. 09700318940).

2) Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

Period	December 31, 2024			December 31, 2023		
Rank	Industry of Group Enterprise	Total Amount of Credit Endorsement or Other Transactions	Percentage of Equity	Industry of Group Enterprise	Total Amount of Credit Endorsement or Other Transactions	Percentage of Equity
1	Group A 016700 real estate development	\$ 1,274,686	21.47	Group A 016700 real estate development	\$ 1,334,912	23.07
2	Group B 016811 real estate for sale and rental	808,017	13.61	Group B 016811 real estate for sale and rental	822,855	14.22
3	Group C 017900 tourism and other service	801,567	13.50	Group C 017900 tourism and other service	803,407	13.89
4	Group D 016700 real estate development	650,000	10.95	Group F 016700 real estate development	560,400	9.69
5	Group E 014510 wholesale of merchandise brokers	562,000	9.47	Group I 016811 real estate for sale and rental	456,000	7.88
6	Group F 016700 real estate development	560,400	9.44	Group J 017721 renting and leasing of motor vehicles	441,096	7.62
7	Group G 016700 real estate development	479,860	8.08	Group K 016700 real estate development	401,000	6.93
8	Group H 016700 real estate development	454,780	7.66	Group H 016700 real estate development	401,000	6.93
9	Group I 016811 real estate for sale and rental	446,000	7.51	Group L 016811 real estate for sale and rental	360,000	6.22
10	Group J 017721 renting and leasing of motor vehicles	421,394	7.10	Group M 017721 renting and leasing of motor vehicles	350,000	6.05

Note 1: The list shows top 10 rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate - General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings".

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

3) Interest rate sensitivity information

Interest Rate Sensitivity (In New Taiwan Dollars)

December 31, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate - sensitive assets	\$ 58,978,111	\$ 999,607	\$ 5,049,845	\$ 16,336,209	\$ 81,363,772
Interest rate - sensitive liabilities	57,994,472	6,292,344	13,564,915	1,821,778	79,673,509
Interest rate sensitivity gap	983,639	(5,292,737)	(8,515,070)	14,514,431	1,690,263
Net worth					5,936,956
Ratio of interest rate - sensitive assets to liabilities					102.12
Ratio of interest rate sensitivity gap to net worth					28.47

Interest Rate Sensitivity (In New Taiwan Dollars)

December 31, 2023

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate - sensitive assets	\$ 56,571,178	\$ 909,141	\$ 4,903,739	\$ 15,939,429	\$ 78,323,487
Interest rate - sensitive liabilities	59,081,012	6,229,166	10,205,383	1,398,683	76,914,244
Interest rate sensitivity gap	(2,509,834)	(5,320,025)	(5,301,644)	14,540,746	1,409,243
Net worth					5,785,584
Ratio of interest rate - sensitive assets to liabilities					101.83
Ratio of interest rate sensitivity gap to net worth					24.36

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of the Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to the revenue or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitivity (In U.S. Dollars)

December 31, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 30,522	\$ 3,002	\$ 7,169	\$ 130,216	\$ 170,909
Interest rate-sensitive liabilities	118,745	23,869	2,767	-	145,381
Interest rate sensitivity gap	(88,223)	(20,867)	4,402	130,216	25,528
Net worth					(1,057)
Ratio of interest rate-sensitive assets to liabilities					117.56
Ratio of interest rate sensitivity gap to net worth					(2,415.14)

Interest Rate Sensitivity (In U.S. Dollars)

December 31, 2023

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 32,707	\$ 5,000	\$ 8,175	\$ 111,201	\$ 157,083
Interest rate-sensitive liabilities	121,484	25,368	1,882	-	148,734
Interest rate sensitivity gap	(88,777)	(20,368)	6,293	111,201	8,349
Net worth					(842)
Ratio of interest rate-sensitive assets to liabilities					105.61
Ratio of interest rate sensitivity gap to net worth					(991.57)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to the revenue or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in U.S. dollars).

4) Profitability

Unit: %

Items		December 31, 2024	December 31, 2023
Return on total assets	Before income tax	0.31	0.16
	After income tax	0.28	0.13
Return on equity	Before income tax	4.78	2.42
	After income tax	4.29	1.96
Net income ratio		18.70	10.80

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on equity = Income before (after) income tax/Average equity.

Note 3: Net income ratio = Income after income tax/Total net revenue.

Note 4: Income before (after) income tax represents income from January to each period-end date.

5) Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars)

December 31, 2024

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 87,455,949	\$ 10,095,874	\$ 2,787,805	\$ 3,262,086	\$ 6,493,682	\$ 14,596,113	\$ 50,220,389
Main capital outflow on maturity	106,546,516	5,459,086	4,140,035	10,339,549	12,762,448	24,569,607	49,275,791
Gap	(19,090,567)	4,636,788	(1,352,230)	(7,077,463)	(6,268,766)	(9,973,494)	944,598

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars)

December 31, 2023

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 84,752,342	\$ 8,605,538	\$ 4,373,991	\$ 3,292,677	\$ 5,998,064	\$ 12,732,463	\$ 49,749,609
Main capital outflow on maturity	105,226,656	4,721,484	6,660,651	10,449,445	15,272,648	24,194,346	43,928,082
Gap	(20,474,314)	3,884,054	(2,286,660)	(7,156,768)	(9,274,584)	(11,461,883)	5,821,527

Note: The above amounts included only New Taiwan dollar amounts held by the Taipei Star Bank (excluding foreign currency).

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

(In Thousands of U.S. Dollars)

December 31, 2024

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 179,738	\$ 7,715	\$ 11,718	\$ 5,154	\$ 6,980	\$ 148,171
Main capital outflow on maturity	171,674	58,151	64,817	24,424	3,720	20,562
Gap	8,064	(50,436)	(53,099)	(19,270)	3,260	127,609

Maturity Analysis of Assets and Liabilities (In U.S. Dollars)

(In Thousands of U.S. Dollars)

December 31, 2023

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 176,336	\$ 17,105	\$ 12,895	\$ 9,187	\$ 11,033	\$ 126,116
Main capital outflow on maturity	169,786	62,070	58,131	26,097	3,182	20,306
Gap	6,550	(44,965)	(45,236)	(16,910)	7,851	105,810

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the bank.

Note 2: If OBU's assets amounts constituted more than 10% of Bank's total assets, additional information will need to be disclosure.

46. CAPITAL MANAGEMENT

- a. Eligible capital of Taipei Star Bank meeting the requirements set by the authorities and should comply with the minimum ratio requested by authorities. This is the main objective of capital management of the Bank. The eligible capital and legal capital are calculated under the rule set by the authorities.

To ensure Taipei Star Bank is able to meet the capital needs of operating plan and the capital requirement, Taipei Star Bank sets business operating plan and budget report to assess the impact of business status with its capital adequacy, as well as to reach the optimization of capital allocation within the Bank.

- b. In order to meet capital adequacy requirements set by the authorities, Taipei Star Bank report it to the relevant regulatory agencies quarterly. The capital of the Bank is managed by the Risk Management Division, capital can classify into Tier 1 capital and Tier 2 capital under the "Regulations Governing the Capital Adequacy Ratio of Banks".

1) Tier 1 capital: (including common equity and other tier 1 capital)

- a) Common equity including ordinary shares and its issuance surplus, capital collected in advance, capital surplus, legal reserve, special reserve, retained earnings, non-controlling interests and other equity items.
- b) Other tier 1 capital including non-cumulative perpetual preference shares and its issuance surplus, non-cumulative perpetual subordinated debts and the non-cumulative perpetual preference shares and its issuance surplus, and the non-cumulative perpetual subordinated debts which are issued by banks' subsidiaries, and are not directly or indirectly held by banks.

2) Tier 2 capital:

Tier 2 capital including cumulative perpetual preference shares and its issuance surplus; cumulative perpetual subordinated debts; convertible subordinated debts, long-term subordinated debts; non-perpetual preference shares and its issuance surplus when first time applying International Financial Reporting Standards in real estate and using the fair value or the re-estimated value method as the deemed cost, the difference in amount between the deemed cost and the book value recognized in retained earnings; the 45% of unrealized gains on changes in the fair value of investment properties using fair value method, as well as the 45% of unrealized gains on available-for-sale financial assets; operational reserves and loan-loss provisions; and the cumulative perpetual preference shares and its issuance surplus, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts, and the non-perpetual preference shares and its issuance surplus, which are issued by banks subsidiaries, and are not directly or indirectly held by banks.

c. Information on the Bank's capital adequacy ratio (CAR) was as follows:

The eligible capital, risk-weighted assets and capital adequacy ratio are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks". Taipei Star Bank met the capital adequacy requirements as of December 31, 2024 and 2023.

(Unit: In Thousands of New Taiwan Dollars, %)

Analysis Items			Year	December 31, 2024	December 31, 2023
Eligible capital	Common equity			\$ 5,504,091	\$ 5,348,785
	Other Tier 1 capital			1,010,000	900,000
	Tier 2 capital			1,253,846	1,028,080
	Eligible capital			7,767,933	7,276,865
Risk-weighted assets	Credit risk	Standardized approach		50,388,742	48,202,780
		Internal rating - based approach		-	-
		Securitization		-	-
	Operational risk	Basic indicator approach		2,130,023	2,115,153
		Standardized approach/ alternative standardized approach		-	-
		Advanced measurement approach		-	-
	Market risk	Standardized approach		2,002,636	2,895,552
		Internal model approach		-	-
	Risk-weighted assets			54,521,401	53,213,485
Capital adequacy ratio (%)				14.25	13.67
Ratio of common equity to risk-weighted assets (%)				10.10	10.05
Ratio of Tier 1 capital to risk-weighted assets (%)				11.95	11.74
Leverage ratio (%)				6.90	6.80

Note 1: Eligible capital and risk-weighted assets are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk - Weighted Assets of Banks".

Note 2: Annual consolidated financial statements have to disclosed capital adequacy ratio with two comparative periods, and semi-annual consolidated financial statements have to disclosure additional capital adequacy ratio for the last years ended except for two comparative periods.

Note 3: Formulas used were as follows:

- 1) Eligible capital = Common equity + Other Tier 1 capital + Tier 2 capital.
- 2) Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
- 3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- 4) Ratio of the common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.
- 5) Ratio of Tier 1 capital to risk-weighted assets = (Common equity + Other Tier 1 capital) ÷ Risk-weighted assets.
- 6) Leverage ratio = Tier 1 capital ÷ Exposure measurement.

47. DISCLOSURES ACCORDING TO REGULATIONS GOVERNING THE PREPARATION OF FINANCIAL REPORTS BY SECURITIES FIRMS

a. Fair value of financial instruments not measured at fair value

Management of Shinkong International Securities Co., Ltd. (SKIS) believes that the carrying amounts of financial instruments not measured at fair value approximate their fair values, or their fair values cannot be reasonably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Trading securities - dealing - Domestic emerging stocks	\$ 52,818	\$ -	\$ -	\$ 52,818
Trading securities - underwriting - Bonds	5,688	-	-	5,688
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic investments - unlisted shares	<u>-</u>	<u>-</u>	<u>84,283</u>	<u>84,283</u>
	<u>\$ 58,506</u>	<u>\$ -</u>	<u>\$ 84,283</u>	<u>\$ 142,789</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Trading securities - dealing - Domestic emerging stocks	\$ 50,409	\$ -	\$ -	\$ 50,409
Trading securities - underwriting - Bonds	4,640	-	-	4,640
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic investments - unlisted shares	-	-	73,545	73,545
	<u>\$ 55,049</u>	<u>\$ -</u>	<u>\$ 73,545</u>	<u>\$ 128,594</u>

There were no transfers between Levels 1 and 2 in the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2024	\$ 73,545
Unrealized gain (loss) of financial assets at FVTOCI	<u>10,738</u>
Balance at December 31, 2024	<u>\$ 84,283</u>

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	\$ 63,111
Unrealized gain (loss) of financial assets at FVTOCI	<u>10,434</u>
Balance at December 31, 2023	<u>\$ 73,545</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of investments in domestic unlisted shares are measured using the market multiple valuation technique, which is based on the transaction prices of shares of comparable companies in an active market and the corresponding net value multiplier, taking into consideration the liquidity discount ratio. The main significant unobservable input value is the liquidity discount.

If possible reasonable change in the discount for lack of marketability assumptions will occur and all other inputs will remain constant, the fair value of the investments would increase (decrease) as follows:

Significant Unobservable Input	Range of Changes	December 31	
		2024	2023
		Affected Amount	
Discount for lack of marketability	10% increase	\$ (11,392)	\$ (6,724)
	10% decrease	(11,392)	5,835

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 58,506	\$ 55,049
Financial assets at amortized cost (1)	36,179,324	24,987,939
Financial assets at FVTOCI		
Equity instruments	84,283	73,545
<u>Financial liabilities</u>		
Amortized cost (2)	29,442,026	20,168,341

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, margin loans receivable, customer margin accounts, trade receivables, securities business borrowing and lending, securities business borrowing and lending - unrestricted purposes, other receivables, other financial assets-current, collected payment of shares underwritten, operating deposits, settlement funds and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, securities financing refundable deposits, deposits payable for securities financing, future traders' equity, collection payable - collected payment of shares underwritten, trade and other payables (business tax not included), other long-term loans and current portion of long-term liabilities.

d. Financial risk management objectives and policies

1) Risk management system

a) Risk management policies

The purpose of SKIS risk management policies is to build culture concern about risk management, and use qualitative and quantitative measurement results as a basis for business plan and risk management monitoring.

b) Risk management organization

The organizational structure of SKIS includes the board of directors, risk management committee, risk management department, and all other business departments.

