Stock Code: 1419

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years of 2024 and 2023

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail

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Declaration of Consolidation of Financial Statements of Affiliated Companies

In 2024, (from January 1, 2024 to December 31, 2024), the companies required to be included in the consolidated financial statements of affiliated companies under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that shall be disclosed in the consolidated financial statements of affiliated companies has all been disclosed in the consolidated financial statements of parent and subsidiary companies. We hereby produced this declaration to the effect that no preparation for the separate consolidated financial statements of affiliated companies was required.

Hereby declared

Company name: Shinkong Textile Co., Ltd.

Chairman: Hsing-En Wu

March 11, 2025

Independent Auditors' Report

To Shinkong Textile Co., Ltd.:

Audit Opinion

We have audited the consolidated balance sheets of Shinkong Textile Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2024 and 2023, and notes to consolidated financial statements (including a summary on significant accounting policies).

Based on our opinions, the accompanying consolidated financial statements do present fairly, in all material respects, the consolidated financial position of Shinkong Textile Co., Ltd. and its subsidiaries as of December 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, their interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 ones that were of most significance in our audit of the consolidated financial statements of Shinkong Textile Co., Ltd. and subsidiaries for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall consolidated financial statements and in forming the audit opinion. We will not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of Shinkong Textile Co., Ltd. and subsidiaries for the year ended December 31, 2024 are as follows:

Authenticity of sales revenue from specific customers

The Group's principal source of income is the sale of various types of fabrics and finished clothing, apparel agency and property leasing. Significant risk is presumed in revenue recognition in view of significance and auditing standards. In our opinion, the authenticity on revenue from customers with specific trading terms has significant impact on the financial statements. Thus, we identified the authenticity of sales revenue from specific customers as a key audit matter. For the accounting policies related to revenue recognition, please refer to Note 4(13) of the notes to consolidated financial statements.

Our corresponding audit procedures were as follows:

1. We understood and tested the design and implementation of internal controls in relation to the recognition of sales revenue from specific customers.
2. From the sales details of specific customers above, we selected proper samples to inspect the relevant supporting documents and tested the collection conditions to confirm the authenticity of sales transactions.

Other Matters

Shinkong Textile Co., Ltd. has prepared the parent company only financial statements for the years of 2024 and 2023. We have issued an audit report with an unqualified opinion, which is available for reference.

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

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, and maintain necessary internal controls associated with the preparation in order to ensure the consolidated financial statements 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 either intends 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 independent 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error. Amounts of misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and 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 Shinkong Textile Co., Ltd. and subsidiaries' 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 whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shinkong Textile Co., Ltd. and subsidiaries' ability to continue as a going concern based on the audit evidence obtained. 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 relevant notes, 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 within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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 to 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 the key audit matters of Shinkong Textile Co., Ltd. and subsidiaries' consolidated financial statements for the year ended December 31, 2024. We describe these matters in our independent auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter shall 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.

Deloitte & Touché

CPA Li-Huang Li	CPA Weng Po-Jen
Securities and Futures Commission Approval No. Tai-Cai-Zheng-Liu-Zi No. 0930128050	Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Shen-Zi No. 1010028123

March 11, 2025

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 6, 30 and 31)	$ 859,291	4	$ 1,610,707	9
1110	Financial assets at fair value through profit or loss - current (Notes 7, 30 and 31)	527,450	3	451,193	2
1120	Financial assets at fair value through other comprehensive income - current (Notes 8 and 30)	1,027,659	5	1,054,662	6
1136	Financial assets at amortized cost - current (Notes 9, 30, 31 and 32)	100,000	1	-	-
1150	Notes receivable (Notes 10, 24 and 30)	6,292	-	11,024	-
1160	Notes receivable - related parties, net (Notes 10, 24, 30 and 31)	8	-	7	-
1170	Accounts receivable (Notes 10, 24 and 30)	512,288	2	360,350	2
1180	Accounts receivable - related parties (Notes 10, 24, 30 and 31)	75,179	-	67,074	-
1200	Other receivables (Notes 10, 24 and 30)	80,826	-	15,168	-
1220	Current tax assets (Note 26)	2,560	-	2,100	-
130X	Inventories (Note 11)	1,144,322	5	1,007,469	5
1410	Prepayments (Notes 18 and 31)	163,159	1	95,417	1
1470	Other current assets (Note 18)	2,491	-	3,011	-
11XX	Total current assets	4,501,525	21	4,678,182	25
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8, 30 and 32)	8,043,758	37	6,141,485	33
1535	Financial assets at amortized cost - non-current (Notes 9, 30, 31 and 32)	12,700	-	12,700	-
1550	Investments accounted for using the equity method (Note 13)	1,453,264	7	1,384,974	8
1600	Property, plant and equipment (Note 14)	354,644	2	353,929	2
1755	Right-of-use assets (Note 15)	130,780	1	153,864	1
1760	Investment properties (Notes 16 and 32)	6,661,727	31	5,585,247	30
1780	Other intangible assets (Note 17)	7,510	-	4,958	-
1840	Deferred tax assets (Note 26)	47,928	-	36,755	-
1990	Other non-current assets (Notes 18 and 31)	315,390	1	192,083	1
15XX	Total non-current assets	17,027,701	79	13,865,995	75
1XXX	Total Assets	$ 21,529,226	100	$ 18,544,177	100

Code	Liabilities and equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 19, 30 and 32)	$ 2,677,000	13	$ 3,046,000	16
2110	Short-term notes payable (Note 19)	-	-	99,931	1
2130	Contract liabilities - current (Notes 24, 30 and 31)	31,102	-	22,346	-
2150	Notes payable (Notes 20 and 30)	167,473	1	165,424	1
2160	Notes payable - related parties (Notes 20, 30 and 31)	34,653	-	39,540	-
2170	Accounts payable (Notes 20 and 30)	205,187	1	125,717	1
2180	Accounts payable - related parties (Notes 20, 30 and 31)	10,888	-	10,339	-
2200	Other payables (Notes 21 and 30)	237,383	1	185,964	1
2220	Other payables - related parties (Notes 21, 30 and 31)	2,219	-	2,302	-
2230	Current tax liabilities (Note 26)	75,261	-	131,975	1
2280	Lease liabilities - current (Notes 15, 28 and 31)	49,565	-	48,632	-
2320	Long-term borrowings due within one year (Notes 19 and 30)	21,763	-	-	-
2399	Other current liabilities (Note 21)	3,403	-	3,881	-
21XX	Total current liabilities	3,515,897	16	3,882,051	21
	Non-current liabilities				
2540	Long-term borrowings (Notes 19, 30 and 32)	1,330,905	6	402,780	2
2570	Deferred tax liabilities (Note 26)	770,977	4	759,323	4
2580	Lease liabilities - non-current (Notes 15, 28 and 31)	85,334	-	110,156	1
2600	Other non-current liabilities (Note 21)	324,463	2	242,806	1
25XX	Total non-current liabilities	2,511,679	12	1,515,065	8
2XXX	Total liabilities	6,027,576	28	5,397,116	29
	Equity attributable to owners of the Company (Note 23)				
	Share capital				
3110	Common stock	3,000,413	14	3,000,413	16
3200	Capital surplus	14,849	-	13,385	-
	Retained earnings				
3310	Legal surplus reserve	822,889	4	748,625	4
3320	Special reserve	1,006,356	5	1,006,356	5
3350	Unappropriated earnings	3,301,476	15	2,864,193	16
3300	Total retained earnings	5,130,721	24	4,619,174	25
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	(2,319)	-	(2,773)	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss	7,371,160	34	5,530,036	30
3400	Total other equity	7,368,841	34	5,527,263	30
3500	Treasury share	(13,174)	-	(13,174)	-
31XX	Total equity attributable to owners of the Company	15,501,650	72	13,147,061	71
3XXX	Total equity	15,501,650	72	13,147,061	71
	Total Liabilities and Equity	$ 21,529,226	100	$ 18,544,177	100

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

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Operating revenue (Notes 24 and 31)				
4110	Sales revenue	$ 3,827,033	91	$ 3,007,833	89
4300	Rental revenue	387,091	9	374,364	11
4800	Other operating revenue	365	-	748	-
4000	Total operating revenue	4,214,489	100	3,382,945	100
	Operating costs (Notes 11, 25 and 31)				
5110	Cost of goods sold	(2,883,129)	(69)	(2,297,353)	(68)
5300	Rental costs	(97,938)	(2)	(92,318)	(2)
5000	Total operating costs	(2,981,067)	(71)	(2,389,671)	(70)
5900	Gross profit	1,233,422	29	993,274	30
	Operating expenses (Notes 25 and 31)				
6100	Selling and marketing	(567,550)	(13)	(452,404)	(14)
6200	General and administrative	(170,300)	(4)	(146,182)	(4)
6300	R & D expenses	(37,281)	(1)	(34,949)	(1)
6450	Reversal of expected credit (impairment loss) benefits	(19)	-	5	-
6000	Total operating expenses	(775,150)	(18)	(633,530)	(19)
6500	Other income and expenses, net	34	-	-	-
6900	Net operating income	458,306	11	359,744	11
	Non-operating income and expenses (Notes 25 and 31)				
7100	Interest income	21,745	-	23,183	1
7010	Other income	438,058	10	370,408	11
7020	Other gains and losses	78,191	2	(5,238)	-
7050	Finance costs	(51,114)	(1)	(53,452)	(2)
7060	Share of profit or loss of associated companies and joint ventures accounted for using the equity method	166,483	4	78,322	2
7000	Total non-operating income and expenses	653,363	15	413,223	12
7900	Net income before tax	1,111,669	26	772,967	23
7950	Income tax expense (Note 26)	(242,655)	(6)	(124,019)	(4)
8200	Net income in the period	869,014	20	648,948	19

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	$ 2,583	-	($ 314)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,872,013	45	1,120,905	33
8320	Share of other comprehensive income of associated companies and joint ventures accounted for using the equity method	(30,889)	(1)	82,779	3
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(2,842)	-	(115)	-
8370	Share of other comprehensive income of associated companies and joint ventures accounted for using the equity method	3,410	-	(1,775)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(114)	-	378	-
8300	Total other comprehensive income, net of tax	1,844,161	44	1,201,858	36
8500	Total comprehensive income	$ 2,713,175	64	$ 1,850,806	55
	Net income attributable to:				
8610	Owners of the Company	$ 869,014	20	$ 648,948	19
8620	Non-controlling Interests	-	-	-	-
8600		$ 869,014	20	$ 648,948	19
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 2,713,175	64	$ 1,850,806	55
8720	Non-controlling interests	-	-	-	-
8700		$ 2,713,175	64	$ 1,850,806	55
	Earnings per share (Note 27)				
	From continuing operations				
9710	Basic	$ 2.90		$ 2.17	
9810	Diluted	$ 2.90		$ 2.17	

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

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code		Share capital			Retained earnings			Other equity			
		Number of Shares (in Thousands Shares)	Amount	Capital surplus	Legal surplus reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Treasury share	Total Equity
A1	Balance at January 1, 2023	300,041	$ 3,000,413	$ 10,010	$ 542,270	$ 1,006,548	$ 2,777,974	($ 1,261)	$ 4,420,162	($ 13,174)	$ 11,742,942
B17	Reversal of special surplus reserve related to the initial adoption of IFRS in accordance with legal provisions	-	-	-	-	(192)	192	-	-	-	-
	Appropriation and distribution of surplus in 2022										
B1	Legal surplus reserve	-	-	-	206,355	-	(206,355)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(450,062)	-	-	-	(450,062)
	Other changes in capital surplus:										
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	1,205	-	-	-	-	-	-	1,205
T1	Dividends not collected by shareholders before the designated date	-	-	2,170	-	-	-	-	-	-	2,170
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	93,810	-	(93,810)	-	-
D1	Net income in 2023	-	-	-	-	-	648,948	-	-	-	648,948
D3	Other comprehensive income in 2023, net of tax	-	-	-	-	-	(314)	(1,512)	1,203,684	-	1,201,858
D5	Total comprehensive income in 2023	-	-	-	-	-	648,634	(1,512)	1,203,684	-	1,850,806
Z1	Balance at December 31, 2023	300,041	3,000,413	13,385	748,625	1,006,356	2,864,193	(2,773)	5,530,036	(13,174)	13,147,061
	Appropriation and distribution of surplus in 2023										
B1	Legal surplus reserve	-	-	-	74,264	-	(74,264)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(360,050)	-	-	-	(360,050)
	Other changes in capital surplus:										
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	965	-	-	-	-	-	-	965
T1	Dividends not collected by shareholders beyond the designated date	-	-	499	-	-	-	-	-	-	499
D1	Net income in 2024	-	-	-	-	-	869,014	-	-	-	869,014
D3	Other comprehensive income in 2024, net of tax	-	-	-	-	-	2,583	454	1,841,124	-	1,844,161
D5	Total comprehensive income in 2024	-	-	-	-	-	871,597	454	1,841,124	-	2,713,175
Z1	Balance at December 31, 2024	300,041	$ 3,000,413	$ 14,849	$ 822,889	$ 1,006,356	$ 3,301,476	($ 2,319)	$ 7,371,160	($ 13,174)	$ 15,501,650

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

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Code		2024	2023
	Cash flows from operating activities		
A10000	Income before income tax	$ 1,111,669	$ 772,967
A20010	Income and expense items		
A20100	Depreciation	158,084	149,005
A20200	Amortization expense	25,704	2,499
A20300	Expected credit loss/(gain)	19	(5)
A20400	Net gains on financial assets at fair value through profit or loss	(34,450)	(23,733)
A20900	Finance costs	51,114	53,452
A21200	Interest income	(21,745)	(23,183)
A21300	Dividend income	(434,173)	(354,184)
A22300	Share of profit or loss of associated companies accounted for using the equity method	(166,483)	(78,322)
A22500	(Profit) Loss on disposal of property, plant and equipment	(4,590)	25
A22700	Gain from disposal of investment properties	(644)	(3,377)
A22800	Loss on disposal of intangible asset	-	360
A23700	Loss for market price decline and obsolete and slow-moving inventories	86,329	22,659
A24500	Capital surplus from dividends on dividends that have not been collected	499	2,170
A29900	Gains on lease modification	(34)	-
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	4,731	(1,116)
A31150	Accounts receivable	(160,062)	(88,267)
A31180	Other receivables	(65,658)	1,435
A31200	Inventories	(223,569)	27,605
A31230	Prepayments	(67,742)	(33,046)
A31240	Other current assets	520	(38)
A31990	Other non-current assets	(3,516)	1,209
A32125	Contract liabilities	8,756	(7,459)
A32130	Notes payable	(2,838)	(54,576)
A32150	Accounts payable	80,019	25,139
A32180	Other payables	37,079	(8,778)
A32230	Other current liabilities	(478)	(20,031)

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Code		2024	2023
A32240	Net defined benefit assets	$ 5,687	$ 2,275
A32990	Other non-current liabilities	(14)	-
A33000	Cash generated from operations	384,214	364,685
A33300	Interest paid	(50,687)	(53,631)
A33500	Income tax paid	(299,592)	(61,082)
AAAA	Net cash generated from operating activities	33,935	249,972
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(3,885)	(108,410)
B00020	Sales of financial assets at fair value through other comprehensive profit and loss	-	27,685
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	628	-
B00040	Acquisition of financial assets at amortized cost	(100,000)	-
B00050	Disposal of financial assets at amortized cost	-	489,100
B00100	Acquisition of financial assets at fair value through profit or loss	(102,480)	(37,508)
B00200	Proceeds from financial assets at fair value through profit or loss	60,673	177,440
B01800	Acquisition of long-term equity investments using equity method	-	(15,438)
B02600	Proceeds from disposal of other non-current assets held for sale	-	-
B02700	Acquisition of property, plant, and equipment	(73,703)	(56,811)
B02800	Proceeds from disposal of property, plant and equipment	5,432	11
B03700	Increase in refundable deposits	(29)	(9,599)
B04500	Acquisition of intangible assets	(28,256)	(4,547)
B05400	Acquisition of investment properties	(1,058,232)	(230,857)
B05500	Proceeds from disposal of investment properties	1,652	3,674
B07100	Increase in prepayments for equipment	(95,344)	(3,734)
B07300	Increase in other payments for land	(31,318)	(105,977)
B07500	Interest received	21,745	23,183
B07600	Dividends received	434,173	354,184
B09900	Dividends received from associated companies	70,844	45,986
BBBB	Net cash used in investing activities	(898,100)	548,382
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(369,000)	(24,000)
C00500	Increase in short-term notes and bills payable	-	100,000

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Code		2024	2023
C00600	Decrease in short-term notes and bills payable	($ 99,862)	$ -
C01600	Proceeds from long-term borrowings	949,888	243,698
C03000	Increase in guarantee deposits received	48,881	99,395
C04020	Repayment of the principal portion of lease liabilities	(55,231)	(47,551)
C04500	Distribution of dividends to the shareholders of the Company	(359,085)	(448,857)
CCCC	Net cash inflow (outflow) from financing activities	115,591	(77,315)
DDDD	Effects of exchange rate changes on cash and cash equivalent	(2,842)	(115)
EEEE	Net increase (decrease) in cash and cash equivalents	(751,416)	720,924
E00100	Cash and cash equivalents at beginning of year	1,610,707	889,783
E00200	Cash and cash equivalents at end of year	$ 859,291	$ 1,610,707

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

Shinkong Textile Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Shinkong Textile Co., Ltd. (the "Company") was founded in Taipei in June 1955. The Company's principal businesses are the production and sale of a variety of synthetic fibers, fabrics, and finished fabrics; agency for the import and sale of garments, and the leasing and sale of buildings and public housing units constructed by builders commissioned by the Company.

