Shinkong Synthetic Fibers Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 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, 2025 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 12, 2026

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025. 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, 2025 is stated as follows:

Revenue Recognition from Specific Customers

The revenue of the Group has decreased in 2025. 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, 2025 and 2024 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, 2025 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.

Wen-Hsiang Chen Wen-yea Shyu

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2026

<u>*Notice to Readers*</u>

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, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6, 39 and 40)	$ 8,796,857	4	$ 9,916,370	5
Due from the Central Bank and call loans to other banks (Note 7)	5,686,033	3	4,244,695	2
Financial assets at fair value through profit or loss - current (Notes 4, 8 and 39)	1,653,207	1	1,813,263	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 9, 39 and 41)	7,886,137	4	7,194,414	3
Financial assets at amortized cost - current (Notes 4, 10, 39 and 41)	1,247,488	1	2,241,270	1
Bills and bonds purchased under resale agreements (Notes 4 and 11)	3,850,632	2	3,344,600	2
Other financial assets - current (Notes 39 and 41)	2,364,584	1	1,197,180	1
Notes receivable, net (Notes 4, 12, 39 and 40)	4,868,871	2	3,867,041	2
Trade receivables, net (Notes 4, 12, 39 and 40)	21,043,048	9	18,272,033	8
Other receivables (Notes 4, 12 and 39)	425,001	-	567,426	-
Margin loans receivable	16,285,003	7	15,254,669	7
Customer margin accounts	3,347,846	1	2,575,656	1
Inventories (Notes 4 and 13)	6,258,033	3	6,543,208	3
Prepayments	892,816	-	903,313	-
Other current assets (Note 23)	10,620,348	5	11,314,219	5
Discounts and loans, net (Notes 14 and 40)	61,771,206	27	57,169,372	27
Total current assets	156,997,110	70	146,418,729	68
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 8 and 39)	808,253	-	212,409	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 9, 39 and 41)	10,296,450	5	8,827,024	4
Financial assets at amortized cost - non-current (Notes 4, 10, 39 and 41)	14,071,362	6	16,257,549	8
Investments accounted for using the equity method (Notes 4, 16 and 36)	4,436,498	2	2,066,394	1
Other financial assets - non-current (Notes 39 and 41)	150,285	-	145,185	-
Property, plant and equipment (Notes 4, 17 and 41)	21,480,384	9	21,840,652	10
Right-of-use assets (Notes 4, 18 and 40)	3,482,089	2	3,633,514	2
Investment properties (Notes 4, 19 and 41)	2,271,230	1	2,307,623	1
Goodwill (Notes 4 and 20)	280,204	-	280,204	-
Other intangible assets (Notes 4 and 21)	134,106	-	135,768	-
Deferred tax assets (Notes 4 and 33)	559,932	-	566,940	1
Operating deposits and settlement funds (Note 22)	332,195	-	320,785	-
Other non-current assets (Notes 23 and 41)	10,298,992	5	11,279,169	5
Total non-current assets	68,601,980	30	67,873,216	32
TOTAL	$ 225,599,090	100	$ 214,291,945	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 24, 39, 40 and 41)	$ 9,714,649	4	$ 10,470,219	5
Short-term bills payable (Notes 24 and 39)	17,508,718	8	16,595,880	8
Bills and bonds sold under repurchase agreements (Notes 4 and 11)	1,190,685	1	1,120,618	-
Financial liabilities at fair value through profit or loss - current (Notes 4, 8 and 39)	20,665	-	6,721	-
Due to the Central Bank and other banks	4,800,330	2	3,831,773	2
Notes payable (Notes 26 and 39)	212,388	-	236,785	-
Trade payables (Notes 26, 39 and 40)	9,635,630	4	7,682,226	3
Other payables (Notes 28 and 39)	3,182,139	1	3,268,655	1
Securities financing refundable deposits (Note 4)	1,444,447	1	1,369,808	1
Provisions - current (Notes 4 and 29)	27,374	-	-	-
Deposits payable for securities financing (Note 4)	1,593,578	1	1,493,668	1
Futures traders' equity	3,347,085	2	2,575,049	1
Current tax liabilities (Notes 4 and 33)	346,866	-	478,711	-
Current portion of long-term borrowings and bonds payable (Notes 4, 24, 25, 39 and 41)	12,524,626	6	8,119,449	4
Lease liabilities - current (Notes 4, 18, 39 and 40)	175,117	-	470,452	-
Other current liabilities (Notes 4 and 28)	776,282	-	1,349,307	1
Deposits and remittances (Notes 27 and 40)	81,071,432	36	76,592,628	36
Total current liabilities	147,572,011	66	135,661,949	63
NON-CURRENT LIABILITIES				
Bonds payable (Notes 25 and 39)	1,530,000	1	4,630,000	2
Long-term borrowings (Notes 24, 39 and 41)	20,232,895	9	20,596,112	10
Provisions - non-current (Notes 4, 29 and 30)	59,438	-	44,249	-
Guarantee deposits received (Note 28)	172,433	-	172,323	-
Lease liabilities - non-current (Notes 4, 18, 39 and 40)	1,724,948	1	1,838,445	1
Deferred tax liabilities (Notes 4 and 33)	1,266,760	-	1,506,896	1
Other non-current liabilities (Notes 4 and 28)	168,743	-	215,361	-
Total non-current liabilities	25,155,217	11	29,003,386	14
Total liabilities	172,727,228	77	164,665,335	77
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 31)				
Share capital	16,184,093	7	16,184,093	8
Capital surplus	2,161,867	1	2,165,692	1
Retained earnings				
Legal reserve	2,832,070	1	2,623,738	1
Special reserve	2,328,591	1	2,328,591	1
Unappropriated earnings	10,965,580	5	9,908,433	5
Total retained earnings	16,126,241	7	14,860,762	7
Other equity	7,036,235	3	4,903,427	2
Treasury shares	(95,527)	-	(29,834)	-
Total equity attributable to owners of the Company	41,412,909	18	38,084,140	18
NON-CONTROLLING INTERESTS	11,458,953	5	11,542,470	5
Total equity	52,871,862	23	49,626,610	23
TOTAL	$ 225,599,090	100	$ 214,291,945	100

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, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
REVENUE (Notes 4, 32 and 40)				
Interest income	$ 3,550,802	9	$ 3,292,789	7
Fee income	2,234,383	6	2,350,125	5
Share of profit of associates and joint ventures	605,979	1	6,382	-
Realized gain on financial assets at fair value through other comprehensive income	42,146	-	41,979	-
Net sales	31,075,868	79	37,232,745	81
Gain on sale of construction in progress	-	-	1,125,814	3
Rental revenue	651,061	2	569,145	1
Net gain on disposal of financial assets	-	-	69,122	-
Gain on disposal of property, plant and equipment	642	-	5,098	-
Gain on disposal of investment properties	106,764	-	156,276	-
Foreign exchange gains	-	-	352,940	1
Unrealized gain on transactions with associates	-	-	2,340	-
Realized gain on transactions with associates	346	-	664	-
Other revenue	1,118,087	3	943,746	2
Total revenue	39,386,078	100	46,149,165	100
EXPENSES (Notes 4, 13, 16, 17, 32 and 40)				
Finance costs	2,326,196	6	2,207,021	5
Bad debt expense, commitments and guarantee liability provisions	35,575	-	61,199	-
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	7,618	-	3,878	-
Cost of goods sold	28,741,949	73	34,508,039	75
Cost of construction in progress sold	-	-	399,956	1
Rental costs	79,535	-	76,043	-
Operating expenses				
Selling and marketing expenses	1,522,613	4	1,502,751	3
General and administrative expenses	2,831,250	7	2,633,854	6
Research and development expenses	595,134	2	583,814	1
Total operating expenses	4,948,997	13	4,720,419	10
Loss on disposal of investment	3,960	-	-	-
Impairment loss	-	-	676,601	1
Expected credit loss	64,159	-	55,684	-
Foreign exchange loss	141,031	1	-	-
Other expenses	128,488	-	318,066	1
Total expenses	36,477,508	93	43,026,906	93

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SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 2,908,570	7	$ 3,122,259	7
INCOME TAX EXPENSE (Notes 4 and 33)	431,813	1	699,685	2
NET PROFIT FOR THE YEAR	2,476,757	6	2,422,574	5
OTHER COMPREHENSIVE INCOME (Notes 4, 31 and 33)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,536	-	50,516	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,735,443	4	410,009	1
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	679,393	2	(22,491)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,232)	-	(9,798)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	64,160	-	408,629	1
Share of other comprehensive income of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	516	-	-	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income (loss)	91,877	1	(53,575)	-
Other comprehensive income for the year, net of income tax	2,575,693	7	783,290	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,052,450	13	$ 3,205,864	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,922,533	5	$ 1,705,920	4
Non-controlling interests	554,224	1	716,654	1
	$ 2,476,757	6	$ 2,422,574	5

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SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 4,369,333	11	$ 2,420,591	5
Non-controlling interests	683,117	2	785,273	2
	$ 5,052,450	13	$ 3,205,864	7
EARNINGS PER SHARE (NT$; Note 34)				
Basic				
From continuing operations	$ 1.19		$ 1.06	
Diluted				
From continuing operations	$ 1.19		$ 1.06	

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, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2024	$ 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/disposal 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 ON DECEMBER 31, 2024	16,184,093	2,165,692	2,623,738	2,328,591	9,908,433	131,293	4,772,134	(29,834)	38,084,140	11,542,470	49,626,610
Appropriation of 2024 earnings											
Legal reserve	-	-	208,332	-	(208,332)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(971,046)	-	-	-	(971,046)	-	(971,046)
Changes in capital surplus from investments in associates accounted for using the equity method	-	70	-	-	-	-	-	-	70	-	70
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	(65,693)	(65,693)	-	(65,693)
Actual partial acquisition of interests in subsidiaries	-	119	-	-	-	-	-	-	119	(119)	-
Changes in percentage of ownership interest in subsidiaries	-	(4,014)	-	-	-	-	-	-	(4,014)	4,014	-
Net profit for the year ended December 31, 2025	-	-	-	-	1,922,533	-	-	-	1,922,533	554,224	2,476,757
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	1,749	17,606	2,427,445	-	2,446,800	128,893	2,575,693
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	1,924,282	17,606	2,427,445	-	4,369,333	683,117	5,052,450
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(770,529)	(770,529)
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	-	-	-	-	312,243	-	(312,243)	-	-	-	-
BALANCE ON DECEMBER 31, 2025	$ 16,184,093	$ 2,161,867	$ 2,832,070	$ 2,328,591	$ 10,965,580	$ 148,899	$ 6,887,336	$ (95,527)	$ 41,412,909	$ 11,458,953	$ 52,871,862

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, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income before income tax	$ 2,908,570	$ 3,122,259
Adjustments for:		
Depreciation expenses	1,800,874	2,065,867
Amortization expenses	15,800	15,312
Expected credit loss recognized on trade receivables	99,734	116,883
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	7,618	3,878
Finance costs	2,326,196	2,207,021
Interest income	(3,550,802)	(3,292,789)
Share of profit of associates	(605,979)	(6,382)
Gain on disposal and retirement of property, plant and equipment	(642)	(5,098)
Gain on disposal of investment properties	(106,764)	(156,276)
Net gain on disposal of financial assets	(38,186)	(111,101)
Impairment loss recognized on property, plant and equipment	-	676,601
Unrealized loss on transactions with associates	-	(2,340)
Realized gain on transactions with associates	(346)	(664)
Unrealized loss (gain) on foreign currency exchange	387,337	(407,553)
Gain on lease modifications	-	(409)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to other banks	(1,441,338)	29,308
Increase in financial assets at fair value through profit or loss	(111,956)	(265,886)
Increase in notes receivable and trade receivables	(2,819,717)	(4,673,881)
Increase in margin loans receivable	(1,030,334)	(5,327,931)
Increase in customer margin accounts	(772,190)	(848,700)
Decrease (increase) in inventories	285,175	(509,170)
Decrease (increase) in prepayments	10,497	(217,961)
Decrease (increase) in other current assets	1,014,601	(4,029,483)
Increase in discounts and loans	(4,566,437)	(2,374,960)
Increase in due to the Central Bank and other banks	968,557	913,620
Increase in other payables	1,778,622	1,198,348
Increase in securities financing refundable deposits	74,639	161,419
Increase in deposits and remittances	4,478,804	3,034,155
Increase in deposits payable for securities financing	99,910	182,922
Increase in futures traders' equity	772,036	848,498
(Decrease) increase in other current liabilities	(643,997)	482,279
Decrease in employee benefits provisions	(56,822)	(77,276)
Cash generated from (used in) operations	1,283,460	(7,249,490)
Interest received	3,586,928	3,364,534
Interest paid	(2,297,321)	(2,160,067)
Income tax paid	(1,011,655)	(502,226)
Net cash generated from (used in) operating activities	1,561,412	(6,547,249)

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (3,336,345)	$ (4,617,766)
Proceeds from sale of financial assets at fair value through other comprehensive income	2,493,377	2,563,891
Refund of capital reduction on financial assets at fair value through other comprehensive income	-	15,523
Purchase of financial assets at amortized cost	(48,321,821)	(49,454,394)
Proceeds from sale of financial assets at amortized cost	51,345,850	50,713,401
Acquisition of associates	(1,083,800)	-
Net cash outflow on the acquisition of subsidiary	-	(36)
Payments for property, plant and equipment	(1,088,261)	(1,853,509)
Proceeds from disposal of property, plant and equipment	28,896	15,897
Increase in operating deposits	(11,410)	(11,164)
Increase in refundable deposits	(96,624)	(52,093)
Decrease in other receivables	133,533	109,203
Payments for intangible assets	(14,138)	(5,723)
Payments for investment properties	(4,439)	(38,160)
Proceeds from disposal of investment properties	122,442	232,712
Increase in bills and bonds purchased under resale agreements	(506,032)	(1,047,831)
(Increase) decrease in other financial assets	(1,172,504)	280,673
(Increase) decrease in other assets	(3,104)	15,898
Net cash used in investing activities	(1,514,380)	(3,133,478)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	532,113
Repayments of short-term borrowings	(755,570)	-
Proceeds from short-term bills payable	912,838	4,473,861
Repayment of corporate bonds	(1,500,000)	-
Proceeds from bonds payable	400,000	310,000
Repayment of bonds payable	-	(500,000)
Proceeds from other borrowings	2,041,960	6,878,152
Increase (decrease) in bills and bonds sold under repurchase agreements	70,067	(2,195,140)
Proceeds from (refund of) guarantee deposits received	110	(60,902)
Payment of the principal portion of lease liabilities	(485,087)	(185,085)
Increase in other non-current liabilities	52,181	14,405
Dividends paid to owners of the Company	(971,046)	(890,125)
Buy-back of ordinary shares	(65,693)	-
Changes in non-controlling interests	(770,529)	465,792
Net cash (used in) generated from financing activities	(1,070,769)	8,843,071

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (95,776)	$ 254,708
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,119,513)	(582,948)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,916,370	10,499,318
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,796,857	$ 9,916,370

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, 2025 AND 2024
(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 12, 2026.

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)

   Amendments to IAS 21 "Lack of Exchangeability"

   The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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

1) The amendments to the application guidance of classification of financial assets

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

   a) 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.

   b) To clarify that 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.

   c) To clarify that 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.

2) The amendments to the application guidance of derecognition of financial liabilities

   The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, 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 being insignificant.

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 the use of hindsight.

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 1)
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 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- 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 Company 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 Company 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 Company as a whole, the Company 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.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

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 5 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' 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 though 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.

Shares of the parent company held by the subsidiary are reclassified from financial instruments to treasury stock and are recognized based on the carrying amount at the time the subsidiary invested in the parent company.

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 climate change and related government policies and regulations, inflation and interest rate fluctuations, and US reciprocal tariffs 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	
	2025	2024
Cash on hand	$ 541,470	$ 1,162,004
Checking accounts and demand deposits	5,610,973	5,623,083
Cash equivalents (investments with original maturities not exceeding 3 months)		
Checks for clearance	114,759	301,705
Due from banks	777,690	537,182
Time deposits	1,552,194	2,292,396
Short-term notes	199,771	-
	$ 8,796,857	$ 9,916,370

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

	December 31	
	2025	2024
Bank deposits	0.03%-4.00%	0.002%-4.88%
Short-term notes	1.33%	-

7. DUE FROM CENTRAL BANK AND CALL LOANS TO BANKS

	December 31	
	2025	2024
Deposit reserve account A	$ 2,504,375	$ 1,176,974
Deposit reserve account B	2,773,176	2,665,544
Financial Information Service Center settlement account	408,482	402,177
	$ 5,686,033	$ 4,244,695

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, 2025 and 2024.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	2024
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Convertible bond assets swaps	$ 460,747	$ 599,115
Convertible bonds	8,470	5,688
Derivative financial assets (not under hedge accounting)		
Foreign exchange rate swaps contracts (a)	-	96
Foreign exchange contracts (b)	6,337	4,800
Non-derivative financial assets		
Domestic listed shares	60,200	51,348
Emerging market shares	40,549	52,818
Mutual funds	210,051	220,995
Domestic bonds	149,531	50,003
Overseas bonds	717,322	628,586
Short-term financial instruments	-	199,814
	$ 1,653,207	$ 1,813,263
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 333,253	$ -
Limited partnership funds	53,930	52,409
Foreign private funds	61,070	-
Co-investment equity jointly held (d)	360,000	160,000
	$ 808,253	$ 212,409
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange rate swaps contracts (a)	$ 19,211	1,129
Foreign exchange contracts (b)	1,454	5,592
	$ 20,665	$ 6,721

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)
December 31, 2025			
Exchange rate swapes	JPY/NTD	2026.05.08	JPY1,572,000/NTD335,150
Exchange rate swapes	USD/NTD	2026.01.07-2026.01.12	USD4,000/NTD125,030
December 31, 2024			
Exchange rate swapes	JPY/NTD	2025.04.17-2025.11.17	JPY225,000/NTD48,716

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)
December 31, 2025			
Buy	USD	2026.01.20-2026.02.10	$ 8,996
	AUD	2026.02.10	2,000
	CNY	2026.01.20-2026.02.10	26,743
Sell	USD	2026.01.20-2026.02.10	14,127
	JPY	2026.01.20-2026.01.22	931,413
	EUR	2026.02.09	700
	GBP	2026.02.09	500
	NZD	2026.02.10	350
	HKD	2026.02.09	10,102
December 31, 2024			
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	USD	2025.01.10-2025.02.18	19,449
	JPY	2025.01.18	477,483
	EUR	2025.02.19	700
	GBP	2025.02.19	500
	NZD	2025.02.18	400
	HKD	2025.02.19	10,094

c. To create operational efficiencies of the Group's real estate business, the Group participates in investment projects with construction companies. A joint investment agreement was signed with the Group entitled to a profit distribution. In the future, the construction companies will be responsible for the overall development plans and architectural design for residential construction within projects. The Group does not have any control, joint control, or significant influence over the relevant activities of the projects. As a result, the investments were classified as financial assets, measured at fair value through profit or loss.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2025	December 31 2024
Current		
Investments in equity instruments at FVTOCI	$ 1,435,843	$ 1,265,436
Investments in debt instruments at FVTOCI	6,450,294	5,928,978
	$ 7,886,137	$ 7,194,414
Non-current		
Investments in equity instruments at FVTOCI	$ 10,296,450	$ 8,827,024

a. Investments in equity instruments at FVTOCI

	December 31	
	2025	2024
Current		
Domestic investments		
Listed shares and emerging market shares	$ 1,377,509	$ 1,215,991
Unlisted shares	58,334	49,445
	$ 1,435,843	$ 1,265,436
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 7,907,287	$ 6,341,428
Unlisted shares	2,334,713	2,423,893
Foreign investments		
Unlisted shares	54,450	61,703
	$ 10,296,450	$ 8,827,024

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes; refer to Table 11 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 2025, the investee companies Shin Kong Financial Holding Co., Ltd. and Taishin Financial Holding Co., Ltd. were merged into TS Financial Holding Co., Ltd. Following the conversion of the shares, its related unrealized valuation gain of $67,648 thousand of Shin Kong Financial Holding Co., Ltd. was transferred from other equity to retained earnings.

