

Shinkong Textile Co., Ltd. and  
Subsidiaries

Consolidated Financial Statements and  
Independent Auditors' Review Report  
First quarter of 2025 and 2024

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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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## **Independent Auditors' Review Report**

To Shinkong Textile Co., Ltd.:

### **Foreword**

We have audited the consolidated balance sheets of Shinkong Textile Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows from January 1 to March 31, 2025 and 2024, and notes to consolidated financial statements (including a summary on significant accounting policies). It is the responsibility of the management to prepare fair presentation consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission. The responsibility of the CPAs is to draw conclusions on the consolidated financial statements based on the results of their review.

### **Scope**

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

### **Basis for Qualified Conclusion**

As described in Note 14 to the consolidated financial statements, the balance of investments accounted for using the equity method amounted to NT\$1,668,963 thousand as of March 31, 2025, and the share of profit or loss of associates recognized under the equity method for the period from January 1 to March 31, 2025 amounted to NT\$5,789 thousand. The related disclosures in the financial statements are based on the investee companies' financial information for the same period, which has not been reviewed by CPAs.

### **Qualified Conclusion**

Based on our review, except for the possible adjustments that might have been identified had the financial information of the investee companies accounted for under the equity method been reviewed by CPAs as described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of Shinkong Textile Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated financial performance and cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche  
CPA Nai-Hua Kuo

CPA Po-Jen Weng

Financial Supervisory Commission Approval  
No.  
Jin-Guan-Zheng-Shen-1070323246

Financial Supervisory Commission Approval  
No.  
Jin-Guan-Zheng-Shen-1010028123

May 13, 2025

Shinkong Textile Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
March 31, 2025, December 31, 2024 and March 31, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Notes 6, 31 and 32)	\$ 861,061	4	\$ 859,291	4	\$ 1,094,888	6
1110	Financial assets at fair value through profit or loss - current (Notes 7, 31 and 32)	610,827	3	527,450	3	482,795	3
1120	Financial assets at fair value through other comprehensive income - current (Notes 8, 31 and 33)	963,503	4	1,027,659	5	1,053,091	5
1136	Financial assets at amortized cost - current (Notes 9, 31, 32 and 33)	-	-	100,000	1	-	-
1150	Notes receivable (Notes 10, 25 and 31)	3,113	-	6,292	-	4,645	-
1160	Notes receivable - related parties, net (Notes 10, 25, 31 and 32)	6	-	8	-	6	-
1170	Accounts receivable (Notes 10, 25 and 31)	431,948	2	512,288	2	361,007	2
1180	Accounts receivable - related parties (Notes 10, 25, 31 and 32)	49,556	-	75,179	-	62,701	-
1200	Other receivables (Notes 10 and 31)	77,734	-	80,826	-	12,732	-
1210	Other receivables - related parties (Notes 10, 31 and 32)	-	-	-	-	4	-
1220	Current tax assets (Note 27)	2,560	-	2,560	-	2,100	-
130X	Inventories (Note 11)	1,139,708	5	1,144,322	5	985,276	5
1410	Prepayments (Notes 19 and 32)	156,782	1	163,159	1	133,100	1
1460	Other non-current assets held for sale (Note 12)	1,015,064	5	-	-	-	-
1470	Other current assets (Note 19)	192	-	2,491	-	3,346	-
11XX	Total current assets	<u>5,312,054</u>	<u>24</u>	<u>4,501,525</u>	<u>21</u>	<u>4,195,691</u>	<u>22</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8, 31 and 33)	8,299,747	37	8,043,758	37	7,057,180	37
1535	Financial assets at amortized cost - non-current (Notes 9, 31, 32 and 33)	12,700	-	12,700	-	12,700	-
1550	Investments accounted for using the equity method (Note 14)	1,668,963	8	1,453,264	7	1,372,360	7
1600	Property, plant and equipment (Notes 15 and 29)	454,756	2	354,644	2	341,482	2
1755	Right-of-use assets (Note 16)	118,533	1	130,780	1	157,576	1
1760	Investment properties (Notes 17 and 33)	5,806,160	26	6,661,727	31	5,671,388	30
1780	Other intangible assets (Note 18)	39,640	-	7,510	-	5,512	-
1840	Deferred tax assets (Note 27)	52,328	-	47,928	-	39,081	-
1990	Other non-current assets (Notes 19 and 32)	375,127	2	315,390	1	202,665	1
15XX	Total non-current assets	<u>16,827,954</u>	<u>76</u>	<u>17,027,701</u>	<u>79</u>	<u>14,859,944</u>	<u>78</u>
1XXX	Total assets	<u>\$ 22,140,008</u>	<u>100</u>	<u>\$ 21,529,226</u>	<u>100</u>	<u>\$ 19,055,635</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 20, 31 and 33)	\$ 2,950,000	13	\$ 2,677,000	13	\$ 2,226,000	12
2110	Short-term bills payable (Notes 20 and 31)	-	-	-	-	389,582	2
2130	Contract liabilities - current (Notes 25, 31 and 32)	26,994	-	31,102	-	26,304	-
2150	Notes payable (Notes 21 and 31)	108,261	1	167,473	1	114,230	1
2160	Notes payable - related parties (Notes 21, 31 and 32)	10,678	-	34,653	-	14,153	-
2170	Accounts payable (Notes 21 and 31)	201,696	1	205,187	1	182,181	1
2180	Accounts payable - related parties (Notes 21, 31 and 32)	11,120	-	10,888	-	22,496	-
2200	Other payables (Notes 22 and 31)	737,117	3	237,383	1	511,283	3
2220	Other payables - related parties (Notes 22, 31 and 32)	2,035	-	2,219	-	2,371	-
2230	Current tax liabilities (Note 27)	119,845	1	75,261	-	151,397	1
2280	Lease liabilities - current (Notes 16, 29 and 32)	49,699	-	49,565	-	49,105	-
2320	Long-term borrowings due within one year (Notes 20 and 31)	25,467	-	21,763	-	-	-
2399	Other current liabilities (Note 22)	4,980	-	3,403	-	6,383	-
21XX	Total current liabilities	<u>4,247,892</u>	<u>19</u>	<u>3,515,897</u>	<u>16</u>	<u>3,695,485</u>	<u>20</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 20, 31 and 33)	1,459,501	7	1,330,905	6	460,721	2
2570	Deferred tax liabilities (Note 27)	775,687	4	770,977	4	768,151	4
2580	Lease liabilities - current (Notes 16, 29 and 32)	72,378	-	85,334	-	111,179	1
2600	Other non-current liabilities (Notes 22 and 32)	254,957	1	324,463	2	249,824	1
25XX	Total non-current liabilities	<u>2,562,523</u>	<u>12</u>	<u>2,511,679</u>	<u>12</u>	<u>1,589,875</u>	<u>8</u>
2XXX	Total liabilities	<u>6,810,415</u>	<u>31</u>	<u>6,027,576</u>	<u>28</u>	<u>5,285,360</u>	<u>28</u>
	Equity attributable to owners of the Company (Note 24)						
	Share capital						
3110	Common shares	<u>3,000,413</u>	<u>13</u>	<u>3,000,413</u>	<u>14</u>	<u>3,000,413</u>	<u>16</u>
3200	Capital surplus	<u>14,849</u>	<u>-</u>	<u>14,849</u>	<u>-</u>	<u>13,385</u>	<u>-</u>
	Retained earnings						
3310	Legal surplus reserve	822,889	4	822,889	4	748,625	4
3320	Special reserve	1,006,356	5	1,006,356	5	1,006,356	5
3350	Unappropriated earnings	2,950,115	13	3,301,476	15	2,593,869	14
3300	Total retained earnings	<u>4,779,360</u>	<u>22</u>	<u>5,130,721</u>	<u>24</u>	<u>4,348,850</u>	<u>23</u>
	Other equity items						
3410	Exchange differences on translating the financial statements of foreign operations	( 1,071 )	-	( 2,319 )	-	( 2,718 )	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>7,549,216</u>	<u>34</u>	<u>7,371,160</u>	<u>34</u>	<u>6,423,519</u>	<u>33</u>
3400	Total other equity	<u>7,548,145</u>	<u>34</u>	<u>7,368,841</u>	<u>34</u>	<u>6,420,801</u>	<u>33</u>
3500	Treasury share	( 13,174 )	-	( 13,174 )	-	( 13,174 )	-
31XX	Total equity attributable to owners of the Company	<u>15,329,593</u>	<u>69</u>	<u>15,501,650</u>	<u>72</u>	<u>13,770,275</u>	<u>72</u>
3XXX	Total equity	<u>15,329,593</u>	<u>69</u>	<u>15,501,650</u>	<u>72</u>	<u>13,770,275</u>	<u>72</u>
	Total Liabilities and Equity	<u>\$ 22,140,008</u>	<u>100</u>	<u>\$ 21,529,226</u>	<u>100</u>	<u>\$ 19,055,635</u>	<u>100</u>

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 March 31, 2025 and 2024

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

Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
	Operating revenue (Notes 25 and 32)				
4110	Sales revenue	\$ 965,059	91	\$ 766,384	89
4300	Rental revenue	98,353	9	95,241	11
4800	Other operating revenue	<u>348</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total operating revenue	<u>1,063,760</u>	<u>100</u>	<u>861,625</u>	<u>100</u>
	Operating costs (Notes 11, 26 and 32)				
5110	Cost of goods sold	( 747,392)	( 70)	( 611,205)	( 71)
5300	Rental costs	( <u>23,409</u> )	( <u>2</u> )	( <u>23,708</u> )	( <u>3</u> )
5000	Total operating costs	( <u>770,801</u> )	( <u>72</u> )	( <u>634,913</u> )	( <u>74</u> )
5900	Gross profit	<u>292,959</u>	<u>28</u>	<u>226,712</u>	<u>26</u>
	Operating expenses (Notes 26 and 32)				
6100	Selling and marketing	( 138,448)	( 13)	( 127,673)	( 15)
6200	General and administrative	( 38,920)	( 4)	( 36,862)	( 4)
6300	R&D expenses	( <u>9,563</u> )	( <u>1</u> )	( <u>8,261</u> )	( <u>1</u> )
6000	Total operating expenses	( <u>186,931</u> )	( <u>18</u> )	( <u>172,796</u> )	( <u>20</u> )
6500	Other income and expenses, net	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
6900	Net operating income	<u>106,028</u>	<u>10</u>	<u>53,917</u>	<u>6</u>
	Non-operating income and expenses (Notes 26 and 32)				
7100	Interest income	2,481	-	4,179	1
7010	Other income	12,170	1	7,156	1
7020	Other gains and losses	29,917	3	53,751	6
7050	Finance costs	( 12,512)	( 1)	( 13,241)	( 2)
7060	Share of profit or loss of associated companies accounted for using the equity method	<u>5,789</u>	<u>-</u>	<u>11,046</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>37,845</u>	<u>3</u>	<u>62,891</u>	<u>7</u>