The Company's shares have been listed on the Taiwan Stock Exchange since March 1977.

The consolidated financial statements are presented in NT$, which is the Company's functional currency.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved and authorized for issue in the Board of Directors' meeting on March 11, 2025.

3. Application of New and Amended Standards and Interpretations

(1) Initial adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs" International Financial Reporting Standards) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amended IFRSs endorsed and issued into effect by the FSC shall not result in significant changes in the accounting policies of the Group.

(2) Adoption of IFRSs accounting standards endorsed by the FSC from 2025 onwards

New/Revised/Amended Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendment to IAS 21: 'Lack of Exchangeability'	January 1, 2025 (Note 1)
Amendment to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments" – revisions to application guidance on the classification of financial assets	January 1, 2026 (Note 2)

Note 1: The amendments applied prospectively to annual reporting periods beginning on or after January 1, 2025. When applying the amendment for the first time, the comparative period should not be restated. Instead, the impact amount should be recognized under retained earnings or equity of the foreign operating entity on the initial application date, along with any exchange differences (if applicable), and the associated affected assets and liabilities.

Note 2: Effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted starting January 1, 2025. Upon initial application of the amendments, retrospective application is required; however, restating comparative periods is not necessary. The impact of initial application should be recognized on the date of initial adoption. Nevertheless, if an entity can restate comparative periods without the use of hindsight, it may choose to do so.

(3) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless otherwise specified, the aforementioned new/revised/amended standards and interpretations shall be effective from annual reporting periods after the specified dates.

a. IFRS 18: "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 'Presentation of Financial Statements'. The main changes in this standard are as follows:

- The income statement should classify revenue and expense items into categories of operating, investing, financing, income tax, and discontinued operations.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, as well as subtotals and totals of profit or loss.
- Provide guidance to enhance aggregation and disaggregation rules: The Group must identify assets, liabilities, equity, revenue, expenses, and cash flows from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item reported in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Group will label such items as "other" only when no more informative label can be identified.
- Increased disclosure of management-defined performance measures: When the Group engages in public communication outside of financial statements and communicates with users of financial statements about management's perspective on a certain aspect of the Group's overall financial performance, it should disclose information related to management-defined performance measures in a single note in the financial statements. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the impact of related reconciliation items on income tax and non-controlling interests.

b. Amendment to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments" – revisions to application guidance on the derecognition of financial liabilities

This amendment mainly stipulates that when a company uses an electronic payment system to settle a financial liability in cash, it may choose to derecognize the financial liability before the settlement date, provided that the following conditions are met:

- The company does not have the actual ability to withdraw, stop, or cancel the payment instruction;

- The company does not have the actual ability to access the cash that will be used for settlement due to the payment instruction; and
- The settlement risk associated with the electronic payment system is not significant.

The Group should retrospectively apply the amendment without the need to restate the comparative periods and recognize the impact of the first-time application on the date of initial adoption.

Except for the above effects, as of the date of authorization of the consolidated financial statements, the Group has continued to assess the other effects of amendments to each standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by FSC.

(2) Basis of preparation

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

The fair value measurement is classified Level 1 to Level 3 based on the observability and importance of related input:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

b. 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., prices) or indirectly (i.e., deduced from prices).

c. Level 3 inputs are unobservable inputs for the asset or liability.

(3) Classification of current and non-current assets and liabilities

Current assets include:

a. Assets held primarily for trading purposes;

b. Assets expected to be realized within 12 months after the balance sheet date; and

c. Cash or cash equivalents (excluding those that are restricted for being used to exchange or settle liabilities beyond 12 months after the balance sheet date).

Current liabilities include:

a. Liabilities held primarily for trading purposes;

b. Liabilities due to settle within 12 months after the balance sheet date; and

c. Liabilities that do not have significant rights to postpone the repayment period for at least 12 months after the balance sheet date.

All other assets or liabilities that are not specified above are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The consolidated statements of comprehensive income include the operating income/loss of the acquired or disposed subsidiaries from the date of acquisition or up to the date of disposal in the current period. The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. All transactions, balances, income and expenses between entities within the Group are eliminated in full upon consolidation. A subsidiary's total comprehensive profit and loss is attributed to the owners of the Company and 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 Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details on subsidiaries, including the percentages of ownership and principal business activities, please refer to Note 12 and Tables 6 and 7.

(5) Foreign Currency

In the preparation of financial statements by each entity within the Group, transactions denominated in a currency other than the entity's functional currency (i.e., foreign currency) are translated into the functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising on the settlement or on translating of monetary items 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 translated at the exchange rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss, except for items whose changes in fair value are recognized in other comprehensive income, where the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associated companies that operate in a country or currency different from the Group) are translated into the New Taiwan dollar at the rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the period. The exchange differences arising are recognized in other comprehensive income (and attributed to owners of the Company and non-controlling interests respectively).

On the disposal of the entire interest in the foreign operation, the disposal of partial interest in foreign operation's subsidiary with a loss of control, or the disposal of foreign operation's joint arrangement or associated company where the retained interests are financial assets and accounted for using the accounting policies for financial instruments, all of the accumulated exchange differences attributable to owners of the Company and associated with the foreign operation are reclassified to profit or loss.

In relation to a partial disposal of a foreign operation's subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary but is not recognized in profit or loss. For all other partial disposals of a foreign operation, the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(6) Inventories

Inventories comprise raw materials, supplies, finished goods, work in progress and merchandise inventory. Inventory costs are calculated using the weighted average method. Inventories are measured at the lower of cost and net realizable value. The comparison between cost and net realizable value is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The weighted-average method is adopted for the calculation of inventory costs.

(7) Investment in associated companies

An associated company is an entity over which the Group has significant influence other than a subsidiary or a joint venture.

The Group accounts for its investments in associated companies using the equity method,

Under the equity method, the investments in associated companies are initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Group's share of profit or loss and other comprehensive income and profit distribution of the associated companies. In addition, changes in the Group's share of associated companies' equity are recognized in proportion to its shareholding ratio.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of associated companies recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and may not be amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized as profit or loss in the current year.

When the Group subscribes for additional new shares of the associated company at a percentage different from its existing ownership percentage which in turn changes its net interest in the associated company, the difference is recorded as an adjustment to capital surplus – changes in the net interests in associated companies equity accounted for using the equity method and investments accounted for using the equity method. If the subscription or acquisition at a percentage different from the existing ownership percentage results in a decrease in ownership interest in the associated companies, the proportionate amount previously recognized in other comprehensive income in relation to that associated company is reclassified on the same basis as would be required if the associated company had directly disposed of the related assets or liabilities. When the adjustment shall 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.

Further loss shall be disregarded when the Group's share of loss to the associated companies is equal to or greater than its interest (including the carrying amount of the investment in associated companies accounted for using the equity method and other long-term equity that are essentially part of the Group's net investment in the associated companies) in the associated companies. 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 said associated companies.

To assess impairment, the Group has to consider the overall carrying amount of the investment (including goodwill) as a single asset to compare the recoverable and carrying amounts. The impairment loss recognized is not allocated to any assets which form parts of the carrying amount of the investment, including goodwill. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Group shall cease the use of equity method from the date when its investment is no longer an associated company. Its retained interest in the associated company is measured at fair value, and the difference between the fair value of the retained interest plus proceeds from disposal and the carrying amount of the previous investment at the date when the use of equity method is halted is recognized in profit or loss. Also, the Group accounted for all amounts recognized in other comprehensive income in relation to the associated company on the same basis as would be required if the associated company had directly disposed of the related assets and liabilities. If an investment in an associated company becomes an investment in a joint venture or vice versa, the Group continues to apply the equity method and does not remeasure the retained interest.

Profit or loss from upstream, downstream and lateral transactions between the Group and associated companies are recognized in the consolidated financial statements only to the extent of interests in the associated companies that are not related to the Group.

(8) Property, plant and equipment (PP&E)

PP&E are stated at cost and subsequently measured at cost less accumulated depreciation and impairment.

PP&E under construction is recognized at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are measured at the lower of cost and net realized value until they achieve their expected state of use, and the sale price and cost are recognized as profit or loss. Such assets are classified into the appropriate categories of PP&E and depreciated when they are completed and ready for their intended use.

Except for self-owned land, which is not designated for depreciation, the depreciation of PP&E in its useful life is made on a straight-line basis for each major part/component separately. Where the lease term is less than the useful life of an asset, the depreciation is recognized over the lease term. The Group estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

When PP&E is derecognized, the difference between the net proceeds from disposal and the carrying amount of the asset shall be recognized in profit or loss.

(9) Investment properties

Investment properties refer to real estate properties that are held with the intention of generating rental income, capital appreciation, or both. This includes properties that meet the criteria for investment properties and are currently under construction. Investment property also includes land held for a currently undetermined future use.

Freehold investment property is initially measured at costs (including transaction costs) and is subsequently measured at costs less accumulated depreciation and accumulated impairment losses, and the revaluation amount of lease liabilities is adjusted. Depreciation is recognized on a straight-line basis.

Investment properties under construction are recognized at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation is recorded for these assets once they have reached the anticipated level of utilization.

In the event of derecognition, the difference between the net proceeds from disposal and the carrying amount of investment property is recognized in profit or loss.

(10) Intangible assets

a. Separate acquisitions

Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the useful lives. The Group estimated useful lives, residual values and amortization method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

b. Derecognition

In the event of derecognition, the difference between the net proceeds from disposal and the carrying amount of intangible assets is recognized in profit or loss.

(11) Impairment of PP&E, right-of-use assets, investment property, intangible assets and assets related to the contract costs

The Group assesses whether there is any indication that PP&E, right-of-use assets, investment properties and intangible assets may be impaired on each balance sheet date. If any such indication exists, the recoverable amount of the asset is estimated. If it is not possible to determine the recoverable amount for an individual asset, the Group shall estimate the recoverable amount of the asset's cash-generating unit (CGU).

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 fair value less costs to sell or the value in use, whichever is higher. If the recoverable amount of individual asset or the CGU is lower than its carrying amount, the carrying amount of the asset or the CGU shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

Impairment loss is recognized for inventory, PP&E and intangible assets under customer contracts in accordance with inventory impairment rules and the afore-mentioned rules. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services. The carrying amount of assets related to the contract costs are then included in the CGU to which they belong for the purpose of evaluating the CGU' impairment.

When an impairment loss is subsequently reversed, the carrying amount of the asset, CGU or assets related to the contract costs is increased to the revised recoverable amount, but only to the extent of the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset, CGU or assets related to contract costs in prior periods. A reversal of an impairment loss is recognized in profit or loss.

(12) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(a) Types of measurement

Financial assets held by the Group are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

i. Financial assets at fair value through other comprehensive income

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated as at fair value through other comprehensive income, and investments in debt instruments which do not meet the criteria to be classified as measured at amortized cost or at fair value through other comprehensive income.

Financial assets are designated as measured at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through profit or loss are measured at fair value, of which any dividends and interest accrued are recognized as other income and interest income. Gain or loss on remeasurement are recognized in other gains or losses. Please refer to Note 30 for methods adopted in determining the fair values.

ii. Financial assets at amortized cost

When the Group's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

(i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

(ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, financial assets at amortized costs (including cash and cash equivalents and accounts receivable, notes receivable, other receivables and refundable deposits that are measured at amortized cost) are measured at the gross carrying amount as determined using the effective interest method less any impairment loss. Foreign exchange gain or loss arising therefrom is recognized in profit or loss.

Except for the following two circumstances, interest income is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

(i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

(ii) For financial assets that do not belong to the former category but subsequently have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost of the financial assets in the subsequent period.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties or defaults, the debtor is likely to claim bankruptcy or other financial restructuring, or disappearance of an active market for the financial asset due to financial difficulties.

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

iii. Investments in equity instruments at fair value through other comprehensive profit and loss

The Group may, at initial recognition, make an irrevocable decision to designate an investment in equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

(b) Impairment of financial assets and contract assets

The Group evaluates impairment losses of financial assets (including accounts receivable) at amortized cost, investments in debt instruments at fair value through other comprehensive income, lease receivable and contract assets based on expected credit loss (ECL) at each balance sheet date.

Loss allowances for accounts receivable, lease receivables and contract assets are recognized based on the lifetime ECL. Loss allowance for other financial assets whose credit risk has not increased significantly since initial recognition is measured at an amount equal to 12-month ECL. If the credit risk has increased significantly, the loss allowance is measured at an amount equal to lifetime ECL.

The ECL is the weighted average credit loss determined by the risk of default. The 12-month ECL represents the ECL arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the lifetime ECL represents the ECL arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

i. There is internal or external information indicating that it is impossible for the debtor to settle the debt.

ii. Overdue for more than 90 days, unless there is reasonable and supportable information showing that a delayed default base is more appropriate.

For all financial assets, the impairment loss is reflected by reducing the carrying amount through the loss allowance account, except for investments in debt instruments at fair value through other comprehensive income where the impairment loss is recognized in other comprehensive income and the carrying amount is not reduced.

(c) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash inflow from the asset expire or when the Group transfers the financial assets with substantially all the risks and rewards of ownership to other enterprises.

If the Group neither transfers nor retains nearly all risks and rewards of the ownership of the financial assets and retains control over the assets, it shall continue to recognize the assets within the scope of continuous participation in the asset and recognize relevant liabilities for the possible payable amount. If the Group retains almost all risks and reward of the ownership of the financial assets, the assets shall continue to be recognized, and the proceeds collected shall be recognized as secured loans.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. On derecognition of investments in debt instruments at fair value through other comprehensive income in its entirety, the difference between the carrying amount and the consideration received plus the cumulative gain or loss already recognized in other comprehensive income is recognized in profit or loss. On derecognition of investments in equity instruments at fair value through other comprehensive income in its entirety, the cumulative gain or loss is directly transferred to retained earnings and not reclassified to profit or loss.

b. Equity instruments

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

The equity instrument issued by the Group shall be recognized by the payment net of the direct cost of issuance.

The reacquisition of the Company's own equity instruments is recognized and deducted under equity, and the carrying amount is calculated on a weighted average basis by the class of shares. The purchase, sale, issue or write-down of the Company's own equity instruments is not recognized as profit or loss.

c. Financial liabilities

(a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(b) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) shall be recognized in profit or loss.

(13) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall allocate the transaction prices to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of textile products. Unless otherwise specified, when goods are shipped, customers obtain the rights to set the prices and use the goods, take on the primary responsibility for sales to future customers, and bear the risks of obsolescence. The Group would recognize revenue and accounts receivable at that time.

The Company does not recognize revenue on materials delivered to subcontractors for processing because the delivery does not involve a transfer of control.

(14) Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

a. The Group acts as the lessor.

If the lease transfers substantially all of the risks and rewards incidental to the underlying asset's ownership to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under operating leases, lease payments after deducting lease incentives are recognized as income on a straight-line basis over the relevant lease term. Lease negotiated with the lessee are accounted for as new leases from the effective date of the lease modification.

When a lease simultaneously include land and building elements, the Group classifies them as finance lease or operating lease based on whether substantially all of the risks and rewards from ownership of the elements have been transferred to the lessee. Lease payments are apportioned to land and buildings in proportion to the fair value of land and building lease rights on the contract establishment date. If lease payments can be apportioned reliably to these two elements, each element is treated according to the applicable lease classification. If lease payments cannot be allocated reliably to the two elements, the entire lease is classified as a finance lease, except when both elements clearly meet the standards of operating leases, the entire lease would be classified as an operating lease.

b. Where the Group is a lessee

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

The right-of-use asset is initially measured at cost (including the initial measurement amount of lease liabilities, all lease payments made on or before the commencement date, less any lease incentives received, the initial direct cost and the estimated cost for restoring the underlying asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. Right-of-use assets are separately presented on the consolidated balance sheets.