During 2025 and 2024, the Group sold its shares in domestic investments in order to manage credit concentration risk. The sold shares had fair values of $210,435 thousand and $1,017,301 thousand, respectively and their related unrealized valuation gain of $21,766 thousand and $346,987 thousand, respectively, were transferred 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	
	2025	2024
Current		
Domestic investments		
Government Bonds	$ 1,984,837	$ 1,684,011
Corporate bonds	3,458,273	2,663,580
Financial debentures	1,007,184	1,581,387
	$ 6,450,294	$ 5,928,978

1) During 2025 and 2024, the expected credit gain (loss) on debt instruments of $217 thousand and $(608) thousand, respectively, were recognized as an impairment reversal (loss) after the Group evaluated expected credit loss on investments in debt instruments at FVTOCI.

2) Refer to Note 44 for information relating to their credit risk management and impairment.

10. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	$ 1,247,488	$ 2,241,270
Non-current		
Domestic investments		
Government bonds (b)	$ 4,126,207	$ 4,646,279
Corporate bonds (b)	3,978,535	4,690,788
Financial bonds (b)	1,839,575	2,374,288
Bills (b)	4,130,000	4,550,000
	14,074,317	16,261,355
Less: Allowance for impairment loss	(2,955)	(3,806)
	$ 14,071,362	$ 16,257,549

a. The interest rates for time deposits with original maturities of more than 3 months were 0.68%-3.70% and 0.68%-5.17% as of December 31, 2025 and 2024, respectively.

b. The investments in debt instruments at amortized cost under repurchase agreements as of December 31, 2025 and 2024 amounted to $1,200,000 thousand and $1,162,248 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, 2025 and 2024.

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, 2025 and 2024.

e. During 2025 and 2024, the expected credit gain on debt instruments of $802 thousand and $667 thousand, respectively, was recognized after the Group evaluated expected credit loss on investments in debt instruments at amortized cost.

f. Refer to Note 44 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	
	2025	2024
Notional amounts	$ 3,850,632	$ 3,344,600
Interest rate	1.48%-1.49%	1.64%
Agreed resale price	$ 3,852,283	$ 3,345,830

Bills and Bonds Issued under Redemption Agreements

	December 31	
	2025	2024
Notional amounts	$ 1,190,685	$ 1,120,618
Interest rate	1.55%-1.60%	1.63%-4.84%
Agreed redemption price	$ 1,195,377	$ 1,126,495

12. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2025	2024
Notes receivable		
At amortized cost		
Gross carrying amount	$ 4,868,871	$ 3,867,041
Less: Allowance for impairment loss	-	-
	$ 4,868,871	$ 3,867,041
Trade receivables		
At amortized cost		
Gross carrying amount	$ 21,263,709	$ 18,492,680
Less: Allowance for impairment loss	(220,661)	(220,647)
	$ 21,043,048	$ 18,272,033
Other receivables		
Others	$ 425,001	$ 567,426

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, 2025

	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	$ 1,711,999	$ 870,168	$ 4,603	$ -	$ -	$ 2,586,770
Loss allowance (lifetime ECLs)	(31,425)	(34,807)	(691)	-	-	(66,923)
Amortized cost	$ 1,680,574	$ 835,361	$ 3,912	$ -	$ -	$ 2,519,847

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)	(27,455)	(36,743)	(459)	-	-	(64,657)
Amortized cost	$ 2,202,571	$ 881,833	$ 2,600	$ -	$ -	$ 3,087,004

The aging of receivables was as follows:

	December 31	
	2025	2024
Not past due	$ 1,932,839	$ 2,043,420
Past due 1- 90 days	650,663	1,079,911
Past due 91-180 days	3,268	28,330
Past due 181-360 days	-	-
Past due over 360 days (Note)	-	-
	$ 2,586,770	$ 3,151,661

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, 2025

	Up to 60 Days	61 to 120 Days	Over 120 Days	Total
Expected credit loss rate	0%-48.85%	-	100%	
Gross carrying amount	$ 8,792,896	$ -	$ 7,263	$ 8,800,159
Loss allowance (lifetime ECLs)	(12,494)	-	(7,263)	(19,757)
Amortized cost	$ 8,780,402	$ -	$ -	$ 8,780,402

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)	(19,817)	-	(7,263)	(27,080)
Amortized cost	$ 6,372,345	$ -	$ -	$ 6,372,345

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

December 31, 2025

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%-0.96%	0.905%-6.965%	1.24%-100%	100%	
Gross carrying amount	$ 19,557,385	$ 261,425	$ 60,900	$ 2,497	$ 19,882,207
Loss allowance (lifetime ECLs)	(181,019)	(2,520)	(2,976)	(2,497)	(189,012)
Amortized cost	$ 19,376,366	$ 258,905	$ 57,924	$ -	$ 19,693,195

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%-62.93%	59.02%-77.39%	74.29%-85.58%	84.00%-92.74%	100%	
Gross carrying amount	$ 84,048	$ 80,794	$ 56,502	$ 44,123	$ 211,309	$ 476,776
Loss allowance (lifetime ECLs)	(49,941)	(60,322)	(47,584)	(40,914)	(211,309)	(410,070)
Amortized cost	$ 34,107	$ 20,472	$ 8,918	$ 3,209	$ -	$ 66,706

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)	(159,367)	(1,487)	(2,199)	(2,436)	(165,489)
Amortized cost	$ 19,506,025	$ 225,776	$ 47,166	$ -	$ 19,778,967

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)	(54,852)	(46,722)	(40,695)	(34,942)	(186,756)	(363,967)
Amortized cost	$ 41,630	$ 16,781	$ 7,799	$ 2,915	$ -	$ 69,125

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 621,193	$ 565,095
Add: Net remeasurement of loss allowance	64,120	55,649
Less: Amounts written off	(63)	(554)
Foreign exchange differences	512	1,003
Balance on December 31	$ 685,762	$ 621,193

13. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 2,546,338	$ 3,547,605
Work in progress	448,119	431,958
Raw materials	1,540,480	1,947,656
Semi-finished goods	213,573	12,882
Inventory in transit	9,140	22,865
Construction in progress	1,500,383	580,242
	$ 6,258,033	$ 6,543,208

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2025 and 2024 were $28,741,949 thousand and $34,508,039 thousand, respectively, and the costs of goods sold included inventory (reversal of gain) write-downs of $(33,561) thousand and $5,342 thousand, respectively.

14. DISCOUNTS AND LOANS

	December 31 2025	December 31 2024
Short-term secured overdrafts	$ 6,574	$ 7,303
Short-term loans	785,414	667,670
Short-term secured loans	5,032,221	5,320,576
Medium-term loans	3,371,995	2,298,478
Medium-term secured loans	40,438,972	37,378,472
Long-term loans	16,418	29,415
Long-term secured loans	12,835,656	12,148,379
Nonperforming loans	59,223	44,727
	62,546,473	57,895,020
Add: Discount adjustment	(31,604)	(27,697)
Less: Allowance for impairment loss	(743,663)	(697,951)
	$ 61,771,206	$ 57,169,372

a. The nonperforming loans of Taipei Star Bank in the amounts of $59,223 thousand and $44,727 thousand as of December 31, 2025 and 2024, respectively, were no longer generating interest revenue.

b. All unpaid credit extensions of Taipei Star Bank had been repaid as of December 31, 2025 and 2024.

c. The movements of the loss allowance of loans for the years ended December 31, 2025 and 2024 were as follows:

In 2025

	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 on January 1, 2025	$ 31,041	$ 1,793	$ 22,253	$ 55,087	$ 642,864	$ 697,951
Changes in financial instruments recognized at the beginning of the current year						
Transferred to						
Lifetime ECLs	(54)	302	(41)	207	-	207
Credit-impaired financial assets	(45)	(69)	12,550	12,436	-	12,436
12-month ECLs	12	(13)	(5,910)	(5,911)	-	(5,911)
Derecognition of financial assets in the current year	(9,948)	(1,507)	(11,822)	(23,277)	-	(23,277)
New financial assets purchased or originated	21,336	1,513	1,371	24,220	-	24,220
Difference of impairment loss recognized under regulations	-	-	-	-	41,341	41,341
Write-offs	-	-	-	-	-	-
Recovery of written-off receivables	-	-	-	-	-	-
Change in exchange rates or others	(3,121)	(34)	(149)	(3,304)	-	(3,304)
Balance on December 31, 2025	$ 39,221	$ 1,985	$ 18,252	$ 59,458	$ 684,205	$ 743,663

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 on 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	(3,502)	(2,060)	(4,933)	(10,495)	-	(10,495)
Balance on December 31, 2024	$ 31,041	$ 1,793	$ 22,253	$ 55,087	$ 642,864	$ 697,951

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2025	2024	Remark
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.	48.76	49.06	2) and 3)
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	77.32	4)
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 (%) December 31 2025	2024	Remark
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	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	
SSF	Shinkong Vietnam Enterprise Company Limited (SKVE)	Wholesale Trade	100.00	100.00	
SSF	SHINKONG VIETNAM LLC (SKV)	Manufacture and sale of chemical fiber related products	-	-	12)
SSF	Shinyi Capital Co., Ltd.	Investment	100.00	-	1) and 5)
SSF	Shincai Capital Co., Ltd.	Investment	100.00	-	6)
SSF	Shin Ho Capital Co., Ltd.	Investment	-	-	1) and 7)
SSF	Shinyu Capital Co., Ltd.	Investment	-	-	1) and 7)
SSF	BroadTech Vision Co., Ltd.	Electronic information software business	100.00	-	1) and 8)
SSFC	Dayspring Ltd. (Dayspring)	Investment	-	-	11)
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	10)
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	100.00	13)
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	
SKES	You-Ji Renewable Corp. (You-Ji)	Solar industry business	100.00	100.00	14)
UBO	Rise Concept Enterprises Limited (RCE)	Sale of Brightness Enhancement Film	100.00	100.00	
UBO	Arbor Capital	Investment Holding	100.00	-	9)
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 2024, the Group disposed of partial interests in UBright Optronics Corp., and UBright Optronics Corp. issued new shares due to the exercise of employee stock options, resulting a decrease in the Group's shareholding percentage from 59.64% to 49.06%. In 2025, UBright Optronics Corp. continued to issue new shares due to the exercise of employee stock options, leading to a further decrease in the Group's shareholding percentage to 48.76%.

4) 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%.

5) In March 2025, Shinyi Capital Co., Ltd. was established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.

6) In March 2025, Shincai Capital Co., Ltd. was established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.

7) In March 2025, Shin Ho Capital Co., Ltd. and Shinyu Capital Co., Ltd. were established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%, and in May 2025, the Company disposed of its entire equity holdings, receiving consideration of NT$1,000 thousand for each. The difference between the consideration received and the net assets amounted to NT$1 thousand, which was recognized as a disposal gain of NT$1 thousand for each transaction.

8) In April 2025, BroadTech Vision Co., Ltd. was established by Shinkong Synthetic Fibers Corporation through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.

9) In May 2025, Arbor Capital. was established by UBright Optronics Corp. through issuance of ordinary shares for cash, with a shareholding percentage of 100.00%.

10) LOFO Holding GmbH completed its liquidation procedures in 2025.

11) DAYSPRING Ltd completed its liquidation procedures in July 2024.

12) SHINKONG VIETNAM LLC completed its liquidation procedures in February 2024.

13) 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%.

14) 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.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
Name of Subsidiary	**2025**	**2024**
Shinpont Industry Inc. (SPI)	50.00%	50.00%
UBright Optronics Corp. (UBO)	51.24%	50.94%
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 5 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	
	2025	2024	2025	2024
Tac Bright Optronics Corp. (TBO)	$ (47,267)	$ (37,765)	$ 867,215	$ 914,481
UBright Optronics Corp. (UBO)	241,860	248,421	1,860,148	1,922,453
Shinpont Industry Inc. (SPI)	54,941	141,524	495,471	567,901
Taipei Star Bank	195,062	183,275	4,504,589	4,325,877
Thai Shinkong Industry Corporation Ltd. (TSI)	(222,916)	(161,282)	1,239,232	1,415,628
Far Trust International Finance Co., Ltd. (Far Trust)	34,345	33,792	652,647	638,627
Others	298,199	308,689	1,839,651	1,757,503
	$ 554,224	$ 716,654	$ 11,458,953	$ 11,542,470

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	
	2025	2024
Current assets	$ 599,518	$ 659,327
Non-current assets	2,506,368	2,697,627
Current liabilities	(829,826)	(816,637)
Non-current liabilities	(240,934)	(389,736)
Equity	$ 2,035,126	$ 2,150,581
Equity attributable to:		
Owners	$ 1,167,911	$ 1,236,100
Non-controlling interests	867,215	914,481
	$ 2,035,126	$ 2,150,581

	For the Year Ended December 31	
	2025	**2024**
Revenue	$ 1,213,152	$ 1,296,768
Loss for the year	$ (115,455)	$ (92,246)
Other comprehensive income for the year	-	35
Total comprehensive loss for the year	$ (115,455)	$ (92,211)
Loss attributable to:		
Owners	$ (68,188)	$ (54,481)
Non-controlling interests	(47,267)	(37,765)
	$ (115,455)	$ (92,246)
Total comprehensive loss attributable to:		
Owners	$ (68,188)	$ (54,460)
Non-controlling interests	(47,267)	(37,751)
	$ (115,455)	$ (92,211)
Net cash outflow from:		
Operating activities	$ 176,213	$ 243,543
Investing activities	(94,198)	(75,745)
Financing activities	(89,021)	(211,667)
Net cash outflow	$ (7,006)	$ (43,869)

UBO and UBO's subsidiaries

	December 31	
	2025	**2024**
Current assets	$ 3,705,645	$ 3,920,192
Non-current assets	1,093,124	901,037
Current liabilities	(830,452)	(817,357)
Non-current liabilities	(261,762)	(287,524)
Equity	$ 3,706,555	$ 3,716,348
Equity attributable to:		
Owners	$ 1,846,407	$ 1,793,895
Non-controlling interests	1,860,148	1,922,453
	$ 3,706,555	$ 3,716,348

	For the Year Ended December 31	
	2025	2024
Revenue	$ 3,007,496	$ 2,936,777
Profit for the year	$ 472,832	$ 575,589
Other comprehensive loss for the year	(2,615)	(12,599)
Total comprehensive income for the year	$ 470,217	$ 562,990
Profit attributable to:		
Owners	$ 230,972	$ 327,168
Non-controlling interests	241,860	248,421
	$ 472,832	$ 575,589
Total comprehensive income attributable to:		
Owners	$ 227,858	$ 320,896
Non-controlling interests	242,359	242,094
	$ 470,217	$ 562,990
Net cash outflow from:		
Operating activities	$ 598,083	$ 640,413
Investing activities	(361,348)	(546,576)
Financing activities	(509,229)	(250,176)
Net cash outflow	$ (272,494)	$ (156,339)

SPI

	December 31	
	2025	2024
Current assets	$ 919,180	$ 1,102,070
Non-current assets	125,071	171,603
Current liabilities	(53,208)	(109,184)
Non-current liabilities	(101)	(28,687)
Equity	$ 990,942	$ 1,135,802
Equity attributable to:		
Owners	$ 495,471	$ 567,901
Non-controlling interests	495,471	567,901
	$ 990,942	$ 1,135,802

	For the Year Ended December 31	
	2025	2024
Revenue	$ 823,990	$ 1,110,477
Profit for the year	$ 109,882	$ 283,048
Other comprehensive income for the year	-	-
Total comprehensive income for the year	$ 109,882	$ 283,048
Profit attributable to:		
Owners	$ 54,941	$ 141,524
Non-controlling interests	54,941	141,524
	$ 109,882	$ 283,048
Total comprehensive income attributable to:		
Owners	$ 54,941	$ 141,524
Non-controlling interests	54,941	141,524
	$ 109,882	$ 283,048
Net cash (outflow) inflow from:		
Operating activities	$ 153,909	$ 404,065
Investing activities	(2,701)	1,171
Financing activities	(277,690)	(241,071)
Net cash (outflow) inflow	$ (126,482)	$ 164,165

Taipei Star Bank

	December 31	
	2025	2024
Current assets	$ 94,781,258	$ 90,637,781
Non-current assets	1,935,965	1,971,033
Current liabilities	(88,726,099)	(85,172,308)
Non-current liabilities	(1,808,797)	(1,499,550)
Equity	$ 6,182,327	$ 5,936,956
Equity attributable to:		
Owners	$ 1,677,738	$ 1,611,079
Non-controlling interests	4,504,589	4,325,877
	$ 6,182,327	$ 5,936,956

	For the Year Ended December 31	
	2025	2024
Revenue	$ 2,386,733	$ 2,118,269
Profit for the year	$ 267,453	$ 251,292
Other comprehensive income (loss) for the year	103,487	(20,777)
Total comprehensive income for the year	$ 370,940	$ 230,515
Profit attributable to:		
Owners	$ 72,391	$ 68,107
Non-controlling interests	195,062	183,275
	$ 267,453	$ 251,292
Total comprehensive income attributable to:		
Owners	$ 100,403	$ 68,903
Non-controlling interests	270,537	161,612
	$ 370,940	$ 230,515
Net cash inflow from:		
Operating activities	$ (411,608)	$ 489,821
Investing activities	1,443,064	68,934
Financing activities	241,504	(300,619)
Net cash inflow	$ 1,272,960	$ 258,136

TSI

	December 31	
	2025	2024
Current assets	$ 1,664,176	$ 2,195,023
Non-current assets	4,102,169	4,185,042
Current liabilities	(1,820,236)	(1,833,545)
Non-current liabilities	(680,668)	(817,259)
Equity	$ 3,265,441	$ 3,729,261
Equity attributable to:		
Owners	$ 2,026,209	$ 2,313,633
Non-controlling interests	1,239,232	1,415,628
	$ 3,265,441	$ 3,729,261

	For the Year Ended December 31	
	2025	2024
Revenue	$ 6,784,392	$ 8,816,445
Loss for the year	$ (587,239)	$ (424,874)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	$ (587,239)	$ (424,874)
Loss attributable to:		
Owners	$ (364,323)	$ (263,592)
Non-controlling interests	(222,916)	(161,282)
	$ (587,239)	$ (424,874)
Total comprehensive loss attributable to:		
Owners	$ (364,323)	$ (263,592)
Non-controlling interests	(222,916)	(161,282)
	$ (587,239)	$ (424,874)
Net cash inflow (outflow) from:		
Operating activities	$ 351,198	$ (25,706)
Investing activities	(26,097)	(252,546)
Financing activities	(204,674)	62,018
Net cash inflow (outflow)	$ 120,427	$ (216,234)

Far Trust and Far Trust's subsidiaries

	December 31	
	2025	2024
Current assets	$ 9,927,726	$ 8,876,095
Non-current assets	5,241,055	4,962,185
Current liabilities	(10,075,363)	(7,629,011)
Non-current liabilities	(3,765,352)	(4,909,832)
Equity	$ 1,328,066	$ 1,299,437
Equity attributable to:		
Owners	$ 675,419	$ 660,810
Non-controlling interests	652,647	638,627
	$ 1,328,066	$ 1,299,437

	For the Year Ended December 31	
	2025	2024
Revenue	$ 720,308	$ 694,419
Profit for the year	$ 70,129	$ 69,000
Other comprehensive income for the year	-	-
Total comprehensive income for the year	$ 70,129	$ 69,000
Profit attributable to:		
Owners	$ 35,784	$ 35,208
Non-controlling interests	34,345	33,792
	$ 70,129	$ 69,000
Total comprehensive income attributable to:		
Owners	$ 35,784	$ 35,208
Non-controlling interests	34,345	33,792
	$ 70,129	$ 69,000
Net cash inflow (outflow) from:		
Operating activities	$ (1,797,132)	$ (579,232)
Investing activities	(15,050)	(270,672)
Financing activities	1,826,033	866,860
Net cash inflow (outflow)	$ 13,851	$ (16,956)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
Name of Associate	2025	2024
Unlisted companies		
Tai Jin Investment Co., Ltd.	$ 7,898	$ 7,579
Tai Shin Leasing & Financial Co., Ltd.	2,374,012	1,736,877
Da Chun Universe Investment Co., Ltd.	4,170	4,917
Topbottle Resources Technology Corporation	8,210	18,466
Ecofun Lab Corporation	4,922	5,690
Shinsol Advanced Chemical Corporation	224,130	292,865
Shinshin Capital Corporation	1,813,156	-
	$ 4,436,498	$ 2,066,394

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 2025	December 31 2024
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%
Shinshin Capital Co., Ltd.*	43.31%	-

Remarks:

In 2025, the Group invested NT$1,082,500 thousand in cash to establish Shinshin Capital Corporation, subscribed for new common shares in cash at a percentage different from its existing ownership percentage, and acquired partial shares for NT$75 thousand, resulting in a decrease in its ownership interest to 43.31%.

