Paiho Shih Holdings Corporation and Subsidiaries

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Paiho Shih Holdings Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024 is described as follows:

<u>Revenue Recognition</u>

The Group is mainly engaged in the manufacturing and sale of touch fasteners, webbing (shoelaces), elastics, and jacquard engineered mesh as well as the sale of residential buildings constructed by entrusted construction contractors. Due to the growth in sales revenue this year compared to the previous year, we identified the authenticity of sales revenue from specific customers as a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies on revenue recognition.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We obtained an understanding of the design and execution of the internal controls over revenue recognition, sampled and inspected the appropriateness of those controls.

2. We selected sample entries from the sales records of specific customers and verified them against orders, delivery notes, or payment vouchers to confirm the authenticity of revenue recognition.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ting-Chien Su and Shao-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2025

Notice to Readers

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

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,581,668	9	$ 1,452,702	8
Financial assets at amortized cost - current (Notes 4, 7 and 29)	-	-	330,063	2
Notes receivable (Notes 4 and 8)	3,439	-	2,164	-
Trade receivables (Notes 4 and 8)	1,360,095	7	1,004,503	5
Trade receivables - related parties (Notes 4, 8 and 28)	5,968	-	8,367	-
Other receivables	103,694	-	19,914	-
Inventories - manufacturing (Notes 4 and 9)	1,235,772	7	1,191,975	7
Inventories - constructing (Notes 4 and 9)	1,596,150	9	2,140,005	12
Other current assets (Note 15)	334,975	2	724,981	4
Total current assets	6,221,761	34	6,874,674	38
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7 and 29)	10,038	-	9,842	-
Property, plant and equipment (Notes 4 and 11)	9,302,244	51	9,699,733	54
Right-of-use assets (Notes 4 and 12)	918,386	5	934,158	5
Investment properties (Notes 4 and 13)	1,387,588	8	92,256	1
Goodwill (Notes 4 and 14)	148,721	1	138,427	1
Other intangible assets (Note 4)	1,092	-	1,176	-
Deferred tax assets (Notes 4 and 23)	71,306	-	83,954	-
Prepayments for machinery and equipment	144,343	1	84,931	1
Other non-current assets (Note 15)	12,407	-	23,910	-
Total non-current assets	11,996,125	66	11,068,387	62
TOTAL	$ 18,217,886	100	$ 17,943,061	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 6,177,283	34	$ 7,794,154	44
Contract liabilities - current (Notes 4 and 21)	25,839	-	15,121	-
Trade payables	331,281	2	300,762	2
Trade payables - related parties (Note 28)	72,338	-	44,813	-
Other payables (Notes 17 and 28)	524,614	3	750,071	4
Current tax liabilities (Notes 4 and 23)	34,914	-	33,565	-
Lease liabilities - current (Notes 4 and 12)	716	-	-	-
Current portion of long-term borrowings (Note 16)	334,962	2	22,992	-
Other current liabilities	16,879	-	12,046	-
Total current liabilities	7,518,826	41	8,973,524	50
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	3,260,188	18	3,367,678	19
Deferred tax liabilities (Notes 4 and 23)	571,118	3	507,447	3
Deferred revenue - non-current (Note 4)	113,407	1	117,007	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	126,558	1	132,861	1
Guarantee deposits received	16,361	-	12,480	-
Total non-current liabilities	4,087,632	23	4,137,473	23
Total liabilities	11,606,458	64	13,110,997	73
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Common stock	3,999,370	22	3,309,370	18
Shares received in advance	-	-	69,599	-
Capital surplus	1,015,572	6	466,677	3
Retained earnings				
Special reserve	715,193	4	568,162	3
Unappropriated earnings	1,375,014	7	1,133,027	7
Other equity	(494,184)	(3)	(715,193)	(4)
Total equity attributable to owners of the Corporation	6,610,965	36	4,831,642	27
NON-CONTROLLING INTERESTS	463	-	422	-
Total equity	6,611,428	36	4,832,064	27
TOTAL	$ 18,217,886	100	$ 17,943,061	100

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
SALES (Notes 4, 21 and 28)	$ 7,000,097	100	$ 5,269,433	100
COST OF GOODS SOLD (Notes 4, 9, 21, 22 and 28)	4,393,492	63	3,718,686	70
GROSS PROFIT	2,606,605	37	1,550,747	30
OPERATING EXPENSES (Notes 4, 22 and 28)				
Selling and marketing expenses	533,341	8	575,211	11
General and administrative expenses	694,661	10	657,320	13
Research and development expenses	375,870	5	381,640	7
Expected credit loss recognized on trade receivables (Note 8)	4,669	-	3,244	-
Total operating expenses	1,608,541	23	1,617,415	31
PROFIT (LOSS) FROM OPERATIONS	998,064	14	(66,668)	(1)
NON-OPERATING INCOME AND EXPENSES				
Subsidy revenue	36,559	1	20,625	-
Finance costs (Notes 4 and 22)	(526,407)	(7)	(526,852)	(10)
Interest income	31,415	-	31,903	1
Other income (Note 28)	65,526	1	39,292	1
Other expenses (Note 22)	(62,585)	(1)	(34,565)	(1)
Net loss on disposal of property, plant and equipment (Note 4)	(1,813)	-	(3,229)	-
Net loss on foreign exchange (Notes 4 and 22)	(806)	-	(17,428)	-
Impairment loss recognized on property, plant and equipment (Note 4)	-	-	(24,852)	(1)
Total non-operating income and expenses	(458,111)	(6)	(515,106)	(10)
PROFIT (LOSS) BEFORE INCOME TAX	539,953	8	(581,774)	(11)
INCOME TAX EXPENSE (Notes 4 and 23)	171,606	3	45,544	1
NET PROFIT (LOSS) FOR THE YEAR	368,347	5	(627,318)	(12)

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	$ 20,699	-	$ 19,550	1
Foreign exchange differences on translation to presentation currency	384,414	6	8,739	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(163,392)	(2)	(155,784)	(3)
Other comprehensive loss for the year	241,721	4	(127,495)	(2)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 610,068	9	$ (754,813)	(14)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 368,319	5	$ (627,254)	(12)
Non-controlling interests	28	-	(64)	-
	$ 368,347	5	$ (627,318)	(12)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 610,027	9	$ (754,735)	(14)
Non-controlling interests	41	-	(78)	-
	$ 610,068	9	$ (754,813)	(14)
EARNINGS (LOSS) PER SHARE (Note 24)				
Basic	$ 0.93		$ (1.90)	
Diluted	$ 0.93		$ (1.90)	

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation								
				Retained Earnings (Notes 4 and 20)					
	Common Stock (Notes 4 and 20)	Shares Received in Advance (Note 4 and 20)	Capital Surplus (Note 4, 20 and 25)	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations (Note 20)	Total	Non-controlling Interests (Notes 4)	Total Equity
BALANCE AT JANUARY 1, 2023	$ 3,151,781	$ -	$ 456,751	$ 497,668	$ 2,031,850	$ (568,162)	$ 5,569,888	$ 500	$ 5,570,388
Appropriation of 2022 earnings									
Special reserve	-	-	-	70,494	(70,494)	-	-	-	-
Cash dividend	-	-	-	-	(63,036)	-	(63,036)	-	(63,036)
Share dividends	157,589	-	-	-	(157,589)	-	-	-	-
Share-based payment transactions	-	-	9,926	-	-	-	9,926	-	9,926
Shares received in advance	-	69,599	-	-	-	-	69,599	-	69,599
Net loss for the year ended December 31, 2023	-	-	-	-	(627,254)	-	(627,254)	(64)	(627,318)
Other comprehensive gain (loss) for the year ended December 31, 2023	-	-	-	-	19,550	(147,031)	(127,481)	(14)	(127,495)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(607,704)	(147,031)	(754,735)	(78)	(754,813)
BALANCE AT DECEMBER 31, 2023	3,309,370	69,599	466,677	568,162	1,133,027	(715,193)	4,831,642	422	4,832,064
Appropriation of 2023 earnings									
Special reserve	-	-	-	147,031	(147,031)	-	-	-	-
Issuance of ordinary shares for cash	690,000	(69,599)	548,895	-	-	-	1,169,296	-	1,169,296
Net profit for the year ended December 31, 2024	-	-	-	-	368,319	-	368,319	28	368,347
Other comprehensive gain for the year ended December 31, 2024	-	-	-	-	20,699	221,009	241,708	13	241,721
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	389,018	221,009	610,027	41	610,068
BALANCE AT DECEMBER 31, 2024	$ 3,999,370	$ -	$ 1,015,572	$ 715,193	$ 1,375,014	$ (494,184)	$ 6,610,965	$ 463	$ 6,611,428