The board of directors is the highest level in the risk management function and takes the full responsibility for risk management issues and to examine policies and standards and establish risk management system. In addition, every business department monitor, measure, and assesses various risks according to risk management standards. Law compliance department and internal auditing department is responsible for the independent review of risk management.

c) Risk management procedures

SKIS's risk management procedures, including risk identification, evaluation, monitoring and reporting, and takes appropriate measures to control. According to the risk management policies, SKIS make risk management procedures, which mainly include market risks, credit risks, liquidity risks, and operational risks (law risks). The principle of risks are as follows:

i. Market risk

According to the restrictions of the law and the authorization of the board of directors, the amount of the upper limit (e.g. dealing and underwriting) is set, and the early warning and stop loss mechanism are determined according to the characteristics of the products. Measure and monitor the risk according to the procedures of each business department. Through the after-hours analysis, control the transaction status of the transaction risk. In order to ensure complete and in-depth control of market risk, SKIS regularly conducts stress tests and implements risk management.

ii. Credit risk

Credit risk exposure by SKIS including issuer's credit risk and counterparty credit risk. The former is the risk that the financial institution which is deposit by SKIS may default, because SKIS dealing business with many domestic financial institutions which has good credit, and there is no significant concentration situation. The credit risk management is follow to rule. The latter mainly comes from the brokerage business, including credit risk arising from customers' failure to fulfill delivery obligations and securities lending or borrowing. If the market encounters sudden and serious incidents, resulting in insufficient market depth or disorder, and resulting in significant losses in the customer's holding portion, further implicating SKIS's direct or indirect risks. In order to prevent the above situation, SKIS has set up rules for the risk management of brokerage, supplemented by dynamic monitoring of the market, and regularly monitors.

In order to reduce the credit risk of the counterparty (customer), the business unit measures the financial and credit status of the counterparty before the transaction, and confirms the legality of the transaction. Then set the credit limit according to the customer's financial strength, and implement credit rating management. Regular or irregular inspection of customer credit portions after the transaction. Low liquidity shares, high risk shares and securities lending or borrowing warning indicators as the focus of credit risk control.

In addition, for counterparties, other than regularly reviewing their credit status, they also manage credit risk through the following measures: New credit exposure limit, credit limit shorten, add collateral to enhance credit.

iii. Liquidity risk

SKIS liquidity risk management covers the source of funds, capital utilization and gap management.

- i) For the source of funds, SKIS ensuring the stability and dispersion of the source of funds, maintaining a sufficient amount at any time, and effectively respond to the risk of fluctuations in unanticipated capital supply.
- ii) For the use of funds, SKIS assessing investment income, ensure its liquidity and safety to effectively respond to the unexpected needs of funds.
- iii) To manage the funding gaps of every period, SKIS arrangement of the source and use of funds, simulated the possible future funding gaps and capital planning, ensure that the sources of funds needed to maintain normal operations are safe.
- iv) The finance department prepares relevant management statements and inform the risk management unit in accordance with the operating rules for liquidity risk management. Which is to ensure the safety and stability of the operating funds.

iv. Legal and operational risk

Legal and operational risk management is divided into preventive control and post-clearance review based on nature and accountability. Preventive control can prevent irreparable damage, such as keep focus on the regulations modify and the impact for company. Post-clearance review whether the business unit performs business according to the operation regulations, and suggest improvements for each business, review loss of operational risk, and review the standard operating procedures of each unit.

SKIS managed by the internal regulations, which review and adjustment for the existing business regularly. If a new type of business is planned or the operating environment changes, the law will be followed, and the risk management will modify and assessment.

v. Climate risk

To effectively manage climate change issues, SKIS established a climate risk management team to analyze the impact of climate-related risks on finance, strategy, operations, products and investments in the short, medium and long term. By measuring the impact of climate change on SKIS physical risk and transformation risk, SKIS made a plan and appropriate procedures in place to assess and manage the climate-related risks associated with the subject of the investment. An additional review mechanism is desirable for investment targets involving higher climate-related risks.

2) Market risk analysis

Market risk is the uncertainty of changes in fair value of in- and off-balance-sheet financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices, and commodity prices. Except listed shares, convertible bonds and emerging market shares hold by underwriting, and emerging market shares hold by dealing. In general, SKIS does not hold high portion of listed shares and convertible bonds, therefore, market risk is mainly derived from fluctuations in emerging market shares.

In order to control market risks, SKIS compliance with regulations and sets risk limits from board of directors. According to the analysis of the overall economy, industry and the financial status of individual companies, are provided for the investment decisions. Take into account the fundamentals and technical aspects of the stock market, and the supply and demand relationship of the market, also monitor the risk exposure through the mechanism of stop-loss of SKIS.

3) Credit risk analysis

SKIS's credit risk arises from derivatives transactions and securities investment, it can be divided into categories such as issuer risk and counterparty risk as follows:

- a) Issuer risk is the credit risk that stock issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.
- b) Counterparty risk is the credit risk that the counterparty undertaking derivatives or transactions are unable to fulfill settlement obligations.

SKIS's demand deposits, short-term bills payable, other refundable deposits and trade receivable have credit risk.

a) Credit risk concentration

SKIS is mainly engaged in brokerage business and the customers are scattered. To avoid the concentration of credit risks, SKIS controls the transaction risk of the brokerage business and controls the transaction amount according to the customer's financial status. For holding debt instruments or deposits, SKIS has already traded with a number of financial institutions to diversify risks and design monitor system for every financial institutions. Therefore, SKIS has not concentration of credit risk.

b) Credit risk quality

SKIS financial assets can be divided into categories including not past due and not impaired, past due but not impaired, impaired and impaired reserve.

As table below, all of SKIS financial assets are not past due and not impaired, which comprise cash and cash equivalents, customer margin accounts and other refundable deposits, Its credit risk is low risk, indicating that it can maintain its financial commitment performance ability even in the face of significant uncertainties or exposure to adverse conditions. For receivable, the proportion of trade receivables and margin loans receivable is relatively high, the credit risk of each financial asset is as follows:

i. Cash and cash equivalents

Which mainly comprise time deposits, checking accounts and demand deposits, and commercial papers.

ii. Customer margin accounts

According to the regulations of the authority, the customer margin accounts shall be deposited in banks with credit rating above a certain level, and separate accounts shall be set up and stored separately from their own assets.

iii. Other refundable deposits

Which mainly comprise operating deposits, settlement funds and refundable deposits. Operating deposits deposited in a bank with good credit. Settlement funds as stipulated in the Rules Governing Securities Firms, all brokers should place settlement funds with the Taiwan Stock Exchange.

iv. Other financial assets

Time deposits with original maturities of more than 3 months, deposited in a bank with good credit ratings.

v. Trade receivables

It is the creditor's rights arising from the securities business, including the transaction price of the sale of the operating securities, the financing interest receivable from the credit transaction, the receivables arising from the business of the securities being purchased and the purchase or holding by the customer. Securities are secured loans, etc.

vi. Margin loans receivable

The market fluctuation and loss of credit trading customers, which makes securities have credit loss from counterparty. SKIS has strictly monitored the market fluctuation and counterparty credit status, and implemented relevant control according to regulations to minimize credit risk.

vii. Securities business borrowing and lending - unrestricted purposes

Credit Risk Quality of Financial Assets

(In Thousands of New Taiwan Dollars)

December 31, 2024

Financial Assets	Not Past Due and Not Impaired	Past Due But Not Impaired	Impaired	Impaired Reserve	Total
Cash and cash equivalents	\$ 1,167,288	\$ -	\$ -	\$ -	\$ 1,167,288
Customer margin accounts	2,575,656	-	-	-	2,575,656
Collected payment of shares underwritten	580,571	-	-	-	580,571
Operating deposits	226,500	-	-	-	226,500
Settlement funds	94,285	-	-	-	94,285
Refundable deposits	3,396	-	-	-	3,396
Restricted assets - current	60,000	-	-	-	60,000
	<u>4,707,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,707,696</u>
Receivable					
Margin loans receivable	15,254,669	-	-	-	15,254,669
Trade receivables	5,543,252	-	-	-	5,543,252
Securities business borrowing and lending - unrestricted purposes	9,770,499	-	-	-	9,770,499
Other receivables	33,763	-	-	-	33,763
Securities business borrowing and lending	8,946	-	-	-	8,946
	<u>30,611,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,611,129</u>

(Continued)

Financial Assets	Not Past Due and Not Impaired	Past Due But Not Impaired	Impaired	Impaired Reserve	Total
Other financial assets					
Time deposits	\$ 676,400	\$ -	\$ -	\$ -	\$ 676,400
Refinancing margin	18,679	-	-	-	18,679
Refinancing deposit receivable	15,420	-	-	-	15,420
Stock borrowing margin	150,000	-	-	-	150,000
	<u>860,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,499</u>
	<u>\$ 36,179,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,179,324</u>

(Concluded)

Credit Risk Quality of Financial Assets

(In Thousands of New Taiwan Dollars)

December 31, 2023

Financial Assets	Not Past Due and Not Impaired	Past Due But Not Impaired	Impaired	Impaired Reserve	Total
Cash and cash equivalents	\$ 562,568	\$ -	\$ -	\$ -	\$ 562,568
Customer margin accounts	1,726,956	-	-	-	1,726,956
Collected payment of shares underwritten	17,088	-	-	-	17,088
Operating deposits	226,500	-	-	-	226,500
Settlement funds	83,121	-	-	-	83,121
Refundable deposits	3,566	-	-	-	3,566
Restricted long-term assets - current	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
	<u>2,679,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,679,799</u>
Receivable					
Margin loans receivable	9,926,738	-	-	-	9,926,738
Trade receivables	5,244,349	-	-	-	5,244,349
Securities business borrowing and lending - unrestricted purposes	6,504,079	-	-	-	6,504,079
Other receivables	35,030	-	-	-	35,030
Securities business borrowing and lending	<u>6,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,042</u>
	<u>21,716,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,716,238</u>
Other financial assets					
Time deposits	476,400	-	-	-	476,400
Refinancing margin	7,778	-	-	-	7,778
Refinancing deposit receivable	6,415	-	-	-	6,415
Other receivables - related	1,309	-	-	-	1,309
Stock borrowing margin	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
	<u>591,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,902</u>
	<u>\$ 24,987,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,987,939</u>

4) Liquidity risk analysis

a) The definition of liquidity risk

Liquidity risk is the potential loss that SKIS may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Inability to liquidate current assets at reasonable price or raising funds to fulfill funding gap with price higher than the reasonable one.

b) Liquidity risk management policy

In order to maintain the running of the SKIS's daily capital, and ensure the safety and liquidity of capital use. The financial department as an independent unit for funding and monitoring.

According to the transactions with financial institutions, the finance department uses the remaining funds appropriately. SKIS implements funding gap management of various term structures in order to efficiently control unexpected fund dispatching, and also prepare funding liquidity risk report for management purpose.

c) Liquidity risk for non-derivative financial liabilities

SKIS relies on bank borrowings and short-term bills payable as a significant source of liquidity, SKIS had available unutilized bank loan unused facilities \$84.76 billion and \$115.82 billion as of December 31, 2024 and 2023, respectively.