A right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the useful life or the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the interest rate implicit in the lease can be readily determined, lease payments would be discounted using this rate. If the rate cannot be readily determined, the Group would use the incremental borrowing rate of lessee.

Subsequently, the lease liability is measured at amortized cost using the effective interest method with interest expense recognized over the lease terms. When there is a change in future lease payments during the lease term, 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 already reduced to zero, the remaining amount of the remeasurement is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are separately presented on the consolidated balance sheets.

(15) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of such 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 those stated above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(16) Government grants

Government grants are recognized only when they can be reasonably assured that the Group would comply with the conditions imposed for the government grants and that such grants can be received.

Government grants related to income are recognized in profit or loss on a systematic basis during the period when the Group recognizes the relevant costs that such grants are intended to compensate as expenses. Government grants that require the Group to acquire, construct or obtain non-current assets in other means as conditions for receiving the grants are recognized as deferred income and shall be transferred to profit or loss on a reasonable and systematic basis during the useful lives of related assets.

If the government grants are used to compensate fees or losses that had incurred, or are given to the Group for the purpose of immediate financial support without related future costs, such grants may be recognized in profit or loss within the collectible period.

(17) Employee benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the non-discounted amount of the benefits expected to be paid in exchange for the employees' services.

b. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit retirement plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period) and the net interest of the net defined benefit liability (asset) are recognized as employee benefit expenses when they are incurred. Remeasurement (comprising actuarial gains and losses, and return on plan assets net of interests) is recognized in other comprehensive income and included in retained earnings. It is not reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit retirement plan. A net defined benefit asset shall not exceed the present value of the contributions to be refunded from the plan, or the reductions in future contributions.

(18) Income tax

Income tax expenses are the sum of current income tax and deferred income tax.

a. Current income tax

The Group determines its current income (losses) according to the regulations established by the governing authority of each income tax reporting region and calculates the income tax payable (recoverable) accordingly.

An additional tax is levied on the unappropriated earnings pursuant to the Income Tax Act and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the current income tax.

b. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities in the financial statements and the tax basis of the taxable income.

Deferred tax liabilities are generally recognized based on all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that there is taxable income to be applied to deductible temporary differences or unused tax credits.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associated companies, 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 are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed on each balance sheet date with carrying amount increased to the extent that it is probable that sufficient taxable income will be available to recover all or part of the assets.

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 balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

c. Current and deferred income taxes

Current and deferred income 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 tax and deferred income tax are also recognized in other comprehensive income or directly in equity, respectively.

5. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Group adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The Group, during developing significant accounting estimate values, will take climate change and governmental policies and its possible impact on regulations into consideration of significant accounting estimates such as cash flow estimation, growth rate, discount rate, and profitability. Management will continue to review the estimations and basic assumptions.

Primary Sources of Uncertainties in Estimates, and Assumptions

(1) Estimated impairment of financial assets, contract assets and financial guarantee contracts

The estimated impairment of accounts receivable is based on the Group's assumptions regarding the probability of default and the default loss rate. The Group considers historical experience, current market conditions and forward-looking information to make assumptions and select the input value for impairment assessment. Please refer to Note 10 for important assumptions and input values.

(2) Impairment of inventory

The net realized value of inventory is an estimate of the estimated selling price in the normal course of business less the estimated cost to complete and the estimated cost to complete the sale. Such estimates are assessed based on current market conditions and historical sales experience of similar products. Changes in market conditions may materially affect such estimates.

6. Cash and cash equivalent

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 1,328	$ 1,167
Checks and demand deposits in banks	669,908	966,406
Cash equivalent (investments bank time deposits with original maturities within three months)	188,055	643,134
	$ 859,291	$ 1,610,707

Interest rate ranges at the balance sheet date were as follows:

	December 31, 2024	December 31, 2023
Bank deposits	0.001%～4.83%	0.001%～5.6%

7. Financial Instruments at Fair Value through Profit or Loss

	December 31, 2024	December 31, 2023
Financial assets - current		
Designated as at fair value through profit or loss		
- Domestic listed, OTC, and emerging stocks	$ 20,030	$ 23,960
Mandatorily measured at fair value through profit or less		
- Fund beneficiary certificates	507,420	427,233
	$ 527,450	$ 451,193

8. Financial assets at fair value through other comprehensive profit and loss

	December 31, 2024	December 31, 2023
Investments in equity instruments		
Current		
Domestic investment		
Stocks listed on TWSE or TPEx	$ 1,027,659	$ 1,054,662
Non-current		
Domestic investment		
Stocks listed on TWSE or TPEx	$ 6,014,612	$ 4,052,225
Unlisted stocks	2,029,146	2,089,260
Total	$ 8,043,758	$ 6,141,485

The Group invested in aforementioned items pursuant to its medium-term and long-term strategies for the purpose of making a profit through long-term investment. The management chose to designate these investments to be measured at fair value through other comprehensive profit and loss as they believed 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.

Please refer to Note 32 for details of investments in equity instruments at fair value through other comprehensive income pledged.

9. Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Current		
Domestic investment		
Time deposits with original maturities over three months (1)	$ 100,000	$ -
Non-current		
Domestic investment		
Time deposits with original maturities over one year (2)	$ 12,700	$ 12,700

(1) As of December 31, 2024, the interest rate range of time deposits with original maturities over three months was 1.760%.

(2) As of December 31, 2024 and 2023, the interest rate ranges of time deposits with original maturities over one year were 1.465% to 1.7% and 1.34% to 1.575%, respectively.

(3) Financial assets at amortized cost are classified as current or non-current pursuant to the maturity dates on the contracts or the pledged periods.

(4) Please refer to Note 32 for details of financial assets at amortized cost pledged.

10. Notes Receivables, Accounts Receivables, and Other Receivables

	December 31, 2024	December 31, 2023
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 6,292	$ 11,024
Less: Loss allowance	-	-
	$ 6,292	$ 11,024
Notes receivable - related parties (Note 31)	$ 8	$ 7
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 512,307	$ 360,350
Less: Loss allowance	(19)	-
	$ 512,288	$ 360,350
Accounts receivable - related parties (Note 31)	$ 75,179	$ 67,074
Other receivables		
Tax refunds receivable	$ 17,571	$ 14,382
Investment receivable	60,673	-
Other	2,582	786
	$ 80,826	$ 15,168

The accounts receivable for investments primarily consist of funds redeemed from foreign investment funds during the year 2024.

Notes and accounts receivable

The Group allows an average credit period of 60 days for the sale of goods with non-interest-bearing accounts receivables. It assesses credit risk based on contracts with positive fair value as of the balance sheet date. Counterparties of the Group are financial institutions and companies with sound credit ratings. The Group reviews recoverable amounts of receivables one by one on the balance sheet date to ensure impairment loss is provided for unrecoverable receivables. Thus, no significant credit risk is expected.

The Group recognizes loss allowance for accounts receivables based on lifetime ECL. The lifetime ECL is calculated based on a provision matrix that takes into account the default history and current financial position of customers as well as GDP forecasts. The Group's experience in credit loss shows that there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the ECL rate based on the overdue days of accounts receivable.

The Group writes off accounts receivable when there is evidence indicating that the counterparty is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. The Group continues to engage in enforcement activity to recover the receivables after the write-off.

The Group's loss allowances for notes and accounts receivables based on the provision matrix are as follows:

December 31, 2024

	Billed for 1-60 Days	Billed for 61-120 Days	Billed for 121-180 Days	Billed over 180 Days	Total
ECL rate	0%	0%	0%~0.016%	0%~100%	
Total carrying amount	$ 587,393	$ 6,258	$ 116	$ 19	$ 593,786
Loss allowance (lifetime ECL)	-	-	-	(19)	(19)
Amortized cost	$ 587,393	$ 6,258	$ 116	$ -	$ 593,767

December 31, 2023

	Billed for 1-60 Days	Billed for 61-120 Days	Billed for 121-180 Days	Billed over 180 Days	Total
ECL rate	0%	0%	0%	0%~100%	
Total carrying amount	$ 383,902	$ 54,028	$ 525	$ -	$ 438,455
Loss allowance (lifetime ECL)	-	-	-	-	-
Amortized cost	$ 383,902	$ 54,028	$ 525	$ -	$ 438,455

Changes in loss allowances for receivables are as follows:

	2024	2023
Beginning balance	$ -	$ 5
Less: Impairment loss reversed in the year	-	(5)
Add: Impairment loss provided for in the year	19	-
Ending balance	$ 19	$ -

11. Inventories

	December 31, 2024	December 31, 2023
Finished goods	$ 467,652	$ 477,295
Work in progress	149,359	136,578
Raw materials	77,447	61,443
Merchandise inventories	449,864	332,153
	$ 1,144,322	$ 1,007,469

The cost of goods sold is as follows:

	2024	2023
Cost of inventory sold	$ 2,796,800	$ 2,274,694
Inventory write-down	86,329	22,659
	$ 2,883,129	$ 2,297,353

12. Subsidiary

Subsidiaries included in the consolidated financial statements

Entities in the consolidated financial statements are listed as follows:

			Percentage of ownership		
Investor	Name of subsidiary	Nature of business	December 31, 2024	December 31, 2023	Note
Shinkong Textile Co., Ltd.	Shinkong Asset Management Co., Ltd.	Development and rental of housing, building and industrial factory, development of specific areas and investment, development and construction in public construction	100%	100%	1
Shinkong Textile Co., Ltd.	SK INNOVATION CO., LTD.	General investment business.	100%	100%	2
Shinkong Textile Co., Ltd.	PT. SHINKONG TEXTILE INDONESIA	Fabric finishing industry, fabric printing industry, and large-scale textile trading.	100%	-	8
SK INNOVATION CO., LTD.	Shanghai Xin Ying Trading Co., Ltd.	Garments, leather suitcases, daily commodities, craft gifts (except for cultural relics) and packaging materials.	100%	100%	3
Shinkong Asset Management Co., Ltd.	Xin Fu Development Co., Ltd.	Development and leasing of residential and commercial buildings Projects for the development of business and specialized professional zones.	100%	100%	4
Shinkong Asset Management Co., Ltd.	Hua Yang Motor Co., Ltd.	Wholesale of motor vehicles, retail sale of auto and motorcycle parts and accessories, automobile repair, other automobile services, leasing, and manufacturing of motor vehicles/motorcycles and their parts	100%	100%	5
Hua Yang Motor Co., Ltd.	One Full Co., Ltd.	Retail sale of cloths, retail sale, retail sale without storefront, other integrated retail sale, and international trade, warehousing, distribution and packaging.	-	100%	6、7

Note:

1. Shinkong Asset Management Co., Ltd. (hereinafter referred to as "Shinkong Asset") was established on September 6, 1990. It is a 100%-owned subsidiary of the Company.
2. SK INNOVATION Co., Ltd. (hereinafter referred to as "SK") was registered for its establishment in Samoa on March 15, 2012. It is a 100%-owned subsidiary of the Company and mainly engages in investment.
3. Shanghai Xin Ying Trading Co., Ltd. (hereinafter referred to as "Shanghai Xin Ying") was approved for establishment in Shanghai in July 2012 as a wholly foreign-owned enterprise. It is a 100%-owned subsidiary of SK INNOVATION Co., Ltd. with the ultimate parent company being the Company.
4. Xin Fu Development Co., Ltd. (hereinafter referred to as "Xin Fu Development") was established on February 9, 2015. It is a 100%-owned subsidiary of Shinkong Assets with the ultimate parent company being the Company.
5. Hua Yang Motor Co., Ltd. (hereinafter referred to as "Hua Yang Motor") was established on February 10, 2015. Due to equity restructure within the Group, the

Company disposed 55% of its holdings in Hua Yang Motor to Shinkong Assets in January 2019. Shinkong Assets acquired interests in Hua Yang Motor on January 20, 2020 and the total holdings increased from 55% to 100%.

6. One Full Co., Ltd. (hereinafter referred to as "One Full") was established on September 29, 2020. It is a 100%-owned subsidiary of Hua Yang Motor with the ultimate parent company being the Company.
7. In an effort to streamline our investment structure, accelerate organizational adjustments, and enhance overall operational efficiency, our company resolved in a board meeting on March 8, 2024, to merge with One Full Co., Ltd., a wholly-owned subsidiary through indirect investment. The merger was conducted in accordance with the Company Act, the Business Mergers and Acquisitions Act, and other relevant laws and regulations. Following the merger, our company remains as the surviving entity, retaining the name "Shinkong Textile Co., Ltd." One Full Co., Ltd., as the extinguished company, has its assets, liabilities, rights, and obligations wholly assumed by the surviving company without liquidation. The base date for the merger is set as May 1, 2024. Since the extinguished company is a wholly-owned subsidiary of the surviving company through indirect investment, the merger consideration was paid in cash without issuing new shares. The merger price was based on the net value per share of One Full Co., Ltd. on the day before the merger base date. All assets and liabilities of One Full Co., Ltd. will be incorporated into our company at book net value on the merger base date. The capital of the surviving company remains unchanged after the merger.
8. To expand our international business, our company has decided, at the board meeting on March 8, 2024, to establish a subsidiary in Indonesia called PT. SHINKONG TEXTILE INDONESIA. The initial capital is planned to be 10 billion Indonesian Rupiah. The subsidiary completed its registration on March 26, 2024. As of December 31, 2024, our Company has invested IDR 67,933,884 thousand (US$4,744 thousand).

13. Investments using equity method

Investment in associated companies

	December 31, 2024	December 31, 2023
Associated companies that are individually material		
Listed companies		
Chyang Sheng Texing Co., Ltd.	$ 656,275	$ 567,086
Unlisted companies		
Lian Quan Investment Co., Ltd.	440,596	461,590
Shang De Motor Co., Ltd.	304,127	305,330
	1,400,998	1,334,006
Associated companies that are not individually material		
Unlisted companies		
WPI-High Street,LLC	52,266	50,968
	$ 1,453,264	$ 1,384,974

(1) Associated companies that are individually material

The percentage of ownership interest and voting rights of the Group in associated companies on the balance sheet date are as follows:

	Percentage of Ownership Interest and Voting Rights	
Name of Company	December 31, 2024	December 31, 2023
Chyang Sheng Texing Co., Ltd.	20.54%	20.54%
Lian Quan Investment Co., Ltd.	48.89%	48.89%
Shang De Motor Co., Ltd.	33.50%	33.50%
WPI-High Street,LLC	35.71%	35.71%

In August 2023, the Group acquired more than 20% of the shares of Chyang Sheng Texing Co., Ltd. on the centralized trading market, which had a significant impact on the company. As a result, it is now classified as an associated company.

Please refer to Table 6 "Names, locations, and other information of investees" for the aforementioned associated companies' nature of business, main business premises, and countries of registration.

The share of profits, losses, and other comprehensive income from equity-method associated companies is recognized based on the financial statements of the associated companies audited by accountants during the same period.

All the aforementioned associated companies are accounted for using the equity method.

The summary of financial information below is based on individual associated companies' consolidated financial statements prepared in accordance with the IFRSs and adjustments made for the use of the equity method are included.

Chyang Sheng Texing Co., Ltd.

	December 31, 2024	December 31, 2023
Current assets	$ 429,665	$ 452,538
Non-current assets	2,510,351	2,065,597
Current liabilities	(100,754)	(127,284)
Non-current liabilities	(105,825)	(115,063)
Equity	$ 2,733,437	$ 2,275,788
Percentage of shares held by the Group	20.54%	20.54%
Interests of the Group	$ 561,448	$ 467,374
investment premium	94,827	99,712
Carrying amount of investments	$ 656,275	$ 567,086

	2024	2023
Operating Revenue	$ 286,498	$ 340,888
Net income	$ 505,635	$ 127,390
Other comprehensive income	15,467	-
Total comprehensive income	$ 521,102	$ 127,390

Lian Quan Investment Co., Ltd.

	December 31, 2024	December 31, 2023
Current assets	$ 7,627	$ 8,577
Non-current assets	1,034,989	1,100,621
Current liabilities	(141,418)	(165,058)
Equity	$ 901,198	$ 944,140
Percentage of shares held by the Group	48.89%	48.89%
Interests of the Group	$ 440,596	$ 461,590
Carrying amount of investments	$ 440,596	$ 461,590

	2024	2023
Operating Revenue	$ 27,530	$ 32,599
Net income	$ 22,690	$ 27,711
Other comprehensive income	(65,632)	172,783
Total comprehensive income	($ 42,942)	$ 200,494

Shang De Motor Co., Ltd.