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Code		January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
7900	Net income before tax	\$ 143,873	13	\$ 116,808	13
7950	Income tax expense (Note 27)	( 45,172 )	( 4 )	( 27,082 )	( 3 )
8200	Net income in the period	<u>98,701</u>	<u>9</u>	<u>89,726</u>	<u>10</u>
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	191,932	18	914,122	106
8320	Share of other comprehensive profit and loss of associated companies and joint ventures accounted for using the equity method	( 13,876 )	( 1 )	( 20,639 )	( 2 )
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	1,560	-	69	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 312 )	-	( 14 )	-
8300	Total other comprehensive income, net of tax	<u>179,304</u>	<u>17</u>	<u>893,538</u>	<u>104</u>
8500	Total comprehensive income	<u>\$ 278,005</u>	<u>26</u>	<u>\$ 983,264</u>	<u>114</u>
	Net income attributable to:				
8610	Owners of the Company	\$ 98,701	9	\$ 89,726	10
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 98,701</u>	<u>9</u>	<u>\$ 89,726</u>	<u>10</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 278,005	26	\$ 983,264	114
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 278,005</u>	<u>26</u>	<u>\$ 983,264</u>	<u>114</u>
	Earnings per share (Note 28)				
	From continuing operations				
9710	Basic	<u>\$ 0.33</u>		<u>\$ 0.30</u>	
9810	Diluted	<u>\$ 0.33</u>		<u>\$ 0.30</u>	

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 March 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

		Equity Attributable to Owners of the Company						Other equity items			
Code		Share capital		Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) at fair value through other comprehensive profit and loss	Treasury share	Total Equity
		Number of Shares (in Thousands Shares)	Amount	Capital surplus	Legal surplus reserve	Special reserve	Unappropriated earnings				
A1	Balance at January 1, 2024	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
B5	Appropriation and distribution of surplus in 2023 Cash dividends to shareholders of the Company	-	-	-	-	-	( 360,050 )	-	-	-	( 360,050 )
D1	Net income from January 1, 2024 to March 31, 2024	-	-	-	-	-	89,726	-	-	-	89,726
D3	Other comprehensive income from January 1, 2024 to March 31, 2024, net of tax	-	-	-	-	-	-	55	893,483	-	893,538
D5	Total comprehensive income from January 1, 2024 to March 31, 2024	-	-	-	-	-	89,726	55	893,483	-	983,264
Z1	Balance at March 31, 2024	<u>300,041</u>	<u>\$ 3,000,413</u>	<u>\$ 13,385</u>	<u>\$ 748,625</u>	<u>\$ 1,006,356</u>	<u>\$ 2,593,869</u>	( <u>\$ 2,718</u> )	<u>\$ 6,423,519</u>	( <u>\$ 13,174</u> )	<u>\$ 13,770,275</u>
A1	Balance at January 1, 2025	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
B5	Appropriation and distribution of surplus in 2024 Cash dividends to shareholders of the Company	-	-	-	-	-	( 450,062 )	-	-	-	( 450,062 )
D1	Net income from January 1, 2025 to March 31, 2025	-	-	-	-	-	98,701	-	-	-	98,701
D3	Other comprehensive income from January 1, 2025 to March 31, 2025, net of tax	-	-	-	-	-	-	1,248	178,056	-	179,304
D5	Total comprehensive income from January 1, 2025 to March 31, 2025	-	-	-	-	-	98,701	1,248	178,056	-	278,005
Z1	Balance at March 31, 2025	<u>300,041</u>	<u>\$ 3,000,413</u>	<u>\$ 14,849</u>	<u>\$ 822,889</u>	<u>\$ 1,006,356</u>	<u>\$ 2,950,115</u>	( <u>\$ 1,071</u> )	<u>\$ 7,549,216</u>	( <u>\$ 13,174</u> )	<u>\$ 15,329,593</u>

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 March 31, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		January 1 to March 31, 2025	January 1 to March 31, 2024
	Cash flows from operating activities		
A10000	Income before income tax for the current period	\$ 143,873	\$ 116,808
A20010	Income and expense items		
A20100	Depreciation	41,008	40,086
A20200	Amortization expense	3,352	846
A20400	Net gains on financial assets at fair value through profit or loss	( 22,093 )	( 23,698 )
A20900	Finance costs	12,512	13,241
A21200	Interest income	( 2,481 )	( 4,179 )
A21300	Dividend income	( 11,864 )	( 6,831 )
A22300	Share of profit or loss of associated companies accounted for using the equity method	( 5,789 )	( 11,046 )
A22500	Gain on disposal of property, plant and equipment	( 173 )	-
A23700	Loss for market price decline and obsolete and slow-moving inventories	23,557	43,413
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	3,181	6,380
A31150	Accounts receivable	105,963	3,716
A31180	Other receivables	6,748	7,855
A31200	Inventories	( 19,826 )	( 21,220 )
A31230	Prepayments	6,377	( 37,683 )
A31240	Other current assets	2,299	( 335 )
A31990	Other non-current assets	-	2,691
A32125	Contract liabilities	( 4,108 )	3,958
A32130	Notes payable	( 83,187 )	( 76,581 )
A32150	Accounts payable	( 3,259 )	68,621
A32180	Other payables	( 34,170 )	( 39,235 )
A32230	Other current liabilities	1,577	2,438
A32240	Net defined benefit assets	( 172 )	( 210 )
A33000	Cash generated from operations	163,325	89,035
A33300	Interest paid	( 12,114 )	( 14,129 )
A33500	Income tax paid	( 590 )	( 1,172 )
AAAA	Net cash generated from operating activities	<u>150,621</u>	<u>73,734</u>

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<u>Code</u>		<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	( \$ 500 )	\$ -
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	598	-
B00050	Disposal of financial assets at amortized cost	100,000	-
B00100	Acquisition of financial assets at fair value through profit or loss	( 61,284 )	( 7,904 )
B01800	Acquisition of an associate	( 225,496 )	-
B02700	Acquisition of property, plant and equipment	( 10,762 )	( 5,933 )
B02800	Proceeds from disposal of property, plant and equipment	299	-
B04500	Acquisition of intangible assets	( 35,482 )	( 1,400 )
B05400	Acquisition of investment properties	( 152,095 )	( 80,719 )
B03700	Increase in refundable deposits	( 42,475 )	( 1,444 )
B07100	Increase in prepayments for equipment	( 18,583 )	( 9,067 )
B07300	Increase in prepayments for land	( 107,873 )	( 4,147 )
B07500	Interest received	2,481	4,179
B07600	Dividends received	8,208	1,408
B09900	Dividends received from associated companies	<u>1,712</u>	<u>3,019</u>
BBBB	Net cash used in investing activities	( <u>541,252</u> )	( <u>102,008</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	273,000	-
C00200	Decrease in short-term borrowings	-	( 820,000 )
C00500	Increase in short-term notes and bills payable	-	290,000
C01600	Proceeds from long-term borrowings	132,300	57,941
C03000	Increase in guarantee deposits received	-	-
C04020	Repayment of the principal portion of lease liabilities	( <u>14,459</u> )	( <u>15,555</u> )
CCCC	Net cash inflow (outflow) from financing activities	<u>390,841</u>	( <u>487,614</u> )
DDDD	Effects of exchange rate changes on cash and cash equivalent	<u>1,560</u>	<u>69</u>
EEEE	Net increase (decrease) in cash and cash equivalents	1,770	( 515,819 )
E00100	Cash and cash equivalents at beginning of year	<u>859,291</u>	<u>1,610,707</u>
E00200	Cash and cash equivalents at beginning of the period	<u>\$ 861,061</u>	<u>\$ 1,094,888</u>

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 March 31, 2025 and 2024  
(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 May 13, 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) IFRSs endorsed by the FSC for application in 2026 (If IFRS 9 and other standards are early adopted on January 1, 2025)

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by International Accounting Standards Board (IASB)</u>
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 1)

Note 1: Effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted starting January 1, 2025.

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
"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. Amendment to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that when the Group sells or contributes assets to an associate (or joint venture), or when it loses control of a subsidiary but retains significant influence (or joint control) over that former subsidiary, the entire gain or loss resulting from the transaction shall be recognized in full, provided that the transferred assets or the former subsidiary meet the definition of a "business" under IFRS 3 Business Combinations.

Conversely, if the transferred assets or the former subsidiary do not meet the definition of a business under IFRS 3, the Group shall recognize the gain or loss only to the extent of the unrelated investors' interests in the associate or joint venture. That is, the portion of the gain or loss attributable to the Group's interest must be eliminated.

b. 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.

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 IAS 34 "Interim Financial Reporting" endorsed by FSC. This consolidated financial report does not include all disclosures required by IFRSs for a complete annual financial report.

## 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) 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 13 and Tables 3 and 4.

#### 4) Other Significant Accounting Policies

In addition to the following explanations, please refer to the Summary of Significant Accounting Policies in the 2024 Annual Consolidated Financial Report.

##### a. Defined benefits under the post-employment benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

##### b. Income tax expense

Income tax expenses are the sum of current income tax and deferred income tax. Income tax for an interim period is assessed on an annual basis, calculated by applying, to an interim period's pre-tax income, the tax rate that would be applicable to expected total annual earnings.

#### 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. Please refer to the explanations of the Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions in the consolidated financial statements for 2024.