The following table details SKIS's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which SKIS can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

Contractual Maturities for Its Non-derivative Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2024

Financial Liabilities	Repayment Periods					Total
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	5+ Years	
Short-term loans	\$ 600,000	\$ 1,825,000	\$ -	\$ -	\$ -	\$ 2,425,000
Short-term bills payable	3,500,000	5,150,000	-	-	-	8,650,000
Securities financing refundable deposits	1,369,808	-	-	-	-	1,369,808
Deposits payable for securities financing	1,493,668	-	-	-	-	1,493,668
Future traders' equity	2,575,049	-	-	-	-	2,575,049
Payables						
Trade payables	5,521,430	-	-	-	-	5,521,430
Other payables	11,016	286,770	554,824	-	-	852,610
Collection payable - collected payment of shares underwritten	580,417	-	-	-	-	580,417
Lease liabilities	-	2,344	7,195	38,563	19,178	67,280
Long term liabilities due within one year	-	-	1,500,000	-	-	1,500,000
Long-term bills payable	-	-	-	4,500,000	-	4,500,000
Cash outflow	<u>\$ 15,651,388</u>	<u>\$ 7,264,114</u>	<u>\$ 2,062,019</u>	<u>\$ 4,538,563</u>	<u>\$ 19,178</u>	<u>\$ 29,535,262</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 9,539</u>	<u>\$ 38,563</u>	<u>\$ 19,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Contractual Maturities for Its Non-derivative Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2023

Financial Liabilities	Repayment Periods					Total
	On Demand	Less than 3 Months	3-12 Months	1-5 Years	5+ Years	
Short-term loans	\$ -	\$ 1,775,000	\$ -	\$ -	\$ -	\$ 1,775,000
Short-term bills payable	-	4,855,000	-	-	-	4,855,000
Securities financing refundable deposits	1,208,389	-	-	-	-	1,208,389
Deposits payable for securities financing	1,310,746	-	-	-	-	1,310,746
Future traders' equity	1,726,551	-	-	-	-	1,726,551
Payables						
Trade payables	5,093,870	-	-	-	-	5,093,870
Other payables	11,131	225,759	459,691	-	-	696,581
Collection payable - collected payment of shares underwritten	16,934	-	-	-	-	16,934
Lease liabilities	-	2,260	6,511	34,300	17,357	60,428
Long term liabilities due within one year	-	-	500,000	-	-	500,000
Long-term bills payable	-	-	-	3,000,000	-	3,000,000
Cash outflow	<u>\$ 9,367,621</u>	<u>\$ 6,858,019</u>	<u>\$ 966,202</u>	<u>\$ 3,034,300</u>	<u>\$ 17,357</u>	<u>\$ 20,243,499</u>

Additional information about the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 8,771</u>	<u>\$ 34,300</u>	<u>\$ 17,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

d) Stress test of liquidity risk

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions' tolerance to extreme market volatility. The stress scenario includes market volatility, various credit events and unforeseen financial market liquidity tightening, etc., which may generate capital liquidity stress. With the change of the positive and negative fund gaps in each period.

With funding gap in a stress test, the financial unit will report the results to the risk management team, if necessary, prevent the occurrence of stressful events by the following procedures:

- i. Disposal of current assets, lower the market unfavorable price risk.
- ii. Adjusting (restricting or suspending) the funding requirements of certain operations.,
- iii. Disposal of current assets and long-term investments, acquisition of capital.
- iv. Capital increase or other financing methods.
- v. Obtain capital from parent company or subsidiaries.

e. Capital risk management

Under the rules governing securities firms and related regulations, the capital adequacy ratio of a securities firm should be at least 250% to ensure its stability, business scale, business plan, capital increase plan, as well as maintain the health of the securities markets.

The management procedures of SKIS's capital adequacy are as follows:

- 1) Relevant departments are required to calculate, monitor, and analyze SKIS's capital adequacy monthly.
- 2) Simulate the capital adequacy result and provide to relevant departments based on the assumptions of the business plan, policy directions, investment strategy and other material impacts.
- 3) When the capital adequacy is lower than the standard as required, the relevant departments should report to the board of directors or the Chief Executive Officer and may start to plan on the resolutions. Any major decisions should first be approved by the board of directors before implementation.
 - a) Capital increase.
 - b) Adjustment of business strategies.

Capital adequacy ratio of SKIS:

December 31, 2024

Item	December 31, 2024
Eligible capital	
Tier 1 capital	\$ 7,449,610
Tier 2 capital	30,582
Tier 3 capital	-
Minus assets	<u>(431,830)</u>
Total net eligible capital	<u>\$ 7,048,362</u>
Equivalent amount of operating risk	
Equivalent amount of market risk	\$ 31,470
Equivalent amount of credit risk	421,562
Equivalent amount of operating risk	<u>381,927</u>
Total equivalent amount	<u>\$ 834,959</u>
Capital adequacy ratio	844%

December 31, 2023

Item	December 31, 2023
Eligible capital	
Tier 1 capital	\$ 5,497,288
Tier 2 capital	25,750
Tier 3 capital	-
Minus assets	<u>(418,422)</u>
Total net eligible capital	<u>\$ 5,104,616</u>
Equivalent amount of operating risk	
Equivalent amount of market risk	\$ 29,145
Equivalent amount of credit risk	469,818
Equivalent amount of operating risk	<u>359,519</u>
Total equivalent amount	<u>\$ 858,482</u>
Capital adequacy ratio	595%

Note 1: Capital adequacy ratio = Net eligible capital ÷ Equivalent amount of operating risk.

Note 2: Net eligible capital = Tier 1 capital + Tier 2 capital + Tier 3 capital - assets.

Note 3: Equivalent amount of operating risk = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operating risk.

48. COMPLIANCE WITH REGULATIONS GOVERNING FUTURES COMMISSION MERCHANTS AND FINANCIAL RATIOS OF THE FUTURES BUSINESS

Shinkong International Securities Co., Ltd. - Futures Division

Law: Regulations Governing Futures Commission Merchants

Rule No.	Formula	December 31, 2024		December 31, 2023		Standard	Status of Compliance with Standard
		Formula	Ratio	Formula	Ratio		
17	Total equity (Total liabilities - customers' equity accounts - futures)	\$764,392 \$2,602,918-\$2,575,049	27.43	\$580,390 \$1,751,262-\$1,726,551	23.49	≥ 1	Met
17	Total current assets Total current liabilities	\$3,288,591 \$2,601,487	1.26	\$2,252,258 \$1,749,637	1.29	≥ 1	Met
22	Total equity Capital stock (Note)	\$764,392 \$420,000	182.00%	\$580,390 \$320,000	181.37%	≥ 60% ≥ 40%	Met
22	Adjusted net capital Client and proprietary account	\$764,000 \$720,860	105.98%	\$578,598 \$424,954	136.16%	≥ 20% ≥ 15%	Met

Note: Capital stock should compliance the Standards Governing the Establishment of Futures Commission Merchants. Shinkong International Securities Co., Ltd. follows the principle to compute the paid-in capital or allocates exclusively earmarked operating capital.

49. FUTURES BROKERAGE AND DEALING BUSINESS RISK

Customers have to deposit an initial margin at a percentage of the amount of transaction when entering into futures contracts with the futures department of Shinkong International Securities. Customers' gains or losses result from the leverage on the margin deposits. For the protection of Shinkong International Securities from harm arising from customers' huge losses, the margin accounts of customers are reevaluated daily on the basis of the market prices of the outstanding futures contracts. When the customers' margin accounts fall below an agreed level (the maintenance margin), Shinkong International Securities will ask its customers to deposit additional margins immediately. If the customers fail to do so, Shinkong International Securities settles their position by making offsets against their contracts.

50. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 7)
- 2) Endorsements/guarantees provided (Tables 1 and 8)
- 3) Marketable securities held (Tables 2, 9 and 14)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Tables 11 and 15)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (Tables 12 and 16)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Tables 4, 10, and 17)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Tables 5, 13 and 18)
- 9) Trading in derivative instruments (Note 8)
- 10) Intercompany relationships and significant intercompany transactions (Table 19)

b. Information on investees (Tables 6 and 20)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 21)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 22):
- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 23)

51. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were polyester, finance and securities, optronics and others.

Segment Revenue and Results

For the Year Ended December 31, 2024					
	Polyester	Finance and Securities	Optronics	Others	Total
Revenue	\$ 31,382,598	\$ 6,993,231	\$ 6,530,399	\$ 1,242,937	\$ 46,149,165
Profit before income tax	\$ 597,282	\$ 2,258,482	\$ (450,198)	\$ 716,693	\$ 3,122,259
For the Year Ended December 31, 2023					
	Polyester	Finance and Securities	Optronics	Others	Total
Revenue	\$ 28,197,129	\$ 5,435,582	\$ 5,850,986	\$ 81,443	\$ 39,565,140
Profit before income tax	\$ 254,677	\$ 1,632,830	\$ (394,426)	\$ 7,750	\$ 1,500,831

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended December 31, 2024 and 2023.

Segment profit represented the profit before tax earned by each segment. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Segment Total Assets

	December 31	
	2024	2023
<u>Segment assets</u>		
Polyester	\$ 42,019,205	\$ 42,981,000
Finance and securities	159,134,382	139,499,651
Optronics	9,164,974	9,677,827
Others	<u>3,973,384</u>	<u>2,885,050</u>
Total segment assets	<u>\$ 214,291,945</u>	<u>\$ 195,043,528</u>

Geographical Information

The Group operates in two geographical areas - Asia. The main operating activities related to research, manufacture and sale of polyester chip and polyester film. The revenue and non-current assets in Asia were more than 90% of the total balance of revenue and non-current assets from continuing operations for both 2024 and 2023. Based on materiality consideration, the Group did not distinguish them in detail.

Information about Major Customers

Included in revenue of \$46,149,165 thousand and \$39,565,140 thousand in 2024 and 2023, respectively, was revenue of approximately \$3,802,853 thousand and \$3,797,837 thousand which arose from sales to the Group's largest customer A.

TABLE 1

SHINKONG SYNTHETIC FIBERS CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note B)											
0	Shinkong Synthetic Fibers Corporation (the “Company”)	Tac Bright Optronics Corp.	2	Note C	\$ 1,311,628	\$ 1,193,900	\$ 413,136	\$ -	3.13	Note E	Y	-	-	
		Pan Asian Plastics Industry Corp.	2	Note C	100,000	-	-	-	-	Note E	Y	-	-	
		Hsingshing Investment Co., Ltd.	2	Note C	500,000	500,000	-	-	1.31	Note E	Y	-	-	
		Shin Chiun Industrial Co., Ltd.	2	Note C	230,000	80,000	-	-	0.21	Note E	Y	-	-	
		Shinkong Engineering Co., Ltd.	2	Note C	130,000	130,000	20,000	-	0.34	Note E	Y	-	-	

Note A: The intercompany transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- 1. Company: 0.
- 2. Subsidiaries are numbered from 1.

Note B: Relationships between the endorsement/guarantee provider and the guaranteed party can be classified as the following 7 category:

- 1. A company with which it does business.
- 2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- 3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- 4. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- 5. The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- 6. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- 7. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note C: The limits on domestic endorsement or guarantee amount provided to each guaranteed party = Net equity \$38,084,140 thousand x 20% = \$7,616,828 thousand.

Note D: The limits on foreign endorsement or guarantee amount provided to each guaranteed party = Net equity \$38,084,140 thousand x 30% = \$11,425,242 thousand.

Note E: The total amount of endorsement or guarantee that the Company is allowed to provide = Net equity \$38,084,140 thousand x 50% = \$19,042,070 thousand.

TABLE 2

SHINKONG SYNTHETIC FIBERS CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinkong Synthetic Fibers Corporation	Fund beneficiary certificate Shin Kong Hang Seng TECH Index Fund	Related party in substance	Financial assets at FVTPL - current	500,000	\$ 2,580	-	\$ 2,580	
	Shares							
	Hsin Ba Corporation	None	Financial assets at FVTOCI - current	12	\$ 1	-	\$ 1	
	The Great Taipei Gas Corporation	Related party in substance	"	20,213,826	609,447	3.91	609,447	
					\$ 609,448		\$ 609,448	
	Limited partnership funds							
	Renaissance Capital Limited Partnership	None	Financial assets at FVTPL - non-current	6.41	\$ 41,470	6.41	\$ 41,470	
	Whitesun Capital Limited Partnership	None	"	2.50	10,939	2.50	10,939	
					\$ 52,409		\$ 52,409	
	Shares							
	Overseas Investment & Development Corp.	None	Financial assets at FVTOCI - non-current	4,000,000	\$ 40,640	4.44	\$ 40,640	
	Li Yu Venture Capital Investment Corp.	None	"	122,118	3,541	1.49	3,541	
	Shin Kong Chao Feng Ranch & Resort Corporation	Related party in substance	"	200,000	30,447	2.22	30,447	
	PC Home Venture Fund Corp	None	"	78,540	1,333	3.03	1,333	
	Budworth Investment Limited	None	"	45,500	-	5.00	-	
	Great Taipei Broadband Co., Ltd.	Related party in substance	"	2,500,000	7,650	1.67	7,650	
	Zacros Taiwan Co., Ltd.	None	"	10,000,000	97,642	9.44	97,642	
	Wave-In Communication Inc.	None	"	2,503,142	20,651	12.64	20,651	
	Shin Kong iEcofun Corporation	None	"	1,327,736	7,701	18.81	7,701	
	IIH Birmedical Venture Fund I Co., Ltd.	None	"	1,500,000	27,083	4.85	27,083	
	Pro Union Motor Co., Ltd.	None	"	6,875,951	154,744	21.04	154,744	
	Pro Motor Co., Ltd.	None	"	4,287,288	196,359	16.13	196,359	
	Pro Rental & Leasing Co., Ltd.	None	"	5,277,251	214,038	18.93	214,038	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Shares							
	Green Life Technology Corporation	None	Financial assets at FVTOCI - non-current	10,000,000	\$ -	6.50	\$ -	
	Earthbook Inc.	None	"	3,600,000	2,448	8.48	2,448	
	Research Innovation Capital Corporation	None	"	5,000,000	37,650	11.44	37,650	
	Omni Measure Technology Inc.	None	"	7,500,000	14,625	6.52	14,625	
	Taiwan Electronics Systems	None	"	750,000	6,142	3.91	6,142	
	Shin Kong Textile Co., Ltd	Related party in substance	"	28,378,958	1,254,350	9.46	1,254,350	
	Shin Kong Financial Holding Co., Ltd.	Related party in substance	"	186,241,986	2,197,655	1.03	2,197,655	
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	"	131,957,762	2,296,065	0.94	2,296,065	
	Century Development Corporation	None	"	12,334,854	236,719	3.52	236,719	
	Universal Venture Capital Investment Corporation	None	"	5,600,000	55,608	4.65	55,608	
	Evergreen Steel Corp.	None	"	890,000	79,388	0.21	79,388	
	Shin Kong Mitsukoshi Department Store Co., Ltd.	Same chairman with the Company	"	24,401,636	849,665	1.96	849,665	
					<u>\$ 7,832,144</u>		<u>\$ 7,832,144</u>	