In 2025, the consolidated entity, through the equity method, recognized its investment in Shinshin Capital Corporation, which acquired 197,980 thousand shares of Shin Kong Mitsukoshi Department Store Co., Ltd. for NT$7,921,190 thousand, representing a 15.89% equity interest. Furthermore, it appointed its subsidiary, Shin Ho Capital Co., Ltd., as a director of Shin Kong Mitsukoshi Department Store Co., Ltd., thereby exercising significant influence over Shin Kong Mitsukoshi Department Store Co., Ltd.

Refer to Table 5 “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 2025	For the Year Ended December 31 2024
The Group’s share of:		
Profit for the year	$ 605,979	$ 6,382
Other comprehensive gain (loss)	679,909	(22,491)
Total comprehensive income (loss) for the year	$ 1,285,888	$ (16,109)

In 2025 and 2024, the Group’s associates disposed of their shares in equity instruments at FVTOCI, and the Group’s shares of unrealized gain of $4,601 thousand and $184 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	
	2025	2024
Assets used by the Group	$ 21,451,492	$ 21,808,836
Assets leased under operating leases	28,892	31,816
	$ 21,480,384	$ 21,840,652

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
Cost								
Balance on January 1, 2025	$ 8,081,118	$ 10,587,531	$ 36,540,221	$ 1,022,482	$ 272,181	$ 527,555	$ 330,187	$ 57,361,275
Additions	57	14,041	391,654	817,749	15,898	3,376	9,272	1,252,047
Disposals	-	(945)	(105,569)	(6,369)	(5,539)	(679)	(12,360)	(131,461)
Effect of foreign currency exchange differences	-	103,281	154,834	745	930	4,084	2,650	266,524
Transfers from assets leased under operating leases	-	-	-	-	2,400	-	-	2,400
Reclassified	15,028	151,593	270,062	(657,752)	1,258	32,106	8,564	(179,141)
Balance on December 31, 2025	$ 8,096,203	$ 10,855,501	$ 37,251,202	$ 1,176,855	$ 287,128	$ 566,442	$ 338,313	$ 58,571,644
Accumulated depreciation and impairment								
Balance on January 1, 2025	$ -	$ 5,921,538	$ 28,691,381	$ -	$ 228,509	$ 482,048	$ 228,963	$ 35,552,439
Disposals	-	(642)	(91,870)	-	(5,539)	(679)	(12,360)	(111,090)
Depreciation expenses	-	316,617	1,156,500	-	21,923	15,188	39,158	1,549,386
Transfers from assets leased under operating leases	-	-	-	-	1,347	-	-	1,347
Effect of foreign currency exchange differences	-	26,016	95,177	-	740	4,109	2,028	128,070
Balance on December 31, 2025	$ -	$ 6,263,529	$ 29,851,188	$ -	$ 246,980	$ 500,666	$ 257,789	$ 37,120,152
Carrying amounts on December 31, 2025	$ 8,096,203	$ 4,591,972	$ 7,400,014	$ 1,176,855	$ 40,148	$ 65,776	$ 80,524	$ 21,451,492
Cost								
Balance on 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	17,258	39,206	1,247,375	(1,236,851)	1,315	22,559	508	91,370
Balance on December 31, 2024	$ 8,081,118	$ 10,587,531	$ 36,540,221	$ 1,022,482	$ 272,181	$ 527,555	$ 330,187	$ 57,361,275
Accumulated depreciation and impairment								
Balance on 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 on December 31, 2024	$ -	$ 5,921,538	$ 28,691,381	$ -	$ 228,509	$ 482,048	$ 228,963	$ 35,552,439
Carrying amounts on December 31, 2024	$ 8,081,118	$ 4,665,993	$ 7,848,840	$ 1,022,482	$ 43,672	$ 45,507	$ 101,224	$ 21,808,836

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

Buildings	2-60 years
Machinery equipment	2-41.33 years
Transportation equipment	3-9 years
Office equipment	3-10 years
Other equipment	2-15 years

2) Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 41.

b. Assets leased under operating leases

	Transportation Equipment
Cost	
Balance on January 1, 2025	$ 69,586
Additions	15,355
Disposals	(19,341)
Transfers to assets used by the Group	(2,400)
Balance on December 31, 2025	$ 63,200
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ 37,770
Depreciation expenses	9,343
Disposals	(11,458)
Transfers to assets used by the Group	(1,347)
Balance on December 31, 2025	$ 34,308
Carrying amounts on December 31, 2025	$ 28,892
Cost	
Balance on January 1, 2024	$ 74,071
Additions	17,461
Disposals	(20,692)
Transfers to assets used by the Group	(1,254)
Balance on December 31, 2024	$ 69,586
Accumulated depreciation and impairment	
Balance on January 1, 2024	$ 35,733
Depreciation expenses	14,814
Disposals	(11,729)
Transfers to assets used by the Group	(1,048)
Balance on December 31, 2024	$ 37,770
Carrying amounts on December 31, 2024	$ 31,816

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	
	2025	2024
Carrying amounts		
Land	$ 2,976,610	$ 3,055,711
Buildings	324,897	404,436
Machinery	170,299	166,286
Transportation equipment	-	1,226
Office equipment	10,283	5,855
	$ 3,482,089	$ 3,633,514

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets		
Additions	$ 61,842	$ 175,556
Depreciation charge for right-of-use assets		
Land	$ 104,037	$ 103,157
Buildings	95,245	97,167
Machinery	15,111	12,768
Transportation equipment	-	694
Office equipment	2,598	2,874
	$ 216,991	$ 216,660

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

b. Lease liabilities

	December 31	
	2025	2024
Carrying amounts		
Current	$ 175,117	$ 470,452
Non-current	$ 1,724,948	$ 1,838,445

Range of discount rates for lease liabilities was as follows:

	December 31	
	2025	2024
Land	0.71%-2.76%	0.70%-2.80%
Buildings	0.70%-4.35%	0.70%-4.35%
Machinery	0.86%-4.00%	0.70%-2.80%
Transportation equipment	-	1%
Office equipment	0.76%-2.50%	0.70%-2.50%

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 7 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 superficies with the Northern Region Branch, National Property Administration, MOF and obtained the superficies and also paid the royalty of $1,234,568 thousand. The duration of the superficies 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 superficies and also paid the royalty of $950,000 thousand. The duration of the superficies 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	
	2025	**2024**
Expenses relating to short-term leases	$ 25,183	$ 22,679
Expenses relating to low-value asset leases	$ 9,863	$ 9,640
Total cash outflow for leases	$ (35,046)	$ (244,552)

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
Cost	
Balance on January 1, 2025	$ 2,585,473
Additions	4,439
Disposals	(17,028)
Balance on December 31, 2025	$ 2,572,884
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ (277,850)
Depreciation expenses	(25,154)
Disposals	1,350
Balance on December 31, 2025	$ (301,654)
Carrying amounts on December 31, 2025	$ 2,271,230
Cost	
Balance on January 1, 2024	$ 2,630,430
Additions	38,160
Disposals	(82,826)
Transfers to property, plant and equipment	(291)
Balance on December 31, 2024	$ 2,585,473
Accumulated depreciation and impairment	
Balance on January 1, 2024	$ (261,479)
Depreciation expenses	(22,782)
Disposals	6,390
Transfers to property, plant and equipment	21
Balance on December 31, 2024	$ (277,850)
Carrying amounts on December 31, 2024	$ 2,307,623

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, 2025 and 2024, the Group sold some investment properties for $122,442 thousand and $232,712 thousand. The carrying amount of that investment property at the time of sale was $15,678 thousand and $76,436 thousand. The disposal gain of $106,764 thousand and $156,276 thousand and land value increment tax of $6,018 thousand and $3,682 thousand were recognized (under income tax expenses).

The fair values of the Group's investment properties as of December 31, 2025 and 2024 were $3,226,215 thousand and $3,377,355 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	
	2025	2024
Cost		
Balance on January 1	$ 280,204	$ 280,204
Balance on December 31	$ 280,204	$ 280,204

The Group did not recognize any impairment loss on goodwill for the years ended December 31, 2025 and 2024.

21. OTHER INTANGIBLE ASSETS

	December 31	
	2025	2024
Intangible assets		
Balance on January 1	$ 135,768	$ 145,342
Additions	14,138	5,723
Amortization expenses	(15,800)	(15,312)
Effect of foreign currency exchange differences	-	15
Balance on December 31	$ 134,106	$ 135,768

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	
	2025	2024
Operating deposits	$ 226,500	$ 226,500
Settlement funds	105,695	94,285
	$ 332,195	$ 320,785

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 Acquirement 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, 2025 and 2024, SKIC had deposited \$105,695 thousand and \$94,285 thousand as settlement fund, respectively.

23. OTHER ASSETS

	December 31 2025	December 31 2024
Current		
Right to recover a product	$ 23,793	$ 27,679
Loans receivable from the securities department	9,730,396	9,779,445
Underwriting shares to collect from the securities department	15	580,571
Refundable deposits	258,088	156,605
Others	608,056	769,919
	$ 10,620,348	$ 11,314,219
Non-current		
Refundable deposits	$ 66,176	$ 71,035
Long-term receivables	10,482,203	11,435,954
Loss allowance for long-term receivables	(465,101)	(400,546)
Overdue receivables	61,088	62,288
Loss allowance for overdue receivables	(61,088)	(62,288)
Prepayments for equipment	164,327	119,164
Prepaid pension cost (Note 30)	39,884	-
Others	11,503	53,562
	$ 10,298,992	$ 11,279,169

24. BORROWINGS

a. Short-term borrowings

	December 31 2025	December 31 2024
Secured borrowings		
Bank loans	$ 297,000	$ 616,000
Unsecured borrowings		
Line of credit borrowings	9,417,649	9,854,219
	$ 9,714,649	$ 10,470,219

The range of weighted average effective interest rate on bank loans was 1.36%-3.36% and 1.21%-3.61% per annum as of December 31, 2025 and 2024, respectively.

b. Short-term bills payable

	December 31	
	2025	2024
Commercial paper	$ 17,524,000	$ 16,616,000
Less: Unamortized discount on bills payable	(15,282)	(20,120)
	$ 17,508,718	$ 16,595,880

Outstanding short-term bills payable were as follows:

December 31, 2025

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Ta Ching Bills Finance Corporation (1)	$ 530,000	385	529,615	1.46%-3.13%	None
Ta Ching Bills Finance Corporation (2)	80,000	243	79,757	1.46%-3.13%	Marketable securities
China Bills Finance Corporation (1)	1,800,000	1,386	1,798,614	1.46%-3.13%	None
China Bills Finance Corporation (2)	100,000	92	99,908	1.46%-3.13%	Pledged certificates of deposit
Taiwan Finance Corporation (1)	2,130,000	2,229	2,127,771	1.46%-3.13%	None
Taiwan Finance Corporation (2)	50,000	46	49,954	1.46%-3.13%	Pledged certificates of deposit
Mega Bills Finance Corporation	2,914,000	2,819	2,911,181	1.46%-3.13%	None
Taiwan Cooperative Bills Finance Corporation (1)	800,000	332	799,668	1.46%-3.13%	None
Taiwan Cooperative Bills Finance Corporation (2)	100,000	146	99,854	1.46%-3.13%	Marketable securities
International Bills Finance Corporation (1)	2,050,000	1,394	2,048,606	1.46%-3.13%	None
International Bills Finance Corporation (2)	70,000	64	69,936	1.46%-3.13%	Pledged certificates of deposit
Grand Bills Finance Corporation	1,150,000	1,048	1,148,952	1.46%-3.13%	None
Dah Chung Bills Finance Corporation	150,000	254	149,746	1.46%-3.13%	Pledged certificates of deposit
Sunny Bank	700,000	697	699,303	1.46%-3.13%	None
Union Bank	200,000	141	199,859	1.46%-3.13%	None
First Bank	200,000	272	199,728	1.46%-3.13%	None
E.SUN Bank	2,000,000	1,115	1,998,885	1.46%-3.13%	None
Yuanta Commercial Bank	300,000	129	299,871	1.46%-3.13%	None
KGI Bank	200,000	980	199,020	1.46%-3.13%	5% reserve for savings deposits
Taipei Fubon Bank	2,000,000	1,510	1,998,490	1.46%-3.13%	None
	$ 17,524,000	$ 15,282	$ 17,508,718		

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	1,500,000	893	1,499,107	1.45%-3.13%	None
	$ 16,616,000	$ 20,120	$ 16,595,880		

c. Long-term borrowings

	December 31	
	2025	2024
Taiwan Bank (1)	$ 3,000,000	$ 3,150,000
Taiwan Bank (2)	150,000	150,000
Hua Nan Bank (1)	500,000	350,000
Hua Nan Bank (2)	-	60,000
Hua Nan Bank (3)	-	20,600
Hua Nan Bank (4)	200,000	200,000
Hua Nan Bank (5)	980,000	-
Hua Nan Bank (Syndicated Loan) (1)	1,720,000	1,570,000
Hua Nan Bank (Syndicated Loan) (2)	800,000	1,150,000
Taiwan Business Bank	350,000	350,000

(Continued)

	December 31	
	2025	2024
Bank SinoPac (1)	$ 596,126	$ 658,991
Bank SinoPac (2)	-	264,300
Bank SinoPac (3)	226,940	189,027
Bank SinoPac (4)	127,003	124,829
Bank SinoPac (5)	184,822	130,332
Bank SinoPac (6)	315,900	315,900
Bank SinoPac (7)	29,365	-
Bank of East Asia	150,000	200,000
Cathay United Bank (1)	350,000	350,000
E.Sun Bank(1)	-	18,105
E.Sun Bank(2)	200,000	-
Mega Bank (1)	2,216,400	1,675,400
Mega Bank (2)	600,000	500,000
Mega Bank (3)	169,541	135,662
Mega Bank (4)	255,398	214,333
Mega Bank (5)	36,859	33,184
Mega Bank (Syndicated Loan) (1)	351,000	500,000
Mega Bank (Syndicated Loan) (2)	1,120,000	800,000
Far Eastern International Bank (1)	300,000	300,000
Far Eastern International Bank (2)	150,000	150,000
Far Eastern International Bank (3)	2,312,351	2,198,083
Far Eastern International Bank (4)	2,085,550	2,137,206
Bank of Panhsin (1)	201,000	253,000
Bank of Panhsin (2)	51,925	-
Mizuho Bank	460,000	726,000
Taichung Bank	570,000	-
KGI Bank	200,000	200,000
KGI Bank (Syndicated Loan)	900,000	1,150,000
Yuanta Commercial Bank	650,000	350,000
Union Bank	10,740	43,800
Taipei Fubon Bank	300,000	-
Bank SinoPac	970,000	-
China Bills Finance Corporation	1,500,000	1,500,000
Ta Ching Bills Finance Corporation	-	1,000,000
Union Bills Finance Corporation	1,000,000	1,000,000
Mega Bills Finance Corporation	500,000	1,000,000
Grand Bills Finance Corporation	1,000,000	500,000
Taiwan Finance Corporation	500,000	500,000
Taiwan Cooperative Bills Finance Corporation	500,000	500,000
Mega International Commercial Bank (1)	230,771	294,784
Mega International Commercial Bank (2)	246,325	310,090
	29,268,016	27,223,626
Less: Current portion	(9,024,626)	(6,619,449)
Less: Unamortized discounts on commercial papers	(10,495)	(8,065)
Long-term borrowings	$ 20,232,895	$ 20,596,112

(Concluded)

As of December 31, 2025 and 2024, the range of weighted average effective interest rate of the bank borrowings was 1.10%-4.00% and 1.6%-4.21% per annum, respectively.

The Group entered into a commercial paper issuance agreement with a financial institution for a period of 3 to 4 years. Under the agreement, commercial papers are issued with maturities of 30 days and are reissued on a revolving basis. The Group apply the Q&A "Liability Classification of Funds Raised Through The Revolving Issuance of Commercial Papers" issued by the Accounting Research and Development Foundation (ARDF) on August 15, 2025 in accordance with the Q&A issued by the FSC. These commercial papers shall be classified as current liabilities from the date of the revolving issuance in January 1, 2026.

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

25. FINANCIAL DEBENTURES

	December 31	
	2025	2024
Secondary financial debentures (1)	$ 1,530,000	$ 1,130,000
Secured domestic bonds (2)	3,500,000	5,000,000
Less: Current portion	(3,500,000)	(1,500,000)
	$ 1,530,000	$ 4,630,000

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 maturity dates and made its third and fourth issues of financial debentures with no maturity dates on July 8, July 22 and September 20, 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:

      i. Debentures with maturity dates: $500,000 thousand.
      ii. Debentures with no maturity dates: $300,000 thousand.

   b) Principal issued:

      i. 2024 first term: $150,000 thousand.
      ii. 2024 second term: $50,000 thousand.
      iii. 2024 third term: $80,000 thousand.
      iv. 2024 fourth term: $30,000 thousand.

   c) Denomination:

      i. 2024 first term: $10,000 thousand, issued at par.
      ii. 2024 second term: $10,000 thousand, issued at par.
      iii. 2024 third term: $10,000 thousand, issued at par.
      iv. 2024 third 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.
      iii. 2024 third term: No maturity date.
      iv. 2024 fourth term: No maturity date.

e) Nominal interest rate:

i. 2024 first term: Fixed interest rate, 2.55%.

ii. 2024 second term: Fixed interest rate, 2.55%.

iii. 2024 third term: Based on the Bank's benchmark interest rate (time deposit index rate), with an additional 2.28%.

iv. 2024 fourth term: Fixed interest rate, 4.00%.

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

i. 2024 first term: The financial debenture will be paid on the maturity date.

ii. 2024 second term: The financial debenture will be paid on the maturity date.

iii. 2024 third term: The financial debenture can be redeemed after 5 years from the issuance date.

iv. 2024 fourth term: The financial debenture can be redeemed after 5 years from the issuance date.