#### 6. Cash and cash equivalent

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	\$ 1,546	\$ 1,328	\$ 1,492
Checks and demand deposits in banks	567,258	669,908	750,196
Cash equivalent (investments bank time deposits with original maturities within three months)	<u>292,257</u>	<u>188,055</u>	<u>343,200</u>
	<u>\$ 861,061</u>	<u>\$ 859,291</u>	<u>\$ 1,094,888</u>

7. Financial Instruments at Fair Value through Profit or Loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets - current</u>			
Designated as at fair value through profit or loss			
— Domestic stocks listed or emerging stocks	\$ 18,257	\$ 20,030	\$ 23,493
Mandatorily measured at fair value through profit or loss			
— Fund beneficiary certificates	<u>592,570</u>	<u>507,420</u>	<u>459,302</u>
	<u>\$ 610,827</u>	<u>\$ 527,450</u>	<u>\$ 482,795</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Investments in equity instruments</u>			
<u>Current</u>			
Domestic investment			
Stocks listed on TWSE or TPEX	<u>\$ 963,503</u>	<u>\$ 1,027,659</u>	<u>\$ 1,053,091</u>
<u>Non-current</u>			
Domestic investment			
Stocks listed on TWSE or TPEX	\$ 6,238,385	\$ 6,014,612	\$ 4,925,487
Unlisted stocks	<u>2,061,362</u>	<u>2,029,146</u>	<u>2,131,693</u>
Total	<u>\$ 8,299,747</u>	<u>\$ 8,043,758</u>	<u>\$ 7,057,180</u>

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 33 for details of investments in equity instruments at fair value through other comprehensive profit and loss pledged.



9. Financial assets at amortized cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Domestic investment			
Time deposits with original maturities over three months (1)	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>
<u>Non-current</u>			
Domestic investment			
Time deposits with original maturities over one year (2)	<u>\$ 12,700</u>	<u>\$ 12,700</u>	<u>\$ 12,700</u>

- 1) As of December 31, 2024, the interest rate for time deposits with original maturities of more than three months was 1.760% per annum.
- 2) As of March 31, 2025, and December 31 and March 31, 2024, the interest rate ranges for time deposits with original maturities of more than one year were 1.465% to 1.7%, 1.465% to 1.7%, and 1.34% to 1.575% per annum, 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 33 for details of financial assets at amortized cost pledged.

10. Notes Receivables, Accounts Receivables, and Other Receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 3,113	\$ 6,292	\$ 4,645
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,113</u>	<u>\$ 6,292</u>	<u>\$ 4,645</u>
Notes receivable - related parties (Note 32)	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 6</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 431,967	\$ 512,307	\$ 361,007
Less: Loss allowance	<u>( 19)</u>	<u>( 19)</u>	<u>-</u>
	<u>\$ 431,948</u>	<u>\$ 512,288</u>	<u>\$ 361,007</u>

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	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable - related parties (Note 32)	<u>\$ 49,556</u>	<u>\$ 75,179</u>	<u>\$ 62,701</u>
<u>Other receivables</u>			
Tax refunds receivable	\$ 12,120	\$ 17,571	\$ 6,537
Investment receivable	60,673	60,673	-
Other	<u>4,941</u>	<u>2,582</u>	<u>6,195</u>
	<u>\$ 77,734</u>	<u>\$ 80,826</u>	<u>\$ 12,732</u>
Other receivables - related parties (Note 32)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>

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:

### March 31, 2025

	Billed for 1-60 Days	Billed for 61-120 Days	Billed for 121-180 Days	Billed over 180 Days	Total
ECL rate	0%	0.078%~ 3.498%	5.199%~5.710% 71%	8.399%~ 100%	
Total carrying amount	\$ 477,972	\$ 6,610	\$ 49	\$ 11	\$ 484,642
Loss allowance (lifetime ECL)	-	( 15 )	( 3 )	( 1 )	( 19 )
Amortized cost	<u>\$ 477,972</u>	<u>\$ 6,595</u>	<u>\$ 46</u>	<u>\$ 10</u>	<u>\$ 484,623</u>

### 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	<u>\$ 587,393</u>	<u>\$ 6,258</u>	<u>\$ 116</u>	<u>\$ -</u>	<u>\$ 593,767</u>

### March 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%~100%	
Total carrying amount	\$ 422,116	\$ 6,060	\$ 132	\$ 51	\$ 428,359
Loss allowance (lifetime ECL)	-	-	-	-	-
Amortized cost	<u>\$ 422,116</u>	<u>\$ 6,060</u>	<u>\$ 132</u>	<u>\$ 51</u>	<u>\$ 428,359</u>

Changes in loss allowances for receivables are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	\$ 19	\$ -
Add: Impairment loss provided for in the period	-	-
Balance at the End of the Period	<u>\$ 19</u>	<u>\$ -</u>

### 11. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Finished goods	\$ 453,902	\$ 467,652	\$ 412,085
Work in progress	119,117	149,359	138,780
Raw materials	87,477	77,447	64,327
Merchandise inventories	<u>479,212</u>	<u>449,864</u>	<u>370,084</u>
	<u>\$ 1,139,708</u>	<u>\$ 1,144,322</u>	<u>\$ 985,276</u>

The cost of goods sold is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Cost of inventory sold	\$ 723,835	\$ 567,792
Inventory write-down	23,557	43,413
	<u>\$ 747,392</u>	<u>\$ 611,205</u>

12. Non-current assets held for sale

	March 31, 2025	December 31, 2024	March 31, 2024
Construction in progress held for sale	<u>\$ 1,015,064</u>	<u>\$ -</u>	<u>\$ -</u>

In order to expand its diversified operations and raise operating funds, Shinkong Asset Management Co., Ltd., a subsidiary of the Group, resolved at a board meeting on March 4, 2025, to authorize the Chairman to dispose of the land located in Yangming Section 4, Lot Nos. 190-1 and 200-1, Shilin District, along with all buildings thereon, through public bidding at no less than the appraised value. At the time the land and buildings were classified as non-current assets held for sale, no impairment loss was recognized. Furthermore, no impairment loss was incurred during the period from January 1 to March 31, 2025.

13. Subsidiary

Subsidiaries included in the consolidated financial statements

Entities in the consolidated financial statements are listed as follows:

Investor	Name of subsidiary	Nature of business	Percentage of ownership			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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%	100%	1
Shinkong Textile Co., Ltd.	SK INNOVATION CO., LTD.	General investment business.	100%	100%	100%	2
Shinkong Textile Co., Ltd.	PT.SHINKONG TEXTILE INDONESIA	Fabric finishing industry, fabric printing industry, and large-scale textile trading.	100%	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%	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%	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%	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.
- Note 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.
- Note 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.
- Note 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.
- Note 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%.
- Note 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.
- Note 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.

Note 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 March 31, 2025, our Company has invested IDR 128,445,438 thousand (US\$8,100 thousand).

14. Investments using equity method

Investment in associated companies

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Associated companies that are individually material</u>			
Listed companies			
Chyang Sheng Texing Co., Ltd.	\$ 882,399	\$ 656,275	\$ 563,813
Unlisted companies			
Lian Quan Investment Co., Ltd.	420,442	440,596	440,619
Shang De Motor Co., Ltd.	<u>314,368</u>	<u>304,127</u>	<u>319,980</u>
	<u>1,617,209</u>	<u>1,400,998</u>	<u>1,324,412</u>
<u>Associated companies that are not individually material</u>			
Unlisted companies			
WPI-High Street, LLC	50,554	52,266	47,948
Shinshin Capital Co., Ltd.	<u>1,200</u>	<u>-</u>	<u>-</u>
	<u>51,754</u>	<u>52,266</u>	<u>47,948</u>
	<u>\$ 1,668,963</u>	<u>\$ 1,453,264</u>	<u>\$ 1,372,360</u>

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

	<u>Equity Interest and Voting Rights</u>		
		<u>December 31,</u>	
<u>Name of Company</u>	<u>March 31, 2025</u>	<u>2024</u>	<u>March 31, 2024</u>
Chyang Sheng Texing Co., Ltd.	24.90%	20.54%	20.54%
Lian Quan Investment Co., Ltd.	48.89%	48.89%	48.89%
Shang De Motor Co., Ltd.	33.50%	33.50%	33.50%
WPI-High Street, LLC	35.71%	35.71%	35.71%
Shinshin Capital Co., Ltd.	48.00%	-	-

Please refer to Table 3 "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 profit or loss and other comprehensive income of associates accounted for using the equity method was recognized based on the associates' financial statements for the same period, which were not reviewed by accountants.

## 15. Property, plant and equipment (PP&E)

	Land	Buildings	Machinery equipment	Transportation equipment	Hydropower equipment	Miscellaneous equipment	Lease improvement	Construction in progress	Total
<u>Cost</u>									
Balance at January 1, 2025	\$ 99,458	\$ 280,311	\$ 554,788	\$ 10,625	\$ 133,189	\$ 188,893	\$ 69,444	\$ 4,008	\$ 1,340,716
Additions	-	1,330	1,146	680	1,060	1,408	-	5,138	10,762
Reclassifications	-	1,528	106,739	-	2,040	609	86	( 753 )	110,249
Disposals	-	-	( 24,243 )	-	-	( 172 )	-	-	( 24,415 )
Net exchange difference	-	-	-	-	-	2	-	-	2
Balance at March 31, 2025	<u>\$ 99,458</u>	<u>\$ 283,169</u>	<u>\$ 638,430</u>	<u>\$ 11,305</u>	<u>\$ 136,289</u>	<u>\$ 190,740</u>	<u>\$ 69,530</u>	<u>\$ 8,393</u>	<u>\$ 1,437,314</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2025	\$ -	\$ 248,641	\$ 474,920	\$ 5,355	\$ 96,345	\$ 125,358	\$ 35,453	\$ -	\$ 986,072
Depreciation	-	612	7,598	306	1,269	3,746	7,242	-	20,773
Disposals	-	-	( 24,117 )	-	-	( 172 )	-	-	( 24,289 )
Net exchange difference	-	-	-	-	-	2	-	-	2
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 249,253</u>	<u>\$ 458,401</u>	<u>\$ 5,661</u>	<u>\$ 97,614</u>	<u>\$ 128,934</u>	<u>\$ 42,695</u>	<u>\$ -</u>	<u>\$ 982,558</u>
Net at March 31, 2025	<u>\$ 99,458</u>	<u>\$ 33,916</u>	<u>\$ 180,029</u>	<u>\$ 5,644</u>	<u>\$ 38,675</u>	<u>\$ 61,806</u>	<u>\$ 26,835</u>	<u>\$ 8,393</u>	<u>\$ 454,756</u>
Net at December 31, 2024 and January 1, 2025	<u>\$ 99,458</u>	<u>\$ 31,670</u>	<u>\$ 79,868</u>	<u>\$ 5,270</u>	<u>\$ 36,844</u>	<u>\$ 63,535</u>	<u>\$ 33,991</u>	<u>\$ 4,008</u>	<u>\$ 354,644</u>
<u>Cost</u>									
Balance at January 1, 2024	\$ 99,458	\$ 279,934	\$ 596,561	\$ 12,115	\$ 132,418	\$ 171,591	\$ 58,433	\$ -	\$ 1,350,510
Additions	-	-	2,398	-	-	1,402	1,683	335	5,818
Reclassifications	-	-	898	-	-	497	200	-	1,595
Disposals	-	-	-	-	-	( 202 )	( 11,095 )	-	( 11,297 )
Net exchange difference	-	-	-	-	-	2	-	-	2
Balance at March 31, 2024	<u>\$ 99,458</u>	<u>\$ 279,934</u>	<u>\$ 599,857</u>	<u>\$ 12,115</u>	<u>\$ 132,418</u>	<u>\$ 173,290</u>	<u>\$ 49,221</u>	<u>\$ 335</u>	<u>\$ 1,346,628</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2024	\$ -	\$ 246,666	\$ 512,733	\$ 7,542	\$ 91,495	\$ 112,553	\$ 25,592	\$ -	\$ 996,581
Depreciation	-	483	8,129	247	1,204	3,683	6,114	-	19,860
Disposals	-	-	-	-	-	( 202 )	( 11,095 )	-	( 11,297 )
Net exchange difference	-	-	-	-	-	2	-	-	2
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 247,149</u>	<u>\$ 520,862</u>	<u>\$ 7,789</u>	<u>\$ 92,699</u>	<u>\$ 116,036</u>	<u>\$ 20,611</u>	<u>\$ -</u>	<u>\$ 1,005,146</u>
Net at March 31, 2024	<u>\$ 99,458</u>	<u>\$ 32,785</u>	<u>\$ 78,995</u>	<u>\$ 4,326</u>	<u>\$ 39,719</u>	<u>\$ 57,254</u>	<u>\$ 28,610</u>	<u>\$ 335</u>	<u>\$ 341,482</u>