(Concluded)

TABLE 3

SHINKONG SYNTHETIC FIBERS CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty (Note A)	Relationship (Note A)	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Shinkong Synthetic Fibers Corporation (the “Company”)	Ordinary shares of Shinkong Polyester Film Corp., Ltd.	Investments accounted for using the equity method	Shinkong Polyester Film Corp., Ltd.	Subsidiaries	85,992,425	\$ 1,603,047	83,933,405	\$ 839,334	-	\$ -	\$ -	\$ -	169,925,830 (Note B)	\$ 2,442,381
	Ordinary shares of Shinkong International Securities Co., Ltd.	Investments accounted for using the equity method	Shinkong International Securities Co., Ltd.	Subsidiaries	118,072,262	1,210,370	6,845,094	410,706	-	-	-	-	124,917,356 (Note C)	1,621,076
	Ordinary shares of UBright Optronics Corp.	Investments accounted for using the equity method	UBright Optronics Corp.	Subsidiaries	45,679,828	670,481	-	-	5,600,000	376,041	82,196	- (Note D)	40,079,828	588,285
	Ordinary shares of Chi Teng Construction Co., Ltd.	Investments accounted for using the equity method	Chi Teng Construction Co., Ltd.	Subsidiaries	500,000	5,000	80,500,000	805,000	-	-	-	-	81,000,000 (Note E)	810,000

Note A: These two columns need to be filled for marketable securities recognized as investments accounted for using the equity method.

Note B: In November 2024, Shinkong Polyester Film Corp., Ltd. issued ordinary shares of \$839,334 thousand (83,933,405 shares) for a cash capital increase.

Note C: In July and December 2024, Shinkong International Securities Co., Ltd. issued ordinary shares of \$205,674 thousand (3,427,903 shares) and shares of \$205,031 thousand (3,417,191 shares), respectively, for a cash capital increase.

Note D: The Company disposed of some of its shares of UBright Optronics Corp. without losing control. Despite the change in capital surplus, there was no gain or loss on this disposal.

Note E: In June 2024, July 2024, and November 2024, Chi Teng Construction Co., Ltd. issued ordinary shares for cash, as follows: 10,500,000 shares for \$105,000 thousand; 15,000,000 shares for \$150,000 thousand; and 55,000,000 shares for \$550,000 thousand, respectively.

TABLE 4

SHINKONG SYNTHETIC FIBERS CORPORATION

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total	
Shinkong Synthetic Fibers Corporation	Thai Shinkong Industry Corporation Ltd. Shinkong Polyester Film Corp., Ltd.	Investments accounted for using the equity method	Purchase	\$ 2,213,300	11.45	Note	Note	Note	Accounts payable	\$ (190,438)	(15.14)	
		Investments accounted for using the equity method	Sale	(1,450,652)	(6.30)	"	"	"	Accounts receivable	151,531	7.05	
	Pan Asian Plastics Industry Corp.	Investments accounted for using the equity method	Sale	(554,940)	(2.41)	"	"	"	Other receivables	3,223	1.44	
									Accounts receivable	124,238	5.78	
	Shinpont Industry Inc.	Investments accounted for using the equity method	Sale	(129,438)	(0.56)	"	"	"	Other receivables	34,151	15.29	
									Accounts receivable	5,782	0.27	
	Topbottle Resources Technology Corporation	Associate	Purchase	545,919	2.82	According to the contract signed by both parties	According to the contract signed by both parties	According to the contract signed by both parties	Other receivables	35,034	15.68	
									Accounts payable	(2,121)	(0.17)	

Note: Please refer to Table 19.

TABLE 5

SHINKONG SYNTHETIC FIBERS CORPORATION

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Shinkong Synthetic Fibers Corporation	ShinKong Polyester Film Corp., Ltd.	Investments accounted for using the equity method	Accounts receivable \$ 151,531	4.37	\$ -	-	\$ 3,205	\$ -
	Pan Asian Plastics Industry Corp.	Investments accounted for using the equity method	Accounts receivable 124,238	4.18	-	-	36,711	-

TABLE 6

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Shinkong Synthetic Fibers Corporation	Pan Asian Plastics Corp.	Taipei City	Manufacturing and sale of polyester pellets and polyester preforms	\$ 363,024	\$ 363,024	55,179,933	100.00	\$ 2,278,831	\$ 60,236	\$ 67,081	
	Hsingshing Investment Co., Ltd.	Taipei City	Investment, construction of business building, and public housing.	1,318,000	1,318,000	161,900,000	100.00	1,766,327	3,838	33,475	
	Shinkong Engineering Co., Ltd.	Taipei City	Contracting for various projects such as air pollution prevention, piping engineering and machine installation	665,095	665,095	39,100,000	100.00	1,310,542	714,796	655,569	
	Shinpont Industry Inc.	Taipei City	Synthetic fibers manufacturing, textiles wholesale and retail	252,540	252,540	25,245,000	50.00	565,023	283,048	141,508	
	Shin Chiun Industrial Co., Ltd.	Taipei City	Construction of incinerators	715,000	715,000	83,800,000	100.00	880,260	2,522	9,355	
	Maxima Pacific Ltd.	British Virgin Islands	Investment	-	-	7,578,055	100.00	2,103,280	(2,282)	(2,282)	
	SSFC Investment Ltd.	British Virgin Islands	Investment	375,467	375,467	191,472	100.00	2,850,431	111,398	107,587	
	UBright Optronics Corp.	Taoyuan City	Precision chemical materials and mold manufacturing wholesale, etc.	588,285	670,481	40,079,828	49.00	1,839,011	575,589	319,273	
	Shinkong Polyester Film Corp., Ltd.	Taipei City	Electronic parts and components manufacturing	2,442,381	1,603,047	169,925,830	100.00	163,689	(1,116,083)	(1,116,083)	
	Shinkong International Securities Co., Ltd.	Taipei City	Consignment trading of securities and futures	1,621,076	1,210,370	179,235,993	77.32	5,829,506	1,371,148	1,064,139	
	Tai Jin Investment Co., Ltd.	Taipei City	Investment	3,505	3,505	1,111,315	48.57	7,579	53	26	
	Pan Asian Plastics Industry Corp.	Taipei City	Manufacturing and sale of polyester pellets and polyester preforms	700,000	700,000	53,964,955	100.00	537,100	(4,905)	(4,257)	
	Tac Bright Optronics Corp.	Miaoli County	Precision chemical materials - synthetic resin and plastic manufacturing	2,740,086	2,740,086	263,586,455	56.86	1,135,311	(92,246)	(52,448)	
	Shin Kong Technologies Corporation	Taipei City	Electronic information software business	30,528	30,528	3,263,250	100.00	30,853	(773)	(773)	
	Taipei Star Bank	Taipei City	Commercial bank	1,131,535	1,131,535	84,968,278	27.07	1,523,351	251,291	68,016	
	Chi Jian Human-Resource & Management Co., Ltd.	Taoyuan City	Human resources management consulting	5,000	5,000	(Note A)	100.00	5,790	353	310	
	Hsinshin Asset Management Co., Ltd.	Taipei City	Housing and building development for sale and rental	50,000	50,000	5,369,900	100.00	68,157	2,699	2,699	
	Shin Kong International Leasing Corp.	Taipei City	Leasing	1,482,000	1,282,000	150,000,000	100.00	1,698,277	141,330	141,330	
	OTOBUY Co., Ltd.	Taipei City	Other machinery equipment manufacturing	6,000	6,000	600,000	60.00	3,689	-	-	
	Shin Kong Applied Materials Co., Ltd.	Taipei City	Other chemical materials manufacturing	11,000	11,000	1,100,000	73.33	5,528	(537)	(394)	
	Topbottle Resources Technology Corporation	Tainan City	Manufacturing of synthetic materials and plastic product	15,000	15,000	1,488,000	20.00	18,466	4,417	883	
	Far Trust International Finance Co., Ltd.	New Taipei City	Overdue receivables management service	356,250	356,250	31,210,006	30.97	441,363	69,000	21,370	
	Ecofun Lab Corporation	Taoyuan City	Crop cultivation, wholesale of vegetables and fruits and retail sale of agricultural products	18,400	18,400	1,840,000	33.33	5,690	(8,889)	(3,207)	
	Shinsol Advanced Chemical Corporation	Tainan City	Precision chemical material manufacturing	373,588	373,588	37,358,859	43.63	292,865	(98,085)	(42,796)	
	ShinKong Fintech Co., Ltd.	Taipei City	Information software service	50,000	50,000	5,000,000	100.00	45,736	(3,186)	(3,186)	
	Shinkong Youth Co., Ltd.	Taoyuan City	Manufacture and sale of chemical fiber and plastic related products	510,000	510,000	51,000,000	100.00	418,196	(30,989)	(30,989)	
	SHINKONG VIETNAM LLC.	Vietnam	Manufacture and sale of chemical fiber and plastic related products	(Note B)	84,652	(Note B)	(Note B)	(Note B)	187	187	
	Thai Shinkong Industry Corporation Ltd.	Thailand	Manufacturing and sales of plastic, polyester film, and PET	2,344,736	2,344,736	117,499,997	62.04	2,259,870	(463,837)	(263,592)	
	Chi Teng Construction Co., Ltd	Taipei City	Housing and building development for sale and rental	810,000	5,000	81,000,000	100.00	809,696	(254)	(254)	
	SHINKONG VIETNAM ENTERPRISE COMPANY LIMITED	Vietnam	Wholesale Trade	16,206	16,206	(Note A)	100.00	15,901	937	937	
SSFC INVESTMENT LTD.	Dayspring Ltd.	Hong Kong	Investment	(Note C)	US\$ 53,540	(Note C)	(Note C)	(Note C)	-	-	
	Shinkong Applied Materials (Jiangsu) Company Limited	China	Sale of synthetic materials, fibers and manufacturing of plastic product	US\$ 3,060	US\$ 3,060	(Note A)	100.00	RMB 116,141	RMB 18,729	-	
Hsingshing Investment Co., Ltd.	Da Chun Universe Investment Co., Ltd.	Taichung City	Investment	9,000	9,000	(Note A)	45.00	4,917	(49)	-	

Note A: This is a limited company, the proportion of ownership is calculated based on the amount of capital contribution.

Note B: SHINKONG VIETNAM LLC completed its liquidation procedures in February 2024.

Note C: DAYSPRING Ltd completed its liquidation procedures in July 2024.