	December 31, 2024	December 31, 2023
Current assets	$ 1,678,194	$ 1,095,028
Non-current assets	401,511	428,622
Current liabilities	(1,551,753)	(957,110)
Non-current liabilities	(28,043)	(63,043)
Equity	$ 499,909	$ 503,497
Percentage of shares held by the Group	33.50%	33.50%
Interests of the Group	$ 167,469	$ 168,672
investment premium	136,658	136,658
Carrying amount of investments	$ 304,127	$ 305,330

	2024	2023
Operating Revenue	$ 4,101,790	$ 3,870,887
Net income	$ 112,412	$ 131,852
Total comprehensive income	$ 112,412	$ 131,852

(2) Aggregate information of associated companies that are not individually material

WPI-High Street, LLC

	2024	2023
The Group's share of:		
Net profit of continuing operations in the year	$ 13,891	$ 6,898
Other comprehensive income	1,469	(3,469)
Total comprehensive income	$ 15,360	$ 3,429

14. Property, plant and equipment (PP&E)

	Land	Buildings	Machinery equipment	Transportation equipment	Hydropower equipment	Miscellaneous equipment	Lease improvement	Construction in progress	Total
Cost									
Balance at January 1, 2024	$ 99,458	$ 279,934	$ 596,561	$ 12,115	$ 132,418	$ 171,591	$ 58,433	$ -	$ 1,350,510
Additions	-	377	25,825	1,950	771	16,094	24,678	4,008	73,703
Reclassifications	-	-	1,418	-	-	2,506	259	-	4,183
Disposals	-		(69,016)	(3,440)	-	(1,301)	(13,926)	-	(87,683)
Net exchange difference	-	-	-	-	-	3	-	-	3
Balance at December 31, 2024	$ 99,458	$ 280,311	$ 554,788	$ 10,625	$ 133,189	$ 188,893	$ 69,444	$ 4,008	$ 1,340,716
Accumulated depreciation and impairment									
Balance at January 1, 2024	$ -	$ 246,666	$ 512,733	$ 7,542	$ 91,495	$ 112,553	$ 25,592	$ -	$ 996,581
Depreciation	-	1,975	30,529	1,085	4,850	14,103	23,787	-	76,329
Disposals	-	-	(68,342)	(3,272)	-	(1,301)	(13,926)	-	(86,841)
Net exchange difference	-	-	-	-	-	3	-	-	3
Balance at December 31, 2024	$ -	$ 248,641	$ 474,920	$ 5,355	$ 96,345	$ 125,358	$ 35,453	$ -	$ 986,072
Net balance at December 31, 2024	$ 99,458	$ 31,670	$ 79,868	$ 5,270	$ 36,844	$ 63,535	$ 33,991	$ 4,008	$ 354,644
Cost									
Balance at January 1, 2023	$ 99,458	$ 278,413	$ 587,709	$ 11,135	$ 132,418	$ 156,979	$ 44,371	$ 259,893	$ 1,570,376
Additions	-	1,269	9,950	980	-	14,884	28,815	-	55,898
Reclassifications	-	252	544	-	-	-	1,107	(259,893)	(257,990)
Disposals	-	-	(1,642)	-	-	(270)	(15,860)	-	(17,772)
Net exchange difference	-	-	-	-	-	(2)	-	-	(2)
Balance at December 31, 2023	$ 99,458	$ 279,934	$ 596,561	$ 12,115	$ 132,418	$ 171,591	$ 58,433	$ -	$ 1,350,510
Accumulated depreciation and impairment									
Balance at January 1, 2023	$ -	$ 244,598	$ 480,332	$ 6,513	$ 86,350	$ 101,495	$ 20,614	$ -	$ 939,902
Depreciation	-	2,068	34,007	1,029	5,145	11,330	20,838	-	74,417
Disposals	-	-	(1,606)	-	-	(270)	(15,860)	-	(17,736)
Net exchange difference	-	-	-	-	-	(2)	-	-	(2)
Balance at December 31, 2023	$ -	$ 246,666	$ 512,733	$ 7,542	$ 91,495	$ 112,553	$ 25,592	$ -	$ 996,581
Net balance at December 31, 2023	$ 99,458	$ 33,268	$ 83,828	$ 4,573	$ 40,923	$ 59,038	$ 32,841	$ -	$ 353,929

Unrecognized or reversal on impairment loss in 2024 and 2023.

Depreciation expense on a straight-line basis is calculated according to the following useful lives:

Buildings	
Main building of the plant	15 to 50 years
Others	3 to 25 years
Machinery equipment	2 to 20 years
Transportation equipment	5 to 15 years
Hydropower equipment	5 to 40 years
Miscellaneous equipment	2 to 40 years
Lease improvement	2 to 6 years

15. Lease agreements

(1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Land	$ 6,543	$ 4,306
Buildings	112,273	138,793
Office equipment	793	1,211
Transportation equipment	10,034	7,895
Other equipment	1,137	1,659
	$ 130,780	$ 153,864

	2024	2023
Additions to right-of-use assets	$ 31,896	$ 18,165
Disposal of right-of use assets	$ 520	$ -
Depreciation expense of right-of-use assets		
Land	$ 4,374	$ 3,039
Buildings	44,730	40,296
Office equipment	418	418
Transportation equipment	4,198	3,196
Other equipment	740	425
	$ 54,460	$ 47,374

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease or impairments for the years ended 2024 and 2023.

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Current	$ 49,565	$ 48,632
Non-current	$ 85,334	$ 110,156

Discount rate ranges for lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Land	1.6914%~1.7210%	1.6914%
Buildings	0.9460%~1.7210%	0.9460%~1.7210%
Office equipment	0.9000%~0.9810%	0.9000%~0.9810%
Transportation equipment	0.9150%~2.3377%	0.9150%~2.3205%
Other equipment	1.7660%~2.3205%	1.9436%~2.3205%

(3) Major lease activities and terms

The Group leases buildings, office equipment, transportation equipment and other equipment to be used as factories, employee dormitories, business outlets, business vehicles, and equipment provided for employees all with lease terms of 2 to 6 years. At the end of the lease period, the Group has no bargain purchase option for the leased building.

(4) Other lease information

Please refer to Note 16 for agreements on investment property leased under operating leases.

	December 31, 2024	December 31, 2023
Short-term lease expenses	$ 9,427	$ 8,250
Total cash (outflow) for leases	($ 66,586)	($ 57,583)

The Group elects to apply the recognition exemption on certain other equipment and leases which meet the criteria for short-term leases and thus, does not recognize right-of-use assets and lease liabilities for these leases.

16. Investment properties

	Land	Buildings	Investment properties under progress	Total
Cost				
Balance at January 1, 2024	$ 4,503,062	$ 1,337,970	$ 533,506	$ 6,374,538
Addition	1,652	42	1,103,089	1,104,783
Reclassifications	-	-	-	-
Disposals	(1,008)	-	-	(1,008)
Balance at December 31, 2024	$ 4,503,706	$ 1,338,012	$ 1,636,595	$ 7,478,313
Accumulated depreciation and impairment				
Balance at January 1, 2024	$ -	$ 789,291	$ -	$ 789,291
Depreciation	-	27,295	-	27,295
Balance at December 31, 2024	$ -	$ 816,586	$ -	$ 816,586
Net balance at December 31, 2024	$ 4,503,706	$ 521,426	$ 1,636,595	$ 6,661,727
Cost				
Balance at January 1, 2023	$ 4,503,359	$ 1,335,299	$ -	$ 5,838,658
Addition	-	2,671	273,688	276,359
Reclassifications	-	-	259,818	259,818
Disposals	(297)	-	-	(297)
Balance at December 31, 2023	$ 4,503,062	$ 1,337,970	$ 533,506	$ 6,374,538
Accumulated depreciation and impairment				
Balance at January 1, 2023	$ -	$ 762,077	$ -	$ 762,077
Depreciation	-	27,214	-	27,214
Balance at December 31, 2023	$ -	$ 789,291	$ -	$ 789,291
Net balance at December 31, 2023	$ 4,503,062	$ 548,679	$ 533,506	$ 5,585,247

The investment property is subject to lease terms of 1 to 20 years. All operating lease agreements contain a provision whereby the lessee, in exercising the right to renew the lease, adjusts the rent in accordance with 3% to 5% of the prevailing market rent rate. Lessees do not have the bargain purchase option to acquire the property at the end of the lease term.

The total amount of future lease payments to be collected for investment property on operating lease is as follows:

	December 31, 2024	December 31, 2023
The first year	$ 313,295	$ 308,025
The second year	238,760	275,877
The third year	203,123	202,123
The fourth year	167,410	184,619
The fifth year	156,682	164,762
Over 5 years	1,077,106	1,208,270
	$ 2,156,376	$ 2,343,676

Investment property on a straight-line basis is calculated according to the following useful lives:

Buildings	
Main building of the plant	4 to 50 years
Others	2 to 20 years

The fair value of investment properties as of December 31, 2024, and December 31, 2023, was assessed by independent appraisers Zhen-Xing Lin and Yu-Hua Luo from Dawa Real Estate Appraisal Firm on the balance sheet date. The evaluation refers to the market evidence of similar property transaction prices, which fair value obtained from the evaluation is as follows:

	December 31, 2024	December 31, 2023
Fair value	$ 36,719,101	$ 34,619,060

The Group held freehold interests in all of its investment properties. Please refer to Note 32 for the amount of investment property pledged as collateral for borrowings.

17. Other Intangible Assets

	Cost of Computer Software
Cost	
Balance at January 1, 2024	$ 7,438
Acquisition	28,256
Disposals	(22,328)
Balance at December 31, 2024	$ 13,366
Accumulated amortization and impairment	
Balance at January 1, 2024	$ 2,480
Amortization expense	25,704
Disposals	(22,328)
Balance at December 31, 2024	$ 5,856
Net balance at December 31, 2024	$ 7,510
Cost	
Balance at January 1, 2023	$ 6,948
Acquisition	4,547
Disposals	(4,057)
Balance at December 31, 2023	$ 7,438
Accumulated amortization and impairment	
Balance at January 1, 2023	$ 3,678
Amortization expense	2,499
Disposals	(3,697)
Balance at December 31, 2023	$ 2,480
Net balance at December 31, 2023	$ 4,958

Amortization expense is calculated on a straight-line basis over the following useful lives:

Cost of Computer Software	1-4 years

18. Other Assets

	December 31, 2024	December 31, 2023
Current		
Prepayments		
Prepaid expenses	$ 50,390	$ 19,334
Prepayments to suppliers	98,343	67,560
Overpaid sales tax	14,426	8,523
	$ 163,159	$ 95,417

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	December 31, 2024	December 31, 2023
Other Assets		
Other	$ 2,491	$ 3,011
Non-current		
Refundable deposits	$ 73,738	$ 73,709
Net defined benefit assets (Note 22)	9,080	5,976
Prepayments for equipment	95,278	3,730
Prepaid for land	137,294	105,977
Other	-	2,691
	$ 315,390	$ 192,083

The prepaid for land refers to the purchase of land in Shilin Dist., Wanhua Dist., Xinyi Dist., Songshan Dist., Beitou Dist., Nangang Dist., Zhongshan Dist., and Datong Dist. by the Group from an unrelated third party to construct factory offices for its Indonesian subsidiary and to develop the land in Shilin Dist., Taipei City, for the purpose of building factory floor space.

19. Borrowings

(1) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 32)		
Bank borrowings	$ 2,127,000	$ 2,746,000
Unsecured borrowings		
Line of credit loans	550,000	300,000
	$ 2,677,000	$ 3,046,000

The ranges of interest rates on bank borrowings were 1.82% to 2.055% and 1.7% to 2.1473% as of December, 31, 2024 and 2023, respectively.

(2) Short-term bills payable

	December 31, 2024	December 31, 2023
Commercial paper payable	$ -	$ 100,000
Less: Discounts on short-term bills payable	-	(69)
	$ -	$ 99,931

The interest rate on commercial paper payable was 1.45% as of December 31, 2023.

The outstanding short-term bills payable as of the balance sheet date are as follows:

December 31, 2023

Guarantor/Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Interest Rate	Name of Collateral	Carrying Amount of Collateral
Taiwan Finance Cooperation (I)	$ 100,000	($ 69)	$ 99,931	1.45%	None	None

(3) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 32)		
Bank borrowings	$ 1,352,668	$ 402,780
Less: Listed as part due within 1 year	(21,763)	-
Long-term borrowings	$ 1,330,905	$ 402,780

a. The above long-term borrowings are the project borrowings of Shinkong Asset Management Co., LTD. and Xin Fu Development Co., Ltd. to build the plant. As of December 31, 2024 and 2023, the effective annual interest rate is 2.5370% to 2.5649% and 2.2437% to 2.3718% respectively. The principal is repaid in accordance with the borrowing contract.

b. The above long-term borrowings were secured by the pledge of the Group's investment property (Please refer to Note 32).

20. Notes and Accounts Payable

The Group has financial risk management policies to ensure that all payables are paid within the pre-agreed payment terms.

21. Other liabilities

	December 31, 2024	December 31, 2023
Current		
Other payables		
Tax payable	$ 4,895	$ 4,975
Employee compensation payable	18,847	30,319
Director compensation payable	18,000	15,600
Salaries and bonus payable	84,781	63,649
Pension payable	3,341	2,899
Services expense payable	895	1,415
Electricity and fuels payable	9,060	7,889
Interest payable	2,970	2,474
Other	94,594	56,744
	$ 237,383	$ 185,964

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	December 31, 2024	December 31, 2023
Other payables - related parties (Note 31)	$ 2,219	$ 2,302
Other liabilities		
Temporary credits	$ 94	$ 221
Receipts under custody	3,309	3,257
Other	-	403
	$ 3,403	$ 3,881
Non-current		
Other liabilities		
Guarantee deposits received (1)	$ 254,956	$ 206,075
Accounts payable (2)	69,507	36,717
Other	-	14
	$ 324,463	$ 242,806

(1) The Group has entered into a construction contract with Chang Hong Construction Co., Ltd. for engaging others to build on its own land. As part of the agreement, a deposit of NT$100,000 thousand was provided.

(2) This refers to the construction project retention fund of the Group, which is for engaging others to build on its own land in the Shilin District, Taipei City.

22. Post-employment benefit plans

(1) Defined contribution plans

The Company and Shinkong Asset within the Group adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Group makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries and wages.

(2) Defined benefit plans

The pension system adopted by the Group under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary of six months before the approved retirement date. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made before the end of March of the following year. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company has no right over its investment and administration strategies.

The amounts of defined benefit plans included in the consolidated balance sheets are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 48,406	$ 49,244
Fair value of plan assets	(57,486)	(55,220)
Net defined benefit assets	($ 9,080)	($ 5,976)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Balance at January 1, 2023	$ 44,766	($ 53,331)	($ 8,565)
Service costs			
Current service costs	136	-	136
Service costs in the previous period	3,147	-	3,147
Interest expense (income)	559	(672)	(113)
Recognized in profit or loss	3,842	(672)	3,170
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(477)	(477)
Actuarial losses - changes in financial assumptions	433	-	433
Actuarial losses - experience adjustments	358	-	358
Recognized in other comprehensive income	791	(477)	314
Contributions from the employer	-	(895)	(895)
Number of plan assets delivered	(155)	155	-
Balance at December 31, 2023	49,244	(55,220)	(5,976)
Service costs			
Current service costs	486	-	486
Interest expense (income)	554	(626)	(72)
Recognized in profit or loss	1,040	(626)	414
Remeasurements			
Return on plan assets (excluding amounts that are included in net interest)	-	(4,928)	(4,928)
Actuarial losses - changes in financial assumptions	384	-	384
Actuarial losses - experience adjustments	1,961	-	1,961
Recognized in other comprehensive income	2,345	(4,928)	(2,583)
Contributions from the employer	-	(935)	(935)
Number of plan assets delivered	(4,223)	4,223	-
Balance at December 31, 2024	$ 48,406	($ 57,486)	($ 9,080)

The Group has the following risks owing to the implementation of the pension system under the Labor Standards Act:

a. Investment risks: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic (foreign) equity securities, debt securities, and bank deposits at its own discretion or under the mandated management. However, the distributed amount from the plan assets to the Group shall not be lower than interest on a two-year time deposit at a local bank.

b. Interest rate risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the return on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.

c. Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.125%
Expected rate of salary increase	3.25%	2.750%

If reasonable possible changes in major actuarial assumptions occur while other assumptions remain unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	($ 859)	($ 859)
Decrease by 0.25%	$ 888	$ 888
Expected rate of salary increase		
Increase by 0.25%	$ 859	$ 860
Decrease by 0.25%	($ 835)	($ 837)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2024	December 31, 2023
Expected contributions to the plan for the next year	$ 932	$ 915
Average duration of defined benefit obligations	8.4 years	8.1 years

23. Equity

(1) Share capital

Common shares

	December 31, 2024	December 31, 2023
Number of shares authorized (in thousands)	360,000	360,000
Share capital authorized	$ 3,600,000	$ 3,600,000
Number of shares issued and fully paid (in thousands)	300,041	300,041
Share capital issued	$ 3,000,413	$ 3,000,413

Common stocks issued have a par value of NT$10. Each share is entitled to one voting right as well as the right to dividends.