Unrecognized or reversal on impairment loss from January 1 to March 31, 2025 and 2024.

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

16. Lease agreements

1) Right-of-use assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Carrying amount of right-of-use assets			
Land	\$ 5,450	\$ 6,543	\$ 9,824
Buildings	100,883	112,273	135,480
Office equipment	689	793	1,107
Transportation equipment	10,565	10,034	9,681
Other equipment	<u>946</u>	<u>1,137</u>	<u>1,484</u>
	<u>\$ 118,533</u>	<u>\$ 130,780</u>	<u>\$ 157,576</u>
	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>	
Additions to right-of-use assets	<u>\$ 1,638</u>	<u>\$ 17,341</u>	
Depreciation expense of right-of-use assets			
Land	\$ 1,094	\$ 1,094	
Buildings	11,326	11,008	
Office equipment	104	104	
Transportation equipment	1,170	1,023	
Other equipment	<u>190</u>	<u>174</u>	
	<u>\$ 13,884</u>	<u>\$ 13,403</u>	

Except for the recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease or impairments from January 1 to March 31, 2025 and 2024.

2) Lease liabilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Carrying amount of lease liabilities			
Current	<u>\$ 49,699</u>	<u>\$ 49,565</u>	<u>\$ 49,105</u>
Non-current	<u>\$ 72,378</u>	<u>\$ 85,334</u>	<u>\$ 111,179</u>



Discount rate ranges for lease liabilities are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1.7210%~1.7660%	1.6914%~1.7210%	1.6914%~1.721%
Buildings	0.9460%~1.7210%	0.9460%~1.7210%	0.946%~1.721%
Office equipment	0.9000%~0.9810%	0.9000%~0.9810%	0.9%~0.981%
Transportation equipment	0.9150%~2.3377%	0.9150%~2.3377%	0.915%~2.3377%
Other equipment	1.7660%~2.3205%	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 17 for agreements on investment property leased under operating leases.

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term lease expenses	<u>\$ 2,115</u>	<u>\$ 2,307</u>
Total cash (outflow) for leases	<u>(\$ 16,969)</u>	<u>(\$ 18,363)</u>

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.

## 17. Investment properties

	Land	Buildings	Investment properties under progress	Total
<u>Cost</u>				
Balance at January 1, 2025	\$ 4,503,706	\$ 1,338,012	\$ 1,636,595	\$ 7,478,313
Addition	-	-	165,848	165,848
Reclassifications	-	-	( 1,015,064)	( 1,015,064)
Balance at March 31, 2025	<u>\$ 4,503,706</u>	<u>\$ 1,338,012</u>	<u>\$ 787,379</u>	<u>\$ 6,629,097</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2025	\$ -	\$ 816,586	\$ -	\$ 816,586
Depreciation	-	6,351	-	6,351
Balance at March 31, 2025	<u>\$ -</u>	<u>\$ 822,937</u>	<u>\$ -</u>	<u>\$ 822,937</u>

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	Land	Buildings	Investment properties under progress	Total
Net at March 31, 2025	<u>\$ 4,503,706</u>	<u>\$ 515,075</u>	<u>\$ 787,379</u>	<u>\$ 5,806,160</u>
Net at December 31, 2024 and January 1, 2025	<u>\$ 4,503,706</u>	<u>\$ 521,426</u>	<u>\$ 1,636,595</u>	<u>\$ 6,661,727</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 4,503,062	\$ 1,337,970	\$ 533,506	\$ 6,374,538
Addition	<u>-</u>	<u>-</u>	<u>92,964</u>	<u>92,964</u>
Balance at March 31, 2024	<u>\$ 4,503,062</u>	<u>\$ 1,337,970</u>	<u>\$ 626,470</u>	<u>\$ 6,467,502</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2024	\$ -	\$ 789,291	\$ -	\$ 789,291
Depreciation	<u>-</u>	<u>6,823</u>	<u>-</u>	<u>6,823</u>
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 796,114</u>	<u>\$ -</u>	<u>\$ 796,114</u>
Net at March 31, 2024	<u>\$ 4,503,062</u>	<u>\$ 541,856</u>	<u>\$ 626,470</u>	<u>\$ 5,671,388</u>

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:

	March 31, 2025	December 31, 2024	March 31, 2024
The first year	\$ 302,401	\$ 313,295	\$ 316,426
The second year	233,864	238,760	275,755
The third year	198,906	203,123	209,477
The fourth year	169,804	167,410	179,604
The fifth year	161,507	156,682	162,359
Over 5 years	<u>1,037,849</u>	<u>1,077,106</u>	<u>1,169,299</u>
	<u>\$ 2,104,331</u>	<u>\$ 2,156,376</u>	<u>\$ 2,312,920</u>

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
Renovation	2 to 20 years

The fair value of investment properties as of December 31, 2024 is evaluated by Taiwan Dawa Real Estate Appraiser & Associates on the balance sheet date. The fair value of investment properties as of March 31, 2025 and 2024 has not been evaluated by the independent appraisers, only the management of the Group adopts the evaluation model commonly used by market participants to measure with the Level 3 inputs. The evaluation refers to the market evidence of similar property transaction prices, which fair value obtained from the evaluation is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value	<u>\$ 36,719,101</u>	<u>\$ 36,719,101</u>	<u>\$ 34,619,060</u>

The Group held freehold interests in all of its investment properties. Please refer to Note 33 for the amount of investment property pledged as collateral for borrowings.

18. Other Intangible Assets

	Cost of Computer Software
<u>Cost</u>	
Balance at January 1, 2025	\$ 13,366
Addition	<u>35,482</u>
Balance at March 31, 2025	<u>\$ 48,848</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2025	\$ 5,856
Amortization expense	<u>3,352</u>
Balance at March 31, 2025	<u>\$ 9,208</u>
Net at March 31, 2025	<u>\$ 39,640</u>
Net at December 31, 2024 and January 1, 2025	<u>\$ 7,510</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 7,438
Addition	<u>1,400</u>
Balance at March 31, 2024	<u>\$ 8,838</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2024	\$ 2,480
Amortization expense	<u>846</u>
Balance at March 31, 2024	<u>\$ 3,326</u>
Net at March 31, 2024	<u>\$ 5,512</u>

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

Cost of Computer Software	1-4 years
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19. Other Assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Prepayments			
Prepaid expenses	\$ 59,818	\$ 50,390	\$ 24,508
Prepayments to suppliers	71,214	98,343	93,807
Overpaid sales tax	<u>25,750</u>	<u>14,426</u>	<u>14,785</u>
	<u>\$ 156,782</u>	<u>\$ 163,159</u>	<u>\$ 133,100</u>
Other Assets			
Other	<u>\$ 192</u>	<u>\$ 2,491</u>	<u>\$ 3,346</u>
<u>Non-current</u>			
Refundable deposits	\$ 116,213	\$ 73,738	\$ 75,153
Net defined benefit assets (Note 23)	9,251	9,080	6,186
Prepayments for equipment	4,495	95,278	11,202
Prepayments for land (Note 34)	<u>245,168</u>	<u>137,294</u>	<u>110,124</u>
	<u>\$ 375,127</u>	<u>\$ 315,390</u>	<u>\$ 202,665</u>

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.

20. Borrowings

1) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Secured borrowings (Note 33)</u>			
Bank borrowings	\$ 2,350,000	\$ 2,127,000	\$ 1,626,000
<u>Unsecured borrowings</u>			
Line of credit loans	<u>600,000</u>	<u>550,000</u>	<u>600,000</u>
	<u>\$ 2,950,000</u>	<u>\$ 2,677,000</u>	<u>\$ 2,226,000</u>

The interest rates on bank borrowings were 1.82% to 1.9% as of March 31, 2025, 1.82% to 2.055% as of December 31, 2024, and 1.7% to 2.2794% as of March 31, 2024.

2) Short-term bills payable

	March 31, 2025	December 31, 2024	March 31, 2024
Commercial paper payable	\$ -	\$ -	\$ 390,000
Less: Discounts on short-term bills payable	-	-	( 418 )
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,582</u>

The interest rates on commercial paper payable ranged from 1.34% to 1.55% as of March 31, 2024.