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Tac Bright Optronics Corporation	MAXPRO LTD.	British Virgin Islands	Investment	\$ 1,743,557	\$ 1,743,557	54,204,000	100.00	\$ 12	\$ (1,613)	\$ -	
MAXPRO LTD.	LOFO HOLDING GmbH	Germany	Investment	1,743,507	1,743,507	(Note A)	100.00	-	(1,636)	-	
Shinkong International Securities Co., Ltd.	Shin Kong Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting	20,000	20,000	2,000,000	100.00	31,002	801	-	
	Shin Kong Insurance Agent Co., Ltd.	Taipei City	Life insurance agent	3,000	3,000	2,000,000	100.00	50,311	14,552	-	
	Shin Kong Property Insurance Agency Co., Ltd.	Taipei City	Property insurance agent	2,997	2,997	1,000,000	100.00	23,685	5,589	-	
Shin Chiun Industrial Co., Ltd.	UBright Optronics Corp.	Taoyuan City	Precision chemical materials and mold manufacturing wholesale, etc.	3,034	96,317	50,000	0.06	3,737	575,589	-	
	Tac Bright Optronics Corp.	Miaoli County	Precision chemical materials - synthetic resin and plastic manufacturing	153,270	153,270	10,218,000	2.20	100,788	(92,246)	-	
	Intelligent Medical Big Data Co., Ltd.	Taipei City	Consulting, biotechnology research and development service	25,000	25,000	2,500,000	83.33	1,384	(159)	-	
Pan Asian Plastics Corp.	Tai Shin Leasing & Financial Co., Ltd.	Taipei City	Leasing	520,000	520,000	22,200,000	30.00	1,736,877	178,157	-	
	Hsin Lung Chemical Co., Ltd.	Taipei City	Manufacturing of magnetic tapes for recording and video disks and polyester film	338,509	338,509	4,689,900	93.80	581,532	1,786	-	
Shinkong Engineering Co., Ltd.	UBright Optronics Corp.	Taoyuan City	Precision chemical materials and mold manufacturing wholesale, etc.	-	36,906	-	-	-	575,589	-	
Shin Kong International Leasing Corp.	Far Trust International Finance Co., Ltd.	New Taipei City	Overdue receivables management service	211,578	211,578	20,209,263	20.06	260,600	69,000	-	
	Shinkong Power Service Corporation	Taipei City	Solar industry business	203,028	170,000	20,200,654	100.00	204,820	2,368	-	
	Jin Liang Power Service Co., Ltd.	Taipei City	Solar industry business	380,754	380,754	24,049,103	89.63	380,456	25,123	-	
	Shinkong Energy Service Corporation	Taipei City	Solar industry business	250,000	100,000	25,355,278	100.00	258,355	4,407	-	
Shinkong Energy Service Corporation	Co-creation Ingenuity Renewable Crop.	Chaiyi County	Solar industry business	40,500	40,500	4,500,000	100.00	47,672	3,052	-	
	You-Ji Renewable Corp.	Taipei City	Solar industry business	50,330	-	5,050,000	100.00	50,317	(178)	-	
Shin Kong Technologies Corporation	Shin Kong Innovations Co., Ltd.	Taipei City	Electronic information software business	2,000	2,000	2,000,000	66.67	2,701	(620)	-	
Far Trust International Finance Co., Ltd.	OTOBUY Co., Ltd.	Taipei City	Other machinery equipment manufacturing	4,000	4,000	400,000	40.00	2,459	-	-	
	Far Trust International Leasing Co., Ltd.	New Taipei City	Overdue receivables management service	200,000	200,000	20,000,000	100.00	213,717	4,017	-	
	Far Trust Car Rental Co., Ltd.	Taipei City	Car rental	50,000	50,000	5,000,000	100.00	46,049	(1,695)	-	
UBright Optronics Corp.	Rise Concept Enterprises Limited	Hong Kong	Investment	7,695	7,695	(Note)	100.00	(36,383)	(2,880)	-	
Rise Concept Enterprises Limited	Suzhou UBright Optronics Corp.	China	Brightness enhancement film cutting process	RMB 1,000	RMB 1,000	(Note)	100.00	(593)	(2,542)	-	

Note: The percentage of shareholding is calculated on the basis of the amount of capital contributed.

(Concluded)

TABLE 7

SHINKONG SYNTHETIC FIBERS CORPORATION

FINANCING PROVIDED BY INVESTEES TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Shin Kong International Leasing Corp.	Shinkong Power Service Corporation	Other receivable	Yes	\$ 70,000	\$ -	\$ -	4	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 679,311 (Note B)	\$ 679,311 (Note B)	
		Jin Liang Power Service Co., Ltd.	Other receivable	Yes	50,000	-	-	4.125	2	-	Operating capital	-	None	-	679,311 (Note B)	679,311 (Note B)	
		Chi Teng Construction Co., Ltd	Other receivable	Yes	100,000	100,000	-	5	2	-	Operating capital	-	None	-	679,311 (Note B)	679,311 (Note B)	
2	Far Trust International Finance Co., Ltd.	Far Trust Car Rental Co., Ltd.	Other receivable	Yes	50,000	50,000	41,000	3	2	-	Operating capital	-	None	-	519,775 (Note C)	519,775 (Note C)	
		Far Trust International Leasing Co., Ltd.	Other receivable	Yes	100,000	100,000	40,000	3	2	-	Operating capital	-	None	-	519,775 (Note C)	519,775 (Note C)	
3	Shin Chiun Industrial Co., Ltd.	Shin Kong International Leasing Corp.	Other receivable	Yes	250,000	-	-	2.1	2	-	Operating capital	-	None	-	352,104 (Note D)	352,104 (Note D)	
		Shin Kong Technologies Corporation	Other receivable	Yes	80,000	80,000	10,000	2.125	2	-	Operating capital	-	None	-	352,104 (Note D)	352,104 (Note D)	
		Pan Asian Plastics Corp	Other receivable	Yes	80,000	80,000	50,000	2.125	2	-	Operating capital	-	None	-	352,104 (Note D)	352,104 (Note D)	
		Pan Asian Plastics Corp	Other receivable	Yes	100,000	-	-	2	2	-	Operating capital	-	None	-	352,104 (Note D)	352,104 (Note D)	
		Shin Kong Technologies Corporation	Other receivable	Yes	20,000	20,000	-	2.125	2	-	Operating capital	-	None	-	352,104 (Note D)	352,104 (Note D)	
4	DAYSPRING LIMITED	Shinkong Synthetic Fibers Corporation	Other receivable	Yes	1,363,500 (RMB 300,000)	-	-	2.65-2.7	2	-	Operating capital	-	None	-	- (Note E)	- (Note E)	
5	UBright Optronics Corp.	Rise Concept Enterprises Limited	Other receivable	Yes	229,845 (US\$ 7,000)	114,748 (US\$ 3,500)	98,355 (US\$ 3,000)	0.8	2	-	Operating capital	-	None	-	743,270 (Note F)	1,486,539 (Note G)	

Note A: The intercompany transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

1. Parent company: 0.
2. Subsidiaries are numbered from 1.

Note B: The financing limit for each borrower and total financing limit are 40% net equity of Shin Kong International Leasing Corp.

Note C: The financing limit for each borrower and total financing limit are 40% net equity of Far Trust International Finance Co., Ltd.

Note D: The financing limit for each borrower and total financing limit are 40% net equity of Shin Chiun Industrial Co., Ltd.

Note E: DAYSPRING Ltd completed its liquidation procedures in July 2024.

Note F: The financing limit for each borrower is 20% net equity of UBright Optronics Corp.

Note G: The total financing limit is 40% net equity of UBright Optronics Corp.

TABLE 8

SHINKONG SYNTHETIC FIBERS CORPORATION

INVESTEES' ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	Far Trust International Finance Co., Ltd.	Far Trust International Leasing Co., Ltd.	2	(Note D)	\$ 2,400,000	\$ 2,400,000	\$ 2,137,206	\$ -	184.70	(Note E)	Y	-	-	
		Far Trust Car Rental Co., Ltd.	2	(Note D)	100,000	100,000	-	-	7.70	(Note E)	Y	-	-	

Note A: The intercompany transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- 1. Parent company: 0.
- 2. Subsidiaries are numbered from 1.

Note B: Relationships between the endorsement/guarantee provider and the guaranteed party can be classified as the following 7 category:

- 1. A company with which it does business.
- 2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- 3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- 4. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- 5. The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- 6. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- 7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note C: The limits on foreign endorsement or guarantee amount provided to each guaranteed party = Net equity \$1,299,437 thousand x 30% = \$389,831 thousand.

Note D: The limits on domestic endorsement or guarantee amount provided to each guaranteed party = Net equity \$1,299,437 thousand x 500% = \$6,497,185 thousand.

Note E: The total amount of endorsement or guarantee that the Company is allowed to provide = Net equity \$1,299,437 thousand x 500% = \$6,497,185 thousand.

TABLE 9

SHINKONG SYNTHETIC FIBERS CORPORATION

MARKETABLE SECURITIES HELD BY THE INVESTEEs WHICH THE COMPANY HAS CONTROL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinkong International Securities Co., Ltd.	Shares	None	Financial assets at FVTPL - current	1,079,383	\$ 52,818	-	\$ 52,818	
	Shares							
	Taiwan Futures Exchange Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,119,672	74,898	0.18	74,898	
Taipei Star Bank	Taiwan Stock Exchange Corporation	None	Financial assets at FVTOCI - non-current	106,019	9,385	0.01	9,385	
	Notes investments							
	Yuanta Securities	None	Financial assets at FVTPL - current	1,500	149,892	-	149,892	
	KGI Securities	None	Financial assets at FVTPL - current	500	49,922	-	49,922	
	Shares	None	Financial assets at FVTOCI - current	19,563,818	622,989	-	622,989	
	Government bonds	None	Financial assets at FVTOCI - current	1,215	1,684,011	-	1,684,011	
	Corporate bonds	None	Financial assets at FVTOCI - current	2,506	2,663,580	-	2,663,580	
	Financial bonds	None	Financial assets at FVTOCI - current	242	1,581,387	-	1,581,387	
	Government bonds	None	Financial assets at amortized cost - non-current	45,000	4,646,279	-	4,646,279	
	Corporate bonds	None	Financial assets at amortized cost - non-current	3,512	4,687,529	-	4,687,529	
	Financial bonds	None	Financial assets at amortized cost - non-current	125	2,373,741	-	2,373,741	
	Notes investments	None	Financial assets at amortized cost - non-current	4,550	4,550,000	-	4,550,000	
Maxima Pacific Ltd.	Shares							
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTPL - current	2,951,024	51,348 (US\$ 1,566)	0.02	51,348 (US\$ 1,566)	
	Shares							
	Taishin Financial Holding Co., Ltd. Preferred Stock E	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	82,811	4,272 (US\$ 130)	-	4,272 (US\$ 130)	
	Taishin Financial Holding Co., Ltd. Preferred Stock E2	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	49,609	2,305 (US\$ 70)	-	2,305 (US\$ 70)	
Hsingshing Investment Co., Ltd.	Shares							
	The Great Taipei Gas Corporation	Related party in substance	Financial assets at FVTOCI - current	117,962	3,557	-	3,557	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,951,507	86,257	0.65	86,257	
	Pin Chia Development Co., Ltd	None	Financial assets at FVTOCI - non-current	1,000,000	19,110	3.55	19,110	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shin Chiun Industrial Co., Ltd.	Shares Prince Housing & Development Corp.	None	Financial assets at FVTOCI - current	7,359	\$ 75	-	\$ 75	
	Shares Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	619,000	27,360	0.21	27,360	
UBright Optronics Corp.	Mutual funds Nomura Funds Ireland plc - Global Dynamic Bond Fund Class TD USD	None	Financial assets at FVTPL - current	9,867	24,152 (US\$ 736)	-	24,152 (US\$ 736)	
	Yuanta US 20+ Year BBB Corporate Bond ETF	None	Financial assets at FVTPL - current	2,690,000	95,307	-	95,307	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	None	Financial assets at FVTPL - current	2,732,000	92,369	-	92,369	
	Domestic corporate bonds Cathay Life Insurance subordinated debenture	None	Financial assets at FVTPL - current	50,000	50,003	-	50,003	
	Taipei Star Bank Subordinated Perpetual Bonds	Related party	Financial assets at FVTPL - current	80,000	78,800	-	78,800	
	Foreign corporate bonds BNP Paribas (a)	None	Financial assets at FVTPL - current	400,000	13,062 (US\$ 399)	-	13,062 (US\$ 399)	
	BNP Paribas (b)	None	Financial assets at FVTPL - current	450,000	14,694 (US\$ 448)	-	14,694 (US\$ 448)	
	Standard Chartered (a)	None	Financial assets at FVTPL - current	200,000	6,537 (US\$ 199)	-	6,537 (US\$ 199)	
	Standard Chartered (b)	None	Financial assets at FVTPL - current	430,000	14,056 (US\$ 429)	-	14,056 (US\$ 429)	
	Standard Chartered (c)	None	Financial assets at FVTPL - current	430,000	14,056 (US\$ 429)	-	14,056 (US\$ 429)	
	ABN AMRO	None	Financial assets at FVTPL - current	840,000	27,650 (US\$ 843)	-	27,650 (US\$ 843)	
	TSMC Arizona U.S. Dollar Corporate Bond	None	Financial assets at FVTPL - current	1,750,000	54,735 (US\$ 1,670)	-	54,735 (US\$ 1,670)	
	JPMorgan U.S. Dollar Corporate Bond	None	Financial assets at FVTPL - current	1,750,000	57,775 (US\$ 1,762)	-	57,775 (US\$ 1,762)	
	UBS U.S. Dollar Corporate Bond	None	Financial assets at FVTPL - current	1,750,000	57,603 (US\$ 1,757)	-	57,603 (US\$ 1,757)	
	Mizuho Financial Group U.S. Dollar Corporate Bond (a)	None	Financial assets at FVTPL - current	1,000,000	32,457 (US\$ 990)	-	32,457 (US\$ 990)	
	Mizuho Financial Group U.S. Dollar Corporate Bond (b)	None	Financial assets at FVTPL - current	750,000	24,466 (US\$ 746)	-	24,466 (US\$ 746)	
	Credit Agricole U.S. Dollar-Denominated Corporate Bond	None	Financial assets at FVTPL - current	1,250,000	42,743 (US\$ 1,304)	-	42,743 (US\$ 1,304)	
	Bank of America corporation Bond	None	Financial assets at FVTPL - current	1,250,000	42,334 (US\$ 1,291)	-	42,334 (US\$ 1,291)	
	Sumitomo Mitsui Financial Group, Inc. Bond	None	Financial assets at FVTPL - current	1,250,000	34,768 (US\$ 1,061)	-	34,768 (US\$ 1,061)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	America Express Corporate Bond	None	Financial assets at FVTPL - current	1,250,000	\$ 41,719 (US\$ 1,273)	-	\$ 41,719 (US\$ 1,273)	
	Shinhan Card Co Ltd.	None	Financial assets at FVTPL - current	200,000	6,268 (US\$ 191)	-	6,268 (US\$ 191)	
	NVIDIA US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	27,441 (US\$ 837)	-	27,441 (US\$ 837)	
	Amazon US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	33,014 (US\$ 1,007)	-	33,014 (US\$ 1,007)	
	Société Générale US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	33,047 (US\$ 1,008)	-	33,047 (US\$ 1,008)	
	Alphabet Inc. Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	21,802 (US\$ 665)	-	21,802 (US\$ 665)	
	Saudi Aramco Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	28,359 (US\$ 865)	-	28,359 (US\$ 865)	
	Shares Shin Kong Financial Holding Co., Ltd. Preferred Stock B	Related party in substance	Financial assets at FVTOCI - non-current	2,000,000	70,700	-	70,700	
	OMVO TECHNOLOGY INC.	None	Financial assets at FVTOCI - non-current	253,450	-	11.56	-	
	Shares T-E Pharma Holding, Inc.	None	Financial assets at FVTOCI - non-current	3,750,000	45,263	1.41	45,263	
Rise Concept Enterprises Limited	T-E Meds Holding, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	16,440	0.70	16,440	
Shin Kong Technologies Corp.	Shares Orion go Co., Ltd	None	Financial assets at FVTOCI - non-current	105,148	454	7.97	454	
Hsinshin Asset management Co., Ltd.	Shares Huaku Development Co., Ltd.	None	Financial assets at FVTOCI - current	199,716	22,768	-	22,768	
Hsin Lung Chemical Co., Ltd.	Shares Wei Chuan Foods Corp.	None	Financial assets at FVTOCI - current	1,152	21	-	21	
	The Great Taipei Gas Corporation	Related party in substance	Financial assets at FVTOCI - current	48	1	-	1	
	Taiwan Shin Kong Security Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,160	48	-	48	
	Shin Kong Financial Holding Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,053	12	-	12	
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	445,287	7,748	-	7,748	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	112	5	-	5	
	Shin Kong Insurance Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	733,808	78,150	0.23	78,150	
	Shinkong Synthetic Fibers Corporation	The Company	Financial assets at FVTOCI - non-current	4,680,487	69,037	0.29	69,037	
	Shin Ching Investment Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,600,000	129,276	15.52	129,276	
	Mien Hao Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,970,000	152,661	19.80	152,661	
	Shin Yun Co., Ltd.	None	Financial assets at FVTOCI - non-current	990,000	33,423	19.80	33,423	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinkong Engineering Co., Ltd.	Shares Shin Kong Financial Holding Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	17,862,662	\$ 210,779	0.10	\$ 210,779	
Pan Asian Plastics Corp.	Shares Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	1,214,462	21,139	0.01	21,139	
	United Capital Fund	None	Financial assets at FVTOCI - non-current	4,850,000	-	7.09	-	
	Shinpont Industry Inc.	Related party	Financial assets at FVTOCI - non-current	5,000	105	0.01	105	
Shin Kong International Leasing Corp.	Mutual funds							
	Cathay No. 2 Real Estate Investment Trust	None	Financial assets at FVTPL - current	360,000	5,580	-	5,580	
	Fubon No. 1 Real Estate Investment Trust	None	Financial assets at FVTPL - current	75,000	1,007	-	1,007	
	Shares Chailease Finance Co., Ltd. Preferred Stock A	None	Financial assets at FVTOCI - non-current	120,000	11,772	-	11,772	