(2) Capital surplus

	December 31, 2024	December 31, 2023
May not be used for any purpose		
Treasury share transactions	$ 10,514	$ 9,549
Dividends on stocks that have not been collected before the designated date	4,335	3,836
	$ 14,849	$ 13,385

Capital surplus - treasury shares represent dividends received from the holding of the parent company's shares by the 100%-owned subsidiary.

(3) Retained earnings and dividend policy

Based on the earnings distribution policy stated in the amended Articles of Incorporation, the annual earnings of the Company, if any, shall be first appropriated to pay taxes and offset accumulated losses before allocating 10% of the remaining earnings to the legal reserve (not applicable where accumulated legal reserve has equaled the Company's paid-in capital). A special reserve is then appropriated or reversed pursuant to applicable laws and regulations. The Board of Director would then prepare earnings distribution proposal based on the remaining balance together with accumulated unappropriated earnings. When recognizing special surplus reserves in compliance with the law, if there is an insufficient provision for the "net increase amount in fair value of investment properties accumulated in the previous period" and the "net amount of less items in other equity items accumulated in the previous period", an equal amount should be provisioned from the unappropriated profits of the previous period as special surplus reserves before appropriating profits. If the insufficient amount still remains, it should be provisioned from the current unappropriated profits by including the current post-tax net income as well as other items not included in the current post-tax net income. Where the earnings are distributed in the form of cash, the Board of Directors is authorized to approve the distribution by a resolution approved by a majority vote at a meeting attended by over two-thirds of the Directors and report to the shareholders' meeting. Where they are distributed in the form of stock dividends, the distribution shall be resolved at the shareholders' meeting. For the policies on distribution of compensation to employees and contribution to directors in the Group's Articles of Incorporation, please refer to Note 25(7) Compensation to employees and remuneration to directors.

The Company shall set aside a legal reserve until its balance equals the Company's paid-in capital. The legal reserve may be used to make up for losses. When the Company has no loss, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated in the form of cash, in addition to being transferred to share capital.

The Company distribution of earnings for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Legal surplus reserve	$ 74,264	$ 206,355
Cash dividends	$ 360,050	$ 450,062
Earnings per share (NT$)	$ 1.2	$ 1.5

The above distribution of cash dividends was approved by the Board of Directors on March 8, 2024 and April 7, 2023 respectively. And the distribution item of the remaining earnings was subject to the resolution of the annual shareholders' meeting on May 28, 2024, and May 26, 2023, respectively.

The distribution of earnings for year ended December 31, 2024 approved in the Board of Directors' meeting on March 11, 2025 was as follows:

	2024
Legal surplus reserve	$ 87,160
Cash dividends	$ 450,062
Earnings per share (NT$)	$ 1.5

The above distribution of cash dividends is approved by the Board of Directors and is subject to the resolution of the shareholders' meeting to be held on May 26, 2025.

(4) Special reserve

	2024	2023
Beginning balance	$ 1,006,356	$ 1,006,548
Disposal of investment properties	-	(192)
Ending balance	$ 1,006,356	$ 1,006,356

On November 2, 2023, the parent company of the Group, Shinkong Textile Co., Ltd., sold land number 679 in Qiaoai District, Taoyuan City. The above transaction was completed on November 23, 2023 with the transfer of ownership. In accordance with IFRS 1, the previously recognized portion of special reserve was reversed, resulting in a transfer of NT$192 thousand from special reserve to retained earnings. In addition, investment property benefits totaling NT$3,377 thousand were recognized and disposed of.

(5) Other equity items

Unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss

	2024	2023
Beginning balance	$ 5,530,036	$ 4,420,162
Accrued in the current year		
Unrealized gains (losses)		
Equity instruments	1,872,013	1,120,905
Share of associated companies accounted for using the equity method	(30,889)	82,779
Other comprehensive income for the year	1,841,124	1,203,684
Accumulated gains (losses) on disposal of equity instruments transferred to retained earnings	-	(93,810)
Ending balance	$ 7,371,160	$ 5,530,036

(6) Treasury share

Reason for repurchase	Shares of parent company held by subsidiaries (in thousands)
Number of shares on January 1, 2024	804
Number of shares on December 31, 2024	804
Number of shares on January 1, 2023	804
Number of shares on December 31, 2023	804

Information on subsidiaries holding the Company's shares on the balance sheet date is as follows:

December 31, 2024

Name of subsidiary	No. of Shareholding (in thousands)	Carrying Amount	Market value
Shinkong Asset Management Co., Ltd.	804	$ 13,174	$ 35,529

December 31, 2023

Name of subsidiary	No. of Shareholding (in thousands)	Carrying Amount	Market value
Shinkong Asset Management Co., Ltd.	804	$ 13,174	$ 38,503

Treasury shares held by the Company may be neither pledged nor assigned rights such as dividend distribution and voting rights in accordance with the Securities and Exchange Act. Subsidiaries holding the Company's shares, which are considered treasury shares, are bestowed shareholders' rights, except for the rights to participate in any share issuance for cash and to vote.

24. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from the sale of textiles	$ 2,560,135	$ 2,229,183
Retail sale/Revenue from sale of garment	1,266,898	778,650
Rental revenue	387,091	374,364
Other	365	748
	$ 4,214,489	$ 3,382,945

(1) Details on contracts with customers

The prices of fabrics sold by the textile business unit of the Sales Department to garment manufacturers and products sold by the Retail Department were fixed by mutual agreements.

For investment properties leased under operating leases by the Real Estate Department, the Group negotiated the lease contracts with reference to market rentals.

(2) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 10)	$ 6,300	$ 11,031	$ 9,915
Accounts receivable (Note 10)	587,467	427,424	339,152
	$ 593,767	$ 438,455	$ 349,067
Contract liabilities			
Sale of goods	$ 23,235	$ 13,273	$ 19,177
Rental revenue of investment property	7,867	9,073	10,628
Contract liabilities - current	$ 31,102	$ 22,346	$ 29,805

(3) Breakdown of revenue from contracts with customers

Please refer to Note 36 for the breakdown of revenue from contracts with customers.

25. Net income

(1) Interest income

	2024	2023
Bank deposits	$ 21,612	$ 23,099
Other	133	84
	$ 21,745	$ 23,183

(2) Other income

	2024	2023
Dividend income	$ 434,173	$ 354,184
Other	3,885	16,224
	$ 438,058	$ 370,408

(3) Other gains and losses

	2024	2023
Gains (Losses) on financial assets and financial liabilities		
Financial assets designated as at fair value through profit or loss	($ 3,929)	($ 4,739)
Financial assets mandatorily measured at fair value through profit or loss	38,379	28,472
Gains (losses) on disposal of property, plant and equipment	4,590	(25)
Loss on disposal of intangible asset	-	(360)
Gain from disposal of investment properties	644	3,377
Net foreign exchange gain (losses)	51,147	(13,286)
Other expenses	(12,640)	(18,677)
	$ 78,191	($ 5,238)

(4) Finance costs

	2024	2023
Interest on bank borrowings	$ 63,965	$ 55,382
Interest on short-term bills	1,687	1,941
Interest on lease liabilities	1,882	1,782
Less: Amount that meets the demand of asset cost is listed	(16,420)	(5,653)
	$ 51,114	$ 53,452

Interest capitalization information is as follows:

	2024	2023
Amount of interest capitalization	$ 16,420	$ 5,653
Interest of interest capitalization	2.2437%~2.5649%	1.8448%~2.3718%

(5) Depreciation and amortization

	2024	2023
Depreciation expense is summarized by function		
Operating costs	$ 95,598	$ 96,960
Operating expenses	62,486	52,045
	$ 158,084	$ 149,005
Amortization expense is summarized by function		
Operating costs	$ 280	$ 409
Operating expenses	25,424	2,090
	$ 25,704	$ 2,499

(6) Employee benefit expense

	2024	2023
Post-employment benefits		
Defined contribution plans	$ 19,581	$ 17,099
Defined benefit plans (Note 22)	414	3,170
	19,995	20,269
Other employee benefits	600,148	524,122
Total employee benefit expense	$ 620,143	$ 544,391
Summarized by functions		
Operating costs	$ 208,501	$ 196,121
Operating expenses	411,642	348,270
	$ 620,143	$ 544,391

(7) Compensation to employees and compensation to directors

According to the Company's Articles of Incorporation, the company shall allocate no less than 1% of the pretax profit to employees' compensation and no more than 5% to directors' renumeration. Compensation to employees and compensation to directors for the years of 2024 and 2023 resolved in the Board of Directors meetings on March 11, 2025 and March 8, 2024, respectively, were as follows:

Accrual rate

	2024	2023
Compensation to employees	1.79%	1.98%
Compensation to directors	1.79%	1.98%

Amount

	2024	2023
	Cash	Cash
Compensation to employees	$ 18,000	$ 15,600
Compensation to directors	$ 18,000	$ 15,600

If the amount changed after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates in the following year.

There was no difference between the amounts actually allocated for compensations to employees and directors for 2023 and 2022 and those recognized in the consolidated financial reports for 2023 and 2022.

For information on the compensation to employees and directors of the company, please visit the "Market Observation Post System" of Taiwan Stock Exchange.

(8) Net gain (loss) on foreign exchange

	2024	2023
Total foreign exchange gains	$ 53,426	$ 22,255
Total foreign exchange (losses)	(2,279)	(35,541)
Net profits (losses)	$ 51,147	($ 13,286)

26. Income tax

(1) Main components of income tax expense recognized in profit or loss

	2024	2023
Current income tax		
Incurred this year	$ 107,261	$ 73,053
Additional tax levied on the unappropriated earnings	9,166	67,467
Adjustments for previous years	940	(7,813)
Land value increment tax	124,921	357
	242,288	133,064
Deferred income tax		
Incurred this year	367	(9,045)
Income tax expense recognized in profit or loss	$ 242,655	$ 124,019

The reconciliation of accounting income and income tax expense is as follows:

	2024	2023
Net income before tax	$ 1,111,669	$ 772,967
Income tax expenses calculated at the statutory tax rate	$ 195,873	$ 150,090
Non-deductible expenses and losses	6	21
Tax-exempted income	(88,250)	(87,070)
Additional tax levied on the unappropriated earnings	9,166	67,467
Unrecognized deductible temporary difference	(1)	967
Land value increment tax	124,921	357
Adjustments for previous years	940	(7,813)
Income tax expense recognized in profit or loss	$ 242,655	$ 124,019

The land value increment tax paid for the current period was mainly due to the joint construction with Chong Hong Construction Co., Ltd. of a land trust that was originally divided under the Business Mergers and Acquisitions Act, which was a re-transfer of the land as stipulated in the Order of Tai-Cai-Shui-Zi No. 0930474255 and the Order of Tai-Cai-Shui-Zi No. 09700082880. Therefore, the originally recorded land value increment tax of NT$124,921 thousand was paid.

(2) Income tax recognized in other comprehensive profit and loss

	2024	2023
Deferred income tax		
Incurred in this year		
- Translating the financial statements of foreign operations	($ 568)	($ 23)
- Share of other comprehensive profit and loss of associated companies accounted for using the equity method	682	(355)
	$ 114	($ 378)

(3) Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current tax assets		
Tax refunds receivable	$ 2,560	$ 2,100
Current tax liabilities		
Income tax payable	$ 75,261	$ 131,975

(4) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2024

Deferred tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 942	$ -	($ 114)	$ 828
Inventory write-down	33,658	13,441	-	47,099
Difference on unrealized foreign exchange gain (loss)	2,154	(2,154)	-	-
Other	1	-	-	1
	$ 36,755	$ 11,287	($ 114)	$ 47,928
Deferred tax liabilities				
Temporary differences				
Defined benefit pension plans	$ 2,418	$ 104	$ -	$ 2,522
Gains (losses) on foreign investments accounted for using the equity method	1,779	(616)	-	1,163
Difference on unrealized foreign exchange gain (loss)	-	4,977	-	4,977
Financial assets at fair value through other comprehensive income	13,810	7,293	-	21,103
Land value increment tax	741,316	(104)	-	741,212
	$ 759,323	$ 11,654	$ -	$ 770,977

2023

Deferred tax assets	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 564	$ -	$ 378	$ 942
Inventory write-down	29,126	4,532	-	33,658
Difference on unrealized foreign exchange gain (loss)	-	2,154	-	2,154
Other	1	-	-	1
	$ 29,691	$ 6,686	$ 378	$ 36,755

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Defined benefit pension plans	$ 2,873	($ 455)	$ -	$ 2,418
Gains (losses) on foreign investments accounted for using the equity method	2,673	(894)	-	1,779
Difference on unrealized foreign exchange gain (loss)	1,977	(1,977)	-	-
Financial assets at fair value through other comprehensive income	12,842	968	-	13,810
Land value increment tax	741,317	(1)	-	741,316
	$ 761,682	($ 2,359)	$ -	$ 759,323

Land revaluation of the Group's freehold land was carried out at the assessed present value in July 1981 and November 2000, respectively, and the provision for land value increment tax of NT$741,212 thousand and NT$741,316 thousand (under deferred income tax liabilities) was recognized as of December 31, 2024 and 2023, respectively.

(5) Deductible temporary difference for which no Deferred income tax assets have been recognized in the parent company only balance sheets

	December 31, 2024	December 31, 2023
Deductible temporary difference		
Impairment loss	$ 7,187	$ 7,187

(6) Income tax assessment

The business income tax returns of the Company and the subsidiary, Shinkong Asset, through 2021 have been assessed by the tax authorities. The business income tax returns of the subsidiaries, Xin Fu Development Co., Ltd. and Hua Yang Motor, through 2022 have been assessed by the tax authorities. As SK is registered in Samoa, it does not have to file business income tax returns. Thus, the income tax assessment is not applicable. Shanghai Xin Ying had applied to local regulations, they had accrued tax payable and income tax expense.

Pursuant to Article 40 of the Business Mergers and Acquisitions Act, the Group is elected to be the tax payer to file a final business income tax return as well as combined declare the unappropriated earnings with an additional business income tax with the 100%-owned Shinkong Assets.

27. Earnings per share (EPS)

Unit: NT$ per share

	2024	2023
Basic EPS	$ 2.90	$ 2.17
Diluted EPS	$ 2.90	$ 2.17

Net income and weighted average number of common stocks used for the calculation of EPS are as follows:

Net income

	2024	2023
Net income for the calculation of basic EPS	$ 869,014	$ 648,948
Net income for the calculation of diluted EPS	$ 869,014	$ 648,948

Number of shares

Unit: In Thousands of Shares

	2024	2023
Weighted average number of common shares used for calculation of basic earnings per share	299,237	299,237
Effect of potentially dilutive common shares:		
Compensation to employees	471	421
Weighted average number of common shares used for calculation of diluted earnings per share	299,708	299,658

If the Group may choose to offer employee compensation in the form of cash or stock, while calculating the diluted earnings per share, it shall assume the compensation is to be paid in the form of stock, and include the potentially dilutive common shares in the weighted average number of outstanding shares for the calculation of diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating the diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

28. Cash Flow Information

(1) Non-cash transactions

The Group engaged in the following non-cash investing activities for the period from January 1 to December 31, 2024 and 2023:

a. The Group reclassified prepayments for equipment of NT$3,796 thousand and NT$1,285 thousand to PP&E for the years of 2024 and 2023, respectively (please refer to Note 14 for details);

b. The Group reclassified materials of NT$387 thousand and NT$434 thousand to PP&E for the years of 2024 and 2023, respectively (please refer to Note 14 for details);

c. The Group reclassified construction in the process of NT$259,818 thousand to investment PP&E for the year of 2023 (please refer to Notes 14 and 16 for details).

d. Reconcile payable in cash of the acquisition of property, plant, equipment, and investment properties are as follows:

	2024	2023
Additions in the year	$ 1,178,486	$ 332,257
Equipment payable and changes in project expense	(46,551)	(44,589)
Payment in cash for the acquisition of property, plant, equipment, and investment properties	$ 1,131,935	$ 287,668

e. The Company reclassified financial assets measured at fair value through other comprehensive income of NT$537,934 thousand to investments accounted for using the equity method in 2023 (please refer to Note 13 for details).

f. The Group reclassified prepaid expenses of NT$109 thousand to PP&E for the year of 2023 (please refer to Note 14 for details).

g. In 2024, the Group exchanged public facility reserved land valued at NT$12,839 thousand with Baoda Development Co., Ltd. within the range of the publicly announced land value for the purpose of floor area transfer.