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

5) Taipei Star Bank issues their first and second financial debentures on December 22, 2025, which were approved under ruling reference no. 1140215582 issued by the Banking Bureau of the FSC on June 9, 2025. Details of the financial debenture issuance are summarized as follows:

a) Total approved principal: $400,000 thousand.

b) Principal issued:

i. 2025 third term: $330,000 thousand.
ii. 2025 fourth term: $70,000 thousand.

c) Denomination:

i. 2025 third term: $10,000 thousand, issued at par.
ii. 2025 fourth term: $10,000 thousand, issued at par.

d) Period:

i. 2025 first term: 7 years with a maturity date on December 22, 2032.
ii. 2025 second term: 7 years with a maturity date on December 22, 2032.

e) Nominal interest rate:

i. 2025 third term: Fixed interest rate, 2.30%.

ii. 2025 fourth term: Based on the Bank's benchmark interest rate (time deposit index rate), with an additional 0.78%.

f) Repayment: The financial debenture can be redeemed after 5 years from the issuance date.

i. 2025 first term: The financial debenture will be paid on the maturity date.
ii. 2025 second term: The financial debenture will be paid on the maturity 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	
	2025	**2024**
Notes payable		
Operating	$ 212,388	$ 236,785
Trade payables		
Operating	$ 9,635,630	$ 7,682,226

27. DEPOSITS AND REMITTANCES

	December 31	
	2025	**2024**
Checking accounts	$ 529,019	$ 668,451
Demand deposits	10,041,272	10,039,163
Demand savings deposits	18,878,619	18,307,371
Time deposits	20,914,365	16,381,952
Time savings deposits	24,238,157	24,714,432
Negotiable certificates of deposit	6,470,000	6,481,000
Remittances	-	259
	$ 81,071,432	$ 76,592,628

28. OTHER LIABILITIES

	December 31	
	2025	2024
Current		
Other payables		
Payables for purchase of equipment	$ 43,146	$ 48,236
Notes payable for exchange	114,759	301,705
Payables for salaries or bonuses	1,404,350	1,369,445
Others	1,619,884	1,549,269
	$ 3,182,139	$ 3,268,655
Other liabilities		
Refund liabilities	$ 299,132	$ 294,981
Advance receipts	142,848	254,284
Underwriting to collect from the securities department	-	580,417
Others	334,302	219,625
	$ 776,282	$ 1,349,307
Non-current		
Other liabilities		
Guarantee deposits received	$ 172,433	$ 172,323
Long-term payables	118,008	180,376
Others	50,735	34,985
	$ 341,176	$ 387,684

29. PROVISIONS

	December 31	
	2025	2024
Current		
Carbon fee (a)	$ 27,374	$ -
Non-current		
Employee retirement benefits (b)	$ -	$ 20,600
Other employee benefits (c)	19	318
Other	59,419	23,331
	$ 59,438	$ 44,249

a. Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Group assessed that it was probable to obtain the approval for the self-determined reduction plan from the competent authority, and assessed that it was probable to meet the designated target of the current year. The Group expects to submit the implementation progress report of the self-determined reduction plan for the current year before April 30, 2026; therefore, the carbon fee provision was calculated based on the preferential rate.

b. Refer to Note 30 for information related to employee retirement benefits.

c. 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, HIS, SKT, SKIN, SKIL, Far Trust, Far Trust Leasing, Far Trust Rental, 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	
	2025	**2024**
Present value of defined benefit obligation	$ 1,051,197	$ 1,051,692
Fair value of plan assets	(1,091,081)	(1,031,092)
Net defined benefit liabilities (assets)	$ (39,884)	$ 20,600

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 on January 1, 2024	$ 1,100,817	$ (960,953)	$ 139,864
Service cost			
Current service cost	5,642	-	5,642
Past service cost and loss on settlements	2	-	2
Net interest expense (income)	14,495	(12,729)	1,766
Recognized in profit or loss	20,139	(12,729)	7,410
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	43,892	-	43,892
Recognized in other comprehensive income	33,887	(84,403)	(50,516)
Contributions from the employer	-	(44,522)	(44,522)
Benefits paid	(104,709)	71,515	(33,194)
Exchange differences on foreign plans	1,558	-	1,558
Balance on December 31, 2024	1,051,692	(1,031,092)	20,600
Service cost			
Current service cost	4,780	-	4,780
Past service cost and loss on settlements	9	-	9
Net interest expense (income)	17,186	(16,973)	213
Recognized in profit or loss	21,975	(16,973)	5,002
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(60,291)	(60,291)
Actuarial (gain) loss			
Changes in demographic assumptions	-	(5,716)	(5,716)
Changes in financial assumptions	32,877	(4,589)	28,288
Experience adjustments	32,183	-	32,183
Recognized in other comprehensive income	65,060	(70,596)	(5,536)
Contributions from the employer	-	(37,212)	(37,212)
Benefits paid	(88,616)	64,792	(23,824)
Exchange differences on foreign plans	1,086	-	1,086
Balance on December 31, 2025	$ 1,051,197	$ (1,091,081)	$ (39,884)

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	
	2025	**2024**
Discount rate(s)	1.375%-1.498%	1.5%-1.6755%
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	
	2025	**2024**
Discount rate(s)		
0.25% increase	$ (19,849)	$ (20,229)
0.25% decrease	$ 20,449	$ 20,848
Expected rate(s) of salary increase		
0.25% increase	$ 20,155	$ 20,625
0.25% decrease	$ (19,085)	$ (20,108)

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	
	2025	**2024**
Expected contributions to the plan for the next year	$ 54,459	$ 51,023
Average duration of the defined benefit obligation	6.08-20.88 years	6.4-23.83 years

c. MPL, SSFC and MPO 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 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 $965 thousand and $819 thousand as pension expense for the years ended December 31, 2025 and 2024, and its pension liabilities amounted to $27,288 thousand and $24,608 thousand on December 31, 2025 and 2024, respectively.

31. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	2,800,000	2,800,000
Shares authorized	$ 28,000,000	$ 28,000,000
Number of shares issued and fully paid (in thousands)	1,618,409	1,618,409
Shares issued	$ 16,184,093	$ 16,184,093

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	
	2025	2024
May be used to offset a deficit distributed as cash dividends, or transferred to share capital (1)		
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	647,074	646,955
	1,358,091	1,357,972
May be used to offset deficit only		
Changes in percentage of ownership interest in subsidiaries (2)	801,718	805,732
Share of changes in capital surplus of associates	2,058	1,988
	803,776	807,720
	$ 2,161,867	$ 2,165,692

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 2024 and 2023 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 208,332	$ 79,280
Cash dividends	$ 971,046	$ 890,125
Cash dividends per share (NT$)	$ 0.60	$ 0.55

The above appropriations for cash dividends were resolved by the Company's board of directors on March 10, 2025 and March 11, 2024, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 27, 2025 and May 30, 2024, respectively.

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 12, 2025, were as follows:

	For the Year Ended December 31, 2025
Legal reserve	$ 223,653
Special reserve	$ 1,772
Cash dividends	$ 1,456,568
Cash dividends per share (NT$)	$ 0.90

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 28, 2026.

d. Special reserve

	For the Year Ended December 31	
	2025	2024
Balance on January 1 and December 31	$ 2,328,591	$ 2,328,591

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 131,293	$ (188,906)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	16,558	378,450
Share from subsidiaries and associates accounted for using the equity method	1,048	(1,653)
Reclassification adjustments		
Disposal of foreign operations	-	(56,598)
Balance on December 31	$ 148,899	$ 131,293

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

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 4,772,134	$ 4,755,064
Recognized for the year		
Unrealized gain - equity instruments	1,555,476	326,594
Share from subsidiaries and associates accounted for using the equity method	871,969	37,647
Other comprehensive income recognized for the year	2,427,445	364,241
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(312,243)	(347,171)
Balance on December 31	$ 6,887,336	$ 4,772,134

f. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 11,542,470	$ 10,493,996
Share in profit for the year	554,224	716,654
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign operations	47,070	88,430
Unrealized gain (loss) on financial assets at FVTOCI	79,231	(30,492)
Remeasurement on defined benefit plans	3,343	13,205
Related income tax	(751)	(2,524)
Partial disposal of subsidiaries - UBO	4,014	371,909
Acquisition of non-controlling interests in subsidiaries - TSB	(247)	-
Issuance of cash dividend in subsidiaries	(709,067)	(266,724)
Acquisition of non-controlling interests in subsidiaries - SKPS	-	(30,776)
Capital increase of securities subsidiaries - SKIS	-	159,856
The Parent's shares held by its subsidiaries treated as treasury shares	(69,041)	-
Others	7,707	28,936
Balance on December 31	$ 11,458,953	$ 11,542,470

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 on January 1, 2024	-	-	4,680	4,680
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Number of shares on December 31, 2024	-	-	4,680	4,680
Increase during the year	-	-	8,740	8,740
Decrease during the year	-	-	-	-
Number of shares on December 31, 2025	-	-	13,420	13,420

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
December 31, 2025			
Hsin Lung Chemical Co., Ltd.	4,680	$ 70,207	$ 70,207
Arbor Capital.	8,740	131,100	131,100
		$ 201,307	$ 201,307
December 31, 2024			
Hsin Lung Chemical Co., Ltd.	4,680	$ 69,037	$ 69,037

Hsin Lung Chemical Co., Ltd. and Arbor Capital. acquired the Company's shares for investment purposes.

The number of the Company's shares held by subsidiaries, as listed in the table above, represents the actual number of shares held by the subsidiaries. The amount of treasury stock recognized by the Company is calculated based on the ownership percentage in the subsidiaries.

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 50 for detailed revenue information on contracts for the years ended December 31, 2025 and 2024.

b. Finance costs

	For the Year Ended December 31 2025	2024
Interest on bank loans	$ 1,047,645	$ 992,907
Interest on lease liabilities	24,498	27,148
Other interest expense	44,437	42,300
Total interest expense for financial liabilities not measured at fair value through profit or loss	1,116,580	1,062,355
Interest due to the funds borrowed from the Central Bank and other banks	101,037	110,261
Interest on bills and bonds sold under repurchase agreements	22,423	34,752
Interest on deposits	1,058,771	969,552
Other finance costs	27,385	30,101
	$ 2,326,196	$ 2,207,021

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized interest	$ 31,521	$ 8,034
Capitalization rate	1.56%-4.02%	1.51%-3.45%

c. Impairment (losses) recognized reversed

	For the Year Ended December 31	
	2025	2024
Investments in debt instruments at FVTOCI	$ 217	$ (608)
Financial assets at amortized cost	$ 802	$ 667
Bad debt expense, commitments and guarantee liability provisions	$ (35,575)	$ (61,199)
Trade receivables, other trade receivables and overdue receivables	$ (65,178)	$ (55,743)
Property, plant and equipment	$ -	$ (676,601)

d. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	$ 1,558,729	$ 1,826,425
Investment property	25,154	22,782
Right-of-use assets	216,991	216,660
Others	15,800	15,312
	$ 1,816,674	$ 2,081,179
An analysis of depreciation by function		
Operating costs	$ 1,580,906	$ 1,859,177
Operating expenses	219,968	206,690
	$ 1,800,874	$ 2,065,867
An analysis of amortization by function		
Operating expenses	$ 15,800	$ 15,312

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2025	2024
Direct operating expenses from investment properties that generated rental income	$ 79,535	$ 76,043

f. Employee benefit expense

	For the Year Ended December 31	
	2025	2024
Post-employment benefits (See Note 30)		
Defined benefit plans	$ 5,002	$ 7,410
Defined contribution plans	100,125	98,640
	105,127	106,050
Share-based payments (See Note 35)		
Equity-settled	521	2,462
Total employee benefits expense	$ 105,648	$ 108,512
An analysis of employee benefit expense by function		
Operating costs	$ 63,805	$ 64,853
Operating expenses	41,843	43,659
	$ 105,648	$ 108,512

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. In accordance with the amendments to the Securities and Exchange Act enacted in August 2024, the Company intends to seek shareholder approval in 2025 Annual General Meeting to amend its Articles of Incorporation to specify that 20% of the total employee compensation allocated for the year shall be designated for distribution to rank-and-file employees. The compensation of employees and remuneration of directors for the years ended December 31, 2025 and 2024, which were approved by the Company's board of directors on March 12, 2026 and March 10, 2025, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2025	2024
Compensation of employees	1%	1%
Remuneration of directors	-	-

Amount

	For the Year Ended December 31			
	2025		2024	
	Cash	Share	Cash	Share
Compensation of employees	$ 17,987	$ -	$ 17,377	$ -
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, 2024 and 2023.

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	
	2025	2024
Foreign exchange gains	$ 1,227,596	$ 1,404,736
Foreign exchange losses	(1,368,627)	(1,051,796)
	$ (141,031)	$ 352,940

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	
	2025	2024
Current tax		
In respect of the current year	$ 671,855	$ 748,355
Income tax on unappropriated earnings	46,343	859
Adjustments for prior years	(50,459)	(53,011)
Others	(1,566)	3,682
	666,173	699,885
Deferred tax		
In respect of the current year	(234,360)	(200)
Income tax expense recognized in profit or loss	$ 431,813	$ 699,685

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

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	$ 2,908,570	$ 3,122,259
Income tax expense calculated at the statutory rate	$ 581,714	$ 624,452
Nondeductible expenses in determining taxable income	1,517	3,203
Deferred tax effect from earnings of subsidiaries	(649,457)	(277,422)
Tax-exempt income	(105,637)	(195,565)
Additional income tax under the Alternative Minimum Tax Act	-	84
Income tax on unappropriated earnings	46,343	859
Unrecognized loss carryforwards/deductible temporary differences investment credits	457,104	272,209
Adjustments for prior years' tax	(50,459)	(53,011)
Others	150,688	324,876
Income tax expense recognized in profit or loss	$ 431,813	$ 699,685

Partial subsidiaries of the Group were incorporated in Vietnam and Thailand, where the Pillar Two income tax legislation had been in effect. Under the legislation, partial subsidiaries of the Group located in Vietnam and Thailand 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 2025, the aforementioned Pillar Two income tax did not significantly impact the Group's current income tax expense.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred tax		
In respect of the current year:		
Remeasurement of defined benefit plan	$ (1,232)	$ (9,798)

c. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	$ 263,843	$ 44,597
Current tax liabilities		
Income tax payable	$ 346,866	$ 478,711

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, 2025

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Temporary differences					
Property, plant and equipment	$ 36,704	$ (9,087)	$ -	$ -	$ 27,617
Inventory write-downs	152,663	(11,148)	-	-	141,515
Unrealized gross profit	64,624	(310)	-	-	64,314
Defined benefit obligation	96,540	(894)	(1,016)	-	94,630
Gain or loss on foreign currency exchange	-	7,616	-	-	7,616
Allowance for impairment loss of receivables	98,202	755	-	-	98,957
Others	105,406	19,877	-	-	125,283
	554,139	6,809	(1,016)	-	559,932
Loss carryforwards	12,801	(12,801)	-	-	-
	$ 566,940	$ (5,992)	$ (1,016)	$ -	$ 559,932

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	$ 839,317	$ (7,585)	$ -	$ -	$ 831,732
Defined benefit obligation	3,427	(3,386)	216	-	257
Others	664,152	(229,381)	-	-	434,771
	$ 1,506,896	$ (240,352)	$ 216	$ -	$ 1,266,760

For the year ended December 31, 2024

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	$ 45,353	$ (8,649)	$ -	$ -	$ 36,704
Fair value changes of financial assets	1,667	(1,667)	-	-	-
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	111,998	(6,592)	-	-	105,406
	589,489	(26,796)	(8,554)	-	554,139
Loss carryforwards	21,597	(8,796)	-	-	12,801
	$ 611,086	$ (35,592)	$ (8,554)	$ -	$ 566,940

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	699,944	(35,792)	-	-	664,152
	$ 1,531,812	$ (35,792)	$ 1,244	$ 9,632	$ 1,506,896

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

	December 31	
	2025	2024
Loss carryforwards		
Expiry in 2025	$ -	$ 304,502
Expiry in 2026	578,095	578,095
Expiry in 2027	794,494	794,492
Expiry in 2028	506,153	506,153
Expiry in 2029	76,036	76,036
Expiry in 2030	80,580	67,035
Expiry in 2032	504,937	499,492
Expiry in 2033	819,807	819,942
Expiry in 2034	761,275	556,125
Expiry in 2035	220,944	-
	$ 4,342,321	$ 4,201,872
Deductible temporary differences		
Share of loss of associates	$ 5,142,861	$ 3,533,493
Others	$ 28,731	$ 673,306

f. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised:

Unused Amount	Expiry Year
$ 578,095	2026
794,494	2027
506,153	2028
76,036	2029
80,580	2030
504,937	2032
819,807	2033
761,275	2034
220,944	2035
$ 4,342,321	

g. Income tax assessments

The income tax returns of SSF, UBO, Far Trust Car Rental through 2022 have been assessed by the tax authorities. The income tax returns of PAPI, Taipei Star Bank, SPF, PAP, TBO, HAM, HSI, SPI, SKE, SKPS, SKF, SKIL, SKAM, SKY, OTOBUY, SKT, SEC, SKIN, Far Trust, Far Trust Leasing, HLC, CJH, JLP, IMBO, CRI, SKES, You-Ji, SKIS, SKIA, SKPIA, SKIC 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	
	2025	**2024**
Profit for the year attributable to owners of the Company	$ 1,922,533	$ 1,705,920

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

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,613,264	1,613,729
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,417	1,282
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,614,681	1,615,011

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			
	2025		2024	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance on January 1	961	$ 24.80	1,513	$ 25.90
Options granted	-	-	-	-
Options forfeited	(115)	-	-	-
Options exercised	(138)	24.80	(345)	25.90
Options exercised	(313)	22.90	(207)	24.80
Options expired	-	-	-	-
Balance on December 31	395	22.90	961	24.80
Options exercisable, end of period	395	22.90	449	24.80
Weighted-average fair value of options granted ($)	$ -		$ -	

	The Plan of January 2020			
	2025		2024	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance on January 1	60	$ 18.30	370	$ 19.10
Options granted	-	-	-	-
Options forfeited	(60)	-	-	-
Options exercised	-	-	(278)	19.10
	-	-	(32)	18.30
Options expired	-	-	-	-
Balance on December 31	-	-	60	18.30
Options exercisable, end of period	-	-	60	18.30
Weighted-average fair value of options granted ($)	$ -		$ -	

Information on outstanding options as of December 31, 2025 and 2024 were as follows:

	December 31	
	2025	2024
Range of exercise price (NT$)	$22.9	$18.3-$24.8
Weighted-average remaining contractual life (in years)	0.8 years	0.02-1.8 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 $521 thousand and $2,195 thousand for the years ended December 31, 2025 and 2024, 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			
	2025		2024	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance on January 1	2,000	10.00	2,000	$ 10.00
Options granted	-	-	-	-
Options forfeited	(2,000)	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance on December 31	-	-	2,000	10.00
Options exercisable, end of period	-	-	-	-
Weighted-average fair value of options granted ($)	$ -		$ -	

Information on outstanding options as of December 31, 2025 and 2024 is as follows:

	December 31	
	2025	2024
Range of exercise price (NT$)	$-	$10
Weighted-average remaining contractual life (in years)	-	6.67 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 was $267 thousand for the year ended December 31, 2024.