(Concluded)

TABLE 10

SHINKONG SYNTHETIC FIBERS CORPORATION

**INVESTEES' TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total	
Thai Shinkong Industry Corporation Ltd.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Sale	\$ (2,213,300)	(25.08)	Note	Note	Note	Accounts receivable \$	190,438	19.67	
Shinkong Polyester Film Corp., Ltd.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	1,450,652	86.30	Note	Note	Note	Accounts payable	(151,531)	(83.12)	
									Other payables	(3,223)	(5.02)	
Pan Asian Plastics Industry Corp.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	554,940	79.47	Note	Note	Note	Accounts payable	(124,238)	(90.02)	
									Other payables	(34,151)	(62.54)	
Shinpont Industry Inc.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	129,438	24.68	Note	Note	Note	Accounts payable	(5,782)	(31.11)	
									Other payables	(35,034)	(90.75)	
Shinpont Industry Inc.	LYCRA Singapore	Affiliated company of Shinpont Industry	Sale	(937,250)	(84.40)	According to the contract signed by both parties	According to the contract signed by both parties	According to the contract signed by both parties	Accounts receivable	162,263	79.59	
	The LYCRA Company Taiwan Limited	Affiliated company of Shinpont Industry	Sale	(170,351)	(15.34)	According to the contract signed by both parties	According to the contract signed by both parties	According to the contract signed by both parties	Accounts receivable	38,580	18.92	

Note: Refer to Table 19.

TABLE 11

SHINKONG SYNTHETIC FIBERS CORPORATION

REINVESTED ENTERPRISES ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Chi Teng Construction Co., Ltd.	Plot No. 726, Subsection 3, Tanmei Section, Neihu District, Taipei City (including building structure)	July 26, 2024	\$ 421,383	\$ 421,383	Yao Da Construction Co., Ltd./Lida Holdings Limited	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Refer to the estimated report and the intercompany prices that have been determined.	Plant and office building setup	None
	Three parcels of land located at No. 1433, 1436, and 1441 in the Fuzhong Section, Banqiao District, New Taipei City (including building structure)	November 22, 2024	527,503	158,251	Individual (Natural person)	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Refer to the estimated report and the intercompany prices that have been determined.	Plant and office building setup	None
Hsingshing Investment Co., Ltd.	Eight parcels of land located at No. 534, 535, 536, 537, 538, 539, 540, and 541 in Section 1 of Yanping North Road, Datong District, Taipei City.	December 20, 2024	423,000	-	Taipei Star Bank/Individual (Natural person)	Related party/ Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Refer to the estimated report and the intercompany prices that have been determined.	Joint construction project	None

TABLE 12

SHINKONG SYNTHETIC FIBERS CORPORATION

REINVESTED ENTERPRISES DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Shinkong Engineering Co., Ltd.	Lot No. 575, Beixing Section, Pingzhen District, Taoyuan City	September 4, 2024	July 4, 1998	\$ 399,956	\$ 1,125,814	\$ 1,125,814	\$ 725,858	Kwang Cheng Construction Co., Ltd./Individual (Natural person)	Non-related party	To align with the Group's investment interests	Refer to the estimated report and the intercompany prices that have been determined.	Transaction amount includes construction premium.

TABLE 13

SHINKONG SYNTHETIC FIBERS CORPORATION

INVESTEES’ RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Shinpont Industry	LYCRA Singapore	Affiliated company of Shinpont Industry	Accounts receivable from related parties of \$162,263	5.03	\$ -	-	\$ 162,263	\$ -
Thai Shinkong Industry Corporation Ltd.	Shinkong Synthetic Fibers Corporation	Parent Company and its subsidiary	Accounts receivable from related parties of \$190,438	10.48	-	-	190,438	-
MAXIMA PACIFIC LTD.	Shinkong Synthetic Fibers Corporation	Parent Company and its subsidiary	Other receivables from related parties of \$1,989,656	-	-	-	-	-