(2) Changes in liabilities from financing activities

2024

			Non-cash Changes						
	January 1, 2024	Cash Flows	Additional Leases	Interest Expenses	Remeasurement on Lease Modifications	Remeasurement on Termination	Other	Number of Interest Paid	December 31, 2024
Lease liabilities (Note 15)	$ 158,788	($ 55,231)	$ 31,896	$ 1,882	$ 23	($ 543)	($ 34)	($ 1,882)	$ 134,899

2023

			Non-cash Changes						
	January 1, 2023	Cash Flows	Additional Leases	Interest Expenses	Remeasurement on Lease Modifications	Remeasurement on Termination	Other	Number of Interest Paid	December 31, 2023
Lease liabilities (Note 15)	$ 184,794	($ 47,551)	$ 18,165	$ 1,782	$ 3,380	$ -	$ -	($ 1,782)	$ 158,788

29. Capital Risk Management

The Group carries out capital management to ensure that entities within the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group's capital structure consists of net debts (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital surplus, retained earnings, other equity and non-controlling interests item).

The Group is not subject to any other external capital requirements.

The Group's key management reassesses the capital structure annually. The review includes assessment of various costs of capital and related risks. According to the key management's recommendations, the Group balances its overall capital structure through the payment of dividends, issuance of shares, repurchase of shares, issuance of new debts, repayment of old debts, etc.

30. Financial instruments

(1) Information on fair value - financial instruments not measured at fair value

The Group's management thinks that the carrying amounts of financial assets not at fair value are close to their fair values due to short maturity terms or a future consideration receivable/payable approximating the carrying amount.

(2) Information on fair value - financial instruments measured at fair value on a recurring basis

a. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Measured at fair value through profit or loss				
Domestic stocks listed or emerging stocks	$ 20,030	$ -	$ -	$ 20,030
Fund beneficiary certificates	507,420	-	-	507,420
Total	$ 527,450	$ -	$ -	$ 527,450
Financial assets at fair value through other comprehensive profit and loss				
Investments in equity instruments				
- Domestic listed, OTC, and emerging stocks	$ 7,042,271	$ -	$ -	$ 7,042,271
- Domestic stocks not listed on TWSE or TPEx	-	-	2,029,146	2,029,146
Total	$ 7,042,271	$ -	$ 2,029,146	$ 9,071,417

December 31, 2023

	Level 1	Level 2	Level 3	Total
Measured at fair value through profit or loss				
Domestic stocks listed or emerging stocks	$ 23,960	$ -	$ -	$ 23,960
Fund beneficiary certificates	427,233	-	-	427,233
Total	$ 451,193	$ -	$ -	$ 451,193
Financial assets at fair value through other comprehensive profit and loss				
Investments in equity instruments				
- Domestic listed, OTC, and emerging stocks	$ 5,106,887	$ -	$ -	$ 5,106,887
- Domestic stocks not listed on TWSE or TPEx	-	-	2,089,260	2,089,260
Total	$ 5,106,887	$ -	$ 2,089,260	$ 7,196,147

There was no transfer between Level 1 and Level 2 fair value measurements in 2024 and 2023.

b. Reconciliation of Level 3 fair value measurement of financial instruments

2024

Financial assets	Financial assets at fair value through other comprehensive profit and loss Equity instruments
Beginning balance	$ 2,089,260
Recognized in other comprehensive profit and loss (unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss)	(59,486)
Proceeds from capital reduction	(628)
Ending balance	$ 2,029,146

2023

Financial assets	Financial assets at fair value through other comprehensive profit and loss Equity instruments
Beginning balance	$ 1,888,998
Recognized in other comprehensive profit and loss (unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss)	124,005
Addition	100,000
Disposals	(22,763)
Liquidation	(980)
Ending balance	$ 2,089,260

c. Valuation techniques and inputs of Level 3 fair value measurement

The fair value of investments in unlisted stocks without active market is estimated using the market approach.

The market approach estimates the fair value with reference to valuation multiples of comparable companies using a liquidity discount rate. The material unobservable inputs used are with liquidity discount rates of 10% to 30%.

(3) Category of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or less	$ 507,420	$ 427,233
Designated as at fair value through profit or loss	20,030	23,960
Financial assets at amortized cost (Note 1)	1,720,322	2,150,739
Financial assets at fair value through other comprehensive profit and loss		
Investments in equity instruments	9,071,417	7,196,147
Financial liabilities		
Measured at amortized cost (Note 2)	4,942,427	4,284,073

Note 1: The balance includes financial assets at amortized costs such as cash and cash equivalents, notes and accounts receivable, other receivables, financial assets at amortized cost, and refundable deposits.

Note 2: The balance includes financial liabilities at amortized costs such as short-term borrowings, long-term borrowings, short-term bills payable, notes and accounts payable, other payables, and guarantee deposits received.

(4) Financial risk management objectives and policies

Major financial instruments of the Group include cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive profit and loss, accounts receivable, short-term borrowing, short-term bills payable, long-term borrowing, and accounts payable. The financial management department of the Group provides services for the business units, coordinates access to the domestic and overseas financial market, and supervises and manages financial risks related to the operation of the Group through internal risk reports which analyze risk exposures by the degree and magnitude of risks. Such risks include market risk (including foreign exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk.

Risk exposure in relation to the Group's financial instruments and its management and measurement approaches remain unchanged.

a. Market risk

The Group's business activities exposed itself primarily to the financial risks of foreign exchange risk (refer to (1) below), interest rate risk (refer to (2) below) and other price risk (refer to (3) below):

(a) Foreign exchange risk

The Group undertakes product sales and purchases in foreign currencies; thus, the Group is exposed to risks of exchange rate fluctuations. The Group manages its exposure to foreign exchange risk by dynamically adjusting the overall position of assets and liabilities denominated in currencies other than the functional currency in calculating its foreign exchange risk.

For the carrying amount of the Group's monetary assets and liabilities denominated in currencies other than the functional currency on the balance sheet date, please refer to Note 34.

Sensitivity analysis

The Group is mainly exposed to USD fluctuations.

The following table details the Group's sensitivity to a 1% increase and decrease in NT$ (the functional currency) against the USD. The 1% sensitivity rate is used for Group's internal reporting of foreign exchange risk to key management and it also represents management's assessment of the reasonably possible changes in exchange rates. The sensitivity analysis included only outstanding monetary items denominated in foreign currencies, and the translation of these items at the end of the year was adjusted for a 1% change in exchange rates. The positive values in the table indicate the amount by which the net profit after tax for the current year would increase if the New Taiwan dollar appreciates by 1% relative to the U.S. dollar. Conversely, if the New Taiwan dollar depreciates by 1% relative to the U.S. dollar, the impact on the net profit after tax for the current year would be the same amount in negative terms.

Unit: In Thousands of New Taiwan Dollars

	Impact of USD	
	2024	2023
Profit or loss	$ 11,029(i)	$ 10,335(i)

(i) The amount was mainly from the Group's receivables and payables denominated in USD that were outstanding as of the balance sheet date and were not covered by cash flow hedges.

The increase in the sensitivity to exchange rate of the Group in the year was mainly due to an increase in sales denominated in USD which resulted in an increased balance of accounts receivables denominated in USD.

(b) Interest rate risk

The Group was exposed to interest rate risk because entities within the Group borrowed funds at both fixed and floating interest rates. The Group does not engage in interest rate hedging instruments at present. The management constantly monitors interest rate exposure and will adopt necessary measures to manage the risk arising from significant changes in market interest rates shall the need arises.

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
- Financial assets	$ 300,755	$ 655,834
- Financial liabilities	134,899	158,789
Cash flow interest rate risk		
- Financial assets	669,908	966,406
- Financial liabilities	4,029,668	3,548,711

The Group is exposed to cash flow interest rate risk for bank borrowings at floating interest rate. The situation is in compliance with the Group's policy to keep its borrowings at floating interest rates in order to minimize the fair value interest rate risk. The Group's cash flow interest rate risk is mainly caused by the fluctuation of benchmark interest rate in relation to the borrowings denominated in foreign currencies.

Sensitivity analysis

The sensitivity analysis below is prepared based on the risk exposure of non-derivative instruments to the interest rates on the balance sheet date. For liabilities at floating interest rates, the analysis assumes they are outstanding throughout the reporting period if they are outstanding on the balance sheet date. The 1% change in interest rate is used for internal reporting on interest rate to key management and it also represents management's assessment of the reasonably possible changes in interest rates.

If the interest rate increased/decreased by 1%, the Group's net income would increase/decrease by NT$26,878 thousand and NT$20,658 thousand for the years of 2024 and 2023, respectively. This was mainly due to the Group's interest rate exposure from borrowings at floating interest rates.

The increase in the sensitivity to interest rate of the Group in the current year was mainly due to an increase in borrowings at floating interest rates.

(c) Other price risk

The Group is exposed to equity price risk due to its investments in equity securities. Equity price risk mostly comes from investments in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive profit and loss (mainly investments in fund beneficial certificates and listed stocks in Taiwan.) The Group's management maintains a portfolio of investments with different risks for risk management purpose. Also, investments in equity instruments are all subject to the approval of the management.

Sensitivity analysis

The sensitivity analysis below is carried out based on the exposure to equity price risk on the balance sheet date.

For the years of 2024 and 2023, if the equity price increased/decreased by 1%, the profit or loss after tax would increase/decrease by NT$200 thousand and NT$240 thousand, respectively, due to the increase/decrease in fair value of financial assets at fair value through profit or loss and the other comprehensive profit and loss after tax would increase/decrease by NT$90,714 thousand and NT$71,961 thousand, respectively, due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive profit and loss.

b. Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations, resulting in a financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk due to financial losses from counterparty's unfulfillment of obligations and financial guarantees provided by the Group (i.e., the maximum irrevocable exposure excluding collaterals or other credit enhancement tools) was the carrying amounts of financial assets recognized in the consolidated balance sheets.

As the Group has a broad customer base and customer are unrelated to each other, the concentration of credit risk is low.

c. Liquidity risk

The Group maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of cash flow fluctuations. The Group's management supervises the use of credit lines and ensures the compliance with the terms of the loan contracts.

Bank borrowings are a major source of liquidity for the Group. Please refer to (2) Line of credit below for unused credit facilities of the Group.

(a) Table of liquidity of non-derivative financial liabilities and interest rate risk

The maturity profile of the Group's non-derivative financial liabilities is prepared based on the earliest repayment dates and contractual undiscounted cash flows. Thus, the Group's bank borrowings subject to repayments on demand are included in the earliest time intervals regardless of the probability of the banks choosing to exercise their rights immediately. The maturity analysis of other non-derivative financial liabilities is based on the agreed repayment dates.

December 31, 2024

	Effective Interest Rate (%)	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Current liabilities						
Lease liabilities	0.9000~2.3370	$ 5,704	$ 9,148	$ 36,996	$ 86,409	$ -
Short-term borrowings	1.8200~2.0550	825,000	1,852,000	-	-	-
Long-term borrowings	2.5370~2.5649	-	-	21,763	152,502	1,178,403
Short-term bills payable		-	-	-	-	-
		$ 830,704	$ 1,861,148	$ 58,759	$ 238,911	$ 1,178,403

Further information on the maturity analysis of lease liabilities is listed as follows:

	Less than 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	20 years and above
Lease liabilities	$ 51,848	$ 86,409	$ -	$ -	$ -	$ -

December 31, 2023

	Effective Interest Rate (%)	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Current liabilities						
Lease liabilities	0.9000~2.3205	$ 4,417	$ 8,834	$ 36,889	$ 111,817	$ -
Short-term borrowings	1.7000~2.1473	880,000	2,166,000	-	-	-
Long-term borrowings	2.2437~2.3718	-	-	-	80,945	321,835
Short-term bills payable	1.4500	99,931	-	-	-	-
		$ 984,348	$ 2,174,834	$ 36,889	$ 192,762	$ 321,835

Further information on the maturity analysis of lease liabilities is listed as follows:

	Less than 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	20 years and above
Lease liabilities	$ 50,140	$ 111,817	$ -	$ -	$ -	$ -

The above amounts of non-derivative financial liabilities with floating interest rates are subject to changes due to differences between the floating interest rates and the interest rates estimated as of the balance sheet date.

(b) Line of credit

	December 31, 2024	December 31, 2023
Credit facilities		
- Amount used	$ 4,029,668	$ 3,448,780
- Unused amount	11,600,332	8,631,220
	$ 15,630,000	$ 12,080,000
Credit from commercial papers		
- Amount used	$ -	$ 100,000
- Unused amount	1,050,000	1,250,000
	$ 1,050,000	$ 1,350,000

31. Related Party Transactions

All transactions between the Company and its subsidiaries (i.e., related parties of the Company), account balances, income, and expenses are eliminated upon consolidation and therefore are not shown in the note. Besides disclosures in other notes, the Group engaged in the following transactions with other related parties:

(1) Names and relations of related parties

Name of Related Party	Relationship with the Group
Shang De Motor Co., Ltd.	Associated company
Lian Quan Investment Co., Ltd.	Associated company
WPI-High Street, LLC	Associated company
Chyang Sheng Texing Co., Ltd.	Associated companies (de facto related party prior to August 2023)
Shin Kong Life Insurance Co., Ltd.	De facto related party
Taishin International Bank Co., Ltd.	De facto related party
Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	De facto related party
Shin Kong Investment Trust Co., Ltd.	De facto related party
Shin Kong Commercial Bank Co., Ltd.	De facto related party
The Great Taipei Gas Corporation	De facto related party
UBright Optronics Corp.	De facto related party
Taishin D.A. Finance Co., Ltd.	De facto related party
Taiwan Security Co., Ltd.	De facto related party
Taiwan Shin Kong Security Co., Ltd.	De facto related party
Waibel Enterprise Inc.	De facto related party
Shinkong Mitsukoshi Department Store Co., Ltd.	De facto related party
Shinkong Synthetic Fibers Corporation	De facto related party
Shinkong Insurance Co., Ltd.	De facto related party
Shinkong Materials Technology Co., Ltd.	De facto related party
Shin-Kong Life Real Estate Service Co., Ltd.	De facto related party
Cheng Cheng Co., Ltd.	De facto related party
Cheng Qian Co., Ltd.	De facto related party
ShinKong Co., Ltd.	De facto related party
Yi Kong Security Co., Ltd.	De facto related party
Yi Guang International Apartments Maintenance and Management Co., Ltd.	De facto related party
Shin Kong Recreation Co., Ltd.	De facto related party
Pan Asian Plastics Corp.	De facto related party
Taipei Star Bank Co., Ltd.	De facto related party
Chichen Co., Ltd.	De facto related party
Taishin Financial Holding Co., Ltd.	De facto related party
Shin Kong Education Foundation	De facto related party
Si Si Co., Ltd.	De facto related party
Shin-Kong Communication Co., Ltd.	De facto related party
Taishin Securities Co., Ltd.	De facto related party
Commander Engineering Co., Ltd.	De facto related party

(2) Operating transactions

Financial Statement Account	Type/Name of Related Party	2024	2023
Sales revenue	Shinkong Mitsukoshi Department Store Co., Ltd.	$ 359,618	$ 303,951
	Shinkong Insurance Co., Ltd.	10,602	7,301
	De facto related party	23,226	14,825
		$ 393,446	$ 326,077
Rental revenue	Yi Guang International Apartments Maintenance and Management Co., Ltd.	$ 59,195	$ 33,814
	Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	39,094	39,094
	Taishin International Bank Co., Ltd.	27,726	27,111
	UBright Optronics Corp.	22,737	22,195
	De facto related party	10,815	10,709
		$ 159,567	$ 132,923

The Company's transaction terms for sales to related parties above are not significantly different from those of the unrelated parties.

Rents were negotiated between the Group and each of the above related party, and collected by the parties on monthly bills.