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 539,953	$ (581,774)
Adjustments for:		
Depreciation expense	796,802	745,649
Amortization expense	124	820
Expected credit loss recognized on trade receivables	4,669	3,244
Finance costs	526,407	526,852
Interest income	(31,415)	(31,903)
Compensation cost of share-based payment transactions	-	9,926
Loss on disposal of property, plant and equipment	1,813	3,229
Impairment loss recognized on property, plant and equipment, intangible assets	-	24,852
Write-down of inventories	79,054	118,008
Unrealized foreign currency exchange loss (gain), net	28,054	(712)
Others	(7,623)	(7,738)
Changes in operating assets and liabilities		
Notes receivable	(1,106)	(2,025)
Trade receivables	(290,885)	56,942
Other receivables	(21,390)	4,990
Inventories - manufacturing	(34,302)	(2,106)
Inventories - constructing	36,597	(3,661)
Other current assets	422,869	(103,015)
Contract liabilities	9,340	(14,060)
Trade payables	10,632	(144,550)
Other payables	(26,835)	(149,308)
Other current liabilities	3,827	(22,908)
Net defined benefit liabilities	5,710	15,393
Cash generated from operations	2,052,295	446,145
Interest received	31,415	31,903
Interest paid	(540,781)	(515,921)
Income tax paid	(185,823)	(278,308)
Net cash generated from (used in) operating activities	1,357,106	(316,181)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(56,639)	(343,193)
Proceeds from disposal of financial assets at amortized cost	402,121	114,174
Payments for property, plant and equipment	(678,697)	(931,468)
Proceeds from disposal of property, plant and equipment	392	17,267
Decrease in refundable deposits	10,144	4,702
Payments for intangible assets	-	(1,225)
Payments for investment properties	(9,315)	-
Decrease in other non-current assets	3,711	4,132
Increase in prepayments for machinery and equipment	(198,528)	(88,167)
Net cash used in investing activities	(526,811)	(1,223,778)

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) Proceeds from short-term borrowings	$ (2,148,900)	$ 2,131,264
Proceeds from long-term borrowings	3,115,610	5,610,179
Repayments of long-term borrowings	(3,074,101)	(6,373,482)
Collection of guarantee deposits received	2,973	1,807
Repayment of the principal portion of lease liabilities	(687)	(1,201)
Dividends paid to owners of the Corporation	-	(63,036)
Proceeds from issuance of ordinary shares	1,169,296	69,599
Net cash generated from (used in) financing activities	(935,809)	1,375,130
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	234,480	(22,403)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	128,966	(187,232)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,452,702	1,639,934
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,581,668	$ 1,452,702

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Paiho Shih Holdings Corporation (the "Corporation") was incorporated on November 6, 2006. It was established in the Cayman Islands and its main business is international investment.

The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since May 18, 2011.

The functional currency of the Corporation is the United States dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements of the Corporation and its subsidiaries (collectively, the "Group") are presented in New Taiwan dollars since the Corporation's shares are listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on March 11, 2025.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the "Group").

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

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
The Amendments to IFRS 9 and IFRS 7: "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 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: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 10, Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the United States dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

In the consolidated financial statements, the common stock has a value of US$56,212 thousand with a par value of US$1 at an exchange rate of 3.1385 (the basis was calculated by the exchange rate US$1=NT$31.385 on April 24, 2010, the date before the meeting of board of directors) to par value of NT$10. The rest of the shares were issued with a par value of NT$10 and the total common stock issued amounted to NT$3,999,370 thousand at December 31, 2024. Besides, assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; equity is translated at the historical exchange rates; and income and expense items are translated at the average exchange rates for the period. The exchange differences arising from the consolidation of the financial statements are recognized in other comprehensive income and attributable to the owners of the Corporation and the non-controlling interests.

f. Inventories

Manufacturing

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

Construction industry

Inventories consist of properties for sale. Land for construction and real estate for sale are accounted for at cost. If there is sufficient evidence to show that the net realizable value is lower than the cost at the end of the period, then the difference is recognized as allowance for loss.

g. Property, plant, and equipment

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

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

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

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

Depreciation is recognized using the straight-line method.

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

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

i. Goodwill

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

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

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

j. Intangible assets

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

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

k. Assets related to contract costs

When a sales contract is obtained, selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental costs of obtaining a contract) to the extent of the expected recoverable costs and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group would have otherwise recognized, is expected to be one year or less.

l. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill and assets related to contract costs

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: financial assets at amortized cost.

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, restricted deposits at amortized cost, debt instruments, notes receivable, trade receivables, other receivables and refundable deposit, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Provisions

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

o. Revenue recognition

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

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

1) Revenue from the sale of goods

Revenue from the sale of goods is recognized when the goods are delivered to the customer's specific location and the goods are shipped or picked up because it is the time when the customer has the right to use and bears the risks on the goods.

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

2) Revenue from the sale of real estate

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

Revenue from sales of real estate is recognized on the day the real estate is transferred, i.e. the buyer and seller have signed the sales contract and have filed the relevant documents in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the seller issues a notice of real estate transfer according to the provisions of the contract.

Until such revenue is recognized, deposits and installment payments received from the buyer of properties are reported as contract liabilities - current in the consolidated balance sheets.

p. Leases

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

1) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

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

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

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 plan amendments, settlements, or other significant one-off events.

t. Share-based payment arrangements

Employee share options granted to employees. The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

u. Taxation

The Corporation is tax-exempt from offshore income according to the relevant regulations in the Cayman Islands.

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

1) Current tax

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Petty cash and cash on hand	$ 11,490	$ 10,293
Checking accounts and demand deposits	1,300,895	956,338
Cash equivalents (deposit accounts with original maturities of 3 months or less)	269,283	486,071
	$ 1,581,668	$ 1,452,702

The market interest rate intervals of demand deposits and time deposits with maturities of 3 months or less at the end of reporting period were as follows:

	December 31	
	2024	**2023**
Rate of interest per annum (%)		
Demand deposits	0.01-1.45	0.01-2.8
Time deposits with original maturities of 3 months or less	0.5-4.56	1.4-1.8

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Current		
Restricted deposits	$ -	$ 330,063
Non-current		
Restricted deposits	$ 10,038	$ 9,842

Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLES AND TRADE RECEIVABLES

	December 31 2024	December 31 2023
Notes receivable		
At amortized cost	$ 3,439	$ 2,164
Trade receivables		
At amortized cost		
Gross carrying amount	$ 1,374,216	$ 1,016,276
Less: Allowance for impairment loss	(8,153)	(3,406)
	$ 1,366,063	$ 1,012,870

The average credit period of sales of goods is 30 to 90 days. No interest was charged on trade receivables. The Group uses its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. Lifetime ECLs are calculated using provision matrix, factoring into past default history and current financial standing of the customers, as well as industry condition and prospects. Based on the credit loss history, in terms of loss patterns, there have not been significant differences across the customer groups for the Group; therefore, a unified expected credit loss rate using the number of days overdue was determined, without assigning a provision matrix for individual customer group.