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

March 31, 2024

Guarantor/Accepting Institution	Nominal Amount	Discounted Amount	Carrying Amount	Interest Rate	Name of Collateral	Carrying Amount of Collateral
International Bills Finance Corporation (I)	\$ 100,000	( \$ 113 )	\$ 99,887	1.55%	None	None
China Bills Finance Corporation (II)	200,000	( 204 )	199,796	1.34%	None	None
Taiwan Finance Corporation (III)	<u>90,000</u>	( <u>101</u> )	<u>89,899</u>	1.45%	None	None
	<u>\$ 390,000</u>	( <u>\$ 418</u> )	<u>\$ 389,582</u>			

3) Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured borrowings (Note 33)</u>			
Bank borrowings	\$ 1,484,968	\$ 1,352,668	\$ 460,721
Less: Listed as part due within 1 year	( <u>25,467</u> )	( <u>21,763</u> )	-
Long-term borrowings	<u>\$ 1,459,501</u>	<u>\$ 1,330,905</u>	<u>\$ 460,721</u>

- a. The above long-term borrowings represent project loans obtained by Shinkong Asset for the construction of a plant. The effective annual interest rates ranged from 2.5370% to 2.5667% as of March 31, 2025, from 2.5370% to 2.5649% as of December 31, 2024, and from 2.2443% to 2.5051% as of March 31, 2024. The principal is being repaid in accordance with the terms of the loan agreements.

- b. The above long-term borrowings were secured by the pledge of the Group's investment property (Please refer to Note 33).

## 21. Notes and Accounts Payable

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

## 22. Other liabilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Current</u>			
Other payables			
Tax payable	\$ 17,502	\$ 4,895	\$ 17,260
Employee compensation payable	22,366	18,847	20,562
Director compensation payable	20,700	18,000	17,220
Salaries and bonus payable	26,569	84,781	25,253
Pension payable	3,406	3,341	3,047
Services expense payable	1,761	895	1,415
Electricity and fuels payable	9,625	9,060	7,596
Interest payable	3,368	2,970	1,935
Dividends payable	450,062	-	360,050
Accounts payable (2)	84,158	-	-
Other	<u>97,600</u>	<u>94,594</u>	<u>56,945</u>
	<u>\$ 737,117</u>	<u>\$ 237,383</u>	<u>\$ 511,283</u>
Other payables - related parties (Note 32)	<u>\$ 2,035</u>	<u>\$ 2,219</u>	<u>\$ 2,371</u>
Other liabilities			
Temporary credits	\$ 176	\$ 94	\$ 158
Receipts under custody	4,804	3,309	5,834
Other	<u>-</u>	<u>-</u>	<u>391</u>
	<u>\$ 4,980</u>	<u>\$ 3,403</u>	<u>\$ 6,383</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits received (1)	\$ 254,957	\$ 254,956	\$ 206,075
Accounts payable (2)	-	69,507	43,735
Other	<u>-</u>	<u>-</u>	<u>14</u>
	<u>\$ 254,957</u>	<u>\$ 324,463</u>	<u>\$ 249,824</u>

- (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.

23. Post-employment benefit plans

The pension expenses related to the defined benefit plan recognized from January 1 to March 31, 2025 and 2024 were calculated based on the actuarially determined pension cost rate on December 31, 2024 and 2023, and the amounts were NT\$118 thousand and NT\$104 thousand, respectively.

24. Equity

1) Share capital

Common shares

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Number of shares authorized (in thousands)	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Share capital authorized	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>
Number of shares issued and fully paid (in thousands)	<u>300,041</u>	<u>300,041</u>	<u>300,041</u>
Share capital issued	<u>\$ 3,000,413</u>	<u>\$ 3,000,413</u>	<u>\$ 3,000,413</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>May not be used for any purpose</u>			
Treasury share transactions	\$ 10,514	\$ 10,514	\$ 9,549
Dividends on stocks that have not been collected before the designated date	<u>4,335</u>	<u>4,335</u>	<u>3,836</u>
	<u>\$ 14,849</u>	<u>\$ 14,849</u>	<u>\$ 13,385</u>

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 Company's Articles of Incorporation, please refer to Note 26(7) Compensation to employees and compensation 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, 2024 and 2023 is as follows:

	2024	2023
Legal surplus reserve	<u>\$ 87,160</u>	<u>\$ 74,264</u>
Cash dividends	<u>\$ 450,062</u>	<u>\$ 360,050</u>
Earnings per share (NT\$)	\$ 1.5	\$ 1.2

The above distribution of cash dividends was approved by the Board of Directors on March 11, 2025 and March 8, 2024 respectively. And the distribution item of the remaining earnings of 2023 was subject to the resolution of the annual shareholders' meeting on May 28, 2024. The Company's distribution item of remaining earnings of 2024 is subject to the resolution of the annual shareholders' meeting on May 26, 2025.



4) Other equity items

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

	January 1 to March 31, 2025	January 1 to March 31, 2024
Beginning balance	\$ 7,371,160	\$ 5,530,036
Accrued in the current period		
Unrealized gains (losses)		
Equity instruments	191,932	914,122
Share of associated		
companies accounted for		
using the equity method	( 13,876)	( 20,639)
Other comprehensive income for		
the period	178,056	893,483
Balance at the End of the Period	<u>\$ 7,549,216</u>	<u>\$ 6,423,519</u>

5) Treasury share

<u>Reason for repurchase</u>	<u>Shares of parent company held by subsidiaries (in thousands)</u>
Number of shares on January 1, 2025	<u>804</u>
Number of shares on March 31, 2025	<u>804</u>
Number of shares on January 1, 2024	<u>804</u>
Number of shares on March 31, 2024	<u>804</u>

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

March 31, 2025

<u>Name of subsidiary</u>	<u>No. of Shareholding (in thousands)</u>	<u>Carrying Amount</u>	<u>Market value</u>
Shinkong Asset Management Co., Ltd.	<u>804</u>	<u>\$ 13,174</u>	<u>\$ 33,962</u>

December 31, 2024

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

March 31, 2024

<u>Name of subsidiary</u>	<u>No. of Shareholding (in thousands)</u>	<u>Carrying Amount</u>	<u>Market value</u>
Shinkong Asset Management Co., Ltd.	<u>804</u>	<u>\$ 13,174</u>	<u>\$ 36,655</u>

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.

25. Revenue

	<u>January 1 to March 31, 2025</u>	<u>January 1 to March 31, 2024</u>
Revenue from contracts with customers		
Revenue from the sale of textiles	\$ 683,156	\$ 549,381
Retail sale/Revenue from sale of garment	281,903	217,003
Rental revenue	98,353	95,241
Other	348	-
	<u>\$ 1,063,760</u>	<u>\$ 861,625</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes receivable (Note 10)	\$ 3,119	\$ 6,300	\$ 4,651	\$ 11,031
Accounts receivable (Note 10)	<u>481,504</u>	<u>587,467</u>	<u>423,708</u>	<u>427,424</u>
	<u>\$ 484,623</u>	<u>\$ 593,767</u>	<u>\$ 428,359</u>	<u>\$ 438,455</u>
Contract liabilities				
Sale of goods	\$ 19,574	\$ 23,235	\$ 17,692	\$ 13,273
Rental revenue of investment property	<u>7,420</u>	<u>7,867</u>	<u>8,612</u>	<u>9,073</u>
Contract liabilities - current	<u>\$ 26,994</u>	<u>\$ 31,102</u>	<u>\$ 26,304</u>	<u>\$ 22,346</u>

3) Breakdown of revenue from contracts with customers

Please refer to Note 37 for the breakdown of revenue from contracts with customers.

26. Net income in the period

1) Interest income

	January 1 to March 31, 2025	January 1 to March 31, 2024
Bank deposits	\$ 2,445	\$ 4,146
Other	<u>36</u>	<u>33</u>
	<u>\$ 2,481</u>	<u>\$ 4,179</u>

2) Other income

	January 1 to March 31, 2025	January 1 to March 31, 2024
Dividend income	\$ 11,864	\$ 6,831
Other	<u>306</u>	<u>325</u>
	<u>\$ 12,170</u>	<u>\$ 7,156</u>

3) Other gains and losses

	January 1 to March 31, 2025	January 1 to March 31, 2024
Gains (Losses) on financial assets and financial liabilities		
Financial assets designated as at fair value through profit or loss	(\$ 1,773)	(\$ 467)
Financial assets mandatorily measured at fair value through profit or loss	23,866	24,165
Gains (losses) on disposal of property, plant and equipment	173	-
Net foreign exchange gain	10,626	34,289
Other expenses	( 2,975)	( 4,236)
	<u>\$ 29,917</u>	<u>\$ 53,751</u>

4) Finance costs

	January 1 to March 31, 2025	January 1 to March 31, 2024
Interest on bank borrowings	\$ 20,945	\$ 14,714
Interest on short-term bills	-	503
Interest on lease liabilities	395	502
Less: Amount that meets the demand of asset cost is listed	( 8,828)	( 2,478)
	<u>\$ 12,512</u>	<u>\$ 13,241</u>

Interest capitalization information is as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Amount of interest capitalization	\$ 8,828	\$ 2,478
Interest of interest capitalization	2.2437%~2.5667%	2.2437%~2.5051%

5) Depreciation and amortization

	January 1 to March 31, 2025	January 1 to March 31, 2024
Depreciation expense is summarized by function		
Operating costs	\$ 23,224	\$ 24,275
Operating expenses	<u>17,784</u>	<u>15,811</u>
	<u>\$ 41,008</u>	<u>\$ 40,086</u>
Amortization expense is summarized by function		
Operating costs	\$ 57	\$ 62
Operating expenses	<u>3,295</u>	<u>784</u>
	<u>\$ 3,352</u>	<u>\$ 846</u>

6) Employee benefit expense

	January 1 to March 31, 2025	January 1 to March 31, 2024
Post-employment benefits		
Defined contribution plans	\$ 5,224	\$ 4,728
Defined benefit plans (Note 23)	<u>118</u>	<u>104</u>
	<u>5,342</u>	<u>4,832</u>
Other employee benefits	<u>148,688</u>	<u>134,066</u>
Total employee benefit expense	<u>\$ 154,030</u>	<u>\$ 138,898</u>
Summarized by functions		
Operating costs	\$ 51,035	\$ 49,110
Operating expenses	<u>102,995</u>	<u>89,788</u>
	<u>\$ 154,030</u>	<u>\$ 138,898</u>

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' compensation. Pursuant to the amendment of the Securities and Exchange Act in August 2024, the Company plans to seek approval at the 2025 shareholders' meeting to amend its Articles of Incorporation to specify that no less than 6% of the employee compensation allocated for the year shall be distributed to grassroots (non-managerial) employees.