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	$ 330

The Group acquired You-Ji Renewable Corp. in 2024 for the purpose of expanding the operations of the Group’s solar industry business.

b. Consideration transferred

	You-Ji Renewable Corp.
Cash	$ 330

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.
Current assets	
Cash and cash equivalents	$ 294
Prepayments	438
Other current assets	8
Non-current assets	
Property, plant and equipment	8,054
Current liabilities	
Short-term borrowings	(6,192)
Other payables	(2,272)
	$ 330

d. Goodwill recognized on acquisitions

	You-Ji Renewable Corp.
Consideration transferred	$ 330
Less: Fair value of identifiable net assets acquired	(330)
Goodwill recognized on acquisitions	$ -

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

	You-Ji Renewable Corp.
Consideration paid in cash	$ 330
Less: Cash and cash equivalent balances acquired	(294)
	$ 36

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	$ 409
Profit	$ (178)

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. 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 2025 and 2024, 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%.In 2025, the continued issuance of new shares due to the exercise of employee share options further reduced the Group's ownership percentage to 48.76%.

For the year ended December 31, 2025, the Group acquired partial interests in Taipei Star Bank, increasing its continuing interest from 27.067% to 27.071%.

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, 2025	
	UBO	Taipei Star Bank
Cash consideration received (paid)	$ -	$ (128)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	(4,014)	247
Differences recognized from equity transactions	$ (4,014)	$ 119
Line items adjusted for equity transactions		
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ -	$ 119
Capital surplus - changes in percentage of ownership interests in subsidiaries	(4,014)	-
	$ (4,014)	$ 119

	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	(371,909)	30,776	17,439
Differences recognized from equity transactions	$ 187,404	$ (2,252)	$ 17,439
Line items adjusted for equity transactions			
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	(8,064)	-	17,439
	$ 187,404	$ (2,252)	$ 17,439

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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 6,337	$ -	$ 6,337
Domestic investments - listed shares and emerging market shares	434,002	-	-	434,002
Convertible bonds with assets exchange	-	460,747	-	460,747
Convertible bonds	-	8,470	-	8,470
Mutual funds	210,051	-	-	210,051
Limited partnership funds	-	53,930	-	53,930
Foreign private funds	-	-	61,070	61,070
Co-investment equity jointly held	-	-	360,000	360,000
Foreign corporate bonds	717,322	-	-	717,322
Domestic corporate bonds	149,531	-	-	149,531
	$ 1,510,906	$ 529,484	$ 421,070	$ 2,461,460
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic investments - listed shares and emerging market shares	$ 9,284,796	$ -	$ -	$ 9,284,796
Domestic investments - unlisted shares	-	2,245,625	147,422	2,393,047
Foreign investments	-	54,450	-	54,450
Investments in debt instruments at FVTOCI				
Bond investments	4,067,276	2,383,018	-	6,450,294
	$ 13,352,072	$ 4,683,093	$ 147,422	$ 18,182,587
Financial liabilities at FVTPL				
Derivatives	$ -	$ 20,665	$ -	$ 20,665

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	50,003	-	-	50,003
Co-investment equity jointly held	-	-	160,000	160,000
	$ 1,203,564	$ 662,108	$ 160,000	$ 2,025,672
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	3,958,721	1,970,257	-	5,928,978
	$ 11,516,140	$ 4,371,570	$ 133,728	$ 16,021,438
Financial liabilities at FVTPL				
Derivatives	$ -	$ 6,721	$ -	$ 6,721

There were no transfers between Levels 1 and 2 in the years ended December 31, 2025 and 2024.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI
	Equity Instruments	Others	Equity Instruments
Balance on January 1, 2025	$ -	$ 160,000	$ 133,728
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	-	13,694
Purchases	61,070	200,000	-
Balance on December 31, 2025	$ 61,070	$ 360,000	$ 147,422

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Others	Equity Instruments
Balance on January 1, 2024	$ -	$ 113,397
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	20,331
Purchases	100,000	-
Balance on December 31, 2024	$ 100,000	$ 133,728

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.
Foreign private funds	Balance sheet approach: Its fair value is estimated with reference to the net asset value measured at fair value and the terms of the investment agreement.
Co-investment equity jointly held	Income approach: Its fair value is assessed with reference to the present value of future economic benefits, with the primary significant unobservable input being 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, 2025		
Significant Unobservable Input	**Range of Changes**	**Affected Amount**
Discount rate	1% increase 1% decrease	$ (2,710) 3,345
Discount for lack of marketability	10% increase 10% decrease	(15,817) (1,277)

December 31, 2024		
Significant Unobservable Input	**Range of Changes**	**Affected Amount**
Discount rate	1% increase 1% decrease	$ (2,704) 3,366
Discount for lack of marketability	10% increase 10% decrease	(18,772) (4,012)

c. Categories of financial instruments

	December 31	
	2025	2024
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 2,461,460	$ 2,025,672
Financial assets at amortized cost (1)	52,967,496	52,464,054
Financial assets at FVTOCI		
Equity instruments	11,732,293	10,092,460
Debt instruments	6,450,294	5,928,978
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	20,665	6,721
Amortized cost (2)	71,625,792	68,575,169

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 43.

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	
	2025	**2024**
Profit or loss	$ 191,593	$ 315,052

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	
	2025	**2024**
Fair value interest rate risk	$ 22,554,000	$ 22,746,000
Cash flow interest rate risk	38,972,170	37,685,780

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, 2025 and 2024 would have decreased/increased by $97,430 thousand and $94,214 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, 2025 and 2024 would have increased/decreased by $34,899 thousand and $18,879 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, 2025 and 2024 would have increased/decreased by $586,615 thousand and $504,623 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, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 11,295,514	$ -	$ -	$ -	$ 11,295,514
Lease liabilities	175,117	553,120	372,694	799,134	1,900,065
Variable interest rate liabilities	18,739,275	15,236,013	4,996,882	-	38,972,170
Fixed interest rate liabilities	17,508,718	-	-	-	17,508,718
Financial debentures	3,500,000	-	-	1,530,000	5,030,000
	$ 51,218,624	$ 15,789,133	$ 5,369,576	$ 2,329,134	$ 74,706,467

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	$ 175,117	$ 925,814	$ 273,965	$ 177,747	$ 178,964	$ 168,458

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
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	1,500,000	3,500,000	-	1,130,000	6,130,000
	$ 45,188,954	$ 19,520,283	$ 5,533,511	$ 2,010,763	$ 72,253,511

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	$ 470,452	$ 957,682	$ 299,186	$ 198,102	$ 59,785	$ 323,690

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, 2025

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Net settled					
Foreign exchange forward contracts	$ (19,211)	$ -	$ -	$ -	$ (19,211)
Foreign exchange contracts	$ 4,883	$ -	$ -	$ -	$ 4,883

December 31, 2024

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

c) Financing facilities

	December 31	
	2025	2024
Amount unused	$ 25,100,289	$ 24,295,876

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
Shinshin Capital Corporation	Associate
Shinyu Capital Co., Ltd.	Associate (subsequent to May 2025)
Shin Ho Capital Co., Ltd.	Associate (subsequent to May 2025)
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 Textile Co., Ltd.	Related party in substance
Shin Kong Life Insurance 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

(Continued)

Related Party Name	Related Party Category
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
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 Biotechinology 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
Shin Kong Wu Ho-Su Culture and Education Foundation	Related party in substance
Bilisih 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 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 2025	2024
Sales	Affiliated company of subsidiary's investors main shareholder/others	$ 818,176	$ 1,107,601
	Associates/others	$ -	$ 906
	Related party in substance/others	$ 28,025	$ 99,797

c. Purchases of goods

Related Party Categories/Name	For the Year Ended December 31 2025	2024
Associates/others	$ 385,306	$ 545,919
Related parties in substance/others	$ 1,930	$ 3,631
Affiliated company of subsidiary's investors main shareholder/others	$ 24,381	$ 6,401

d. Receivables from related parties

Line Items	Related Party Categories/Name	December 31 2025	2024
Trade receivables	Affiliated company of subsidiary's investors main shareholder/others	$ 99,368	$ 200,843
	Related parties in substance/others	$ 3,642	$ 8,877
Other trade receivables	Associates/others	$ 6,311	$ 55

e. Payables to related parties

Line Items	Related Party Categories/Name	December 31 2025	2024
Trade payables	Associates/others	$ 12,369	$ 2,121
	Affiliated company of subsidiary's investors main shareholder/others	$ 612	$ 2,904
	Related parties in substance/others	$ 24	$ 17
Other trade payables	Related parties in substance/others	$ 5,159	$ 2,751

f. Loans

For the Year Ended December 31, 2025							
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
Self-used residential mortgage loans	11	$ 72,290	$ 64,410	$ 64,410	-	Real estate	None
Secured loans	Others	7,878	4,946	4,946	-	Real estate	None

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	Others	12,142	7,878	7,878	-	Real estate	None
Unsecured loans	Related parties in substance	14,656	-	-	-	None	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					
	2025			2024		
	Ending Balance	Interest Rate %	Interest Expense	Ending Balance	Interest Rate %	Interest Expense
Related party in substance	$ 1,762,050	0.00-1.80	$ 35,476	$ 2,077,876	0.00-1.78	$ 69,215
Others	171,659	0.00-7.95	3,687	231,110	0.00-7.95	6,152
	$ 1,933,709		$ 39,163	$ 2,308,986		$ 75,367

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% as of December 31, 2025 and 2024, for employees' savings and loans.

h. Other operating expenses

	For the Year Ended December 31	
Related Party Categories/Name	**2025**	**2024**
Related party is substance/others	$ 3,101	$ 2,128

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

i. Cost of goods sold

Line Items	Related Party Categories/Name	December 31 2025	December 31 2024
Contractor labor cost	Related party is substance/others	$ 8,991	$ 11,003

j. 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 2025	December 31 2024
Lease liabilities	Related party in substance/Shin Kong Textile Co., Ltd.	$ 184,233	$ 206,125
	Others/The Great Taipei Gas Corporation	$ 5,523	$ 6,894

Related Party Categories/Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Interest expense		
Related party is substance/Shin Kong Textile Co., Ltd.	$ 1,960	$ 1,792
Related party is substance/The Great Taipei Gas Corporation	$ 188	$ 185

k. Lease agreements

Operating lease

Lessor	Object	Period	Rent Income For the Year Ended December 31 2025	Rent Income For the Year Ended December 31 2024
Related party in substance/others	Buildings and parking spaces	March 1, 2020 - February 28, 2030	$ 969	$ 748

l. Loans from related parties

Interest expense

Related Party Categories/Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Related party is substance/others	$ 680	$ 1,244

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

m. Other significant rights and debt to related parties

Line Items	Related Party Categories/Name	December 31 2025	December 31 2024
Bank deposits	Related party is substance/Taishin International Co., Ltd., Bank	$ 898,959	$ 2,178,627
	Related party is substance/Shin Kong Commercial Bank Co., Ltd.	1,757,934	2,468,221
		$ 2,656,893	$ 4,646,848
Financial assets at amortized cost	Related party is substance/Taishin International Co., Ltd., Bank	$ -	$ 100,000
	Related party is substance/Shin Kong Commercial Bank Co., Ltd.	766,823	652,823
		$ 766,823	$ 752,823
Other financial assets	Related party is substance/Shin Kong Commercial Bank Co., Ltd.	$ 1,310,000	$ 860,000

n. Others

Other income

Related Party Categories/Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Associates/others	$ 6,949	$ 2,892

o. Remuneration of key management personnel

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Short-term employee benefits	$ 37,268	$ 31,839
Post-employment benefits	1,115	1,416
Others	5,068	5,254
	$ 43,451	$ 38,509

p. Capital increase to related parties

In 2025, Shinkong Synthetic Fibers Corporation subscribed to Shinshin Capital Corporation’s cash capital increase in the amount of NT$1,082,500 thousand, thereby acquiring a 43.31% equity interest, which is classified as an associate.

q. Disposal of financial assets

For the year ended December 31, 2025

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	(Loss) Gain on Disposal
Associates/others	Financial assets at fair value through other comprehensive income	2,000	Shin Kong Mitsukoshi Department Store Co., Ltd.	$ 80	$ 68

r. Other

In 2025, Shinkong Synthetic Fibers Corporation transferred 100 thousand shares each of Shinyu Capital Co., Ltd. and Shin Ho Capital Co., Ltd. to its associate, Shinshin Capital Corporation, for a consideration of NT$1,000 thousand per transfer, realizing a disposal gain of NT$1 thousand on each transaction. The proceeds have been fully collected.

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 2025	December 31 2024
Other financial assets - current	Refundable deposits, demand deposits, time deposits, pledged time deposits and restricted demand deposits	$ 2,364,584	$ 1,197,180
Other financial assets - non-current	Pledged time deposits	150,285	145,185
Financial assets at fair value through other comprehensive income - current and non-current	Listed shares	4,485,604	3,926,772
Financial assets at fair value through profit or loss - non-current	Listed shares	173,071	-
Financial assets at amortized cost - non-current	Trust fund compensation provision	625,000	960,000
Property, plant and equipment and investment properties	Land, buildings and machineries	9,027,203	7,811,780
Contracts in progress-building land	Land - building land	1,169,273	294,900
		$ 17,995,020	$ 14,335,817

As of December 31, 2025 and 2024, the interest rates for the pledged deposits both ranged from 0.68% to 2.00% and 0.68% 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, 2025 and 2024 were as follows:

a. Letters of credit

Outstanding letters of credit not reflected in the accompanying consolidated financial statements as of December 31, 2025 and 2024 were as follows:

	December 31	
	2025	**2024**
JPY	$ 105,095	$ 123,550
USD	1,734	3,391
EUR	3,000	-

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, 2025 and 2024, the significant commitments and contingent liabilities of Taipei Star Bank were as follows:

	December 31	
	2025	**2024**
Unused loan commitments	$ 21,789,685	$ 19,318,389
Guarantees	376,000	356,000
Letters of credit	605	167
Trust liabilities	23,042,766	21,253,686

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, 2025

Trust Assets	Amount	Trust Liabilities	Amount
Bank deposits	$ 2,439,451	Trust capital	
Short-term investments		Funds and investment	$ 5,028,983
Mutual funds	3,299,233	Securities and investment	2,246,019
Bonds	1,025,796	Real estate and investment	15,605,484
ETF securities	471	Net profit	142,836
Securities	1,936,379	Deferred income	19,444
Real estate			
Land	9,570,632		
Buildings	71,781		
Construction in progress	4,699,023		
	$ 23,042,766		$ 23,042,766

Trust Account Statement of Income
For the Year Ended December 31, 2025

Income from trust	
Dividend income	$ 167,621
Interest income	6,039
	173,660
Expense from trust	
Management fee	(923)
Administration fee	(175)
Insurance expense	(8,321)
Tax expense	(21,385)
Remittance charge	(20)
	(30,824)
Net income before tax	142,836
Income tax expense	-
Net income	$ 142,836

The summary of trust assets as of December 31, 2025 is as follows:

Type	Amount
Bank deposits	$ 2,439,451
Short-term investments	
Mutual funds	3,299,233
Bonds	1,025,796
ETF securities	471
Securities	1,936,379
Real estate	
Land	9,570,632
Buildings	71,781
Construction in progress	4,699,023
	$ 23,042,766

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	19,514
Land	8,600,466		
Buildings	65,113		
Construction in progress	3,725,408		
	$ 21,253,686		$ 21,253,686

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

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

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	3,725,408
	$ 21,253,686

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. After being heard and adjudicated by the Taipei District Court, the case was dismissed in December 2025. As Yuanta Commercial Bank did not file an appeal to the second instance, the judgment became final and binding in January 2026.

43. 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			
	2025		2024	
	Foreign Currency (In Thousands)	Exchange Rate	Foreign Currency (In Thousands)	Exchange Rate
Financial assets				
Monetary items				
USD	$ 133,573	31.43	$ 201,419	32.785
EUR	23,427	36.90	35,696	34.14
JPY	2,037,496	0.2008	2,228,601	0.2099
RMB	6,243	4.496	20,838	4.222
Financial liabilities				
Monetary items				
USD	7,656	31.43	9,226	32.785
JPY	1,034,114	0.2008	355,398	0.2099
EUR	11	36.90	56	34.14

For the years ended December 31, 2025 and 2024, realized and unrealized net foreign exchange (losses) gains were $(141,031) thousand and $352,940 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.

44. 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, 2025

	Carrying Amount	Estimated Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost - debt instruments	$ 14,071,362	$ 5,867,733	$ 8,073,083	$ -	$ 13,940,816
Financial liabilities					
Financial liabilities at amortized cost Financial debenture	1,530,000	-	1,543,225	-	1,543,225

December 31, 2024

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

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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative	$ -	$ 467,084	$ -	$ 467,084
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI	$ 736,554	$ -	$ 58,334	$ 794,888
Investments in debt instruments at FVTOCI	4,067,276	2,383,018	-	6,450,294
	$ 4,803,830	$ 2,383,018	$ 58,334	$ 7,245,182
Financial liabilities at FVTPL				
Derivatives	$ -	$ (1,454)	$ -	$ (1,454)

December 31, 2024

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

There were no transfers between Levels 1 and 2 in the years ended December 31, 2025 and 2024.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance on January 1, 2025	$ 49,445
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	8,889
Balance on December 31, 2025	$ 58,334

For the year ended December 31, 2024

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

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, 2025		
Significant Unobservable Input	**Range of Changes**	**Affected Amount**
Discount rate	1% increase	$ (2,710)
	1% decrease	3,345
Discount for lack of marketability	10% increase	(7,270)
	10% decrease	7,270

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

3) Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
Financial assets at FVTPL	$ 467,084	$ 803,729
Financial assets at FVTOCI	7,245,182	6,551,967
Financial assets at amortized cost (a)	87,056,516	83,256,517
Financial liabilities		
Financial liabilities at FVTPL	1,454	5,592
Amortized cost (b)	89,159,925	83,377,121

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, 2025 and 2024 would have decreased by $161 thousand and $478 thousand, respectively, and the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have decreased by $383,564 thousand and $298,332 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, 2025 and 2024 would have increased by $14,300 thousand and $13,923 thousand, respectively, and the pre-tax other comprehensive income for the years ended December 31, 2025 and 2024 would have increased by $75,401 thousand and $76,554 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, 2025 and 2024 would have increased by $119,233 thousand and $93,448 thousand, respectively.

d) Summarized sensitivity analysis

December 31, 2025			
Main Risk	**Range of Changes**	**Impact Amounts**	
		Equity	**Profit/Loss**
Interest rate risk	Interest rate yield higher 100BPS	$ (383,725)	$ (161)
Interest rate risk	Interest rate yield lower 100BPS	383,725	161
Foreign currency risk	USD/NTD and RMB/NTD strengthen 3%	89,701	14,300
Foreign currency risk	USD/NTD and RMB/NTD weakening 3%	(89,701)	(14,300)
Equity price risk	Equity price higher 15%	119,233	-
Equity price risk	Equity price lower 15%	(119,233)	-

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)	-

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.