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

The Group does not have overdue notes receivable. The movements of the loss allowance of trade receivables were as follows:

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
December 31, 2024						
Expected credit loss rate	0.0029%	5%	5%	5%	5%-100%	
Gross carrying amount	$ 1,312,937	$ 42,335	$ 6,469	$ 1,852	$ 10,623	$ 1,374,216
Loss allowance (Lifetime ECLs)	(39)	(2,121)	(323)	(93)	(5,577)	(8,153)
Amortized cost	$ 1,312,898	$ 40,214	$ 6,146	$ 1,759	$ 5,046	$ 1,366,063
December 31, 2023						
Expected credit loss rate	0.0026%	5%	5%	5%	5%-100%	
Gross carrying amount	$ 982,962	$ 19,607	$ 3,349	$ 1,602	$ 8,756	$ 1,016,276
Loss allowance (Lifetime ECLs)	(26)	(980)	(167)	(80)	(2,153)	(3,406)
Amortized cost	$ 982,936	$ 18,627	$ 3,182	$ 1,522	$ 6,603	$ 1,012,870

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 3,406	$ 1,987
Add: Net remeasurement of loss allowance	4,669	3,244
Less: Amounts written off	(64)	(1,735)
Foreign exchange gains and losses	142	(90)
Balance at December 31	$ 8,153	$ 3,406

9. INVENTORIES

a. Manufacturing

	December 31	
	2024	2023
Finished goods	$ 329,122	$ 345,437
Work in process	565,866	496,011
Raw materials and supplies	312,624	340,740
Inventory in transit	28,160	9,787
	$ 1,235,772	$ 1,191,975

Cost of inventories sold	$ 4,276,816	$ 3,578,417
Inventory write-downs	79,054	118,008
	$ 4,355,870	$ 3,696,425

b. Construction industry

	December 31	
	2024	2023
Construction to be sold	$ 1,596,150	$ 2,140,005

Construction to be sold

		December 31	
Location	**Project Name**	**2024**	**2023**
Xishan District, Wuxi	Paiho International Mansion - Season One	$ 264,901	$ 255,434
	Paiho International Mansion - Season Two	277,898	268,577
	Paiho Business Plaza	1,053,351	1,615,994
		$ 1,596,150	$ 2,140,005

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 37,622	$ 22,261

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31, 2024	Proportion of Ownership (%) December 31, 2023
The Corporation	Hong Kong Antex Limited	International investment	100	100
	Hon Shin Corp.	International investment and trading	100	100
Hong Kong Antex Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of touch fastener, webbing and embroidery	99.99	99.99
	Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven products	100	100
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	100	100
	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100
	Shanghai Best Expectation Textile Trading Limited	International investment and trading	18	22
Dongguan Paihong Industry Co., Ltd	Shanghai Best Expectation Textile Trading Limited	International investment and trading	82	78
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	International investment and trading	100	100
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Limited Company	Production & marketing of mesh and other fabrics.	100	100

Refer to Tables 8 and 9 for the information on places of incorporation and principal places of business for each subsidiary.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2024	$ 4,258,024	$ 5,934,335	$ 145,401	$ 708,843	$ 3,363,646	$ 14,410,249
Additions	7,815	25,391	687	14,269	392,416	440,578
Disposals	(14,066)	(12,773)	(4,271)	(16,473)	-	(47,583)
Reclassified	3,150,087	178,923	7,124	2,715	(3,863,199)	(524,350)
Translation Adjustments	223,820	259,575	6,110	26,000	117,333	632,838
Balance at December 31, 2024	$ 7,625,680	$ 6,385,451	$ 155,051	$ 735,354	$ 10,196	$ 14,911,732
Accumulated depreciation and impairment						
Balance at January 1, 2024	$ 1,278,183	$ 2,857,215	$ 76,851	$ 498,267	$ -	$ 4,710,516
Additions	180,785	470,059	13,594	76,983	-	741,421
Disposals	(14,066)	(11,453)	(4,128)	(15,731)	-	(45,378)
Reclassified	12,925	(96)	(3,817)	(584)	-	8,428
Translation Adjustments	49,171	123,594	3,227	18,509	-	194,501
Balance at December 31, 2024	$ 1,506,998	$ 3,439,319	$ 85,727	$ 577,444	$ -	$ 5,609,488
Carrying amount at December 31, 2024	$ 6,118,682	$ 2,946,132	$ 69,324	$ 157,910	$ 10,196	$ 9,302,244

	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2023	$ 4,256,483	$ 5,741,396	$ 146,206	$ 685,355	$ 2,475,575	$ 13,305,015
Additions	11,644	50,300	2,173	41,341	881,138	986,596
Disposals	(235)	(86,299)	(4,783)	(8,874)	-	(100,191)
Reclassified	33,874	278,113	3,377	2,257	19,352	336,973
Translation Adjustments	(43,742)	(49,175)	(1,572)	(11,236)	(12,419)	(118,144)
Balance at December 31, 2023	$ 4,258,024	$ 5,934,335	$ 145,401	$ 708,843	$ 3,363,646	$ 14,410,249
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ 1,127,783	$ 2,475,088	$ 69,107	$ 443,649	$ -	$ 4,115,627
Impairment losses	-	17,925	-	-	-	17,925
Additions	170,552	465,037	12,932	70,722	-	719,243
Disposals	(235)	(67,173)	(4,254)	(8,035)	-	(79,697)
Translation Adjustments	(19,917)	(33,662)	(934)	(8,069)	-	(62,582)
Balance at December 31, 2023	$ 1,278,183	$ 2,857,215	$ 76,851	$ 498,267	$ -	$ 4,710,516
Carrying amount at December 31, 2023	$ 2,979,841	$ 3,077,120	$ 68,550	$ 210,576	$ 3,363,646	$ 9,699,733

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

Buildings and improvements	5-40 years
Machinery and equipment	3-15 years
Transportation equipment	5-11 years
Miscellaneous equipment	3-11 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Land	$ 917,683	$ 934,158
Transportation equipment	703	-
	$ 918,386	$ 934,158

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 1,399	$ -
Depreciation charge for right-of-use assets		
Land	$ 24,925	$ 23,843
Buildings	-	909
Transportation equipment	700	761
	$ 25,625	$ 25,513

Except for the aforementioned recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the year ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	**2023**
Carrying amounts		
Current	$ 716	$ -

Range of discount rate (%) for lease liabilities was as follows:

	December 31	
	2024	**2023**
Buildings	-	0.98
Transportation equipment	3.7	3.85

c. Other lease information

	For the Year Ended December 31	
	2024	**2023**
Expenses relating to short-term leases	$ 14,049	$ 13,542
Total cash outflow for leases	$ (14,776)	$ (14,297)

13. INVESTMENT PROPERTIES

	For the Year Ended December 31, 2024				
	Opening Balance	**Additions**	**Reclassified**	**Translation Adjustments**	**Closing Balance**
Cost					
Properties for sale	$ 93,092	$ 9,315	$ 559,858	$ 6,119	$ 668,384
Right-of-use land and building	-	-	730,163	10,724	740,887
	$ 93,092	$ 9,315	$ 1,290,021	$ 16,843	1,409,271
Accumulated depreciation					
Properties for sale	836	$ 9,619	$ (463)	$ 76	10,068
Right-of-use land and building	-	20,137	(8,690)	168	11,615
	$ 836	$ 29,756	$ (9,153)	$ 244	21,683
	$ 92,256				$ 1,387,588