The estimated employee compensation (including compensation for entry-level employees) and director compensation for the periods from January 1 to March 31, 2025 and 2024, are as follows:

Accrual rate

	January 1 to March 31, 2025	January 1 to March 31, 2024
Compensation to employees	1.90%	1.43%
Compensation to directors	1.90%	1.43%

Amount

	January 1 to March 31, 2025	January 1 to March 31, 2024
Compensation to employees	\$ 2,700	\$ 1,620
Compensation to directors	\$ 2,700	\$ 1,620

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.

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, are as follows:

Amount

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

There was no difference between the amounts actually allocated for compensations to employees and directors for 2024 and 2023 and those recognized in the consolidated financial reports for 2024 and 2023.

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

	January 1 to March 31, 2025	January 1 to March 31, 2024
Total foreign exchange gains	\$ 12,321	\$ 34,289
Total foreign exchange (losses)	( 1,695 )	-
Net profits	\$ 10,626	\$ 34,289

27. Income tax

1) Income tax recognized in profit or loss

Major components of income tax expenses are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Current income tax		
Incurred in this period	\$ 28,455	\$ 20,461
Additional tax levied on the unappropriated earnings	16,719	-
Adjustments for previous years	<u>-</u>	<u>134</u>
	<u>45,174</u>	<u>20,595</u>
Deferred income tax		
Incurred in this period	( <u>2</u> )	<u>6,487</u>
Income tax expense recognized in profit or loss	<u>\$ 45,172</u>	<u>\$ 27,082</u>

2) Income tax recognized in other comprehensive profit and loss

	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Deferred income tax</u>		
Incurred in this year		
— Translating the financial statements of foreign operations	<u>\$ 312</u>	<u>\$ 14</u>

3) 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 2023 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.

28. Earnings per share (EPS)

	Unit: NT\$ per share	
	January 1 to March 31, 2025	January 1 to March 31, 2024
Basic EPS	<u>\$ 0.33</u>	<u>\$ 0.30</u>
Diluted EPS	<u>\$ 0.33</u>	<u>\$ 0.30</u>

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

Net income in the period

	January 1 to March 31, 2025	January 1 to March 31, 2024
Net income for the calculation of basic EPS	<u>\$ 98,701</u>	<u>\$ 89,726</u>
Net income for the calculation of diluted EPS	<u>\$ 98,701</u>	<u>\$ 89,726</u>

Number of shares

	Unit: In Thousands of Shares	
	January 1 to March 31, 2025	January 1 to March 31, 2024
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	<u>384</u>	<u>291</u>
Weighted average number of common shares used for calculation of diluted earnings per share	<u>299,621</u>	<u>299,528</u>

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.



## 29. Cash Flow Information

### 1) Non-cash transactions

Besides disclosures in other notes, the Group engaged in the following non-cash investing activities from January 1 to March 31, 2025 and 2024:

- The distribution of cash dividends was approved by the Board of Directors, but has not distributed yet on March 31, 2025 and 2024 (please refer to Notes 22 and 24 for details).
- The Group reclassified prepaid equipment expenses of NT\$109,366 thousand and NT\$1,595 thousand respectively to property, plant and equipment from January 1 to March 31, 2025 and 2024 (please refer to Note 15 for details).
- During the period from January 1 to March 31, 2025, the Group reclassified materials in the amount of NT\$833 thousand to property, plant and equipment.
- Reconcile payable in cash of the acquisition of property, plant, equipment, and investment properties are as follows:

	January 1 to March 31, 2025	January 1 to March 31, 2024
Additions in the year	\$ 176,610	\$ 98,782
Equipment payable and changes in project expense	( 13,753 )	( 12,130 )
Payment in cash for the acquisition of property, plant, equipment, and investment properties	<u>\$ 162,857</u>	<u>\$ 86,652</u>

- 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

#### January 1 to March 31, 2025

	January 1, 2025	Cash Flows	Non-cash Changes				Number of Interest Paid	March 31, 2025
			Additional Leases	Interest Expenses	Remeasureme nt on Termination	Other		
Lease liabilities (Note 16)	<u>\$ 134,899</u>	<u>( \$ 14,459 )</u>	<u>\$ 1,702</u>	<u>\$ 395</u>	<u>\$ -</u>	<u>( \$ 65 )</u>	<u>( \$ 395 )</u>	<u>\$ 122,077</u>

#### January 1 to March 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes				Number of Interest Paid	March 31, 2024
			Additional Leases	Interest Expenses	Remeasureme nt on Termination	Other		
Lease liabilities (Note 16)	<u>\$ 158,788</u>	<u>( \$ 15,555 )</u>	<u>\$ 17,341</u>	<u>\$ 502</u>	<u>( \$ 227 )</u>	<u>( \$ 63 )</u>	<u>( \$ 502 )</u>	<u>\$ 160,284</u>

### 30. 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.

### 31. 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

#### March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Measured at fair value through profit or loss</u>				
Domestic stocks listed or emerging stocks	\$ 18,257	\$ -	\$ -	\$ 18,257
Fund beneficiary certificates	592,570	-	-	592,570
Total	<u>\$ 610,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,827</u>
<u>Financial assets at fair value through other comprehensive profit and loss</u>				
Investments in equity instruments				
— Domestic stocks listed or emerging stocks	\$ 7,201,888	\$ -	\$ -	\$ 7,201,888
— Domestic stocks not listed	-	-	2,061,362	2,061,362
Total	<u>\$ 7,201,888</u>	<u>\$ -</u>	<u>\$ 2,061,362</u>	<u>\$ 9,263,250</u>

### December 31, 2024

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

### March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Measured at fair value through profit or loss</u>				
Domestic stocks listed or emerging stocks	\$ 23,493	\$ -	\$ -	\$ 23,493
Fund beneficiary certificates	<u>459,302</u>	<u>-</u>	<u>-</u>	<u>459,302</u>
Total	<u>\$ 482,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,795</u>
<u>Financial assets at fair value through other comprehensive profit and loss</u>				
Investments in equity instruments				
— Domestic stocks listed or emerging stocks	\$ 5,978,578	\$ -	\$ -	\$ 5,978,578
— Domestic stocks not listed	<u>-</u>	<u>-</u>	<u>2,131,693</u>	<u>2,131,693</u>
Total	<u>\$ 5,978,578</u>	<u>\$ -</u>	<u>\$ 2,131,693</u>	<u>\$ 8,110,271</u>

There was no transfer between Level 1 and Level 2 fair value measurements from January 1 to March 31, 2025 and 2024.

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

January 1 to March 31, 2025

Financial assets	Financial assets at fair value through other comprehensive profit and loss Equity instruments
Beginning balance	\$ 2,029,146
Recognized in other comprehensive profit and loss (unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss)	32,314
Additional investment	500
Proceeds from capital reduction	( 598 )
Balance at the End of the Period	<u>\$ 2,061,362</u>

January 1 to March 31, 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)	42,433
Balance at the End of the Period	<u>\$ 2,131,693</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss	\$ 592,570	\$ 507,420	\$ 459,302
Designated as at fair value through profit or loss	18,257	20,030	23,493
Financial assets at amortized cost (Note 1)	1,552,331	1,720,322	1,623,836
Financial assets at fair value through other comprehensive profit and loss			
Investments in equity instruments	9,263,250	9,071,417	8,110,271

Financial liabilities

Measured at amortized cost (Note 2)	5,760,832	4,942,427	4,129,092
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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 35.

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. A positive number below indicates an increase in net profit after tax in the period for a 1% appreciation of NT\$ against USD. A 1% depreciation of NT\$ against USD will have an equal but opposite impact on net profit after tax in the period.

	Impact of USD	
	January 1 to March 31, 2025	January 1 to March 31, 2024
Profit or loss	\$ 11,300 (i)	\$ 9,636 (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 Group experienced an increase in exchange rate sensitivity during the current year, primarily due to an increase in U.S. dollar-denominated financial assets.

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
— Financial assets	\$ 304,957	\$ 300,755	\$ 355,900
— Financial liabilities	122,077	134,899	160,284
Cash flow interest rate risk			
— Financial assets	567,258	669,908	750,196
— Financial liabilities	4,434,968	4,029,668	3,076,303

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 interest rates were to increase/decrease by 1%, the Group's net profit after tax for the periods from January 1 to March 31, 2025 and 2024 would decrease/increase by NT\$7,735 thousand and NT\$4,652 thousand, respectively. This is mainly attributable to the exposure from the Group's floating-rate borrowings.

The decrease in the sensitivity to interest rate of the Group in the current year was mainly due to an decrease 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.

If equity prices were to increase/decrease by 1%, the Group's net income after tax for the periods from January 1 to March 31, 2025 and 2024 would increase/decrease by NT\$183 thousand and NT\$235 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through profit or loss. In addition, other comprehensive income after tax for the same periods would increase/decrease by NT\$92,633 thousand and NT\$81,103 thousand, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

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.