(3) Purchases

Financial Statement Account	Type/Name of Related Party	2024	2023
Purchases	Chyang Sheng Texing Co., Ltd.	$ 130,291	$ 112,628
	Shinkong Synthetic Fibers Corporation	94,483	41,827
	De facto related party	52	-
		$ 224,826	$ 154,455

The Company's transaction terms for purchases from related parties above are not significantly different from those of the unrelated parties.

(4) Contract liabilities

Type of Related Party	December 31, 2024	December 31, 2023
De facto related party	$ 5,880	$ 5,833

The contract liabilities above include advance receipts for sales of goods and leasing of investment properties.

(5) Receivables from related parties (excluding loans and contract assets to related parties)

Financial Statement Account	Type of Related Party	December 31, 2024	December 31, 2023
Notes receivable	De facto related party	$ 8	$ 7
Accounts receivable	Shinkong Mitsukoshi Department Store Co., Ltd.	$ 69,363	$ 60,837
	De facto related party	5,816	6,237
		$ 75,179	$ 67,074

No guarantee is required for the outstanding amount of receivables from related parties. No loss allowances were set aside for receivables from related parties for the years of 2024 and 2023.

(6) Payables to related parties (excluding borrowings from related parties)

Financial Statement Account	Type of Related Party	December 31, 2024	December 31, 2023
Notes payable	Chyang Sheng Texing Co., Ltd.	$ 34,179	$ 38,884
	De facto related party	474	656
		$ 34,653	$ 39,540
Accounts payable	Chyang Sheng Texing Co., Ltd.	$ 2,646	$ 2,366
	Shinkong Synthetic Fibers Corporation	8,242	7,973
		$ 10,888	$ 10,339
Other payables	De facto related party	$ 2,219	$ 2,302

No collateral is provided for the outstanding amount of payables to related parties.

(7) Prepayments

Type of Related Party	December 31, 2024	December 31, 2023
Shinkong Synthetic Fibers Corporation	$ 4,300	$ -
De facto related party	716	393
	$ 5,016	$ 393

(8) Lease in agreements

Financial Statement Account	Type of Related Party	December 31, 2024	December 31, 2023
Lease liabilities	Chyang Sheng Texing Co., Ltd.	$ 31,398	$ 43,842

Type/Name of Related Party	2024	2023
Interest Expenses		
Chyang Sheng Texing Co., Ltd.	$ 389	$ 520

Rents were negotiated between the Group and each of the above related party, and fixed rental payments were made monthly according to the lease agreements.

(9) Lease out agreements

Operating lease

The total amount of future lease payments to be collected is as follows:

Type/Name of Related Party	December 31, 2024	December 31, 2023
Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	$ 35,836	$ 74,929
UBright Optronics Corp.	51,285	73,953
Taishin International Bank Co., Ltd.	30,028	56,436
De facto related party	30,918	20,954
	$ 148,067	$ 226,272

Please refer to Note 31(2) Operating Revenue for information on rental revenue.

(10) Acquisition of financial assets

2024

Unit: In Thousands of Shares

Name of Related Party	Financial Statement Account	No. of Transaction Unit	Object of transaction	Proceeds acquired
Shin Kong Financial Holding	Financial assets at fair value through other comprehensive profit and loss - current	365	Common shares of Shin Kong Financial Holding	$ 3,035
Shinkong Insurance Co., Ltd.	Financial assets at fair value through other comprehensive profit and loss - non-current	8	Common shares of Shinkong Insurance Co., Ltd.	$ 849

2023

Name of Related Party	Financial Statement Account	No. of Transaction Unit	Object of transaction	Proceeds acquired
Chyang Sheng Texing Co., Ltd.	Financial assets at fair value through other comprehensive profit and loss - current	552	Chyang Sheng Texing Co., Ltd. - common stocks	$ 8,411

(11) Disposal of financial assets

Unit: In Thousands of Shares

2023

Name of Related Party	Financial Statement Account	No. of stock exchange	Object of transaction	Disposal of the price	Gains and Losses on disposal
Shin Kong Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss - current	1,000	Shin Kong Taiwan High Dividend Fund	$ 10,350	$ 350

(12) Endorsements and guarantees

Endorsements and Guarantees Provided to Others

Type/Name of Related Party	December 31, 2024	December 31, 2023
Shang De Motor Co., Ltd.		
Guaranteed Amount	$ 50,000	$ 72,360
Amount Actually Drawn	$ 50,000	$ 72,360

(13) Other

Financial Statement Account	Type of Related Party	December 31, 2024	December 31, 2023
Cash and cash equivalent	Shin Kong Commercial Bank Co., Ltd.	$ 91,965	$ 653,695
	Taishin International Bank Co., Ltd.	147,860	104,816
	De facto related party	78	78
		$ 239,903	$ 758,589
Refundable deposits	Chyang Sheng Texing Co., Ltd.	$ 3,874	$ 3,874
	Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	-	20
		$ 3,874	$ 3,894
Guarantee deposits received	Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	$ 66,089	$ 16,289
	Related party in substance	12,579	12,569
		$ 78,668	$ 28,858
Financial assets at amortized cost	Shin Kong Commercial Bank Co., Ltd.	$ 700	$ 700
Operating expenses	De facto related party	$ 28,871	$ 23,574
Non-operating income	Chyang Sheng Texing Co., Ltd.	$ 676	$ 477
	Shang De Motor Co., Ltd.	564	603
	De facto related party	4,207	9,232
		$ 5,447	$ 10,312
Non-operating expenses	De facto related party	$ 21	$ 19

The Group provided shares as collateral to secure financing facilities from related parties. Details are as follows:

Name of Related Party	Details	December 31, 2024	December 31, 2023
Shin Kong Commercial Bank Co., Ltd.	Shares of Shinkong Insurance Co., Ltd.	10,000 thousand shares	10,000 thousand shares
Taishin International Bank Co., Ltd.	Shares of Shinkong Insurance Co., Ltd.	10,000 thousand shares	10,000 thousand shares

(14) Remuneration to key management personnel

	2024	2023
Short-term employee benefits	$ 30,315	$ 27,590
Post-employment benefits	731	641
	$ 31,046	$ 28,231

Remuneration to director and key management personnel is determined by the Remuneration Committee based on personal performances and market trends.

32. Pledged Assets

The following assets have been pledged to financial institutions as collateral for financing loans:

	December 31, 2024	December 31, 2023
Financial assets at fair value through other comprehensive profit and loss - non-current	$ 2,982,000	$ 2,517,520
Investment properties	3,682,164	2,838,570
Pledged time deposits (recognized as financial assets at amortized cost)	12,700	12,700
	$ 6,676,864	$ 5,368,790

33. Significant Contingent Liabilities and Unrecognized Contract Commitments

Besides disclosures in other notes, the Group's significant commitments and contingencies on the balance sheet dates were as follows:

Significant commitments

(1) As of December 31, 2024 and 2023, the guaranteed notes submitted by the Group for import credits and other businesses amounted to NT$4,574 thousand and NT$5,682 thousand, respectively.

(2) Due to the construction of plant office buildings, the Group signed the following agreements:

   a. The contract for work of building project in Shilin Dist., Taipei City was NT$1,038,033 thousand. As of December 31, 2024, NT$625,563 thousand of the construction cost has been paid.

   b. The contract for work of building project in Shilin Dist., Taipei City was NT$3,118,467 thousand. As of December 31, 2024, NT$767,060 thousand of the land cost for the use of transferable development right has been paid.

(3) The Group intends to acquire CWRE Special Situations Fund and will make installment payments totaling no more than US$10,000 thousand starting in 2024.

34. Significant Events after Balance Sheet Date

(1) On February 27, 2025, the Group's Board of Directors approved the capital increase for the subsidiary PT. SHINKONG TEXTILE INDONESIA, amounting to approximately NT$410,395 thousand, with the shareholding ratio remaining unchanged.

(2) On February 27, 2025, the Group's Board of Directors approved the acquisition of land located in Semarang Regency, Central Java Province, Indonesia, by the subsidiary PT. SHINKONG TEXTILE INDONESIA, with a transaction amount of approximately NT$381,551 thousand.

(3) On March 4, 2025, the Group's subsidiary Shinkong Asset Management Co., Ltd. approved the auction sale of land located in Shilin District, Yangming Section 4, Lots 190-1 and 200-1, along with all buildings on the land.

35. Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence

The following information is aggregated by foreign currencies other than functional currency of entities within the Group and the exchange rates used to translate foreign currencies into the functional currency are disclosed. Foreign currency-denominated assets and liabilities of significant influence are as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Assets denominated in foreign currency			
Monetary items			
USD	$ 42,183	32.785	$ 1,382,971
Euro	538	34.14	18,380
GBP	40	41.19	1,632
Japanese Yen	8,899	0.21	1,869
Liabilities denominated in foreign currency			
Monetary items			
USD	134	32.785	4,406
Euro	25	34.14	867

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Assets denominated in foreign currency			
Monetary items			
USD	$ 42,191	30.705	$ 1,295,461
Euro	317	33.98	10,763
GBP	94	39.15	3,698
Liabilities denominated in foreign currency			
Monetary items			
USD	118	30.705	3,628
Euro	22	33.98	762
GBP	3	39.15	117

The Group's (realized and unrealized) foreign exchange gains and losses for the years of 2024 and 2023 amounted to a profit of NT$51,147 thousand and a loss of NT$13,286 thousand, respectively. Since the Group transacted in a number of foreign currencies, foreign exchange gain (loss) cannot be disclosed by foreign currencies with significant impact.

36. Additional Disclosures in the following Note

(1) Related Information on Significant Transactions:

a. Financing provided to others. (Table 1)

b. Endorsements and guarantees provided to others. (Table 2)

c. Marketable securities held at the end of this period (excluding investments in subsidiaries, associated companies and controlled joint ventures). (Table 3)

d. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20% of the paid-in capital. (None)

e. Acquisition of individual real estate with amount of at least NT$300 million or 20% of the paid-in capital. (Table 4)

f. Disposal of individual real estate with amount of at least NT$300 million or 20% of the paid-in capital. (None)

g. Related party transactions with purchase or sales amount of at least NT$100 million or 20% of the paid-in capital. (Table 5)

h. Accounts receivables from related parties of at least NT$100 million or 20% of the paid-in capital. (None)

i. Derivative financial instrument transactions. (None)

j. Others: Intercompany relationships and significant intercompany transactions. (None)

(2) Related Information on Investees (Table 6)

(3) Information on Investments in Mainland China:

a. For investees in mainland China, please show the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, 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 mainland China. (Table 7)

b. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

(a) Purchase amount and percentage, and the closing balance and percentage of the related payables.

(b) Sales amount and percentage, and the closing balance and percentage of the related receivables.

(c) Property transaction amount and the resulting gain or loss.

(d) Ending balances and purposes of endorsements/guarantees or collateral provided.

(e) The maximum balance, ending balance, interest rate range and total amount of interest of financing for the current year.

(f) Other transactions having a significant influence on profit or loss or financial status of the current year, such as providing or receiving services.

(4) Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%. (Table 8)

37. Segment Information

The information provided to the Group's chief operating decision-maker for resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments are as follows:

Sales Department (domestic and overseas sale of finished fabrics, market extension and export-related businesses)

Retail Department (domestic directly operated stores and channels expansion as well as counter sales and management)

Real Estate Department (land development and real estate leasing)

(1) Department revenue and operation performance

The revenue and operation performance of continuing operations by reportable segments are analyzed as follows:

	2024			
	Sales Department	Retail Department	Real Estate Department	Total
Revenue from external customers	$ 2,560,135	$ 1,267,825	$ 386,529	$ 4,214,489
Intersegment revenue	395	2,028	7,611	10,034
Segment revenue	$ 2,560,530	$ 1,269,853	$ 394,140	4,224,523
Internal elimination				(10,034)
Consolidated revenue				$ 4,214,489
Segment profit or loss	$ 315,404	$ 60,673	$ 247,518	$ 623,595
Indirect expenses				(165,289)
Interest income				21,745
Other income				438,058
Other gains and losses				78,191
Finance costs				(51,114)
Share of profit (loss) of associated companies and joint ventures accounted for using the equity method				166,483
Net income before tax				$ 1,111,669

	2023			
	Sales Department	Retail Department	Real Estate Department	Total
Revenue from external customers	$ 2,229,183	$ 779,941	$ 373,821	$ 3,382,945
Intersegment revenue	(959)	577	7,440	7,058
Segment revenue	$ 2,228,224	$ 780,518	$ 381,261	3,390,003
Internal elimination				(7,058)
Consolidated revenue				$ 3,382,945
Segment profit or loss	$ 233,237	$ 29,901	$ 238,400	$ 501,538
Indirect expenses				(141,794)
Interest income				23,183
Other income				370,408
Other gains and losses				(5,238)
Finance costs				(53,452)
Share of profit (loss) of associated companies and joint ventures accounted for using the equity method				78,322
Net income before tax				$ 772,967

Segment profit or loss refers to the profit made by each segment and excludes non-operating income and expense nor income tax expense. This amount of measurement is provided to the main operation decision makers, to be used for distribution of resources to the departments and assessing their performance.

(2) Information on Major Customers

Among the revenue amounts of NT$4,214,489 thousand and NT$3,382,945 thousand for the years 2024 and 2023, respectively, the customers contributing more than 10% of the Group's total revenue are as follows:

	2024	Percentage	2023	Percentage
Client A	$ 468,143	12.23%	$ -	-
Shinkong Mitsukoshi Department Store Co., Ltd.	359,618	9.40%	303,951	10.11%

Shinkong Textile Co., Ltd. and Subsidiaries

Lending Funds to Others

2024

Table 1.

Unit: In Thousands of New Taiwan Dollars

No.	The Company providing funds to others	Counterparty	Item of Transaction	Whether a Related Party	Maximum Balance for the Period	Balance at the End of the Period	Amount Actually Drawn	Interest Rate	Nature of Financing Provided	Sales Transaction Amount	Reason for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Individual Borrower	Limit on Total Amount of Funds Being Lent	Note
													Item	Value			
1	Shinkong Asset Management Co., Ltd.	Xin Fu Development Co., Ltd.	Receivables from related parties	Yes	$ 400,000	$ -	$ -	1.85%	Necessity of short-term financing	$ -	Operating turnover	$ -		$ -	$ 981,017	$ 10,851,155	Note 3

Note 1: The numbers to be filled are described as follows:

(1) For the issuer, fill in 0.

(2) Investees are numbered sequentially starting from 1 according to the company type.

Note 2: Financing provided to Shinkong Asset Management Co., Ltd.:

For financing provided to a company or firm that needs short-term financing, the total financing amount shall not exceed 70% of the parent company's net worth and each financing provided to a single party shall not exceed 20% of the parent company's net worth while the total financing provided to a single party shall be limited to 40% of the lender's net worth.

Maximum amount of financing to companies or firms requiring short-term financing: 15,501,650x70%=10,851,155

The maximum amount permitted to a single borrower: 15,501,650x20%=3,100,330; 2,452,542x40%=981,017

Shinkong Textile Co., Ltd. and Subsidiaries

Endorsements and Guarantees Provided to Others

2024

Table 2. Unit: In Thousands of New Taiwan Dollars

No.	Name of Endorsements and Guarantees Company	Endorsee and Guarantee		Limits on Endorsement and Guarantee Amount Provided to A Single Entity (Note 3)	Maximum Endorsement and Guarantee Balance for the Period	Balance of endorsements and guarantees at the end of the period	Amount Actually Drawn	Amount of Endorsement and Guarantee Collateralized by Property	Ratio of Accumulated Endorsement and Guarantee to Net Equity per Latest Financial Statements (%)	Endorsements and guarantees Maximum limit (Note 3)	Endorsement and Guarantee Provided by Parent for Subsidiary	Endorsement and Guarantee Provided by Subsidiary for Parent	Endorsement and Guarantee Provided for Entities in Mainland China	Note
		Name of Company	Relationship											
0	Shinkong Textile Co., Ltd.	Shang De Motor Co., Ltd.	6	$ 3,100,330	$ 50,000	$ 50,000	$ 50,000	$ -	0.3%	$ 7,750,825	N	N	N	Note 3
1	Shinkong Asset Management Co., Ltd.	Shinkong Textile Co., Ltd.	3	15,501,650	1,800,000	1,800,000	1,800,000	1,800,000	11.6%	15,501,650	N	Y	N	Note 3
2	Hua Yang Motor Co., Ltd.	Shinkong Textile Co., Ltd.	3	15,501,650	810,000	810,000	810,000	810,000	5.2%	15,501,650	N	Y	N	Note 3
2	Hua Yang Motor Co., Ltd.	Shinkong Asset Management Co., Ltd.	3	15,501,650	810,000	810,000	810,000	810,000	5.2%	15,501,650	N	Y	N	Note 3

Note 1: The numbers to be filled are described as follows:

(1) For the issuer, fill in 0.