	For the Year Ended December 31, 2023				
	Opening Balance	Additions	Reclassified	Translation Adjustments	Closing Balance
Cost					
Properties for sale	$ -	$ -	$ 94,560	$ (1,468)	$ 93,092
Accumulated depreciation					
Properties for sale	-	$ 893	$ (44)	$ (13)	836
	$ -				$ 92,256

The investment properties - properties for sale were properties for sale located in Wuxi, China and were subleased under operating leases. The investment properties are leased out for 1-3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The investment properties - the right-of-use land and building were properties for sale located in Binh Duong Province, Vietnam and were subleased under operating leases. The investment properties are leased out for 5 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

	December 31, 2024	December 31, 2023
Year 1	$ 87,001	$ 6,887
Year 2	78,305	2,924
Year 3	66,572	1,649
Year 4	47,618	-
Year 5	23,711	-
	$ 303,207	$ 11,460

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Completed investment properties	30 years
Right-of-use land and building	5-40 years

The fair value of the Group’s investment properties - held for sale was based on the market evidence of similar real estate transaction prices evaluated by an independent appraiser. The significant unobservable inputs used, including discount rates and rent growth rates, resulted in fair values of $695,813 thousand and $117,096 thousand for investment properties - held for sale as of December 31, 2024, and December 31, 2023, respectively.

The fair value of the Group’s investment properties - right-of-use land and buildings was based on the fair value assessment by an independent appraiser as of July 31, 2024. The fair value obtained was $802,472 thousand.

14. GOODWILL

	For the Year Ended December 31	
	2024	2023
Cost		
Balance at January 1	$ 138,427	$ 138,669
Effect of foreign currency exchange differences	10,294	(242)
Balance at December 31	$ 148,721	$ 138,427

15. OTHER ASSETS

	December 31	
	2024	2023
Current		
Tax overpayment for offset with future tax payable	$ 242,686	$ 608,456
Prepaid expenses	39,096	70,058
Prepayments	36,920	36,192
Others	16,273	10,275
	$ 334,975	$ 724,981
Non-current		
Refundable deposits	$ 9,763	$ 18,843
Others	2,644	5,067
	$ 12,407	$ 23,910

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Secured borrowings	$ -	$ 521,162
Line of credit borrowings	6,177,283	7,272,992
	$ 6,177,283	$ 7,794,154
Rate of interest per annum (%)		
Secured borrowings	-	6.17-6.94
Line of credit borrowings	2.17-7.27	3.00-7.27

b. Long-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Line of credit borrowings - due in January 2025 - July 2031	$ 3,595,150	$ 3,390,670
Less: Current portion	(334,962)	(22,992)
Long-term borrowings	$ 3,260,188	$ 3,367,678
Rate of interest per annum (%)		
Unsecured loans	2.80-5.96	3.40-6.98

To meet the needs of future business development, Hong Kong Best Expectation International Trading Limited obtained a syndicated loan with a credit line of US$90 million from SinoPac Commercial Bank, E.SUN Commercial Bank, and EnTie Commercial Bank in December 2024. The loan is intended to repay the syndicated loan originally obtained from KGI Commercial Bank and other financial institutions, and to provide sufficient operation funds. According to the loan contract, the Group is required to maintain the Corporation's financial ratios as follows during the loan period:

1) Net financial liability [(total debt (including lease liabilities) minus cash (excluding restricted deposits)) ÷ the tangible net assets] as of December 31, 2024 and June 30, 2025 shall be maintained respectively at 220% and 180% or lower, and after that.

2) Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] shall be maintain or higher than 2.5 and 3 as of December 31, 2024 and June 30, 2025 respectively, and after that.

3) Tangible net assets [total equity minus intangible assets] not less than $4.8 billion.

Furthermore, the Corporation cannot dispose of any material assets or rights, and repurchase stocks or reduce capital without the permission of the creditor banks during the loan period.

17. OTHER PAYABLES

	December 31	
	2024	2023
Payables for salaries and bonuses	$ 403,633	$ 307,688
Payables for purchases of building and equipment	11,647	238,594
Others	109,334	203,789
	$ 524,614	$ 750,071

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The employees of the Group in Taiwan adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in China and Vietnam are members of state-managed retirement benefit plans operated by the governments of China and Vietnam. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plans is to make the specified contributions.

b. Defined benefit plan

The pension plan for the employees of the Corporation is a defined benefit plan.

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

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 126,558	$ 132,861

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Net Defined Benefit Liabilities**
Balance at January 1, 2024	$ 132,861	$ 132,861
Service cost		
Current service cost	12,778	12,778
Net interest expense	1,618	1,618
Recognized in profit or loss	14,396	14,396
Remeasurement		
Actuarial gain		
Changes in demographic assumptions	(1,217)	(1,217)
Changes in financial assumptions	(4,990)	(4,990)
Experience adjustments	(14,492)	(14,492)
Recognized in other comprehensive income	(20,699)	(20,699)
Balance at December 31, 2024	$ 126,558	$ 126,558
Balance at January 1, 2023	$ 136,959	$ 136,959
Service cost		
Current service cost	13,715	13,715
Net interest expense	1,737	1,737
Recognized in profit or loss	15,452	15,452
Remeasurement		
Actuarial (gain) loss		
Changes in demographic assumptions	(1,890)	(1,890)
Changes in financial assumptions	821	821
Experience adjustments	(18,481)	(18,481)
Recognized in other comprehensive income	(19,550)	(19,550)
Balance at December 31, 2023	$ 132,861	$ 132,861

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

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

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

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

	December 31	
	2024	**2023**
Discount rate (%)	1.60	1.25
Expected rate of salary increase (%)	2.00	2.00

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

	December 31	
	2024	**2023**
Discount rate		
0.25% increase	$ (3,299)	$ (3,909)
0.25% decrease	$ 3,457	$ 4,110
Expected rate of salary increase		
0.25% increase	$ 3,434	$ 4,069
0.25% decrease	$ (3,294)	$ (3,890)

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

Hong Kong Antex Limited has no employees; thus, it does not have any pension plan.

19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2024			
Assets			
Other receivables	$ 732	-	$ 732
Inventories - constructing	1,596,150	-	1,596,150
Other current assets	69,750	-	69,750
	$ 1,666,632	$ -	$ 1,666,632
Liabilities			
Trade payables	$ 32,897	$ -	$ 32,897
Other payables	19,104	-	19,104
Contract liabilities	9,478	-	9,478
	$ 61,479	$ -	$ 61,479
December 31, 2023			
Assets			
Other receivables	$ 141	-	$ 141
Inventories - constructing	2,140,005	-	2,140,005
Other current assets	73,720	-	73,720
	$ 2,213,866	$ -	$ 2,213,866
Liabilities			
Trade payables	$ 64,243	$ -	$ 64,243
Other payables	64,668	-	64,668
Contract liabilities	3,797	-	3,797
	$ 132,708	$ -	$ 132,708

20. EQUITY

a. Common stock

	December 31	
	2024	2023
Number of shares authorized (in thousands)	500,000	400,000
Shares authorized	$ 5,000,000	$ 4,000,000
Number of shares issued and fully paid (in thousands)	399,937	330,937
Shares issued	$ 3,999,370	$ 3,309,370

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

The Corporation issued 15,759 thousand new shares at an aggregate amount of $157,589 thousand through distributable earnings for the year ended December 31, 2022, which were resolved by shareholders in their meeting on June 6, 2023.

On September 26, 2023, the Company’s board of directors resolved to issue 69,000 thousand ordinary shares with a par value of $10. It was issued at a premium of $18 per share. The subscription base date was determined on January 22, 2024.