March 31, 2025

	Effective Interest Rate (%)	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
<u>Current liabilities</u>						
Lease liabilities	0.9000~2.3377	\$ 4,405	\$ 8,509	\$ 38,944	\$ 75,808	\$ -
Short-term borrowings	1.82~1.9	100,000	2,700,000	150,000	-	-
Long-term borrowings	2.537~2.5667	-	-	25,467	182,137	1,277,364
		<u>\$ 104,405</u>	<u>\$ 2,708,509</u>	<u>\$ 214,411</u>	<u>\$ 257,945</u>	<u>\$ 1,277,364</u>

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	<u>\$ 51,858</u>	<u>\$ 75,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	Effective Interest Rate (%)	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
<u>Current liabilities</u>						
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		-	-	-	-	-
		<u>\$ 830,704</u>	<u>\$ 1,861,148</u>	<u>\$ 58,759</u>	<u>\$ 238,911</u>	<u>\$ 1,178,403</u>

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	<u>\$ 51,848</u>	<u>\$ 86,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### March 31, 2024

	Effective Interest Rate (%)	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
<u>Current liabilities</u>						
Lease liabilities	0.9~2.337	\$ 4,036	\$ 8,073	\$ 34,930	\$ 110,065	\$ -
Short-term borrowings	1.7~2.2794	600,000	1,626,000	-	-	-
Long-term borrowings	2.2443~2.5051	-	-	-	92,301	368,420
Short-term bills payable	1.34~1.55	389,582	-	-	-	-
		<u>\$ 993,618</u>	<u>\$ 1,634,073</u>	<u>\$ 34,930</u>	<u>\$ 202,366</u>	<u>\$ 368,420</u>

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	<u>\$ 47,039</u>	<u>\$ 110,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Credit facilities			
— Amount used	\$ 4,434,968	\$ 4,029,668	\$ 2,686,721
— Unused amount	<u>11,195,032</u>	<u>11,600,332</u>	<u>9,393,279</u>
	<u>\$ 15,630,000</u>	<u>\$ 15,630,000</u>	<u>\$ 12,080,000</u>
Credit from commercial papers			
— Amount used	\$ -	\$ -	\$ 390,000
— Unused amount	<u>1,050,000</u>	<u>1,050,000</u>	<u>960,000</u>
	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>	<u>\$ 1,350,000</u>

## 32. 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 company
Shinshin Capital Co., Ltd.	Associated company
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	January 1 to March 31, 2025	January 1 to March 31, 2024
Sales revenue	Shinkong Mitsukoshi	\$ 78,223	\$ 82,866
	Department Store Co., Ltd.		
	Shinkong Insurance Co., Ltd.	1,248	1,660
	De facto related party	<u>7,680</u>	<u>1,899</u>
		<u>\$ 87,151</u>	<u>\$ 86,425</u>
Rental revenue	Yi Guang International	\$ 16,216	\$ 13,733
	Apartments Maintenance		
	and Management Co., Ltd.		
	Shin Kong Wu Ho-Su	9,773	9,773
	Memorial Hospital under		
	Shin Kong Medical		
	Foundation		
	Taishin International Bank	6,932	6,929
	Co., Ltd.		
	UBright Optronics Corp.	5,766	5,643
	De facto related party	<u>2,769</u>	<u>2,672</u>
		<u>\$ 41,456</u>	<u>\$ 38,750</u>

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	January 1 to March 31, 2025	January 1 to March 31, 2024
Purchases	Chyang Sheng Texing Co.,	\$ 27,903	\$ 16,841
	Ltd.		
	Shinkong Synthetic Fibers	12,807	27,445
	Corporation		
	De facto related party	<u>-</u>	<u>43</u>
		<u>\$ 40,710</u>	<u>\$ 44,329</u>

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	March 31, 2025	December 31, 2024	March 31, 2024
De facto related party	<u>\$ 5,911</u>	<u>\$ 5,880</u>	<u>\$ 6,001</u>

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/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	De facto related party	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 6</u>
Accounts receivable	Shinkong Mitsukoshi	\$ 42,012	\$ 69,363	\$ 57,446
	Department Store Co., Ltd.			
	De facto related party	<u>7,544</u>	<u>5,816</u>	<u>5,255</u>
		<u>\$ 49,556</u>	<u>\$ 75,179</u>	<u>\$ 62,701</u>
Other receivables	De facto related party	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>

No guarantee is required for the outstanding amount of receivables from related parties. No loss allowances were set aside for receivables from related parties from January 1 to March 31, 2025 and 2024.

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

Financial Statement Account	Type of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable	Chyang Sheng Texing Co., Ltd.	\$ 10,287	\$ 34,179	\$ 13,465
	De facto related party	<u>391</u>	<u>474</u>	<u>688</u>
		<u>\$ 10,678</u>	<u>\$ 34,653</u>	<u>\$ 14,153</u>
Accounts payable	Chyang Sheng Texing Co., Ltd.	\$ 8,259	\$ 2,646	\$ 3,787
	Shinkong Synthetic Fibers Corporation	<u>2,861</u>	<u>8,242</u>	<u>18,709</u>
		<u>\$ 11,120</u>	<u>\$ 10,888</u>	<u>\$ 22,496</u>
Other payables	De facto related party	<u>\$ 2,035</u>	<u>\$ 2,219</u>	<u>\$ 2,371</u>

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

7) Prepayments

Type of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Shinkong Insurance Co., Ltd.	\$ 3,666	\$ -	\$ 3,874
Shinkong Synthetic Fibers Corporation		4,300	-
De facto related party	<u>68</u>	<u>716</u>	<u>75</u>
	<u>\$ 3,734</u>	<u>\$ 5,016</u>	<u>\$ 3,949</u>

8) Lease in agreements

Financial Statement Account	Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Lease liabilities	Chyang Sheng Texing Co., Ltd.	<u>\$ 41,198</u>	<u>\$ 31,398</u>	<u>\$ 40,744</u>

Type/Name of Related Party	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Interest Expenses</u>		
Chyang Sheng Texing Co., Ltd.	<u>\$ 77</u>	<u>\$ 110</u>

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	March 31, 2025	December 31, 2024	March 31, 2024
Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	\$ 26,062	\$ 35,836	\$ 65,156
UBright Optronics Corp.	45,587	51,285	68,379
Taishin International Bank Co., Ltd.	24,138	30,028	50,824
De facto related party	<u>29,709</u>	<u>30,918</u>	<u>19,795</u>
	<u>\$ 125,496</u>	<u>\$ 148,067</u>	<u>\$ 204,154</u>

Please refer to Note 32(2) Operating Revenue for information on rental revenue.

10) Endorsements and guarantees

Endorsements and Guarantees Provided to Others

Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Shang De Motor Co., Ltd.			
Guaranteed Amount	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Amount Actually Drawn	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

11) Acquisition of financial assets

January 1 to March 31, 2025

Unit: In Thousands of Shares				
Name of Related Party	Financial Statement Account	No. of Transaction Unit	Object of transaction	Proceeds acquired
Chyang Sheng Texing Co., Ltd.	Investments using equity method	7,549	Common shares	\$ 224,296
Shinshin Capital Co., Ltd.	Investments using equity method	120	Common shares	1,200
Shinshin Capital Co., Ltd.	Financial assets at fair value through other comprehensive profit and loss	50	Preferred stocks	500

12) Other

Financial Statement Account	Type of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalent	Shin Kong Commercial Bank Co., Ltd.	\$ 190,903	\$ 91,965	\$ 305,349
	Taishin International Bank Co., Ltd.	78,259	147,860	78,108
	De facto related party	<u>78</u>	<u>78</u>	<u>78</u>
		<u>\$ 269,240</u>	<u>\$ 239,903</u>	<u>\$ 383,535</u>
Refundable deposits	Chyang Sheng Texing Co., Ltd.	\$ 3,874	\$ 3,874	\$ 3,874
	Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	<u>-</u>	<u>-</u>	<u>20</u>
		<u>\$ 3,874</u>	<u>\$ 3,874</u>	<u>\$ 3,894</u>
Guarantee deposits received	Shin Kong Wu Ho-Su Memorial Hospital under Shin Kong Medical Foundation	\$ 66,089	\$ 66,089	\$ 16,289
	Related party in substance	<u>12,579</u>	<u>12,579</u>	<u>12,569</u>
		<u>\$ 78,668</u>	<u>\$ 78,668</u>	<u>\$ 28,858</u>
Financial assets at amortized cost	Shin Kong Commercial Bank Co., Ltd.	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>

Financial Statement Account	Type of Related Party	January 1 to March 31, 2025	January 1 to March 31, 2024
Operating expenses	De facto related party	<u>\$ 7,588</u>	<u>\$ 6,572</u>
Non-operating income	De facto related party	<u>\$ 448</u>	<u>\$ 1,322</u>
Non-operating expenses	De facto related party	<u>\$ 2</u>	<u>\$ 14</u>

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

Name of Related Party	Details	March 31, 2025	December 31, 2024	March 31, 2024
Shin Kong Commercial Bank Co., Ltd.	Shares of Shinkong Insurance Co., Ltd.	5,000 thousand shares	10,000 thousand shares	10,000 thousand shares
Taishin International Bank Co., Ltd.	Shares of Shinkong Insurance Co., Ltd.	6,000 thousand shares	10,000 thousand shares	10,000 thousand shares

### 13) Compensation to key management personnel

	January 1 to March 31, 2025	January 1 to March 31, 2024
Short-term employee benefits	<u>\$ 6,489</u>	<u>\$ 6,291</u>
Post-employment benefits	<u>157</u>	<u>154</u>
	<u>\$ 6,646</u>	<u>\$ 6,445</u>

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

### 33. Pledged Assets

The following assets have been provided as collateral for financial institutes borrowings:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through other comprehensive profit and loss - non-current	\$ 2,109,000	\$ 2,982,000	\$ 2,881,840
Investment properties	3,677,863	3,682,164	3,697,776
Pledged time deposits (recognized as financial assets at amortized cost)	<u>12,700</u>	<u>12,700</u>	<u>12,700</u>
	<u>\$ 5,799,563</u>	<u>\$ 6,676,864</u>	<u>\$ 6,592,316</u>



34. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

Significant commitments

- 1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the guaranteed notes submitted by the Group for import credits and other businesses amounted to NT\$4,941 thousand, NT\$4,574 thousand, and NT\$5,182 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\$1,014,027 thousand. As of March 31, 2025, NT\$757,419 thousand of the construction cost has been paid.
  - b. The contract for the construction of the Neihu District project in Taipei City was awarded for a total of NT\$3,118,467 thousand. As of March 31, 2025, NT\$738,623 thousand has been paid for land transfer fees, and NT\$47,781 thousand has been paid for architectural design and supervision fees.
- 3) The Group plans to acquire an interest in the CWRE Special Situations Fund and, starting from 2024, will make capital contributions in installments totaling no more than US\$10,000 thousand. As of March 31, 2025, US\$4,041 thousand had been paid.
- 4) The Group also plans to participate in the cash capital increase of Shinshin Capital Co., Ltd., with a total transaction amount not exceeding NT\$800,000 thousand.