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 93% and 97% of all loans as of December 31, 2025 and 2024, 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:

<table>
<tr><th>Business</th><th>Type of Collateral</th><th>Credit Risk Group</th></tr>
<tr><td rowspan="7">Corporate banking</td><td>State-owned enterprises</td><td></td></tr>
<tr><td>Pledged time deposits</td><td></td></tr>
<tr><td rowspan="3">Corporate banking - secured borrowings</td><td>Small and medium enterprises - credit guaranteed</td></tr>
<tr><td>Small and medium enterprises - non-credit guaranteed</td></tr>
<tr><td>Non small and medium enterprises</td></tr>
<tr><td rowspan="2">Corporate banking - unsecured borrowings</td><td>Small and medium enterprises - non-credit guaranteed</td></tr>
<tr><td>Non small and medium enterprises</td></tr>
<tr><td rowspan="9">Consumer banking</td><td>Pledged time deposits</td><td></td></tr>
<tr><td rowspan="3">Consumer banking - secured borrowings</td><td>Property, plant and equipment</td></tr>
<tr><td>Pledged shares</td></tr>
<tr><td>Others</td></tr>
<tr><td rowspan="5">Consumer banking - unsecured borrowings</td><td>Check financing</td></tr>
<tr><td>Consumer credit</td></tr>
<tr><td>Self-negotiating and resolving</td></tr>
<tr><td>Consumer debt clearance</td></tr>
<tr><td>Others</td></tr>
</table>

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	690	(57)	633	-
Discounts and loans	241,117	(18,252)	222,865	222,865
Total amount of credit-impaired financial assets	$ 241,807	$ (18,309)	$ 223,498	$ 222,865

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	
	2025	**2024**
Commitments	$ 21,789,685	$ 19,318,389
Guarantees	376,000	356,000
Letters of credit	605	167

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	**2025**	**2024**
Natural person	$ 38,914,527	$ 37,011,645
Real estate	16,483,001	14,198,091
Manufacturing	334,311	364,336
Wholesale, retail and restaurants	1,712,912	1,999,715
Construction	846,050	781,211
Others	4,632,277	3,896,189
	$ 62,923,078	$ 58,251,187

Region	December 31 2025	December 31 2024
Domestic	$ 62,922,473	$ 58,251,020
Overseas	605	167
	$ 62,923,078	$ 58,251,187

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, 2025

	Discounts and Loans December 31, 2025				
	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	$ 60,828,631	$ 1,476,725	$ 241,117	$ -	$ 62,546,473
Loss allowance	(39,221)	(1,985)	(18,252)	-	(59,458)
Difference of impairment loss under regulations	-	-	-	(684,205)	(684,205)
	$ 60,789,410	$ 1,474,740	$ 222,865	$ (684,205)	$ 61,802,810

	Trades Receivable and Other Financial Assets December 31, 2025				
	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	$ 9,780,746	$ 3,275	$ 690	$ -	$ 9,784,711
Loss allowance	(43)	(2)	(57)	-	(102)
Difference of impairment loss under regulations	-	-	-	(786)	(786)
	$ 9,780,703	$ 3,273	$ 633	$ (786)	$ 9,783,823

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, 2025				
	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	$ 440,105	$ -	$ -	$ -	$ 440,105
Loss allowance	(404)	-	-	-	(404)
Difference of impairment loss under regulations	-	-	-	(3,999)	(3,999)
	$ 439,701	$ -	$ -	$ (3,999)	$ 435,702

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)
	$ 56,782,770	$ 775,052	$ 282,111	$ (642,864)	$ 57,197,069

	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)
	$ 7,830,174	$ 2,283	$ 937	$ (701)	$ 7,832,693

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)
	$ 419,660	$ -	$ -	$ (4,190)	$ 415,470

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, 2025	**At FVTOCI**	**At Amortized Cost**
Gross carrying amount	$ 6,455,154	$ 14,074,317
Loss allowance	(2,628)	(2,955)
Amortized cost	6,452,526	14,071,362
Adjustments to fair value	(2,232)	-
	$ 6,450,294	$ 14,071,362

December 31, 2024	**At FVTOCI**	**At Amortized Cost**
Gross carrying amount	$ 6,025,936	$ 16,261,355
Loss allowance	(2,849)	(3,806)
Amortized cost	6,023,087	16,257,549
Adjustments to fair value	(94,109)	-
	$ 5,928,978	$ 16,257,549

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

December 31, 2025

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%	$ 20,529,471
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, 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)	-	-

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, 2025

	Credit Rating		
		Stage 2	Stage 3
Allowance for Impairment Loss	Stage 1 12-month ECLs	Lifetime ECLs Not Credit-impaired	Lifetime ECLs Credit-impaired
Balance on January 1, 2025	$ 6,655	$ -	$ -
Financial assets changed from normal to abnormal	-	-	-
New financial assets purchased	2,089	-	-
Derecognition	(848)	-	-
Change in exchange rates or others	(2,313)	-	-
Balance on December 31, 2025	$ 5,583	$ -	$ -

For the year ended December 31, 2024

Allowance for Impairment Loss	Credit Rating Stage 1 12-month ECLs	Stage 2 Lifetime ECLs Not Credit-impaired	Stage 3 Lifetime ECLs Credit-impaired
Balance on 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	(399)	-	-
Balance on December 31, 2024	$ 6,655	$ -	$ -

3) Liquidity risk

Taipei Star Bank manages liquidity risk by maintaining adequate reserves, liquidity reserves ratio was both 20% as of December 31, 2025 and 2024. 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, 2025 Less than 1 Month	1-6 Months	6-12 Months	1-7 Years	Over 7 Years	Total
Assets						
Cash and cash equivalents	$ 1,430,125	$ -	$ -	$ -	$ -	$ 1,430,125
Due from the Central Bank and call loans to other banks	3,132,947	776,425	795,827	980,834	-	5,686,033
Financial assets at FVTPL	467,084	-	-	-	-	467,084
Financial assets at FVTOCI	99,938	99,772	49,675	5,074,537	1,921,260	7,245,182
Financial assets at amortized cost - debt investments	3,500,000	940,802	1,507,393	6,851,620	1,271,547	14,071,362
Bills and bonds purchased under resale agreements	3,850,632	-	-	-	-	3,850,632
Trade receivables	134,885	73,555	29,486	274	-	238,200
Discounts and loans	2,719,217	9,201,969	11,946,691	27,180,327	11,498,269	62,546,473
Total assets	15,334,828	11,092,523	14,329,072	40,087,592	14,691,076	95,535,091
Liabilities						
Due to the Central Bank and other banks	3,474,578	1,325,752	-	-	-	4,800,330
Financial liabilities at FVTPL	1,454	-	-	-	-	1,454
Bills and bonds sold under repurchase agreements	795,867	394,818	-	-	-	1,190,685
Trade payables	264,938	197,173	46,368	40,684	-	549,163
Deposits and remittances	6,512,130	22,973,419	22,564,273	29,021,610	-	81,071,432
Bonds payable	-	-	-	1,530,000	-	1,530,000
Lease liabilities	3,006	15,030	18,036	86,055	-	122,127
Total liabilities	11,051,973	24,906,192	22,628,677	30,678,349	-	89,265,191
Net liquidity gap	$ 4,282,855	$ (13,813,669)	$ (8,299,605)	$ 9,409,243	$ 14,691,076	$ 6,269,900

Financial Instruments	December 31, 2024 Less than 1 Month	1-6 Months	6-12 Months	1-7 Years	Over 7 Years	Total
Assets						
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
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
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
Financial assets at FVTOCI	-	462,653	378,049	4,386,466	1,324,799	6,551,967
Total assets	13,055,800	10,257,644	14,800,643	39,293,036	13,921,991	91,329,114
Liabilities						
Due to the Central Bank and other banks	3,172,839	658,934	-	-	-	3,831,773
Bills and bonds sold under repurchase agreements	394,590	726,028	-	-	-	1,120,618
Financial liabilities at FVTPL	5,592	-	-	-	-	5,592
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	10,288,270	23,549,798	19,045,929	30,607,224	-	83,491,220
Net liquidity gap	$ 2,767,530	$ (13,292,154)	$ (4,245,286)	$ 8,685,812	$ 13,921,991	$ 7,837,894

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, 2025	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	$ 3,474,578	$ 1,325,752	$ -	$ -	$ -	$ 4,800,330
Bills and bonds sold under repurchase agreements	799,010	396,327	-	-	-	1,195,337
Trade payables	264,938	162,282	34,891	46,368	40,684	549,163
Deposits and remittances	6,512,130	9,706,993	13,266,426	22,564,273	29,021,610	81,071,432
Bonds payable	-	-	-	-	1,530,000	1,530,000
Other items of cash outflow on maturity	5,626	6,012	9,018	60,277	296,343	377,276

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

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, 2025	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	$ 135,409	$ 94,065	$ -	$ -	$ -	$ 229,474
Cash inflows	134,581	93,439	-	-	-	228,020
Subtotal of cash outflows	135,409	94,065	-	-	-	229,474
Subtotal of cash inflows	134,581	93,439	-	-	-	228,020
Net cash outflow (inflow)	$ (828)	$ (626)	$ -	$ -	$ -	$ (1,454)

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)

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, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Loan commitments issued	$ 562,174	$ 1,124,348	$ 1,686,522	$ 3,373,043	$ 15,043,598	$ 21,789,685
Letters of credit issued and yet unused	605	-	-	-	-	605
Other guarantees	180,000	70,000	91,000	28,000	7,000	376,000
Total	$ 742,779	$ 1,194,348	$ 1,777,522	$ 3,401,043	$ 15,050,598	$ 22,166,290

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

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

Items \ Period			December 31, 2025					December 31, 2024				
			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		2,292	20,101,736	0.01%	234,202	10,218.24%	$ 3,200	$ 18,373,900	0.02%	$ 209,727	6,553.97%
	Unsecured		22	3,530,210	-	46,240	210,181.82%	-	2,509,476	-	32,405	-
Consumer Banking	Residential mortgage (Note 4)		31,218	6,441,905	0.48%	96,504	309.13%	-	6,202,900	-	92,750	-
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		530	8,791	6.02%	486	91.70%	467	17,386	2.69%	527	112.85%
	Other (Note 6)	Secured	32,701	31,828,727	0.10%	356,859	1,091.28%	53,420	30,322,657	0.18%	356,071	666.55%
		Unsecured	-	635,104	-	9,372	-	-	468,701	-	6,471	-
Total loans			66,763	62,546,473	0.11%	743,663	1,113.89%	57,087	57,895,020	0.10%	697,951	1,222.61%

Items \ Period	December 31, 2025					December 31, 2024				
	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, 2025		December 31, 2024	
	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)	1,102	-	1,063	-
Total	1,102	-	1,063	-

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: Nonperforming loans ÷ Outstanding loans balance. Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses for loans ÷ Nonperforming loans. Coverage ratio of receivables: Allowance for possible losses for receivables ÷ 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, 2025			December 31, 2024		
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	$ 1,279,027	20.69	Group A 016700 real estate development	$ 1,274,686	21.47
2	Group B 017900 tourism and other service	764,021	12.36	Group C 016811 real estate for sale and rental	808,017	13.61
3	Group C 016811 real estate for sale and rental	741,751	12.00	Group B 017900 tourism and other service	801,567	13.50
4	Group D 016700 real estate development	669,900	10.84	Group K 016700 real estate development	650,000	10.95
5	Group E 016811 real estate for sale and rental	640,191	10.36	Group G 016700 real estate development	562,000	9.47
6	Group F 016700 real estate development	635,900	10.29	Group D 016700 real estate development	560,400	9.44
7	Group G 016700 real estate development	562,000	9.09	Group F 016700 real estate development	479,860	8.08
8	Group H 016700 real estate development	546,180	8.83	Group H 016700 real estate development	454,780	7.66
9	Group I 016700 real estate development	481,235	7.78	Group L 014510 wholesale of merchandise brokers	446,000	7.51
10	Group J 016499 Unclassified other financial service business	474,490	7.67	Group M 016700 real estate development	421,394	7.10

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, 2025

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate - sensitive assets	$ 62,971,726	$ 452,585	$ 5,081,017	$ 16,600,516	$ 85,105,844
Interest rate - sensitive liabilities	55,864,336	8,580,714	17,482,807	2,005,218	83,933,075
Interest rate sensitivity gap	7,107,390	(8,128,129)	(12,401,790)	14,595,298	1,172,769
Net worth					6,182,327
Ratio of interest rate - sensitive assets to liabilities					101.40
Ratio of interest rate sensitivity gap to net worth					18.97

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

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, 2025

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 27,418	$ 9,001	$ 6,197	$ 124,721	$ 167,337
Interest rate-sensitive liabilities	119,462	26,967	2,379	-	148,808
Interest rate sensitivity gap	(92,044)	(17,966)	3,818	124,721	18,529
Net worth					196,651
Ratio of interest rate-sensitive assets to liabilities					112.45
Ratio of interest rate sensitivity gap to net worth					9.42

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					181,110
Ratio of interest rate-sensitive assets to liabilities					117.56
Ratio of interest rate sensitivity gap to net worth					14.10

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, 2025	December 31, 2024
Return on total assets	Before income tax	0.33	0.31
	After income tax	0.28	0.28
Return on equity	Before income tax	5.11	4.78
	After income tax	4.41	4.29
Net income ratio		18.39	18.70

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, 2025

	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	$ 91,760,391	$ 9,850,616	$ 4,942,669	$ 5,204,737	$ 5,464,892	$ 14,167,698	$ 52,129,779
Main capital outflow on maturity	113,251,423	4,174,959	6,077,221	11,120,862	14,024,459	26,661,342	51,192,580
Gap	(21,491,032)	5,675,657	(1,134,552)	(5,916,125)	(8,559,567)	(12,493,644)	937,199

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

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, 2025

	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	$ 178,745	$ 15,182	$ 5,704	$ 9,155	$ 6,008	$ 142,696
Main capital outflow on maturity	170,172	60,596	56,960	27,517	3,364	21,735
Gap	8,573	(45,414)	(51,256)	(18,362)	2,644	120,961

Maturity Analysis of Assets and Liabilities (In 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

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.

45. 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, 2025 and 2024.

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

<table>
<tr><th colspan="3">Analysis Items / Year</th><th>December 31, 2025</th><th>December 31, 2024</th></tr>
<tr><td rowspan="4">Eligible capital</td><td colspan="2">Common equity</td><td>$ 5,734,573</td><td>$ 5,504,091</td></tr>
<tr><td colspan="2">Other Tier 1 capital</td><td>1,010,000</td><td>1,010,000</td></tr>
<tr><td colspan="2">Tier 2 capital</td><td>1,730,097</td><td>1,253,846</td></tr>
<tr><td colspan="2">Eligible capital</td><td>8,474,670</td><td>7,767,937</td></tr>
<tr><td rowspan="9">Risk-weighted assets</td><td rowspan="3">Credit risk</td><td>Standardized approach</td><td>55,950,030</td><td>50,388,742</td></tr>
<tr><td>Internal rating - based approach</td><td>-</td><td>-</td></tr>
<tr><td>Securitization</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Operational risk</td><td>Basic indicator approach</td><td>1,775,054</td><td>2,130,023</td></tr>
<tr><td>Standardized approach/ alternative standardized approach</td><td>-</td><td>-</td></tr>
<tr><td>Advanced measurement approach</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Market risk</td><td>Standardized approach</td><td>2,364,670</td><td>2,002,636</td></tr>
<tr><td>Internal model approach</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Risk-weighted assets</td><td>60,089,754</td><td>54,521,401</td></tr>
<tr><td colspan="3">Capital adequacy ratio (%)</td><td>14.10</td><td>14.25</td></tr>
<tr><td colspan="3">Ratio of common equity to risk-weighted assets (%)</td><td>9.54</td><td>10.10</td></tr>
<tr><td colspan="3">Ratio of Tier 1 capital to risk-weighted assets (%)</td><td>11.22</td><td>11.95</td></tr>
<tr><td colspan="3">Leverage ratio (%)</td><td>6.82</td><td>6.90</td></tr>
</table>

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.

46. 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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Trading securities - dealing - Domestic emerging stocks	$ 40,549	$ -	$ -	$ 40,549
Trading securities - underwriting - Bonds	8,470	-	-	8,470
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI Domestic investments - unlisted shares	-	-	89,088	89,088
	$ 49,019	$ -	$ 89,088	$ 138,107

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	-	-	84,283	84,283
	$ 58,506	$ -	$ 84,283	$ 142,789

There were no transfers between Levels 1 and 2 in the years ended December 31, 2025 and 2024.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance on January 1, 2025	$ 84,283
Unrealized gain of financial assets at FVTOCI	4,805
Balance on December 31, 2025	$ 89,088

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance on January 1, 2024	$ 73,545
Unrealized gain of financial assets at FVTOCI	10,738
Balance on December 31, 2024	$ 84,283

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 2025	December 31 2024
		Affected Amount	
Discount for lack of marketability	10% increase	$ (8,547)	$ (11,392)
	10% decrease	(8,547)	(11,392)

c. Categories of financial instruments

	December 31	
	2025	**2024**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 49,019	$ 58,506
Financial assets at amortized cost (1)	40,479,592	36,179,324
Financial assets at FVTOCI		
Equity instruments	89,088	84,283
Financial liabilities		
Amortized cost (2)	33,305,993	29,442,026

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, other current assets-separated account for customer, 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 current liabilities-equity for each customer in the account, 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, 2025

Financial Assets	Not Past Due and Not Impaired	Past Due But Not Impaired	Impaired	Impaired Reserve	Total
Cash and cash equivalents	$ 1,140,691	$ -	$ -	$ -	$ 1,140,691
Customer margin accounts	3,347,846	-	-	-	3,347,846
Collected payment of shares underwritten	15	-	-	-	15
Operating deposits	226,500	-	-	-	226,500
Settlement funds	105,695	-	-	-	105,695
Refundable deposits	3,246	-	-	-	3,246
Segregated account margin equity entitlements	6,730				6,730
Restricted assets - current	450,000	-	-	-	450,000
	5,280,723	-	-	-	5,280,723
Receivable					
Margin loans receivable	16,285,003	-	-	-	16,285,003
Trade receivables	8,076,936	-	-	-	8,076,936
Securities business borrowing and lending - unrestricted purposes	9,708,837	-	-	-	9,708,837
Other receivables	39,593	-	-	-	39,593
Securities business borrowing and lending	21,559	-	-	-	21,559
	34,131,928	-	-	-	34,131,928
Other financial assets					
Time deposits	790,400	-	-	-	790,400
Refinancing margin	14,457	-	-	-	14,457
Refinancing deposit receivable	12,083	-	-	-	12,083
Stock borrowing margin	250,000	-	-	-	250,000
	1,066,940	-	-	-	1,066,940
	$ 40,479,591	$ -	$ -	$ -	$ 40,479,591

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
	4,707,696	-	-	-	4,707,696
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
	30,611,129	-	-	-	30,611,129
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
	860,499	-	-	-	860,499
	$ 36,179,324	$ -	$ -	$ -	$ 36,179,324

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 $116.51 billion and $84.76 billion as of December 31, 2025 and 2024, 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, 2025

	Repayment Periods					
Financial Liabilities	**On Demand**	**Less than 3 Months**	**3-12 Months**	**1-5 Years**	**5+ Years**	**Total**
Short-term loans	$ 800,000	$ 1,500,000	$ 275,000	$ -	$ -	$ 2,575,000
Short-term bills payable	10,000,000	400,000	-	-	-	10,400,000
Securities financing refundable deposits	1,444,447	-	-	-	-	1,444,447
Deposits payable for securities financing	1,593,578	-	-	-	-	1,593,578
Future traders' equity	3,347,085	-	-	-	-	3,347,085
Equity for each customer in the account	6,730	-	-	-	-	6,730
Payables						
Trade payables	7,961,604	-	-	-	-	7,961,604
Other payables	11,341	311,556	679,350	-	-	1,002,247
Lease liabilities	-	2,427	7,317	36,933	11,024	57,701
Long-term bills payable	-	-	-	5,000,000	-	5,000,000
Cash outflow	$ 25,164,785	$ 2,213,983	$ 961,667	$ 5,036,933	$ 11,024	$ 33,388,392

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	$ 9,744	$ 36,933	$ 11,024	$ -	$ -	$ -

Contractual Maturities for Its Non-derivative Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2024

Financial Liabilities	Repayment Periods On Demand	Less than 3 Months	3-12 Months	1-5 Years	5+ Years	Total
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	$ 15,651,388	$ 7,264,114	$ 2,062,019	$ 4,538,563	$ 19,178	$ 29,535,262

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	$ 9,539	$ 38,563	$ 19,178	$ -	$ -	$ -

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, 2025

Item	December 31, 2025
Eligible capital	
Tier 1 capital	$ 7,798,940
Tier 2 capital	32,745
Tier 3 capital	-
Minus assets	(452,606)
Total net eligible capital	$ 7,379,079
Equivalent amount of operating risk	
Equivalent amount of market risk	$ 28,711
Equivalent amount of credit risk	754,852
Equivalent amount of operating risk	371,561
Total equivalent amount	$ 1,155,124
Capital adequacy ratio	639%

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	(431,830)
Total net eligible capital	$ 7,048,362
Equivalent amount of operating risk	
Equivalent amount of market risk	$ 31,470
Equivalent amount of credit risk	421,562
Equivalent amount of operating risk	381,927
Total equivalent amount	$ 834,959
Capital adequacy ratio	844%

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.