According to the Company Act, the issuance of ordinary shares shall appropriate 10% of the total amount of new shares for subscription by the Group's and employees. The Corporation recognized as share-based payment of capital surplus amounted to $9,926 thousand.

b. Capital surplus

Capital surplus may be used to offset a deficit; when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

However, capital surplus recognized from the effect of changes in percentage of ownership interests in subsidiaries, which resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

According to the Corporation’s Articles of Incorporation, the board of directors may, before recommending the distribution of any dividends, first appropriate for reserves which may be used at their discretion to meet unforeseen needs or any appropriate purpose. The board of directors may also, at its discretion, suspend the use of the reserves and use funds in the Corporation’s business or appropriate investment. The Corporation may, in accordance with the law or the applicable listing rules and pursuant to a resolution in the shareholders’ meeting, make a special reserve. The annual surplus earnings, after payment of taxes, offset of previous losses, deduction for special reserve, and other adjustments for the current year, if there is still a balance, the balance together with prior years’ unappropriated earnings, if any, should be distributed upon proposal by the board of directors and approval in the shareholders’ meeting. The dividends could be distributed in whole by cash after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders’ meeting.

The Corporation’s policy is to distribute dividends to shareholders in the form of stock dividends and cash dividends after taking into consideration the needs for future capital expenditure and operating capital demand. The distribution amount of surplus will make up the loss at not less than the current post-tax surplus, and the deduction which is based on the surplus reserve of the Corporation’s shareholders’ meeting, and 25% of the balance of other undistributed earnings in the current year, and The cash dividends ratio shall not be less than 20% of the total cash dividends and stock dividends.

The offset of deficit for 2023 and the appropriations of earnings for 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	**2022**
Special reserve	$ 147,031	$ 70,494
Cash dividends	-	63,036
Share dividends	-	157,589
Cash dividends per share (NT$)	-	0.2
Share dividends per share (NT$)	-	0.5

For the year ended December 31, 2022 for cash dividends were resolved by the Corporation's board of directors on April 20, 2023; For the year ended December 31 2022 and 2023 the other proposed appropriations were resolved by shareholders in their meeting on June 6, 2023 and June 18, 2024, respectively.

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

	Appropriations of Earnings
Reversal of special reserve	$ 221,009
Cash dividends	59,991
Share dividends	199,968
Cash dividends per share (NT$)	0.15
Share dividends per share (NT$)	0.5

The appropriation of earnings for 2024 is subject to resolution in the shareholders' meeting to be held in June 2025.

21. REVENUE

	For the Year Ended December 31	
	2024	**2023**
Revenue from contracts with customers		
Revenue from sale of goods	$ 6,921,098	$ 5,237,682
Revenue from sale of real estate	78,999	31,751
	$ 7,000,097	$ 5,269,433
Operating costs		
Cost of goods sold	$ 4,355,870	$ 3,696,425
Cost of real estate sold	37,622	22,261
	$ 4,393,492	$ 3,718,686

Contract balances

	December 31	
	2024	2023
Contract liabilities - current		
Sales of real estate	$ 9,478	$ 3,797
Sales of goods	16,361	11,324
	$ 25,839	$ 15,121

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Year Ended December 31,	
	2024	2023
Interest on bank loans	$ 526,367	$ 526,790
Interest on lease liabilities	40	62
	$ 526,407	$ 526,852

Information on interest capitalization is as follows:

	For the Year Ended December 31,	
	2024	2023
Capitalized interests on properties	$ 115,130	$ 171,791
Capitalization rates (%)	6.75	6.62

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses and Non-Operating Expenses	Total
For the Year Ended December 31, 2024			
Short-term employee benefits	$ 884,983	$ 800,084	$ 1,685,067
Post-employment benefits			
Defined contribution plans	66,507	40,474	106,981
Defined benefit plans (Note 18)	-	14,396	14,396
Other employee benefits	95,279	54,653	149,932
Depreciation expenses	605,427	191,375	796,802
Amortization expenses	-	124	124

	Operating Costs	Operating Expenses and Non-Operating Expenses	Total
For the Year Ended December 31, 2023			
Short-term employee benefits	$ 832,011	$ 767,784	$ 1,599,795
Post-employment benefits			
Defined contribution plans	67,871	41,047	108,918
Defined benefit plans(Note 18)	-	15,452	15,452
Other employee benefits	84,176	46,367	130,543
Depreciation expenses	581,622	164,027	745,649
Amortization expenses	-	820	820

c. Employees' compensation and remuneration of directors

Before the amendment to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and the remuneration of directors at rates of no less than 0.1% and no higher than 3%. There was no compensation of employees and no remuneration of directors estimated as the Corporation reported a pre-tax loss for the year ended December 31, 2023. For the year ended December 31, 2024, the employees' compensation and remuneration of directors were as follows:

	For the Year Ended December 31	
	2024	
	Accrual rate	Amount (US Dollars)
Employees' compensation	0.1%	$ 13,000
Remuneration of directors	3%	92,000

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

The actual amounts of the employees' compensation and remuneration of directors paid for March 15, 2023 differed from the amounts recognized in the consolidated financial statements for the year ended December 31, 2022. The difference was adjusted to profit and loss for the year ended December 31, 2023.

	For the Year Ended December 31	
	2022 (US Dollars)	
	Employees' Compensation	Remuneration of Directors
Amounts resolved in the board of directors' meetings	$ 196,570	$ 160,389
Amounts recognized in the financial statements	$ 200,564	$ 163,647

Information on the employees' and remuneration of directors resolved is available at the Market Observation Post System website of the TWSE.

d. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	$ 63,073	$ 70,411
Foreign exchange losses	(63,879)	(87,839)
Net losses	$ (806)	$ (17,428)

23. TAXES

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 148,729	$ 74,175
Adjustments for prior years	(30,587)	(6,888)
Land value increment tax	37,058	33,393
	155,200	100,680
Deferred tax		
In respect of the current year	16,406	(66,658)
Adjustments for prior years	-	11,522
	16,406	(55,136)
Income tax expense recognized in profit or loss	$ 171,606	$ 45,544

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

	For the Year Ended December 31	
	2024	2023
Income (loss) tax expense calculated at the statutory rate	$ 181,851	$ (176,436)
Nondeductible expenses in determining taxable income	2,137	69,121
Permanent differences	(26,326)	184,711
Tax credits of research and development expenses	(28,972)	(27,986)
Unrecognized temporary differences	11,606	15,329
Deferred tax effect of earnings of subsidiaries	24,839	(57,222)
Land value increment tax	37,058	33,393
Adjustments for prior years' tax	(30,587)	4,634
Income tax expense recognized in profit or loss	$ 171,606	$ 45,544

Thomas Dynamic Material (Jiangsu) Co., Ltd. and Dongguan Paihong Industry Co., Ltd were originally levied at an income tax rate of 25%, subject to the relevant provisions of the Enterprise Income Tax Law of the People's Republic of China (New Enterprise Income Tax Law) and its implementation regulations. The administrative measures stipulate that if an enterprise applies for Measures for the Administration of Accreditation of New and High Technology Enterprises that is determined to be supported by the state and needs to enjoy a preferential tax rate of 15%, it shall be valid for 3 years. Thomas Dynamic Material (Jiangsu) Co., Ltd. applied for Measures for the Administration of Accreditation of new and high technology enterprises would be subject to a preferential tax rate of 15% until 2024. Dongguan Paihong Industry Co., Ltd applied for Measures for the Administration of

Accreditation of new and high technology enterprises would be subject to a preferential tax rate of 15% until 2026.

Wuxi Paihong Real Estate Co., Ltd. and Wuxi Paiwei Biotechnology Co., Ltd. have an income tax rate of 25%.

Vietnam Paihong Limited Company is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption for six years beginning from the first year that profit is earned - full exemption in the first two years and half exemption in the next four years (original tax rate is 20%). In addition, the loss period is limited to three years; if the loss is sustained for three consecutive years, the fourth year would be the first year of the tax exemption period. Vietnam Paihong Limited Company is subject to a half exemption in the applicable income tax period from 2023 to 2025.