TABLE 14

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinkong Synthetic Fibers Corporation	Mutual funds Shin Kong Hong Seng Tech Index Fund	Related party in substance	Financial assets at FVTPL - current	500,000	\$ 2,580	-	\$ 2,580	
Shinkong International Securities Co., Ltd.	Shares	None	Financial assets at FVTPL - current	1,079,383	52,818	-	52,818	
Maxima Pacific Ltd.	Shares Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTPL - current	2,951,024	51,348 (US\$ 1,566)	0.02	51,348 (US\$ 1,566)	
UBright Optronics Corp.	Mutual funds Nomura Funds Ireland plc - Global Dynainic Bond Fund Class TD USD	None	Financial assets at FVTPL - current	9,867	24,152 (US\$ 736)	-	24,152 (US\$ 736)	
	Yuanta US 20+ Year BBB Corporate Bond ETF	None	Financial assets at FVTPL - current	2,690,000	95,307	-	95,307	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	None	Financial assets at FVTPL - current	2,732,000	92,369	-	92,369	
	Domestic corporate bonds Cathay Life Insurance subordinated debenture	None	Financial assets at FVTPL - current	50,000	50,003	-	50,003	
	Foreign corporate bonds BNP Paribas (a)	None	Financial assets at FVTPL - current	400,000	13,062 (US\$ 399)	-	13,062 (US\$ 399)	
	BNP Paribas (b)	None	Financial assets at FVTPL - current	450,000	14,694 (US\$ 448)	-	14,694 (US\$ 448)	
	Standard Chartered (a)	None	Financial assets at FVTPL - current	200,000	6,537 (US\$ 199)	-	6,537 (US\$ 199)	
	Standard Chartered (b)	None	Financial assets at FVTPL - current	430,000	14,056 (US\$ 429)	-	14,056 (US\$ 429)	
	Standard Chartered (c)	None	Financial assets at FVTPL - current	430,000	14,056 (US\$ 429)	-	14,056 (US\$ 429)	
	ABN AMRO	None	Financial assets at FVTPL - current	840,000	27,650 (US\$ 843)	-	27,650 (US\$ 843)	
	TSMC Arizona Dollar-denominated Corporate Bonds	None	Financial assets at FVTPL - current	1,750,000	54,735 (US\$ 1,670)	-	54,735 (US\$ 1,670)	
	J.P. Morgan Dollar-denominated Corporate Bonds	None	Financial assets at FVTPL - current	1,750,000	57,775 (US\$ 1,762)	-	57,775 (US\$ 1,762)	
	UBS Group Dollar-denominated Corporate Bonds	None	Financial assets at FVTPL - current	1,750,000	57,603 (US\$ 1,757)	-	57,603 (US\$ 1,757)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Foreign corporate bonds							
	Mizuho Financial Group Dollar-denominated Corporate Bonds (a)	None	Financial assets at FVTPL - current	1,000,000	\$ 32,457 (US\$ 990)	-	\$ 32,457 (US\$ 990)	
	Mizuho Financial Group Dollar-denominated Corporate Bonds (b)	None	Financial assets at FVTPL - current	750,000	24,466 (US\$ 746)	-	24,466 (US\$ 746)	
	Credit Agricole U.S. Dollar-Denominated Corporate Bond	None	Financial assets at FVTPL - current	1,250,000	42,743 (US\$ 1,304)	-	42,743 (US\$ 1,304)	
	Bank of America corporation Bond	None	Financial assets at FVTPL - current	1,250,000	42,334 (US\$ 1,291)	-	42,334 (US\$ 1,291)	
	Sumitomo Mitsui Financial Group, Inc. Bond	None	Financial assets at FVTPL - current	1,250,000	34,768 (US\$ 1,061)	-	34,768 (US\$ 1,061)	
	America Express Corporate Bond	None	Financial assets at FVTPL - current	1,250,000	41,719 (US\$ 1,273)	-	41,719 (US\$ 1,273)	
	Shinhan Card Co Ltd.	None	Financial assets at FVTPL - current	200,000	6,268 (US\$ 191)	-	6,268 (US\$ 191)	
	NVIDIA US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	27,441 (US\$ 837)	-	27,441 (US\$ 837)	
	Amazon US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	33,014 (US\$ 1,007)	-	33,014 (US\$ 1,007)	
	Société Générale US Dollar Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	33,047 (US\$ 1,008)	-	33,047 (US\$ 1,008)	
	Alphabet Inc. Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	21,802 (US\$ 665)	-	21,802 (US\$ 665)	
	Saudi Aramco Corporate Bonds	None	Financial assets at FVTPL - current	1,000,000	28,359 (US\$ 865)	-	28,359 (US\$ 865)	
Shin Kong International Leasing Corp.	Mutual funds							
	Cathay No. 2 Real Estate Investment Trust	None	Financial assets at FVTPL - current	360,000	5,580	-	5,580	
	Fubon No. 1 Real Estate Investment Trust	None	Financial assets at FVTPL - current	75,000	1,007	-	1,007	
Taipei Star Bank	Notes investments							
	Yuanta Securities	None	Financial assets at FVTPL - current	1,500	149,892	-	149,892	
	KGI Securities	None	Financial assets at FVTPL - current	500	49,922	-	49,922	
					<u>\$ 1,203,564</u>		<u>\$ 1,203,564</u>	
Shinkong Synthetic Fibers Corporation	Shares							
	Hsin Ba Corporation	None	Financial assets at FVTOCI - current	12	\$ 1	-	\$ 1	
	The Great Taipei Gas Corporation	Related party in substance	Financial assets at FVTOCI - current	20,213,826	609,447	3.91	609,447	
Taipei Star Bank	Shares	None	Financial assets at FVTOCI - current	19,563,818	622,989	-	622,989	
	Government bonds	None	Financial assets at FVTOCI - current	1,215	1,684,011	-	1,684,011	
	Corporate bonds	None	Financial assets at FVTOCI - current	2,506	2,663,580	-	2,663,580	
	Financial bonds	None	Financial assets at FVTOCI - current	242	1,581,387	-	1,581,387	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Maxima Pacific Ltd.	Shares							
	Taishin Financial Holding Co., Ltd. Preferred Stock E	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	82,811	\$ 4,272 (US\$ 130)	-	\$ 4,272 (US\$ 130)	
	Taishin Financial Holding Co., Ltd. Preferred Stock E 2	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	49,609	2,305 (US\$ 70)	-	2,305 (US\$ 70)	
Hsingshing Investment Co., Ltd.	Shares							
	The Great Taipei Gas Corporation	Related party in substance	Financial assets at FVTOCI - current	117,962	3,557	-	3,557	
Shin Chiun Industrial Co., Ltd.	Shares							
	Prince Housing & Development Corp.	None	Financial assets at FVTOCI - current	7,359	75	-	75	
Hsinshin Asset management Co., Ltd.	Shares							
	Huaku Development Co., Ltd.	None	Financial assets at FVTOCI - current	199,716	22,768	-	22,768	
Hsin Lung Chemical Co., Ltd.	Shares							
	Wei Chuan Foods Corp.	None	Financial assets at FVTOCI - current	1,152	21	-	21	
	The Great Taipei Gas Corporation	Related party in substance	Financial assets at FVTOCI - current	48	<u>1</u>	-	<u>1</u>	
					<u>\$ 7,194,414</u>		<u>\$ 7,194,414</u>	
Shinkong Synthetic Fibers Corporation	Limited partnership funds							
	Renaissance Capital Limited Partnership	None	Financial assets at FVTPL - non-current	6.41	\$ 41,470	6.41	\$ 41,470	
	Whitesun Capital Limited Partnership	None	Financial assets at FVTPL - non-current	2.50	<u>10,939</u>	2.50	<u>10,939</u>	
					<u>\$ 52,409</u>		<u>\$ 52,409</u>	
	Shares							
	Overseas Investment & Development Corp	None	Financial assets at FVTOCI - non-current	4,000,000	\$ 40,640	4.44	\$ 40,640	
	Li Yu Venture Capital Investment Corp.	None	Financial assets at FVTOCI - non-current	122,118	3,541	1.49	3,541	
	Shin Kong Chao Feng Ranch & Resort Corporation	Related party in substance	Financial assets at FVTOCI - non-current	200,000	30,447	2.22	30,447	
	PC Home Venture Fund Corp	None	Financial assets at FVTOCI - non-current	78,540	1,333	3.03	1,333	
	Budworth Investment Limited	None	Financial assets at FVTOCI - non-current	45,500	-	5.00	-	
	Great Taipei Broadband Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	2,500,000	7,650	1.67	7,650	
	Zacros Taiwan Co., Ltd.	None	Financial assets at FVTOCI - non-current	10,000,000	97,642	9.44	97,642	
	Wave-In Communication Inc.	None	Financial assets at FVTOCI - non-current	2,503,142	20,651	12.64	20,651	
	Shin Kong iEcofun Corporation	None	Financial assets at FVTOCI - non-current	1,327,736	7,701	18.81	7,701	
	IIH Biomedical Venture Fund I Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,500,000	27,083	4.85	27,083	
	Pro Union Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	6,875,951	154,744	21.04	154,744	
	Pro Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	4,287,288	196,359	16.13	196,359	
	Pro Rental & Leasing Co., Ltd.	None	Financial assets at FVTOCI - non-current	5,277,251	214,038	18.93	214,038	
	Green Life Technology Corporation	None	Financial assets at FVTOCI - non-current	10,000,000	-	6.50	-	
	Earthbook Inc.	None	Financial assets at FVTOCI - non-current	3,600,000	2,448	8.48	2,448	
	Research Innovation Capital Corporation	None	Financial assets at FVTOCI - non-current	5,000,000	37,650	11.44	37,650	
	Omni Measure Technology Inc.	None	Financial assets at FVTOCI - non-current	7,500,000	14,625	6.52	14,625	
	Taiwan Electronics Systems	None	Financial assets at FVTOCI - non-current	750,000	6,142	3.91	6,142	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
UBright Optronics Corp.	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	28,378,958	\$ 1,254,350	9.46	\$ 1,254,350	
	Shin Kong Financial Holding Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	186,241,986	2,197,655	1.03	2,197,655	
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	131,957,762	2,296,065	0.94	2,296,065	
	Century Development Corporation	None	Financial assets at FVTOCI - non-current	12,334,854	236,719	3.52	236,719	
	Universal Venture Capital Investment Corporation	None	Financial assets at FVTOCI - non-current	5,600,000	55,608	4.65	55,608	
	Evergreen Steel Co.	None	Financial assets at FVTOCI - non-current	890,000	79,388	0.21	79,388	
	Shin Kong Mitsukoshi Department Store Co., Ltd.	Same chairman with the Company	Financial assets at FVTOCI - non-current	24,401,636	849,665	1.96	849,665	
	Shares							
	Shin Kong Financial Holding Co., Ltd. Preferred Stock B	Related party in substance	Financial assets at FVTOCI - non-current	2,000,000	70,700	-	70,700	
	OMVO TECHNOLOGY INC.	None	Financial assets at FVTOCI - non-current	253,450	-	11.56	-	
Rise Concept Enterprises Limited	Shares							
	T-E Pharma Holding Inc.	None	Financial assets at FVTOCI - non-current	3,750,000	45,263	1.41	45,263	
	T-E Meds Holding, Inc.	None	Financial assets at FVTOCI - non-current	1,500,000	16,440	0.70	16,440	
Shinkong Engineering Co., Ltd.	Shares							
	Shin Kong Financial Holding Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	17,862,662	210,779	0.10	210,779	
Shin Chiun Industrial Co., Ltd.	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	619,000	27,360	0.21	27,360	
Hsingshing Investment Co., Ltd.	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,951,507	86,257	0.65	86,257	
	Pin Chia Development Co., Ltd	None	Financial assets at FVTOCI - non-current	1,000,000	19,110	3.55	19,110	
Pan Asian Plastics Corp.	Shares							
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	1,214,462	21,139	0.01	21,139	
	United Capital Fund	None	Financial assets at FVTOCI - non-current	4,850,000	-	7.09	-	
Hsin Lung Chemical Co., Ltd.	Shares							
	Taiwan Shin Kong Security Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,160	48	-	48	
	Shin Kong Insurance Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	733,808	78,150	0.23	78,150	
	Shin Kong Financial Holding Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,053	12	-	12	
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	445,287	7,748	-	7,748	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	112	5	-	5	
	Shin Ching Investment Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,600,000	129,276	15.52	129,276	
	Mien Hao Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,970,000	152,661	19.80	152,661	
	Shin Yun Co., Ltd.	None	Financial assets at FVTOCI - non-current	990,000	33,423	19.80	33,423	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shin Kong Technologies Corporation	Shares Orien Go Co., Ltd.	None	Financial assets at FVTOCI - non-current	105,148	\$ 454	7.97	\$ 454	
Shin Kong International Leasing Corp.	Shares Chailease Finance Co., Ltd. Preferred Stock A	None	Financial assets at FVTOCI - non-current	120,000	11,772	-	11,772	
Shinkong International Securities Co., Ltd.	Shares Taiwan Futures Exchange Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,119,672	74,898	0.18	74,898	
	Taiwan Stock Exchange Corporation	None	Financial assets at FVTOCI - non-current	106,019	9,385	0.01	9,385	
					<u>\$ 8,827,024</u>		<u>\$ 8,827,024</u>	
Taipei Star Bank	Government bonds	None	Financial assets at amortized cost - non-current	45,000	\$ 4,646,279	-	\$ 4,646,279	
	Corporate bonds	None	Financial assets at amortized cost - non-current	3,512	4,687,529	-	4,687,529	
	Financial bonds	None	Financial assets at amortized cost - non-current	125	2,373,741	-	2,373,741	
	Notes investments	None	Financial assets at amortized cost - non-current	4,550	4,550,000	-	4,550,000	
					<u>\$ 16,257,549</u>		<u>\$ 16,257,549</u>	

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Chi Teng Construction Co., Ltd.	Plot No. 726, Subsection 3, Tanmei Section, Neihu District, Taipei City (including building structure)	July 26, 2024	\$ 421,383	\$ 421,383	Yao Da Construction Co., Ltd./ Lida Holdings Limited	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Refer to the estimated report and the intercompany prices that have been determined.	Plant and office building setup	None
	Three parcels of land located at No. 1433, 1436, and 1441 in the Fuzhong Section, Banqiao District, New Taipei City (including building structure)	November 22, 2024	527,503	158,251	Individual (Natural person)	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Refer to the estimated report and the intercompany prices that have been determined.	Plant and office building setup	None

TABLE 16

SHINKONG SYNTHETIC FIBERS CORPORATION

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Shinkong Engineering Co., Ltd.	Lot No. 575, Beixing Section, Pingzhen District, Taoyuan City	September 4, 2024	July 4, 1998	\$ 399,956	\$ 1,125,814	\$ 1,125,814	\$ 725,858	Kwang Cheng Construction Co., Ltd./ Individual (Natural person)	Non-related party	To align with the Group's investment interests	Refer to the estimated report and the intercompany prices that have been determined.	Transaction amount includes construction premium.

TABLE 17

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shinpont Industry Inc.	LYCRA Singapore	Affiliated company of Shinpont Industry Inc.	Sale	\$ (937,250)	(84.40)	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts receivable \$ 162,263	79.59	
	The LYCRA Company Taiwan Limited, Taiwan Branch (H.K.)	Affiliated company of Shinpont Industry Inc.	Sale	(170,351)	(15.34)	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts receivable 38,580	18.92	
Shinkong Synthetic Fibers Corporation	Topbottle resources technology corporation	Associate	Purchase	545,919	2.82	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts payable (2,121)	(0.17)	

TABLE 18

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Shinpont Industry Inc.	LYCRA Singapore	Affiliated company of Shinpont Industry Inc.	\$ 162,263	5.03	\$ -	-	\$ 162,263	\$ -