47. 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, 2025		December 31, 2024		Standard	Status of Compliance with Standard
		Formula	Ratio	Formula	Ratio		
17	Total equity / (Total liabilities - customers' equity accounts - futures)	$846,475 / $3,375,974-$3,347,085	29.30	$764,392 / $2,602,918-$2,575,049	27.43	≧1	Met
17	Total current assets / Total current liabilities	$4,143,446 / $3,374,741	1.23	$3,288,591 / $2,601,487	1.26	≧1	Met
22	Total equity / Capital stock (Note)	$846,475 / $420,000	201.54%	$764,392 / $420,000	182.00%	≧60% ≧40%	Met
22	Adjusted net capital / Client and proprietary account	$845,815 / $1,026,428	82.40%	$764,000 / $720,860	105.98%	≧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.

48. 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.

49. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

   1) Financing provided to others (Table 6)

   2) Endorsements/guarantees provided (Tables 1 and 7)

   3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Tables 2, 8 and 11)

   4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Tables 3, 9, and 12)

   5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Tables 4 and 10)

   6) Intercompany relationships and significant intercompany transactions (Table 13)

b. Information on investees (Tables 5 and 14)

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 15)

   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 16):

      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.

50. 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, 2025				
	Polyester	**Finance and Securities**	**Optronics**	**Others**	**Total**
Revenue	$ 25,652,432	$ 7,220,864	$ 6,362,597	$ 150,185	$ 39,386,078
Profit before income tax	$ 247,942	$ 2,196,768	$ 436,444	$ 27,416	$ 2,908,570

	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

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended December 31, 2025 and 2024.

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	
	2025	**2024**
Segment assets		
Polyester	$ 42,142,504	$ 42,019,205
Finance and securities	169,143,296	159,134,382
Optronics	8,542,173	9,164,974
Others	5,771,117	3,973,384
Total segment assets	$ 225,599,090	$ 214,291,945

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 2025 and 2024. Based on materiality consideration, the Group did not distinguish them in detail.

Information about Major Customers

Included in revenue of $39,386,078 thousand and $46,149,165 thousand in 2025 and 2024, respectively, was revenue of approximately $2,826,746 thousand and $3,802,853 thousand which arose from sales to the Group’s largest customer A.

SHINKONG SYNTHETIC FIBERS CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(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	$ 1,281,701	$ 1,220,905	$ 551,354	$ -	2.95	Note E	Y	-	-	
		Shinsol Advanced Chemical Corporation	6	Note C	241,080	241,080	-	-	0.58	Note E	N	-	-	
		Hsingshing Investment Co., Ltd.	2	Note C	500,000	200,000	-	-	0.48	Note E	Y	-	-	
		Shin Chiun Industrial Co., Ltd.	2	Note C	80,000	40,000	-	-	0.10	Note E	Y	-	-	
		Shinkong Engineering Co., Ltd.	2	Note C	130,000	50,000	-	-	0.12	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 $41,412,909 thousand x 20% = $8,282,582 thousand.

Note D: The limits on foreign endorsement or guarantee amount provided to each guaranteed party = Net equity $41,412,909 thousand x 30% = $12,423,873 thousand.

Note E: The total amount of endorsement or guarantee that the Company is allowed to provide = Net equity $41,412,909 thousand x 50% = $20,706,455 thousand.

TABLE 2

SHINKONG SYNTHETIC FIBERS CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(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, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinkong Synthetic Fibers Corporation	Fund beneficiary certificate							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	32,592,347	$ 304,086	1.05	304,086	
	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI -current	20,213,826	606,414	3.91	606,414	
	Shares							
	Pro Union Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	6,875,951	143,449	21.04	143,449	
	Pro Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	4,287,288	100,828	16.13	100,828	
	Pro Rental & Leasing Co., Ltd.	None	Financial assets at FVTOCI - non-current	5,277,251	124,558	18.93	124,558	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	28,378,958	1,890,039	9.46	1,890,039	
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	253,198,376	5,165,247	1.02	5,165,247	
	Century Development Corporation	None	Financial assets at FVTOCI - non-current	12,655,560	165,304	3.52	165,304	
	Shin Kong Mitsukoshi Department Store Co., Ltd.	Same chairman with the Company	Financial assets at FVTOCI - non-current	24,399,636	984,037	1.96	984,037	

Note: This table presents the marketable securities disclosed by the Company based on the materiality principle.

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, 2025
(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.	Investments accounted for using the equity method	Purchase	$ 1,720,274	12.66	Note	Note	Note	Accounts payable $ (45,624)	(6.68)	
	Shinkong Polyester Film Corp., Ltd.	Investments accounted for using the equity method	Sale	(1,036,881)	(5.69)	Note	Note	Note	Accounts receivable 312,568	15.09	
									Other receivables 3,290	0.25	
	Pan Asian Plastics Industry Corp.	Investments accounted for using the equity method	Sale	(527,553)	(2.89)	Note	Note	Note	Accounts receivable 137,506	6.64	
									Other receivables 15,598	6.64	
	Shinpont Industry Inc.	Investments accounted for using the equity method	Sale	(156,422)	(0.86)	Note	Note	Note	Accounts receivable 5,622	0.27	
									Other receivables 13,694	10.50	
	Topbottle Resources Technology Corporation	Associate	Purchase	385,306	2.84	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 payable (12,369)	(1.81)	

Note: Please refer to Table 13.

TABLE 4

SHINKONG SYNTHETIC FIBERS CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2025
(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 $ 312,568	4.47	$ -	-	$ 149,502	$ -
	Pan Asian Plastics Industry Corp.	Investments accounted for using the equity method	Accounts receivable 137,506	4.03	-	-	116,471	-

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	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	60,579,927	100.00	$ 2,979,378	$ 125,165	$ 130,763	
	Hsingshing Investment Co., Ltd.	Taipei City	Investment, construction of business building, and public housing.	1,318,000	1,318,000	162,380,000	100.00	1,809,875	6,675	8,107	
	Shinkong Engineering Co., Ltd.	Taipei City	Contracting for various projects such as air pollution prevention, piping engineering and machine installation	365,095	665,095	26,100,000	100.00	417,398	21,770	21,770	
	Shinpont Industry Inc.	Taipei City	Synthetic fibers manufacturing, textiles wholesale and retail	252,540	252,540	25,245,000	50.00	491,847	109,882	54,916	
	Shin Chiun Industrial Co., Ltd.	Taipei City	Construction of incinerators	715,000	715,000	83,800,000	100.00	897,878	6,029	6,113	
	Maxima Pacific Ltd.	British Virgin Islands	Investment	-	-	7,578,055	100.00	2,030,306	13,658	13,658	
	SSFC Investment Ltd.	British Virgin Islands	Investment	375,467	375,467	191,471	100.00	767,518	117,052	113,240	
	UBright Optronics Corp.	Taoyuan City	Precision chemical materials and mold manufacturing wholesale, etc.	588,285	588,285	40,079,828	48.70	1,760,776	472,832	231,026	
	Shinkong Polyester Film Corp., Ltd.	Taipei City	Electronic parts and components manufacturing	2,442,381	2,442,381	69,925,830	100.00	92,185	(75,599)	(75,599)	
	Shinkong International Securities Co., Ltd.	Taipei City	Consignment trading of securities and futures	1,621,076	1,621,076	179,235,993	77.32	6,103,336	1,309,133	1,012,269	
	Tai Jin Investment Co., Ltd.	Taipei City	Investment	3,505	3,505	1,111,315	48.57	7,898	21	10	
	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	567,819	25,399	26,047	
	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	1,069,668	(115,455)	(65,643)	
	Shin Kong Technologies Corporation	Taipei City	Electronic information software business	30,528	30,528	3,263,250	100.00	12,818	(18,464)	(18,464)	
	Taipei Star Bank	Taipei City	Commercial bank	1,131,663	1,131,535	86,680,394	27.07	1,590,011	267,453	72,391	
	Chi Jian Human-Resource & Management Co., Ltd.	Taoyuan City	Human resources management consulting	5,000	5,000	(Note A)	100.00	6,184	593	628	
	Hsinshin Asset Management Co., Ltd.	Taipei City	Housing and building development for sale and rental	50,000	50,000	5,369,900	100.00	69,946	2,556	2,556	
	Shin Kong International Leasing Corp.	Taipei City	Leasing	1,482,000	1,482,000	162,000,000	100.00	1,828,368	144,836	136,940	
	OTOBUY Co., Ltd.	Taipei City	Other machinery equipment manufacturing	6,000	6,000	600,000	60.00	3,509	(300)	(180)	
	Shin Kong Applied Materials Co., Ltd.	Taipei City	Other chemical materials manufacturing	11,000	11,000	1,100,000	73.33	5,062	(635)	(465)	
	Topbottle Resources Technology Corporation	Tainan City	Manufacturing of synthetic materials and plastic product	15,000	15,000	1,488,000	20.00	8,210	(51,365)	(10,271)	
	Far Trust International Finance Co., Ltd.	New Taipei City	Overdue receivables management service	356,250	356,250	31,848,019	30.97	450,230	70,129	21,720	
	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	4,922	(3,506)	(768)	
	Shinsol Advanced Chemical Corporation	Tainan City	Precision chemical material manufacturing	373,588	373,588	37,358,859	43.63	224,130	(158,299)	(69,080)	
	ShinKong Fintech Co., Ltd.	Taipei City	Information software service	50,000	50,000	5,000,000	100.00	46,634	8	898	
	Shinkong Youth Co., Ltd.	Taoyuan City	Manufacture and sale of chemical fiber and plastic related products	910,000	510,000	91,000,000	100.00	780,183	(38,013)	(38,013)	
	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	1,979,046	(587,239)	(364,323)	
	Chi Teng Construction Co., Ltd	Taipei City	Housing and building development for sale and rental	890,000	810,000	89,000,000	100.00	889,648	(48)	(48)	
	SHINKONG VIETNAM ENTERPRISE COMPANY LIMITED	Vietnam	Wholesale Trade	16,206	16,206	(Note A)	100.00	17,010	2,263	2,259	
	Shin Ho Capital Co., Ltd.	Taipei City	Investment	(Note B)	-	(Note B)	(Note B)	(Note B)	(1)	(1)	
	Shinshin Capital Co., Ltd.	Taipei City	Investment	1,083,800	-	108,380,000	43.31	1,813,156	1,323,888	573,288	
	Shinyu Capital Co., Ltd.	Taipei City	Investment	(Note B)	-	(Note B)	(Note B)	-	(1)	(1)	
	Shinyi Capital Co., Ltd.	Taipei City	Investment	1,000	-	100,000	100.00	924	(76)	(76)	
	Shincai Capital Co., Ltd.	Taipei City	Investment	200,000	-	20,000,000	100.00	199,923	(77)	(77)	
	BroadTech Vision Co., Ltd.	Taipei City	Electronic information software business	3,000	-	300,000	100.00	3,699	699	699	
SSFC INVESTMENT LTD.	Shinkong Applied Materials (Jiangsu) Company Limited	China	Sale of synthetic materials, fibers and manufacturing of plastic product	US$ 660	US$ 3,060	(Note A)	100.00	RMB 96,261	RMB 17,333	-	
Hsingshing Investment Co., Ltd.	Da Chun Universe Investment Co., Ltd.	Taichung City	Investment	9,000	9,000	(Note A)	45.00	4,170	(24)	-	

Note A: This is a limited company, the proportion of ownership is calculated based on the amount of capital contribution.

Note B: SHIN HO CAPITAL CO., LTD. and SHINYU CAPITAL CO., LTD. were sold during the year 2025.

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	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)	$ -	
MAXPRO LTD.	LOFO HOLDING GmbH	Germany	Investment	(Note B)	1,743,507	(Note B)	(Note B)	(Note B)	-	-	
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	33,783	2,781	-	
	Shin Kong Insurance Agent Co., Ltd.	Taipei City	Life insurance agent	3,000	3,000	2,000,000	100.00	51,765	14,550	-	
	Shin Kong Property Insurance Agency Co., Ltd.	Taipei City	Property insurance agent	2,997	2,997	1,000,000	100.00	24,866	6,211	-	
Shin Chiun Industrial Co., Ltd.	UBright Optronics Corp.	Taoyuan City	Precision chemical materials and mold manufacturing wholesale, etc.	3,034	3,034	50,000	0.06	3,723	472,832	-	
	Tac Bright Optronics Corp.	Miaoli County	Precision chemical materials - synthetic resin and plastic manufacturing	153,270	153,270	10,218,000	2.20	98,244	(115,455)	-	
	Intelligent Medical Big Data Co., Ltd.	Taipei City	Consulting, biotechnology research and development service	25,000	25,000	2,500,000	83.33	1,270	(137)	-	
Pan Asian Plastics Corp.	Tai Shin Leasing & Financial Co., Ltd.	Taipei City	Leasing	520,000	520,000	22,200,000	30.00	2,374,012	382,925	-	
	Hsin Lung Chemical Co., Ltd.	Taipei City	Manufacturing of magnetic tapes for recording and video disks and polyester film	338,509	338,509	4,840,640	93.80	628,341	3,741	-	
Shin Kong International Leasing Corp.	Far Trust International Finance Co., Ltd.	New Taipei City	Overdue receivables management service	211,578	211,578	20,622,392	20.06	274,315	70,129	-	
	Shinkong Power Service Corporation	Taipei City	Solar industry business	203,028	203,028	20,413,741	100.00	204,706	(114)	-	
	Jin Liang Power Service Co., Ltd.	Taipei City	Solar industry business	380,754	380,754	24,873,326	89.63	380,889	21,048	-	
	Shinkong Energy Service Corporation	Taipei City	Solar industry business	250,000	250,000	25,751,906	100.00	262,976	4,621	-	
Shinkong Energy Service Corporation	Co-creation Ingenuity Renewable Crop.	Taipei City	Solar industry business	80,500	40,500	8,740,453	100.00	89,961	2,444	-	
	You-Ji Renewable Corp.	Taipei City	Solar industry business	50,330	50,330	5,050,000	100.00	50,254	102	-	
Shin Kong Technologies Corporation	Shin Kong Innovations Co., Ltd.	Taipei City	Electronic information software business	2,000	2,000	200,000	66.67	3,058	535	-	
Far Trust International Finance Co., Ltd.	OTOBUY Co., Ltd.	Taipei City	Other machinery equipment manufacturing	4,000	4,000	400,000	40.00	2,339	(300)	-	
	Far Trust International Leasing Co., Ltd.	New Taipei City	Overdue receivables management service	200,000	200,000	20,000,000	100.00	216,287	6,185	-	
	Far Trust Car Rental Co., Ltd.	Taipei City	Car rental	50,000	50,000	5,000,000	100.00	47,855	1,805	-	
UBright Optronics Corp.	Rise Concept Enterprises Limited	Hong Kong	Brightness enhancement film for sale	7,695	7,695	(Note A)	100.00	(44,400)	(4,890)	-	
	Arbor Capital.	Taoyuan City	Investment	360,000	-	36,000,000	100.00	356,304	62	-	
Rise Concept Enterprises Limited	Suzhou UBright Optronics Corp.	China	Brightness enhancement film cutting process	RMB 1,000	RMB 1,000	(Note A)	100.00	(3,313)	(2,620)	-	

Note A: The percentage of shareholding is calculated on the basis of the amount of capital contributed.

Note B: LOFO HOLDING GmbH applied for deregistration with the local government in 2024 and completed the deregistration in 2025.

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION

FINANCING PROVIDED BY INVESTEES TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(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.	Chi Teng Construction Co., Ltd.	Other receivable	Yes	$ 100,000	$ -	$ -	5	2	$ -	Operating capital	$ -	None	$ -	$ 734,506 (Note B)	$ 734,506 (Note B)	
2	Far Trust International Finance Co., Ltd.	Far Trust Car Rental Co., Ltd.	Other receivable	Yes	50,000	-	-	3	2	-	Operating capital	-	None	-	531,226 (Note C)	531,226 (Note C)	
		Far Trust International Leasing Co., Ltd.	Other receivable	Yes	100,000	-	-	3	2	-	Operating capital	-	None	-	531,226 (Note C)	531,226 (Note C)	
		Far Trust Car Rental Co., Ltd.	Other receivable	Yes	100,000	100,000	45,000	3	2	-	Operating capital	-	None	-	531,226 (Note C)	531,226 (Note C)	
		Far Trust International Leasing Co., Ltd.	Other receivable	Yes	100,000	100,000	-	3	2	-	Operating capital	-	None	-	531,226 (Note C)	531,226 (Note C)	
3	Shin Chiun Industrial Co., Ltd.	Shin Kong Technologies Corporation	Other receivable	Yes	80,000	-	-	2.125	2	-	Operating capital	-	None	-	359,151 (Note D)	359,151 (Note D)	
		Pan Asian Plastics Corp	Other receivable	Yes	80,000	-	-	2.125	2	-	Operating capital	-	None	-	359,151 (Note D)	359,151 (Note D)	
		Shin Kong Technologies Corporation	Other receivable	Yes	20,000	-	-	2.125	2	-	Operating capital	-	None	-	359,151 (Note D)	359,151 (Note D)	
		Pan Asian Plastics Corp	Other receivable	Yes	80,000	80,000	-	2.125	2	-	Operating capital	-	None	-	359,151 (Note D)	359,151 (Note D)	
		Shinkong Youth Co., Ltd.	Other receivable	Yes	80,000	80,000	-	2.125	2	-	Operating capital	-	None	-	359,151 (Note D)	359,151 (Note D)	
4	Shinkong Engineering Co., Ltd.	Shinkong Synthetic Fibers Corporation	Other receivable	Yes	300,000	-	-	1.88	2	-	Operating capital	-	None	-	150,902 (Note E)	150,902 (Note E)	
5	UBright Optronics Corp.	Rise Concept Enterprises Limited	Other receivable	Yes	116,218 (US$ 3,500)	110,005 (US$ 3,500)	94,290 (US$ 3,000)	2.55	2	-	Operating capital	-	None	-	741,311 (Note F)	1,482,622 (Note G)	
6	Far Trust International Leasing Co., Ltd.	Far Trust Car Rental Co., Ltd.	Other receivable	Yes	50,000	50,000	-	3	2	-	Operating capital	-	None	-	86,515 (Note H)	86,515 (Note H)	

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: The financing limit for each borrower and total financing limit are 40% net equity of Shinkong Engineering Co., Ltd.

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.

Note H: The financing limit for each borrower and total financing limit are 40% net equity for Far Trust International Leasing Co., Ltd.