According to the temporary provisions for land value added tax of the People's Republic of China and its implementation regulations, when transferring government-owned land use rights, buildings, and related facilities, for the increase in value, there should be a 30% to 60% progressive tax rate calculated. If the increase in value is not exceed 20% of the total amount of the items that can be deducted, the sales of regular household is exempted from the provisions and regulations.

b. Deferred tax assets and liabilities

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

	For the Year Ended December 31, 2024			
	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Allowance for impairment loss	$ 319	$ 469	$ 13	$ 801
Allowance for inventory value decline	14,458	(449)	500	14,509
Others	743	(89)	2	656
	15,520	(69)	515	15,966
Loss carryforwards	68,434	(15,391)	2,297	55,340
	$ 83,954	$ (15,460)	$ 2,812	$ 71,306
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 506,632	$ 24,839	$ 38,340	$ 569,811
Others	815	453	39	1,307
	$ 507,447	$ 25,292	$ 38,379	$ 571,118

	For the Year Ended December 31, 2023			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for impairment loss	$ 131	$ 193	$ (5)	$ 319
Allowance for inventory value decline	11,594	3,118	(254)	14,458
Others	5,292	(4,536)	(13)	743
	17,017	(1,225)	(272)	15,520
Loss carryforwards	69,934	(261)	(1,239)	68,434
	$ 86,951	$ (1,486)	$ (1,511)	$ 83,954
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 564,132	$ (57,222)	$ (278)	$ 506,632
Others	1,230	(400)	(15)	815
	$ 565,362	$ (57,622)	$ (293)	$ 507,447

c. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards		
Expiry in 2024	$ -	$ 450,751
Expiry in 2025	507,853	507,853
Expiry in 2026	363,048	363,048
Expiry in 2027	496,655	496,655
Expiry in 2028	763,327	763,326
Expiry in 2029	466,489	-
	$ 2,597,372	$ 2,581,633

d. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
$ 507,853	2025
363,048	2026
496,655	2027
763,327	2028
466,489	2029
94,570	2032
228,343	2033
55,640	2034
$ 2,975,925	

24. EARNINGS (LOSS) PER SHARE

	Net profit (loss) Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings (Loss) Per Share (NT$)
For the Year Ended December 31, 2024			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 368,319	$ 395,978	$ 0.93
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	15	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 368,319	$ 395,993	$ 0.93
For the Year Ended December 31, 2023			
Basic and diluted loss per share			
Loss for the period attributable to owners of the Corporation	$ (627,254)	$ 330,937	$ (1.90)

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

For the year ended December 31, 2023, the earnings of dilutive ordinary shares used in the computation of diluted earnings per share were a net loss. Therefore, the effect of potentially dilutive ordinary shares is anti-dilutive and excluded from the computation of diluted earnings per share.

25. SHARE-BASED PAYMENT AGREEMENT

The Company's board of directors decided to increase the capital in cash in September 2023 and reserved 500 thousand shares for employee to subscription.

The company used the Black-Scholes model to evaluate the Group's issuance of shares from the cash capital increase reserved for employees' subscription on December 8, 2023 and the related assumptions and the fair value of the options were as follows:

	December 8, 2023
Grant-date share price (NT$)	20.55
Exercise price (NT$)	18
Expected volatility rate	22.58%
Expected duration	0.11 years
Risk free interest rate	1.09%

Compensation costs recognized that are related to the Group's issuance of shares from the cash capital increase reserved for employees' subscription amounted to $9,926 thousand in 2023.

26. CAPITAL MANAGEMENT

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

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

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

27. FINANCIAL INSTRUMENTS

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

   The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

b. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Financial assets at amortized cost (1)	$ 3,074,665	$ 2,846,398
Financial liabilities		
Financial liabilities at amortized cost (2)	10,717,027	12,292,950

1) The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and long-term borrowings including current portion and guarantee deposits received.

c. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the group's entities against the USD. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit with the functional currencies of the group's entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the group's entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss).

	Currency Impact	
	For the Year Ended December 31	
	2024	**2023**
USD	$ 4,759	$ 3,259

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in USD which were not hedged at the end of the reporting period.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

	December 31	
	2024	2023
Fair value interest rate risk		
Lease liabilities	$ 716	$ -
Cash flow interest rate risk		
Short-term borrowings	6,177,283	7,794,154
Long-term borrowings	3,595,150	3,390,670

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the years ended December 31, 2024 and 2023 would have decreased/increased by $24,431 thousand and $27,962 thousand, respectively.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Group had available unutilized bank loan facilities of $5,646,226 thousand and $3,682,677 thousand, respectively.

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

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less Than 3 months	3 months - 1 Year	Over 1 Year
December 31, 2024			
Non-interest bearing	$ 865,946	$ 75,506	$ 3,142
Lease liabilities	183	548	-
Short-term bank loans	1,712,330	4,464,953	-
Long-term bank loans	39,208	295,754	3,260,188
	$ 2,617,667	$ 4,836,761	$ 3,263,330
December 31, 2023			
Non-interest bearing	$ 566,473	$ 271,161	$ 270,492
Short-term bank loans	1,745,674	6,048,480	-
Long-term bank loans	-	22,992	3,367,678
	$ 2,312,147	$ 6,342,633	$ 3,638,170

Additional information about the maturity analysis for lease liabilities and long-term bank loans:

	Less than 1 Year	1-5 Years
December 31, 2024		
Lease liabilities	$ 731	$ -
Long-term bank loans	334,962	3,260,188
	$ 335,693	$ 3,260,188
December 31, 2023		
Long-term bank loans	$ 22,992	$ 3,367,678

28. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is Paiho Int'l Limited, which held 50% and 52% of the ordinary shares of the Corporation at December 31, 2024 and 2023, respectively. The Corporation's ultimate parent is Taiwan Paiho Limited.

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party	Related Party Category
Taiwan Paiho Limited	The Corporation's ultimate parent
Vietnam Paiho Limited	Sister corporation
Paiho North America Corp.	Sister corporation
Dongguan Paiho Business Service Co., Ltd	Sister corporation
Wuxi Paisen Commerce Co., Ltd.	Sister corporation
Kuo-Ian Cheng	Chairman
Hsin-Long Cheng	General Manager
Ming-Chang Chiang	Other related party

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Sales	Sister corporations	$ 91,178	$ 53,439
	Taiwan Paiho Limited	10,095	2,858
	Other related parties	-	23,506
		$ 101,273	$ 79,803

The sales of goods to parent and sister corporation were made at the market price. The credit period of sales of goods was about 3 months. Sale to other related parties of construction assets - Paiho International Mansion at subscription price, which was based on the price approved in the local filing application form.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2024	2023
Taiwan Paiho Limited	$ 238,691	$ 162,220
Sister corporations	564	-
	$ 239,255	$ 162,220

Purchases were made at market price or cost plus 15% mark-up. The payment period is 1 month or 3 months.

d. Receivables from related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2024	2023
Trade receivables	Taiwan Paiho Limited	$ 1,373	$ 1,672
	Sister corporations		
	Paiho North America Corp.	3,484	2,888
	Vietnam Paiho Limited	1,111	3,807
		$ 5,968	$ 8,367

e. Payables to related parties (excluding borrowings from related parties)

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Trade payables	Taiwan Paiho Limited	$ 71,774	$ 44,813
	Sister corporations	564	-
		$ 72,338	$ 44,813
Other payables	Sister corporations	$ 524	$ 645
	Taiwan Paiho Limited	44	56
		$ 568	$ 701

f. Lease arrangements

Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Lease expenses		
Sister corporations	$ 4,407	$ 4,348
Taiwan Paiho Limited	2,384	1,826
	$ 6,791	$ 6,174

Lease expenses included expenses relating to short-term leases. Future lease payables related to short-term leases are as follows:

	December 31 2024	December 31 2023
Future lease payables	$ 5,170	$ 5,017

Rental rates are based on the rental rates of nearby properties and set out by mutual agreements.

g. Endorsements and guarantees

Endorsements and guarantees given by related parties

Related Party Category/Name	December 31 2024	December 31 2023
Kuo-Ian Cheng		
Amount endorsed	$ 12,407,336	$ 11,636,440
Amount utilized	(8,668,924)	(9,694,337)
	$ 3,738,412	$ 1,942,103
Hsin-Long Cheng		
Amount endorsed	$ 2,897,460	$ -
Amount utilized	(2,897,460)	-
	$ -	$ -

Long-term and short-term bank loans were jointly guaranteed by the Chairman and the General Manager.