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:

March 31, 2025

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Assets denominated in foreign currency			
<u>Monetary items</u>			
USD	\$ 42,666	33.205	\$ 1,416,739
Euro	215	35.97	7,747
GBP	82	43.05	3,512
Japanese Yen	60,786	0.2227	13,537
Liabilities denominated in foreign currency			
<u>Monetary items</u>			
USD	128	33.205	4,260
Euro	118	35.97	4,231

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Assets denominated in foreign currency			
<u>Monetary items</u>			
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			
<u>Monetary items</u>			
USD	134	32.785	4,406
Euro	25	34.14	867

March 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Assets denominated in foreign currency			
<u>Monetary items</u>			
USD	\$ 37,933	32	\$ 1,213,862
Euro	317	34.46	10,917
GBP	54	40.39	2,176
Japanese Yen	44,670	0.2115	9,448
Liabilities denominated in foreign currency			
<u>Monetary items</u>			
USD	292	32	9,328
Euro	27	34.46	919

The Group's (realized and unrealized) foreign exchange gains and losses from January 1 to March 31, 2025 and 2024 amounted to a gain of NT\$10,626 thousand and a gain of NT\$34,289 thousand and, respectively. Since the Group transacts 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) Significant Transactions:

- a. Financing provided to others. (None)
- b. Endorsements and guarantees provided to others. (Table 1)
- c. Marketable securities held at the end of this period (excluding investments in subsidiaries, associated companies and controlled joint ventures). (Table 2)
- d. Related party transactions with purchase or sales amount of at least NT\$100 million or 20% of the paid-in capital. (None)
- e. Accounts receivables from related parties of at least NT\$100 million or 20% of the paid-in capital. (None)
- f. Others: Intercompany relationships and significant intercompany transactions. (None)

2) Related Information on Investees. (Table 3)

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 4)
- 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 period.
- f) Other transactions having a significant influence on profit or loss or financial status of the current period, such as providing or receiving services.

### 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)

#### Department revenue and operation performance

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

	January 1 to March 31, 2025			
	Sales Department	Retail Department	Real Estate Department	Total
Revenue from external customers	\$ 683,156	\$ 282,404	\$ 98,200	\$1,063,760
Intersegment revenue			1,903	1,903
Segment revenue	<u>\$ 683,156</u>	<u>\$ 282,404</u>	<u>\$ 100,103</u>	1,065,663
Internal elimination				( 1,903 )
Consolidated revenue				<u>\$1,063,760</u>
Segment profit or loss	<u>\$ 89,310</u>	( <u>\$ 9,814</u> )	<u>\$ 64,786</u>	\$ 144,282
Indirect expenses				( 38,254 )
Interest income				2,480
Other income				12,170
Other gains and losses				29,917
Finance costs				( 12,512 )
Share of profit (loss) of associated companies and joint ventures accounted for using the equity method				<u>5,789</u>
Net income before tax				<u>\$ 143,873</u>

	January 1 to March 31, 2024			
	Sales Department	Retail Department	Real Estate Department	Total
Revenue from external customers	\$ 549,381	\$ 217,142	\$ 95,102	\$ 861,625
Intersegment revenue	<u>386</u>	<u>1,792</u>	<u>1,903</u>	<u>4,081</u>
Segment revenue	<u>\$ 549,767</u>	<u>\$ 218,934</u>	<u>\$ 97,005</u>	865,706
Internal elimination				( <u>4,081</u> )
Consolidated revenue				<u>\$ 861,625</u>
Segment profit or loss	<u>\$ 59,376</u>	( <u>\$ 34,458</u> )	<u>\$ 62,261</u>	\$ 87,179
Indirect expenses				( 33,262 )
Interest income				4,179
Other income				7,156
Other gains and losses				53,751
Finance costs				( 13,241 )
Share of profit (loss) of associated companies and joint ventures accounted for using the equity method				<u>11,046</u>
Net income before tax				<u>\$ 116,808</u>

Shinkong Textile Co., Ltd. and Subsidiaries  
Endorsements and Guarantees Provided to Others  
January 1 to March 31, 2025

Table 1.

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 (%)	Maximum amount for endorsements and guarantees (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	\$ 3,065,919	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.3%	\$ 7,664,797	N	N	N	Note 3
1	Shinkong Asset Management Co., Ltd.	Shinkong Textile Co., Ltd.	3	15,329,593	1,800,000	1,800,000	1,800,000	1,800,000	11.7%	15,329,593	N	Y	N	Note 3
2	Hua Yang Motor Co., Ltd.	Shinkong Textile Co., Ltd.	3	15,329,593	810,000	810,000	810,000	810,000	5.3%	15,329,593	N	Y	N	Note 3
2	Hua Yang Motor Co., Ltd.	Shinkong Asset Management Co., Ltd.	3	15,329,593	810,000	810,000	810,000	810,000	5.3%	15,329,593	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: 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 NT\$15,329,593 thousand  $\times$  50% = NT\$7,664,797 thousand and the maximum endorsement and guarantee for a single entity was the net worth of NT\$15,329,593 thousand  $\times$  20% = NT\$3,065,919 thousand for the year of 2025.  
The limit calculated based on Shinkong Asset Management Co., Ltd.'s Procedures for Endorsement and Guarantee is as follows:
- (3) The amount of endorsement/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  
March 31, 2025

Table 2.

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	130	\$ 22,458	-	\$ 22,458	
	COTTONWOOD-REFF Fund	None	"	9	407,641	-	407,641	
	COTTONWOOD-RESSF Fund	None	"	-	146,402	-	146,402	
	MIH Climate Fund	None	"	-	16,069	-	16,069	
	Stocks - listed on TWSE or TPEx Far EasTone Telecommunications Co., Ltd.	None	"	49	4,507	-	4,507	
	TacBright Optronics Corporation	(5)	"	5,000	13,750	1.08	13,750	
					<u>\$ 610,827</u>		<u>\$ 610,827</u>	
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	\$ 763,018	3.47	\$ 763,018	
	Taishin Financial Holding Co., Ltd.	(5)	"	8,128	139,796	0.06	139,796	
	Shin Kong Financial Holding	(5)	"	4,975	60,689	0.03	60,689	
					<u>\$ 963,503</u>		<u>\$ 963,503</u>	
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	\$ 20,093	0.05	\$ 20,093	
	O-Bank Co., Ltd.	None	"	10,385	102,290	0.34	102,290	
	The Great Taipei Gas Corporation	(5)	"	10,738	323,751	2.08	323,751	
	Taishin Financial Holding Co., Ltd. - preferred stocks E	(5)	"	228	11,723	0.03	11,723	

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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	
Shinkong Asset Management Co., Ltd.	Shinkong Insurance Co., Ltd.	(1)	Financial assets at fair value through other comprehensive profit and loss - non-current	51,548	\$ 5,721,776	16.31	\$ 5,721,776	A total of 5,000 thousand shares were pledged to Shin Kong Commercial Bank, 6,000 thousand shares to Taishin International Bank, and 8,000 thousand shares to CTBC Bank, with a combined market value of NT\$2,109,000 thousand
	Taishin Financial Holding Co., Ltd. - preferred stocks E (Second) Unlisted companies	(5)	"	137	6,449	0.05	6,449	
	Taian Insurance Co., Ltd.	None	"	2,049	73,463	0.69	73,463	
	Shin Kong Chao Feng Co., Ltd.	(5)	"	200	30,157	2.22	30,157	
	Shinkong Mitsukoshi Department Store Co., Ltd.	(4)	"	41,275	1,470,644	3.31	1,470,644	
	Shin Kong Recreation Co., Ltd.	(2)	"	650	225,197	3.32	225,197	
	Shinshin Capital Co., Ltd. - preferred stocks	(5)	"	50	500	20.00	500	
	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	"	-	19,666	8.00	19,666	
	IRSO Precision Co., Ltd.	None	"	1,000	-	4.93	-	
	KHL IB Venture Capital	None	"	3,223	33,733	2.98	33,733	
	Mega Solar Energy Co., Ltd.	None	"	1,000	7,326	1.25	7,326	
	CYS Investment Co., Ltd.	None	"	10,000	98,289	18.18	98,289	
	Meihao Youjing Investment Co., Ltd.	None	"	10,000	97,830	15.63	97,830	
	Stocks - listed on TWSE or TPEx							
	Taishin Financial Holding Co., Ltd.	(5)	"	1,039	17,874	0.01	17,874	
	Taishin Financial Holding Co., Ltd. - preferred stocks E	(5)	"	29	1,499	-	1,499	
	Taiwan Shin Kong Security Co., Ltd.	(5)	"	777	32,106	0.20	32,106	
	Shinkong Textile Co., Ltd.	Parent company	"	804	33,962	0.27	33,962	
	Taishin Financial Holding Co., Ltd. - preferred stocks E (Second)	(5)	"	17	824	-	824	
	Less: Shares of the parent company held by subsidiary				( 33,962 )		( 33,962 )	
					\$ 8,299,747		\$ 8,299,747	



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 3.

Shinkong Textile Co., Ltd. and Subsidiaries  
Names, Locations, and Other Information of Investees  
January 1 to March 31, 2025

Table 3.

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	\$ 2,445,061	\$ 28,054	\$ 28,054	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	420,442	( 715 )	( 349 )	
"	SK INNOVATION CO., LTD.	Portcullis Trust Net Chambzs, P.O. Box1225, Apia, Samoa	General investment	21,424	21,424	700	100.00	2,685	( 26 )	( 26 )	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	314,368	30,568	10,240	
"	WPI-High Street LLC	5190 Campus Dr., Newport Beach, CA 92660	General investment	74,656	74,656	-	35.71	50,554	-	-	
"	Chyang Sheng Texing Co., Ltd.	No. 126, Dagong Road, Dayuan District, Taoyuan City	Outsourcing of Dyeing and Finishing.	771,243	546,947	42,720	24.66	874,850	( 14,905 )	( 4,066 )	
"	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.	262,222	142,496	-	100.00	257,196	( 1,967 )	( 1,967 )	Subsidiary
	Shinshin Capital Co., Ltd.	5F, No. 136, Section 3, Ren'ai Road, Da'an District, Taipei	General investment	1,200	-	120	48.00	1,200	-	-	
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	950,240	410	410	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	364,400	13,070	13,070	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	7,549	( 14,905 )	( 36 )	

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

Note 2: Please refer to Table 4 for information on investments in mainland China.

Shinkong Textile Co., Ltd. and Subsidiaries  
Information on Investments in Mainland China  
January 1 to March 31, 2025

Table 4.

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 gain (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	( \$ 26 )	100	( \$ 26 )	\$ 2,681	\$ -	-

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 reviewed by international accounting firms cooperating with accounting firms in the Republic of China.
  - B. Financial statements reviewed 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 33,205 TWD	\$ 9,197,756