TABLE 7

SHINKONG SYNTHETIC FIBERS CORPORATION

INVESTEE’S ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2025
(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	$ 2,085,550	$ -	180.71	(Note E)	Y	-	-	
		Far Trust Car Rental Co., Ltd.	2	(Note D)	100,000	-	-	-	-	(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 $1,328,066 thousand x 30% = $398,420 thousand.

Note D: The limits on domestic endorsement or guarantee amount provided to each guaranteed party = Net equity $1,328,066 thousand x 500% = $6,640,330 thousand.

Note E: The total amount of endorsement or guarantee that the Company is allowed to provide = Net equity $1,328,066 thousand x 500% = $6,640,330 thousand.

SHINKONG SYNTHETIC FIBERS CORPORATION

MARKETABLE SECURITIES HELD BY THE INVESTEES WHICH THE COMPANY HAS CONTROL
DECEMBER 31, 2025
(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, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taipei Star Bank	Shares	None	Financial assets at FVTOCI - current	21,920,195	$ 794,888	-	$ 794,888	
	Government bonds	None	Financial assets at FVTOCI - current	1,609	1,984,837	-	1,984,837	
	Corporate bonds	None	Financial assets at FVTOCI - current	2,530	3,458,273	-	3,458,273	
	Financial bonds	None	Financial assets at FVTOCI - current	225	1,007,184	-	1,007,184	
	Government bonds	None	Financial assets at amortized cost - non-current	39,000	4,126,207	-	4,126,207	
	Corporate bonds	None	Financial assets at amortized cost - non-current	2,852	3,975,967	-	3,975,967	
	Financial bonds	None	Financial assets at amortized cost - non-current	21	1,839,188	-	1,839,188	
	Notes investments	None	Financial assets at amortized cost - non-current	4,130	4,130,000	-	4,130,000	
Maxima Pacific Ltd.	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTPL - current	2,951,024	60,200 (US$ 1,915)	0.01	60,200 (US$ 1,915)	
	Shares							
	TS Financial Holding Co., Ltd. Preferred Stock E	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	82,811	4,165 (US$ 133)	0.02	4,165 (US$ 133)	
	TS Financial Holding Co., Ltd. Preferred Stock E2	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	49,609	2,327 (US$ 74)	0.02	2,327 (US$ 74)	
Hsingshing Investment Co., Ltd.	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	117,962	3,539	0.02	3,539	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,951,507	129,970	0.65	129,970	
Shin Chiun Industrial Co., Ltd.	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	619,000	41,225	0.21	41,225	
UBright Optronics Corp.	Domestic corporate bonds							
	Taipei Star Bank Subordinated Perpetual Bonds	Related party	Financial assets at FVTPL - current	80,000	78,840	-	78,840	
	Shares							
	TS Financial Holding Co., Ltd. Class H Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	2,000,000	78,600	0.91	78,600	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Arbor Capital.	Shares							
	Shinkong Synthetic Fibers Corporation	The Company	Financial assets at FVTOCI - non-current	8,740,000	$ 131,100	0.54	$ 131,100	
Hsin Lung Chemical Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	184	2	-	2	
	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	48	1	-	1	
	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	445,994	9,098	-	9,098	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	112	8	-	8	
	Shinkong Synthetic Fibers Corporation	The Company	Financial assets at FVTOCI - non-current	4,680,487	70,207	0.29	70,207	
	Shin Ching Investment Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,600,000	130,392	15.52	130,392	
	Mien Hao Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,970,000	181,938	19.80	181,938	
Shinkong Engineering Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	3,125,965	29,165	0.10	29,165	
	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	12,003,708	244,876	0.05	244,876	
Pan Asian Plastics Corp.	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	1,214,462	24,775	-	24,775	
	Shinpont Industry Inc.	Related party	Financial assets at FVTOCI - non-current	5,000	98	0.01	98	

(Concluded)

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, 2025
(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	$ (1,720,274)	(25.36)	Note	Note	Note	Accounts receivable	$ 45,624	7.70	
Shinkong Polyester Film Corp., Ltd.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	1,036,881	83.45	Note	Note	Note	Accounts payable Other payables	(312,568) (3,290)	(94.24) (4.51)	
Pan Asian Plastics Industry Corp.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	527,553	80.31	Note	Note	Note	Accounts payable Other payables	(137,506) (15,598)	(94.73) (39.84)	
Shinpont Industry Inc.	Shinkong Synthetic Fibers Corporation	Investment accounted for using the equity method	Purchase	156,422	36.17	Note	Note	Note	Accounts payable Other accrued expenses	(5,622) (13,694)	(50.10) (85.86)	
	LYCRA Singapore	Affiliated company of Shinpont Industry	Sale	(608,426)	(73.84)	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	74,456	74.93	
	The LYCRA Company Taiwan Limited, Taiwan Branch	Affiliated company of Shinpont Industry	Sale	(209,750)	(25.46)	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	24,912	25.07	

Note: Refer to 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, 2025
(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		
MAXIMA PACIFIC LTD.	Shinkong Synthetic Fibers Corporation	Parent Company and its subsidiary	Other receivables from related parties of $1,907,424	-	$ -	-	$ -	$ -

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(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, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Maxima Pacific Ltd.	Shares							
	Taishin Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTPL - current	2,951,024	$ 60,200 (US$ 1,915)	0.01	$ 60,200 (US$ 1,915)	
Shinkong Synthetic Fibers Corporation	Shares							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	32,592,347	304,086	1.05	304,086	
Hsin Lung Chemical Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	184	2	-	2	
Shinkong Engineering Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd. Class I Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTPL - non-current	3,125,965	29,165	0.10	29,165	
Shinkong Synthetic Fibers Corporation	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	20,213,826	606,414	3.91	606,414	
Taipei Star Bank	Shares	None	Financial assets at FVTOCI - current	21,920,195	794,888	-	794,888	
	Government bonds	None	Financial assets at FVTOCI - current	1,609	1,984,837	-	1,984,837	
	Corporate bonds	None	Financial assets at FVTOCI - current	2,530	3,458,273	-	3,458,273	
	Financial bonds	None	Financial assets at FVTOCI - current	225	1,007,184	-	1,007,184	
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	4,165 (US$ 133)	0.02	4,165 (US$ 133)	
	Taishin Financial Holding Co., Ltd. Preferred Stock E 2	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	49,609	2,327 (US$ 74)	0.02	2,327 (US$ 74)	

Note: This table presents the marketable securities disclosed by the Company based on the materiality principle.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hsingshing Investment Co., Ltd.	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	117,962	$ 3,539	0.02	$ 3,539	
Hsin Lung Chemical Co., Ltd.	Shares							
	The Great Taipei Gas Corporation	Related personnel with the Company's chairman	Financial assets at FVTOCI - current	48	1	-	1	
Shinkong Synthetic Fibers Corporation	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	28,378,958	1,890,039	9.46	1,890,039	
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	253,198,376	5,165,247	1.02	5,165,247	
	Shin Kong Mitsukoshi Department Store Co., Ltd.	Same chairman with the Company	Financial assets at FVTOCI - non-current	24,399,636	984,037	1.96	984,037	
	Pro Union Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	6,875,951	143,449	21.04	143,449	
	Pro Motor Co., Ltd.	None	Financial assets at FVTOCI - non-current	4,287,288	100,828	16.13	100,828	
	Pro Rental & Leasing Co., Ltd.	None	Financial assets at FVTOCI - non-current	5,277,251	124,558	18.93	124,558	
	Century Development Corporation	None	Financial assets at FVTOCI - non-current	12,655,560	165,304	3.52	165,304	
UBright Optronics Corp.	Shares							
	TS Financial Holding Co., Ltd. Class H Preferred Shares	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	2,000,000	78,600	0.91	78,600	
Shinkong Engineering Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	12,003,708	244,876	0.05	244,876	
Shin Chiun Industrial Co., Ltd.	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	619,000	41,225	0.21	41,225	
Hsingshing Investment Co., Ltd.	Shares							
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	1,951,507	129,970	0.65	129,970	
Pan Asian Plastics Corp.	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	1,214,462	24,775	-	24,775	
Hsin Lung Chemical Co., Ltd.	Shares							
	TS Financial Holding Co., Ltd.	Related personnel with the Company's chairman	Financial assets at FVTOCI - non-current	445,994	9,098	-	9,098	
	Shin Kong Textile Co., Ltd.	Related party in substance	Financial assets at FVTOCI - non-current	112	8	-	8	
	Mien Hao Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,970,000	181,938	19.80	181,938	
	Shin Ching Investment Co., Ltd.	None	Financial assets at FVTOCI - non-current	3,600,000	130,392	15.52	130,392	

Note: This table presents the marketable securities disclosed by the Company based on the materiality principle.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taipei Star Bank	Government bonds	None	Financial assets at amortized cost - non-current	39,000	$ 4,126,207	-	$ 4,126,207	
	Corporate bonds	None	Financial assets at amortized cost - non-current	2,852	3,975,967	-	3,975,967	
	Financial bonds	None	Financial assets at amortized cost - non-current	21	1,839,188	-	1,839,188	
	Notes investments	None	Financial assets at amortized cost - non-current	4,130	4,130,000	-	4,130,000	

Note: This table presents the marketable securities disclosed by the Company based on the materiality principle.

(Concluded)

TABLE 12

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, 2025
(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	$ (608,426)	(73.84)	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts receivable $ 74,456	74.93	
	The LYCRA Company Taiwan Limited, Taiwan Branch (H.K.)	Affiliated company of Shinpont Industry Inc.	Sale	(209,750)	(25.46)	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts receivable 24,912	25.07	
Shinkong Synthetic Fibers Corporation	Topbottle resources technology corporation	Associate	Purchase	385,306	2.84	According to contract signed by both parties	According to contract signed by both parties	According to contract signed by both parties	Accounts payable (12,369)	(1.81)	

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(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	$ 1,907,424	General	-
		SPI	1	Other revenue	23,728	General	-
		SPI	1	Rental revenue	24,101	General	-
		SPI	1	Sales revenue	156,422	Refer to Note 4	-
		SPI	2	Reduction of manufacturing expense	180,465	Refer to Note 5	-
		SPI	1	Other receivables	13,694	General	-
		SPI	1	Accounts receivable	5,622	Refer to Note 4	-
		PAPI	1	Sales revenue	527,553	Refer to Note 4	1
		PAPI	1	Accounts receivable	137,506	Refer to Note 4	-
		PAPI	2	Reduction of manufacturing expense	195,917	Refer to Note 5	-
		PAPI	1	Other receivables	15,598	General	-
		PAPI	1	Rental revenue	14,809	General	-
		SKY	1	Sales revenue	4,774	Refer to Note 4	-
		TSI	2	Accounts payable	45,624	Refer to Note 4	-
		TSI	2	Cost of goods sold	1,720,274	Refer to Note 4	4
		SKIL	1	Right-of-use assets	4,669	General	-
		SKIL	2	Lease liabilities	4,685	General	-
		SPF	1	Other revenue	8,485	General	-
		SPF	1	Rental revenue	28,218	General	-
		SPF	1	Sales revenue	1,036,881	Refer to Note 4	3
		SPF	1	Accounts receivable	312,568	Refer to Note 4	-
		SPF	1	Other receivable	3,290	General	-
		SKE	2	Manufacturing expense	46,600	General	-
		SKJS	1	Sales revenue	49,437	Refer to Note 4	-
		SKJS	1	Other revenue	7,566	General	-
		Taipei Star Bank	1	Bank deposit	20,300	General	-
		Taipei Star Bank	1	Interest revenue	2,890	General	-
		TBO	1	Other revenue	2,721	General	-
		TBO	1	Other receivable	1,239	General	-
1	SPI	SSF	2	Sales revenue	5,814	General	-
		SSF	1	Lease liabilities	22,910	General	-
		SSF	1	Right-of-use assets	22,014	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	$ 80,526	Refer to Note 4	-
		UBO	3	Accounts receivable	8,535	Refer to Note 4	-
		SSF	1	Lease liabilities	16,185	General	-
		SSF	1	Right-of-use assets	15,737	General	-
		Taipei Star Bank	3	Bank deposit	10,314	General	-
3	UBO	SUBO	3	Other expenses	10,352	General	-
		SUBO	3	Prepaid expenses	3,589	General	-
		RCE	3	Other receivables	94,290	General	-
		RCE	3	Interest revenue	2,005	General	-
		RCE	3	Accrued Income	1,798	General	-
		Taipei Star Bank	3	Bank deposit	26,138	General	-
		Taipei Star Bank	3	Interest revenue	3,793	General	-
		Taipei Star Bank	3	Financial assets at FVTPL - current	78,840	General	-
4	Taipei Star Bank	Far Trust	3	Net fee income	9,690	General	-
		Far Trust	3	Advance payments	8,482	General	-
		SKIS	3	Net fee income	64,286	General	-
		SKIS	3	Other receivables	2,030	General	-
		SKIL	3	Lease liabilities	7,001	General	-
		SKIL	3	Right-of-use assets	6,921	General	-
5	HSI	Taipei Star Bank	3	Bank deposit	70,938	General	-
6	SKIS	SSF	2	Other revenue	14,766	General	-
		SSF	2	Accounts receivable	1,266	General	-
		Taipei Star Bank	3	Other receivables	2,673	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	52,000	General	-
		Taipei Star Bank	3	Bank deposit	111,025	General	-
		Taipei Star Bank	3	Other financial assets	300,000	General	-
		Taipei Star Bank	3	Operating deposits	5,000	General	-
		Taipei Star Bank	3	Other revenue	26,950	General	-
		Taipei Star Bank	3	Interest revenue	6,013	General	-
		SKIL	3	Right-of-use assets	5,175	General	-
		SKIL	3	Lease liabilities	5,205	General	-
7	HAM	SSF	2	Sales revenue	2,160	General	-
		Taipei Star Bank	3	Bank deposit	1,226	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	41,500	General	-
8	SEC	Taipei Star Bank	3	Financial assets at amortized cost	180,000	General	-
		Taipei Star Bank	3	Bank deposit	4,544	General	-
		Taipei Star Bank	3	Interest revenue	3,643	General	-
		PAP	3	Other receivables	60,000	General	-
		PAP	3	Interest revenue	1,323	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	$ 1,944	General	-
		SKIL	3	Lease liabilities	1,977	General	-
		PAPI	3	Rental income	18,163	General	-
10	SKIL	JLP	3	Accounts receivable	40,000	General	-
		SKES	3	Accounts receivable	104,000	General	-
		SKPS	3	Accounts receivable	10,000	General	-
		Taipei Star Bank	3	Bank deposit	6,742	General	-
		Far Trust	3	Other operating revenues	19,831	General	-
		Far Trust	3	Guarantee deposits received	13,500	General	-
		Far Trust	3	Accounts receivable	226,208	General	-
		Far Trust	3	Long-term accounts receivable	455,735	General	-
		Far Trust	3	Other receivables	2,037	General	-
		You-Ji	3	Accounts receivable	80,000	General	-
		UBO	3	Rental revenue	1,856	General	-
11	Maxima	Taipei Star Bank	3	Bank deposit	2,802	General	-
12	Far Trust	Taipei Star Bank	3	Bank deposit	33,264	General	-
		Taipei Star Bank	3	Other financial assets	11,690	General	-
		Taipei Star Bank	3	Net fee income	55,104	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	38,300	General	-
		Far Trust Car Rental	3	Other receivables	45,000	General	-
		Far Trust Leasing	3	Other revenue	3,429	General	-
13	Far Trust Leasing	Far Trust	3	Other revenue	15,323	General	-
		Far Trust	3	Other receivables	3,576	General	-
14	CJH	SSF	2	Sales revenue	12,434	General	-
15	SKT	Taipei Star Bank	3	Bank deposit	4,061	General	-
		SPF	3	Sales revenue	2,440	General	-
		TBO	3	Sales revenue	2,769	General	-
		SSF	2	Sales revenue	26,000	General	-
		SSF	2	Accounts receivable	1,922	General	-
16	OTOBUY	Taipei Star Bank	3	Bank deposit	5,619	General	-
17	PAPI	PAP	3	Sales revenue	79,547	Refer to Note 4	-
		PAP	3	Accounts receivable	4,839	Refer to Note 4	-
		PAP	3	Right-of-use assets	87,107	General	-
		PAP	3	Lease liabilities	88,836	General	-
		SSF	1	Right-of-use assets	70,995	General	-
		SSF	2	Lease liabilities	72,404	General	-
		Taipei Star Bank	3	Bank deposit	6,957	General	-

(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	$ 4,681	General	-
		Taipei Star Bank	3	Financial assets at amortized cost	42,000	General	-
19	IMBD	Taipei Star Bank	3	Bank deposit	1,587	General	-
20	SKE	Taipei Star Bank	3	Bank deposit	2,844	General	-
21	TBO	UBO	3	Sales revenue	8,247	Refer to Note 4	-
	TBO	UBO	3	Accounts receivable	1,627	Refer to Note 4	-
22	SKI	Taipei Star Bank	3	Bank deposit	1,408	General	-
23	SSFC	Taipei Star Bank	3	Interest revenue	4,295	General	-
24	SKY	Taipei Star Bank	3	Bank deposit	1,188	General	-
		PAP	3	Sales revenue	8,541	Refer to Note 4	-
25	BTV	SSF	3	Accounts receivable	1,176	General	-
		SSF	3	Sales revenue	7,022	General	-

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, 2025, while revenue, costs and expenses are shown as a percentage to consolidated revenue for the year ended December 31, 2025.

(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
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		Next month 20th after delivery
TBO	Finished goods		Market value		Open account 90 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		Open account 90 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		Next month 20th after delivery	

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		Open account 90 days
	Materials		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		Open account 90 days
	Materials		Market value		Open account 90 days
PAP	Finished goods	Market value		Open account 90 days	
	Materials	Market value		Open account 90 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 INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	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	$ 7,898	$ 21	$ 10	
	Topbottle Resources Technology Corporation	Tainan City	Manufacturing of synthetic materials and plastic product	15,000	15,000	1,488,000	20.00	8,210	(51,365)	(10,271)	
	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	4,922	(3,506)	(768)	
	Shinsol Advanced Chemical Corporation	Tainan City	Precision chemical material manufacturing	373,588	373,588	37,358,859	43.63	224,130	(158,299)	(69,080)	
	Shinshin Capital Co., Ltd.	Taipei City	Investment	1,083,800	-	108,380,000	43.31	1,813,156	1,323,888	573,288	
Pan Asian Plastics Corp.	Tai Shin Leasing & Financial Co., Ltd.	Taipei City	Leasing	520,000	520,000	22,200,000	30.00	2,374,012	382,925	-	
Hsingshing Investment Co., Ltd.	Da Chun Universe Investment Co., Ltd.	Taichung City	Investment	9,000	9,000	(Note)	45.00	4,170	(24)	-	

Note: This is a limited company, the proportion of ownership is calculated based on the amount of capital contribution.

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, 2025	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note B)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	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)	$ -	$ -	-	$ -	$ -	$ 1,213,923	
Shinkong Applied Materials (Jiangsu) Company Limited	Sale of synthetic materials, fibers and manufacturing of plastic product	US$12.6 million	(Note B)	-	-	-	-	75,104	100.00	75,104	432,788	127,402	
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)	(2,620)	100.00	(2,620)	(3,313)	-	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$4,471 (RMB1,000) (Note C)	$671,233 (US$22,600) (RMB1,000) (Note D)	$24,847,745

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 SSFC Investment Ltd. use its own cash in capital and financing provided from related party to apply for US$22,600 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, 2025
(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	$ (49,437)	(0.27)	Note A	Note A	Note A	Accounts receivable $ -	-	$ 563	
UBright Optronics Corporation Suzhou UBright Optronics Corporation	Professional service fee	10,352		Note B	Note B	Note B	Other payables -	-		

Note A: Refer to Table 13.

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.