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Other income	Sister corporations	$ 11	$ 12

i. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 111,913	$ 82,686
Post-employment benefits	1,481	1,732
	$ 113,394	$ 84,418

The remuneration of directors and key executives was determined by the compensation committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as restricted bank deposits in accordance with the loan agreements and guarantee for obligations to a power company:

	December 31	
	2024	2023
Financial assets at amortized cost	$ 10,038	$ 339,905

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant unrecognized commitments

	December 31	
	2024	2023
Acquisition of property, plant and equipment	$ 41,545	$ 368,170

b. After approval of a resolution at the extraordinary general meeting of shareholders on September 3, 2010, the Corporation and Paiho Shih Holdings Corporation signed an agreement on “Comprehensive Agreement on the Use of Trademarks and Patent Rights, Sales Area Division and Affiliates Transactions”.

   After listing on the stock exchange, Paiho Shih Holdings Corporation obtained approval to purchase shares of Paiho Europe, S.A. and Paiho North America Corporation by itself or its subsidiaries on appropriate time and at a fair price according to valuation of a professional appraisal organization.

In addition, to meet the requirements for listing, after approval of a resolution at the annual shareholder's meeting on April 19, 2011, Paiho Shih Holdings Corporation revised part of the articles in the above agreement about the Sales Area Division and about the non-compete clause.

Due to decline in business and economy, Taiwan Paiho Limited has terminated the operation of Paiho Europe, S.A. Therefore, on February 27, 2014, Paiho Shih Holdings Corporation submitted a letter to Taiwan Stock Exchange to report that Paiho Europe, S.A. no longer exists, and Paiho Shih Holdings Corporation cannot continue the above agreement.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount	Foreign Currency	Exchange Rate (Note 1)	Carrying Amount
Financial assets						
Monetary items						
USD	$ 15,028	7.1884 (Note 2)	$ 483,759	$ 10,813	7.0827 (Note 2)	$ 331,396
Financial liabilities						
Monetary items						
USD	245	7.1884 (Note 2)	7,898	180	7.0827 (Note 2)	5,522

Note 1: Except as otherwise noted, exchange rate represents the amount of New Taiwan dollars for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the amount of RMB for which one US dollar could be exchanged.

The Group is primarily exposed to risks of foreign currency exchange rates of USD. The information below is based on functional currencies of the entities in the Group against the USD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain and Loss	Exchange Rate	Net Foreign Exchange Gain and Loss
USD	32.1121 (USD:NTD)	$ (14,414)	31.1548 (USD:NTD)	$ (20,635)
RMB	4.4543 (RMB:NTD)	13,661	4.3955 (RMB:NTD)	3,230
HKD	4.1152 (HKD:NTD)	(53)	3.9795 (HKD:NTD)	(23)
		$ (806)		$ (17,428)

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held. (None)

4) Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 3)

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 7)

11) Information on investees. (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Tables 5 and 7)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 5 and 7)

c) The amount of property transactions and the amount of the resultant gains or losses. (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Tables 1, 6 and 7)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (Table 7)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments are Production and Construction.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Year Ended December 31			
	Segment Revenue		Segment Profit	
	2024	2023	2024	2023
Production	$ 6,921,098	$ 5,237,682	$ 1,091,394	$ 66,586
Construction	78,999	31,751	(93,330)	(133,254)
Total from continuing operations	$ 7,000,097	$ 5,269,433	998,064	(66,668)
Interest income			31,415	31,903
Other income and benefits			102,085	59,917
Finance costs			(526,407)	(526,852)
Other expenses and losses			(65,204)	(80,074)
Profit (loss) before income tax			$ 539,953	$ (581,774)

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, finance costs and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2024	2023
Jacquard engineered mesh	$ 2,466,680	$ 1,658,299
Webbing (Shoelaces)	2,023,543	1,648,327
Touch fastener	973,463	821,520
Elastic	759,950	647,154
Premises (including parking space)	78,999	31,751
Other	697,462	462,382
	$ 7,000,097	$ 5,269,433

d. Geographical information

The Corporation and its subsidiaries mainly operate in China and Vietnam.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
China	$ 5,493,651	$ 4,247,466	$ 3,216,556	$ 2,934,107
Vietnam	1,506,446	1,021,967	8,698,225	8,040,484
	$ 7,000,097	$ 5,269,433	$ 11,914,781	$ 10,974,591

Non-current assets exclude financial assets at amortized cost and deferred tax assets.

e. Information about major customers

In 2024 and 2023, no single customer accounted for at least 10% of the Group's service revenue; therefore, no customer information is required to be disclosed.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Notes 6 and 8)	Ending Balance (Notes 7 and 8)	Actual Borrowing Amount (Notes 7, 9 and 10)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2, 3, 4 and 5)	Aggregate Financing Limits (Notes 1, 2, 3, 4 and 5)
													Item	Value		
0	The Corporation	Vietnam Paihong Company Limited	Receivables from related parties	Yes	$ 2,344,145 (USD 73,000)	$ 2,294,950 (USD 70,000)	$ 1,901,530 (USD 58,000)	3-month USD TAIFX rate,plus 1.1%, and 3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 2,621,076	$ 2,621,076
		Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	163,400 (USD 5,000)	163,925 (USD 5,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	2,621,076	2,621,076
1	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Wuxi Paihong Real Estate Co. Ltd.	Receivables from related parties	Yes	483,350 (RMB 110,000)	134,340 (RMB 30,000)	44,780 (RMB 10,000)	3.5%-4.2%	Necessary for short-term financing	-	Operating capital	-	-	-	1,878,102	1,878,102
2	Wuxi Paiwei Biotechnology Co. Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	65,475 (RMB 15,000)	67,170 (RMB 15,000)	67,170 (RMB 15,000)	3.3%	Necessary for short-term financing	-	Operating capital	-	-	-	81,245	81,245
3	Hon Shin Corp.	Paihong Vietnam Company Limited	Receivables from related parties	Yes	334,983 (USD 10,500)	311,458 (USD 9,500)	311,458 (USD 9,500)	3-month USD TAIFX rate,plus 1.1%, and 3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	352,589	352,589
		The Corporation	Receivables from related parties	Yes	97,590 (USD 3,000)	-	-	3-month USD TAIFX rate, plus 1%	Necessary for short-term financing	-	Operating capital	-	-	-	352,589	352,589
4	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Receivables from related parties	Yes	218,250 (RMB 50,000)	223,900 (RMB 50,000)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	1,054,802	1,054,802
		Wuxi Paihong Real Estate Co., Ltd.	Receivables from related parties	Yes	440,600 (RMB 100,000)	282,114 (RMB 63,000)	282,114 (RMB 63,000)	3.5%-3.7%	Necessary for long-term financing	-	Operating capital	-	-	-	2,637,004	2,637,004
		Hong Kong Best Expectation International Trading Limited	Receivables from related parties	Yes	883,400 (RMB 200,000)	-	-	-	Necessary for long-term financing	-	Operating capital	-	-	-	2,637,004	2,637,004

Note 1: For borrowers which the Corporation and Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly owns over 50% of the paid-in capital, the individual and total loan limits are restricted to 40% of the net equity in latest financial statements of the Corporation.