(2) Investees are numbered sequentially starting from 1 according to the company type.

Note 2: The relationships between endorsers and guarantors and endorsees and guarantees are categorized into the following seven types. Please specify the type:

(1) Companies with which the Company conducts business.

(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the Company's voting shares.

(4) Between companies in which the Company directly and indirectly holds more than 90% of the voting shares.

(5) A mutual insurance company in accordance with the contract requirements of the trade or joint contractors based on the needs of the contract works.

(6) Shareholders making endorsements and guarantees for their mutually invested company in proportion to their shareholding ratio.

(7) Joint and several securities between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 3: The limit calculated based on the Company's Procedures for Endorsement and Guarantee is as follows:

(1) The Company and subsidiaries' aggregate amount of endorsement and guarantee for external entities shall not exceed 50% of the Company's net worth. The maximum endorsement and guarantee for a single entity shall not exceed 20% of the Company's net worth.

(2) According to the rules above, the maximum amount of aggregate endorsement and guarantee provided by the Company and subsidiaries was the net worth of 15,501,650×50%＝7,750,825 and the maximum endorsement and guarantee for a single entity was the net worth of 15,501,650×20%＝3,100,330 for the year of 2024.

The limit calculated based on Shinkong Asset Management Co., Ltd.'s Procedures for Endorsement and Guarantee is as follows:

(3) The amount of endorsement and guarantee provided by 100%-owned subsidiaries to the parent company shall be limited to the net worth of the parent company.

Note 4: Fill in Y if a listed parent company provides endorsement and guarantee for its subsidiary or if a subsidiary provides endorsement and guarantee for its listed parent company or if endorsement and guarantee involve mainland China.

Shinkong Textile Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2024

Table 3. Unit: In Thousands of Shares / Unit: In Thousands of New Taiwan Dollars

Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities (Note 2)	Financial Statement Account	At the end of the period				Note (Note 3)
				Number of Shares (in thousand/shares)	Carrying Amount	Shareholding (%)	Fair value	
Shinkong Textile Co., Ltd.	Beneficiary certificates							
	Yuanta/P-shares Taiwan Top 50 ETF	None	Financial assets at fair value through profit or loss - current	75	$ 14,681	-	$ 14,681	
	COTTONWOOD-REFF Fund	None	〃	9	382,776	-	382,776	
	COTTONWOOD-RESSF Fund	None	〃	-	94,097	-	94,097	
	MIH Climate Fund	None	〃	-	15,866	-	15,866	
	Stocks - listed on TWSE or TPEx							
	Far EasTone Telecommunications Co., Ltd.	None	〃	49	4,380	-	4,380	
	TacBright Optronics Corporation	(5)	〃	5,000	15,650	1.08	15,650	
					$ 527,450		$ 527,450	
Shinkong Textile Co., Ltd.	Stocks - listed on TWSE or TPEx							
	Shinkong Synthetic Fibers Corporation	(3)	Financial assets at fair value through other comprehensive profit and loss - current	56,104	$ 827,538	3.47	$ 827,538	
	Taishin Financial Holding Co., Ltd.	(5)	〃	8,128	141,421	0.06	141,421	
	Shin Kong Financial Holding	(5)	〃	4,975	58,700	0.03	58,700	
					$ 1,027,659		$ 1,027,659	
Shinkong Textile Co., Ltd.	Stocks - listed on TWSE or TPEx							
	Xintec Inc.	None	Financial assets at fair value through other comprehensive profit and loss - non-current	141	$ 27,918	0.05	$ 27,918	
	O-Bank Co., Ltd.	None	〃	10,385	102,705	0.34	102,705	
	The Great Taipei Gas Corporation	(5)	〃	10,738	323,751	2.08	323,751	
	Taishin Financial Holding Co., Ltd. - preferred stocks E	(5)	〃	228	11,769	0.03	11,769	
	Shinkong Insurance Co., Ltd.	(1)	〃	51,548	5,489,812	16.31	5,489,812	A total of 10,000 thousand shares were pledged separately to Shin Kong Bank and Taishin International Bank, and 8,000 thousand shares were pledged to CTBC Bank, with a total market value of NT$2,982,000 thousand

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Holding Company	Type and Name of Securities (Note 1)	Relationship with Issuer of Securities (Note 2)	Financial Statement Account	At the end of the period				Note (Note 3)
				Number of Shares (in thousand/shares)	Carrying Amount	Shareholding (%)	Fair value	
	Taishin Financial Holding Co., Ltd. - preferred stocks E (Second)	(5)	Financial assets at fair value through other comprehensive profit and loss - non-current	137	$ 6,347	0.05	$ 6,347	
	Unlisted companies							
	Taian Insurance Co., Ltd.	None	〃	2,049	74,918	0.69	74,918	
	Shin Kong Chao Feng Co., Ltd.	(5)	〃	200	30,157	2.22	30,157	
	Shinkong Mitsukoshi Department Store Co., Ltd.	(4)	〃	41,275	1,437,211	3.31	1,437,211	
	Shin Kong Recreation Co., Ltd.	(2)	〃	650	224,116	3.32	224,116	
	Eastern International Ad.	None	〃	-	307	0.90	307	
	Li Yu Venture Capital Co., Ltd.	None	〃	147	4,250	1.79	4,250	
	Taiwan Zeniya Interior Design Co., Ltd.	None	〃	-	19,965	8.00	19,965	
	IRSO Precision Co., Ltd.	None	〃	1,000	-	4.93	-	
	KHL IB Venture Capital	None	〃	3,283	34,325	2.98	34,325	
	Mega Solar Energy Co., Ltd.	None	〃	1,000	7,326	1.25	7,326	
	CYS Investment Co., Ltd.	None	〃	10,000	98,738	18.18	98,738	
	Meihao Youjing Investment Co., Ltd.	None	〃	10,000	97,833	15.63	97,833	
Shinkong Asset Management Co., Ltd.	Stocks - listed on TWSE or TPEx							
	Taishin Financial Holding Co., Ltd.	(5)	〃	1,039	18,082	0.01	18,082	
	Taishin Financial Holding Co., Ltd. - preferred stocks E	(5)	〃	29	1,505	-	1,505	
	Taiwan Shin Kong Security Co., Ltd.	(5)	〃	777	31,912	0.20	31,912	
	Shinkong Textile Co., Ltd.	Parent company	〃	804	35,529	0.27	35,529	
	Taishin Financial Holding Co., Ltd. - preferred stocks E (Second)	(5)	〃	17	811	-	811	
	Less: Shares of the parent company held by subsidiary				(35,529)		(35,529)	
					$ 8,043,758		$ 8,043,758	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities as promulgated in IFRS 9 "Financial Instruments".

Note 2: (1)The company's representative of corporate chairman and the Company's representative of corporate chairman are relatives within the second degree of kinship.

(2) The company's representative of corporate director and the Company's representative of corporate chairman are relatives within the second degree of kinship.

(3) The company's representative of corporate director is the same person as the Company's representative of corporate chairman.

(4) The company's representative of corporate supervisor and the Company's representative of corporate chairman are relatives within the second degree of kinship.

(5) Other related parties.

Note 3: Where marketable securities held are pledged as security or pledged for borrowings or with restrictions on their uses under some agreements, the numbers of shares and amount pledged as well as restrictions shall be stated in the Note column.

Note 4: For information on investments in subsidiaries, associated companies, and joint ventures, please refer to Table 6.

Shinkong Textile Co., Ltd. and Subsidiaries

Acquisition of individual real estate with amount of at least NT$300 million or 20% of the paid-in capital

January 1 to December 31, 2024

Table 4. Unit: In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Company Which Acquired Real Estate	Property Name	Date of Transaction	Transaction Amount	Payment Status	Transaction object	Relationship	Previous transfer data for transactions involving related parties must be provided.				Reference criteria for pricing	Objectives and usage for acquisition	Other matters agreed upon
							Owner	Relationship with the issuer	Date of transfer	Amount			
Shinkong Asset Management Co., Ltd.	Housing and Construction	2022/4/8	$ 1,038,033	$ 625,563	Feng Yu United Engineering Co., Ltd.	Non related parties	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable for self-constructed assets	Improving operational efficiency and revitalizing assets	None
Xin Fu Development Co., Ltd.	Housing and Construction	2023/6/6 (Note 1)	3,118,467	767,060	Chong Hong Construction Co., Ltd.	Non related parties	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable for self-constructed assets	Investing in the construction of a building for sale or rental purposes	None

Note 1: On June 6, 2023, Xin Fu Development Co., Ltd. passed a resolution during the Board of Directors meeting to enter into a joint development contract with Chong Hong Construction Co., Ltd. on October 12, 2023.

Shinkong Textile Co., Ltd. and Subsidiaries

Related party transactions with purchase or sales amount of at least NT$100 million or 20% of the paid-in capital

January 1 to December 31, 2024

Table 5. Unit: In Thousands of New Taiwan Dollars

Companies with purchase (sales) of goods	Transaction object	Relationship	Transaction circumstance				Circumstances where the transaction conditions are different from general transactions and the reasons (Note 1)		Notes and accounts receivable (payable)		Note (Note 2)
			Purchase (sales) of goods	Amount	Percentage of Total Purchases (Sales) (%)	Credit period	Unit price	Credit period	Balance	Percentage of Total Notes and Accounts Receivable (Payable) (%)	
Shinkong Mitsukoshi Department Store Co., Ltd.	Shinkong Textile Co., Ltd.	De facto related party	Sale of goods	$ 359,618	9.40%	No significant difference from general customers	—	—	$ 69,363	11.77%	
Chyang Sheng Texing Co., Ltd.	Shinkong Textile Co., Ltd.	De facto related party	Purchases	130,291	4.99%	No significant difference from general customers	—	—	36,825	8.81%	

Note 1: If the related party's transaction conditions are different from the general transaction conditions, the differences and reasons should be stated in the unit price and credit period fields.

Note 2: If there is the circumstance of advance receipt (payment), the terms of the contract, the amount and the difference from the general transaction type shall be stated in the Notes column.

Note 3: Paid-in capital refers to paid-in capital of the parent company. If the issuer's shares have no par value or the par value of each share is not NT$10, then the transaction amount of 20% of the paid-in capital shall be calculated as 10% of the equity attributable to the owner of the parent company in the balance sheet.

Shinkong Textile Co., Ltd. and Subsidiaries

Names, Locations, and Other Information of Investees

January 1 to December 31, 2024

Table 6.

Unit: In Thousands of Shares / New Taiwan Dollars

Investor	Name of investee company	Location	Principal Business Activities	Initial Investment Amount		Holding at the end of the period			Income (Loss) of the Investee	Investment Gain (Loss)	Note
				At the end of the current period	End of Last Year	Number of shares	%	Carrying Amount			
Shinkong Textile Co., Ltd.	Shinkong Asset Management Co., Ltd.	15F, No. 44, Section 2, Zhongshan N Road, Zhongshan District, Taipei	Development and rental of housing, building and industrial factory, development of specific areas and investment, development and construction in public construction	$ 664,719	$ 664,719	98,000	100.00	$ 2,417,013	($ 40,638)	($ 41,603)	Note 1, Subsidiary
〃	Lian Quan Investment Co., Ltd.	6F, No. 44, Section 2, Zhongshan N Road, Zhongshan District, Taipei	Reinvestment in a wide range of businesses, including manufacturing, banking, insurance, recreation, securities, trading, general merchandises, cultural undertakings and the construction of commercial buildings and public housing units.	83,113	83,113	11,193	48.89	440,596	22,690	11,093	
〃	SK INNOVATION CO., LTD.	Portcullis Trust Net Chambzs, P.O. Box1225, Apia, Samoa	General investment	21,424	21,424	700	100.00	2,654	1,183	1,183	Subsidiary
〃	Shang De Motor Co., Ltd.	No. 518, Zhongzheng Rd., Xinzhuang Dist., New Taipei City	Trading and maintenance of motor vehicles and trading of auto parts.	269,699	269,699	9,715	33.50	304,127	112,412	37,658	
〃	WPI-High Street LLC	5190 Campus Dr., Newport Beach, CA 92660	General investment	74,656	74,656	-	35.71	52,266	(38,900)	(13,891)	
〃	Chyang Sheng Texing Co., Ltd.	No. 126, Dagong Road, Dayuan District, Taoyuan City	Outsourcing of Dyeing and Finishing.	546,947	546,947	35,171	20.30	648,690	505,635	102,635	
〃	PT.SHINKONG TEXTILE INDONESIA	Jl. Soekarno-Hatta KM 32. Merakrejo Rt 03/08 Harjosari Kec. Bawen Kab.	Fabric finishing industry, fabric printing industry, and large-scale textile trading.	142,496	-	-	100.00	137,935	(1,595)	(1,595)	Subsidiary
Shinkong Asset Management Co., Ltd.	Xin Fu Development Co., Ltd.	15F, No. 44, Section 2, Zhongshan N Road, Zhongshan District, Taipei	Development and rental of housing, building and industrial factory, and development of specific areas	1,072,650	1,072,650	106,500	100.00	949,829	(125,283)	(125,283)	Second-tier subsidiary
〃	Hua Yang Motor Co., Ltd.	15F, No. 44, Section 2, Zhongshan N Road, Zhongshan District, Taipei	Wholesale of motor vehicles, retail sale of auto and motorcycle parts and accessories, automobile repair, other automobile services, leasing, and manufacturing of motor vehicles/motorcycles and their parts	349,065	349,065	33,700	100.00	381,588	33,619	33,619	Second-tier subsidiary
〃	Chyang Sheng Texing Co., Ltd.	No. 126, Dagong Road, Dayuan District, Taoyuan City	Outsourcing of Dyeing and Finishing.	6,426	6,426	413	0.24	7,585	505,635	1,206	
Hua Yang Motor Co., Ltd.	One Full Co., Ltd.	15F, No. 44, Section 2, Zhongshan N Road, Zhongshan District, Taipei	Retail sale of cloths, retail sale, retail sale without storefront, other integrated retail sale, and international trade.	-	44,000	-	-	-	(24,741)	(24,741)	Second-tier subsidiary

Note 1: The carrying amount has deducted the NT$13,174 thousand reclassified as treasury shares.

Note 2: Please refer to Table 7 for information on investments in mainland China.

Shinkong Textile Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

2024

Table 7.

Unit: In Thousands of New Taiwan Dollars; Foreign Currencies

Name of mainland investee company	Principal Business Activities	Paid-in Capital	Method of Investments	Accumulated outward remittance for investment from Taiwan at the beginning of the current period	Amount of investment remitted or recovered during the Current period		Accumulated outward remittance for investment from Taiwan at the end of the current period	Net income (loss) of the investee in the current period	% Ownership of Direct or Indirect Investment	Investment profit or loss recognized in the current period (Note 2)	Investment carrying value at the end of the current period	Accumulated repatriation of investment income as of the current period	Note
					Outflow	Inflow							
Shanghai Xin Ying Trading Co., Ltd.	Garments, leather suitcases, daily commodities, craft gifts (except for cultural relics) and packaging materials.	$ 21,362	Note 1 (2)	$ 21,362	$ -	$ -	$ 21,362	($ 1,184)	100	($ 1,184) (2)－C	$ 2,650	$ -	-

Note 1: Methods of investments are divided into the following three types. Please specify the type.

(1) Direct investment in mainland China.

(2) Reinvesting in companies in mainland China through SK INNOVATION CO., LTD., which is in a third location.

(3) Other methods.

Note 2: For the Investment Gain (Loss) column:

(1) Indicate if no investment gain (loss) is recognized as an investee is under preparation.

(2) Indicate if investment gain (loss) is recognized on one of the following bases:

A. Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China.

B. Financial statements audited by the parent company's CPAs in Taiwan.

C. Others (financial statements for the same periods prepared by the aforementioned investees).

Accumulated outward remittance for investment in mainland China at the end of the current period	Investment amounts authorized by Investment Commission	Upper limit on the amount of investment stipulated by Investment Commission
$ 21,362	$ 1,000 USD 30,705TWD	$ 9,300,990

Shinkong Textile Co., Ltd.

Information on Major Shareholders

December 31, 2024

Table 8.

Name of Major Shareholders	Shareholding	
	No. of shareholding	Shareholding ratio
Shinkong Synthetic Fibers Corporation	28,378,958	9.45%
Shin Kong Medical Foundation	20,979,735	6.99%
Chichen Co., Ltd.	19,650,000	6.54%

Note 1: The substantial shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery of non-physical registration (including treasury shares) on the last business day of the current quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.