TABLE 19

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note A)	Investee Company	Counterparty	Transaction Flow (Note B)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note C)
0	SSF	MAXIMA	1	Other payables	\$ 1,989,656	General	1
		SPI	1	Other revenue	22,058	General	-
		SPI	1	Rental revenue	24,750	General	-
		SPI	1	Sales revenue	129,438	Refer to Note 4	-
		SPI	2	Reduction of manufacturing expense	174,656	Refer to Note 5	-
		SPI	1	Other receivables	35,034	General	-
		SPI	1	Accounts receivable	5,782	Refer to Note 4	-
		PAPI	1	Sales revenue	554,940	Refer to Note 4	1
		PAPI	2	Reduction of manufacturing expense	177,136	Refer to Note 5	-
		PAPI	1	Accounts receivable	124,238	Refer to Note 4	-
		PAPI	1	Other receivables	34,151	General	-
		PAPI	1	Rental revenue	14,809	General	-
		PAP	1	Sales revenue	6,989	Refer to Note 4	-
		TSI	2	Accounts payable	190,438	Refer to Note 4	-
		TSI	2	Cost of goods sold	2,213,300	Refer to Note 4	5
		SKIL	2	Lease liabilities	1,297	General	-
		SKIL	2	Right-of-use assets	1,290	General	-
		SPF	1	Other revenue	8,310	General	-
		SPF	1	Rental revenue	28,218	General	-
		SPF	1	Sales revenue	1,450,652	Refer to Note 4	3
		SPF	1	Accounts receivable	151,531	Refer to Note 4	-
		SPF	1	Other receivable	3,223	General	-
		SKE	2	Manufacturing expense	48,000	General	-
		SKJS	1	Sales revenue	53,465	Refer to Note 4	-
		SKJS	1	Accounts receivable	6,545	Refer to Note 4	-
		SKJS	1	Other receivables	1,918	General	-
		SKJS	1	Other revenue	7,168	General	-
		SKY	1	Sales revenue	1,178	Refer to Note 4	-
		Taipei Star Bank	1	Bank deposit	19,260	General	-
		Taipei Star Bank	1	Financial assets at amortized cost	101,634	General	-
		Taipei Star Bank	1	Interest revenue	5,364	General	-
		TBO	1	Other revenue	2,660	General	-
		SSFC	1	Other revenue	55,352	General	-
1	SPI	SSF	1	Lease liabilities	45,559	General	-
		SSF	1	Right-of-use assets	44,029	General	-
		SSF	2	Sales revenue	2,876	Refer to Note 4	-
		SSF	2	Accounts receivable	3,020	General	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note C)
2	SPF	UBO	3	Sales revenue	\$ 73,102	Refer to Note 4	-
		UBO	3	Accounts receivable	9,547	Refer to Note 4	-
		Taipei Star Bank	3	Bank deposit	12,415	General	-
		SSF	1	Lease liabilities	44,032	General	-
		SSF	1	Right-of-use assets	42,992	General	-
		PAPI	3	Sales revenue	2,644	Refer to Note 4	-
3	UBO	SUBO	3	Other expenses	10,450	General	-
		SUBO	3	Prepaid expenses	2,646	General	-
		RCE	3	Other receivables	98,937	General	-
		Taipei Star Bank	3	Interest income	9,547	General	-
		Taipei Star Bank	3	Bank deposit	108,766	General	-
		Taipei Star Bank	3	Financial assets at FVTPL - current	78,800	General	-
		TBO	3	Sales revenue	1,120	Refer to Note 4	-
4	Taipei Star Bank	Far Trust	3	Net fee income	14,969	General	-
		Far Trust	3	Advance payments	11,351	General	-
		SKIS	3	Net fee income	53,692	General	-
		SKIS	3	Other receivables	1,445	General	-
		SKIL	3	Right-of-use assets	1,754	General	-
		SKIL	3	Lease liabilities	1,792	General	-
5	HSI	Taipei Star Bank	3	Bank deposit	72,706	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	8,000	General	-
		Taipei Star Bank	3	Interest revenue	1,062	General	-
		SSF	2	Sales revenue	3,610	General	-
		SSF	2	Accounts receivable	3,791	General	-
6	SKIS	SSF	2	Other revenue	15,184	General	-
		SSF	2	Accounts receivable	1,179	General	-
		Taipei Star Bank	3	Other financial assets	300,000	General	-
		Taipei Star Bank	3	Bank deposit	85,936	General	-
		Taipei Star Bank	3	Other revenue	27,035	General	-
		Taipei Star Bank	3	Other receivables	2,367	General	-
		Taipei Star Bank	3	Operating deposits	5,000	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	52,000	General	-
		SKIL	3	Right-of-use assets	3,999	General	-
		SKIL	3	Lease liabilities	4,049	General	-
7	HAM	SSF	2	Sales revenue	2,160	General	-
		Taipei Star Bank	3	Bank deposit	4,407	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	36,500	General	-
8	SEC	Taipei Star Bank	3	Financial assets at amortized cost	396,000	General	-
		Taipei Star Bank	3	Bank deposit	16,616	General	-
		Taipei Star Bank	3	Interest revenue	6,122	General	-
		PAP	3	Other receivables	50,000	General	-
		SKT	3	Other receivables	10,000	General	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note C)
9	PAP	SKIL	3	Right-of-use assets	\$ 3,320	General	-
		SKIL	3	Lease liabilities	3,359	General	-
10	SKIL	CIR	3	Accounts receivable	58,000	General	-
		SKIN	3	Accounts receivable	294,000	General	-
		Taipei Star Bank	3	Bank deposit	7,092	General	-
		Far Trust	3	Other operating revenues	7,072	General	-
		Far Trust	3	Guarantee deposits received	13,500	General	-
		Far Trust	3	Accounts receivable	275,603	General	-
		Far Trust	3	Long-term accounts receivable	557,796	General	-
		Far Trust	3	Other receivables	2,203	General	-
		You-Ji Renewable Corp.	3	Accounts receivable	90,000	General	-
		UBO	3	Rental revenue	1,110	General	-
11	Maxima	Taipei Star Bank	3	Bank deposit	2,900	General	-
12	Far Trust	Taipei Star Bank	3	Bank deposit	13,762	General	-
		Taipei Star Bank	3	Other financial assets	2,401	General	-
		Taipei Star Bank	3	Net fee income	56,290	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	38,300	General	-
		Far Trust Car Rental	3	Other receivables	41,000	General	-
		Far Trust Leasing	3	Other revenue	3,431	General	-
		Far Trust Leasing	3	Other receivables	40,000	General	-
13	Far Trust Leasing	Far Trust	3	Other revenue	12,395	General	-
		Far Trust	3	Other receivables	3,206	General	-
14	CJH	SSF	2	Sales revenue	14,351	General	-
		Taipei Star Bank	3	Bank deposit	2,842	General	-
15	SKT	SPF	3	Sales revenue	2,440	General	-
		TBO	3	Sales revenue	3,229	General	-
		SSF	2	Sales revenue	34,736	General	-
		SSF	2	Accounts receivable	3,056	General	-
		Taipei Star Bank	3	Bank deposit	1,202	General	-
16	OTOBUY	Taipei Star Bank	3	Bank deposit	5,646	General	-
17	PAPI	PAP	3	Sales revenue	96,044	Refer to Note 4	-
		PAP	3	Accounts receivable	9,553	Refer to Note 4	-
		PAP	3	Right-of-use assets	104,528	General	-
		PAP	3	Lease liabilities	106,128	General	-
		Taipei Star Bank	3	Bank deposit	3,718	General	-
		SSF	1	Right-of-use assets	85,194	General	-
		SSF	1	Lease liabilities	86,493	General	-
		SSF	2	Sales revenue	2,245	Refer to Note 4	-

(Continued)

No. (Note A)	Investee Company	Counterparty	Transaction Flow (Note B)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note C)
18	SKF	Taipei Star Bank	3	Bank deposit	\$ 47,173	General	-
		Taipei Star Bank	3	Professional service revenue	2,000	General	-
19	IMBD	Taipei Star Bank	3	Bank deposit	1,666	General	-
20	TBO	UBO	3	Sales revenue	12,402	Refer to Note 4	-
21	SKE	Taipei Star Bank	3	Bank deposit	978,478	General	-
22	SSFC	Taipei Star Bank	3	Bank deposit	543,038	General	-
		Taipei Star Bank	3	Interest revenue	10,084	General	-
23	SKY	PAP	3	Sales revenue	1,705	Refer to Note 4	-

Note A: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- 1. Company: 0.
- 2. Subsidiaries are numbered from 1.

Note B: Transaction flows are as follows:

- 1. From the Company to subsidiaries.
- 2. From the subsidiary to the Company.
- 3. Between subsidiaries.

Note C: For assets and liabilities, the amount is shown as a percentage to consolidated total assets as of December 31, 2024, while revenue, costs and expenses are shown as a percentage to consolidated revenue for the year ended December 31, 2024.

(Continued)

Note D: Transaction terms of sale and purchase between Shinkong Synthetic Fibers Corporation and its subsidiary are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
TSI	Finished goods	Market value	Market value	Open account 30 days	Open account 90 days
SPF	Finished goods	Market value		Open account 90 days - 120 days	
	Materials	Market value		Open account 90 days	
SPI	Finished goods	According to professional magazine price list		Open account 45 days	
	Materials	Cost value	Market value	Open account 30 days	Open account 30 days
SKAM	Finished goods	Market value		Open account 30 days	
	Materials	Market value		Open account 30 days	
PAPI	Finished goods	Market value	Market value	Open account 90 days	Open account 90 days
	Materials	Market value	Market value	Open account 90 days	Open account 90 days
PAP	Finished goods	Market value		Open account 90 days	
SKY	Finished goods	Market value		Open account 90 days	

Transaction terms between UBO and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SPF	Materials	Market value	Market value	60 days after shipment	Next month 20th after delivery
TBO	Finished goods	Market value	Market value	Open account 60 days	Open account 90 days
	Materials	Market value		Open account 60 days	

Transaction terms between TBO and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
UBO	Finished goods	Market value	Market value	Open account 90 days	Open account 60 days
	Materials		Market value		Open account 60 days

Transaction terms between SPF and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods		Market value		Open account 90-120 days
	Materials		Market value		Open account 90 days
UBO	Finished goods	Market value	Market value	Next month 20th after delivery	60 days after shipment
PAPI	Finished goods	Market value		Open account 60 days	
	Materials	Market value		Open account 60 days	

Transaction terms between PAP and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
PAPI	Finished goods	Market value	Market value	Open account 90 days	Open account 90 days
	Materials	Market value	Market value	Open account 90 days	Open account 90 days
SSF	Finished goods		Market value		Open account 90 days
SKY	Finished goods		Market value		Open account 90 days

Transaction terms between TSI and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods	Market value	Market value	Open account 90 days	Open account 30 days

(Continued)

Transaction terms between SPI and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods		According to professional magazine price list		Open account 45 days
	Materials	Market value	Market value	Open account 30 days	Open account 30 days

Transaction terms between SKAM and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods		Market value		Open account 30 days
	Materials		Market value		Open account 30 days

Transaction terms between PAPI and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods	Market value	Market value	Open account 90 days	Open account 90 days
	Materials	Market value	Market value	Open account 90 days	Open account 90 days
PAP	Finished goods	Market value	Market value	Open account 90 days	Open account 90 days
	Materials	Market value	Market value	Open account 90 days	Open account 90 days
SPF	Finished goods		Market value		Open account 60 days
	Materials		Market value		Open account 60 days

Transaction terms between SKY and related parties are as follow:

Company Name	Item	Terms of Selling	Terms of Purchase	Terms of Collection	Terms of Payments
SSF	Finished goods		Market value		Open account 90 days
PAP	Finished goods	Market value		Open account 90 days	

Note E: Allocation expense for providing management services to Shinkong Synthetic Fibers Corporation.

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Shinkong Synthetic Fibers Corporation	Tai Jin Investment Co., Ltd.	Taipei City	Investment	\$ 3,505	\$ 3,505	1,111,315	48.57	\$ 7,579	\$ 53	\$ 26	
	Topbottle Resources Technology Corporation	Tainan City	Manufacturing of synthetic materials and plastic product	15,000	15,000	1,488,000	20.00	18,466	4,417	883	
	Ecofun Lab Corporation	Taoyuan City	Crop cultivation, wholesale of vegetables and fruits and retail sale of agricultural products	18,400	18,400	1,840,000	33.33	5,690	(8,889)	(3,207)	
	Shinsol Advanced Chemical Corporation	Tainan City	Precision chemical material manufacturing	373,588	373,588	37,358,859	43.63	292,865	(98,085)	(42,796)	
Pan Asian Plastics Corp.	Tai Shin Leasing & Financial Co., Ltd.	Taipei City	Leasing	520,000	520,000	22,200,000	30.00	1,736,877	178,157	51,498	
Hsingshing Investment Co., Ltd.	Da Chun Universe Investment Co., Ltd.	Taichung City	Investment	9,000	9,000	(Note)	45.00	4,917	(49)	(22)	

Note: This is a limited company, the proportion of ownership is calculated based on the amount of capital contribution.

TABLE 21

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outflow	Inflow							
Hangzhou Huachun Chemical Fiber Co., Ltd.	Chemical fiber weaving, printing and dyeing	(Note A)	Investments through subsidiary SSFC Investment Ltd.	\$ 542,871 (US\$ 16,880)	\$ -	\$ -	\$ 542,871 (US\$ 16,880)	\$ -	-	\$ -	\$ -	\$ -	
Shinkong Applied Materials (Jiangsu) Company Limited	Sale of synthetic materials, fibers and manufacturing of plastic product	US\$15 million	(Note B)	-	-	-	-	83,419	100.00	83,419	519,296	49,106	
Suzhou UBright Optronics Corp.	Brightness enhancement film cutting process	RMB1 million	Investments through subsidiary Rise Concept Enterprises Ltd. Investment Ltd.	4,471 (RMB 1,000)	-	-	4,471 (RMB 1,000)	(2,542)	100.00	(2,542)	(593)	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$547,342 (US\$16,880) (RMB1,000) (Note C)	\$1,170,668 (US\$39,530) (RMB1,000) (Note D)	\$22,850,484

Note A: Hangzhou Huachun Chemical Fiber Co., Ltd. was liquidated in February 2021.

Note B: Establishment by issuance of ordinary shares for cash, which from SSFC Investment Ltd.

Note C: Including the amounts of US\$4,280 thousand of premium machinery equipment from SSFC Investment Ltd. that was excluded from the authorized amounts and cash remittance of US\$240 thousand to Dayspring Ltd., which has not yet been transferred to Huachun. Dayspring completed its liquidation procedures in July 2024, but the accumulated investment amount has not yet been remitted back to Taiwan.

Note D: Including SSFC Investment Ltd. use its own cash in capital and financing provided from related party to apply for US\$25,000 thousand investment amounts authorized.

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Shinkong Synthetic Fibers Corporation Shinkong Applied Materials (Jiangsu) Company Limited	Sale	\$ (53,465)	(0.23)	Note A	Note A	Note A	Accounts receivable \$ 6,545	0.30	\$ 783	
UBright Optronics Corporation Suzhou UBright Optronics Corporation	Professional service fee	10,450	-	Note B	Note B	Note B	Other payables -	-	-	

Note A: Refer to Table 19.

Note B: Professional service fees were paid in advance on a quarterly basis in accordance with the terms of the contract between the two parties and were offset against the actual amount payable each month.

- 1) Endorsement/guarantee provided to investee companies in mainland China directly or indirectly through a third party: None.
- 2) Financing provided to others with investee companies in mainland China directly or indirectly through a third party: None.
- 3) Other transactions that have a material impact on profit or loss or financial condition: None.

TABLE 23**SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Shin Kong Co., Ltd.	84,414,691	5.21