Note 2: The individual and total loan amounts that The Corporation extends to Hon Shin Corp. shall not exceed the net worth of Hon Shin Corp.

Note 3: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Dongguan Paihong Industry Co., Ltd. not exceed 40% of the net worth of lender.

Note 4: The individual and total amount of lending to the Thomas Dynamic Material (Jiangsu) Co., Ltd. directly or indirectly, by the Wuxi Paiwei Biotechnology Co. Ltd. not exceed 40% of the net worth of lender.

Note 5: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender' s net worth.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 8: The ending balance amount has been approved by the board of directors.

Note 9: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 10: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 6)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 7)	Actual Borrowing Amount (Note 7)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Notes 4 and 5)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Vietnam Paihong Company Limited	Note 1	$ 16,381,728	$ 8,075,756 (USD 253,000)	$ 7,792,995 (USD 237,700)	$ 4,606,030 (USD 140,492)	$ -	118.93%	$ 26,210,764	Y	-	-
		Hong Kong Best Expectation International Trading Limited	Note 1	16,381,728	6,481,463 (USD 202,500)	3,688,313 (USD 112,500)	2,976,878 (USD 90,800)	-	56.29%	26,210,764	Y	-	-
1	Dongguan Paihong Industry Co., Ltd.	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Note 2	6,592,510	447,500 (RMB 100,000)	447,800 (RMB 100,000)	223,900 (RMB 50,000)	-	16.98%	10,548,016	-	Y	Y

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: The company that owns directly or indirectly hold over 50% of the voting shares.

Note 3: The amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall be limited to the net worth 250% of the Corporation, and the total amount shall not exceed the guarantee limit.

Note 4: The total amount of endorsements/guarantees provided to individual subsidiaries in which the Corporation has a shareholding ratio of more than 50% shall not exceed 400% of the net worth of the Corporation.

Note 5: The amount of endorsements/guarantees provided toThomas Dynamic Material (Jiangsu) Co., Ltd. in which the Dongguan Paihong Industry Co., Ltd. shall not exceed 250% of the net worth of the Dongguan Paihong Industry Co., Ltd. , and the guarantee limit shall not exceed 400% of the net worth of the net worth of the Dongguan Paihong Industry Co., Ltd.

Note 6: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 7: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

TABLE 3

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Number of Shares	Amount (Note 2 and 3)
Dongguan Paihong Industry Co., Ltd.	Equity	Investments accounted for using equity method	Shanghai Best Expectation Textile Trading Limited	Subsidiaries	-	$ (64,998) (RMB 14,788)	-	$ 715,291 (RMB161,000)	-	$ -	$ -	$ -	-	$ 126,412 (RMB28,226)
Shanghai Best Expectation Textile Trading Limited	Stock	Investments accounted for using equity method	Hong Kong Best Expectation International Trading Limited	Subsidiaries	85,063,700	(233,900) (USD 7,621)	25,000,000	802,803 (USD 25,000)	-	-	-	-	110,063,700	78,553 (USD 2,440)
Hong Kong Best Expectation International Trading Limited	Equity	Investments accounted for using equity method	Vietnam Paihong Company Limited	Subsidiaries	-	2,430,934 (USD 79,171)	-	802,803 (USD 25,000)	-	-	-	-	-	2,952,701 (USD 91,716)

Note 1: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 2: The beginning and ending balance included investment income or loss from Investments accounted for using equity method and exchange differences on translating foreign operations.

Note 3: Significant intercompany accounts and transactions have been eliminated.

TABLE 4

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer	Property	Event Date	Transaction Amount		Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
								Property Owner	Relationship	Transaction Date	Amount			
Wuxi Paihong Real Estate Co., Ltd.	Construction in progress	September 8, 2021, May 19, 2022 and January 6, 2023	RMB	140,756	As of December 31, 2024, RMB 139,914 has been paid	China Construction Dongfang Decoration Co., Ltd.	-	-	-	-	$ -	Refer to market price and set out by mutual agreement	Operating purpose	-
Vietnam Paihong Company Limited	Construction in progress	March 25, 2022 and May 10, 2022	VND	2,098,996,539	As of December 31, 2024, VND 2,098,996,539 has been paid	NEWTECONS INVESTMENT CONSTRUCTION JOINT STOCK COMPANY	-	-	-	-	-	Refer to market price and set out by mutual agreement	Operating purpose	-
Vietnam Paihong Company Limited	Construction in progress	August 25, 2022	VND	254,164,430	As of December 31, 2024, VND 254,164,430 has been paid	ACTER GROUP CORPORATION LIMITED	-	-	-	-	-	Refer to market price and set out by mutual agreement	Operating purpose	-

Note: The amounts of transactions are according to the contracts.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited (Note 3)	Note 1	Sale	$ 473,251 (USD 14,737)	(24%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	$ 15,303 (USD 467)	5%	-
Hong Kong Best Expectation International Trading Limited	Taiwan Paiho Limited	Note 2	Purchase	238,691	14%	About 3 months	Use market price or purchase cost mark up 15% of Taiwan Paiho Limited	About 3 months	(71,773)	(21%)	-
Hong Kong Best Expectation International Trading Limited	Dongguan Paihong Industry Co., Ltd (Note 3)	Note 1	Sale	336,970 (USD 5,966) (RMB 32,688)	(17%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	60,658 (USD 519) (RMB 9,765)	15%	-
Hong Kong Best Expectation International Trading Limited	Thomas Dynamic Material (Jiangsu) Co., Ltd. (Note 3)	Note 1	Sale	253,683 (USD 2,461) (RMB 39,416)	(13%)	About 3 months	Use market price or purchase cost mark up 10% of Hong Kong Best Expectation International Trading Limited	About 3 months	55,415 (RMB 12,176) (USD 27)	19%	-
Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	372,441 (USD 11,598)	(20%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	88,006 (USD 2,684)	21%	-
Dongguan Paihong Industry Co., Ltd.	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	249,245 (RMB 55,956)	(7%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	78,489 (RMB 17,528)	11%	-
Thomas Dynamic Material (Jiangsu) Co., Ltd	Hong Kong Best Expectation International Trading Limited (Note 3)	Note 1	Sale	164,066 (RMB 36,833)	(11%)	About 3 months	Use market price or sales 85% of Hong Kong Best Expectation International Trading Limited	About 3 months	39,681 (RMB 8,861)	12%	-

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Refer to Note 28 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Vietnam Paihong Company Limited	Note 2	$ 1,918,794 (USD 58,527)	-	$ -	-	$ 898,819 (USD 27,416)	$ -
Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	Note 2	293,388 (RMB 65,518)	-	-	-	-	-
Hon Shin Corp.	Vietnam Paihong Company Limited	Note 2	314,709 (USD 9,599)	-	-	-	3,228 (USD 98)	-

Note 1: Included trade receivables, other receivables and receivables from related parties.

Note 2: Refer to Note 10 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of Foreign Currency)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details: Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Vietnam Paihong Company Limited	1	Receivables from related parties	USD 58,527	-	11
			1	Interest revenue and other income	USD 4,846	-	2
1	Hon Shin Corp.	Vietnam Paihong Company Limited`	3	Receivables from related parties	USD 9,599	-	2
2	Dongguan Paihong Industry Co., Ltd.	Wuxi Paihong Real Estate Co., Ltd.	3	Receivables from related parties	RMB 65,518	-	2
		Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 55,956	-	4
3	Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	1	Sales	USD 14,737	-	7
		Dongguan Paihong Industry Co., Ltd.	2	Sales	USD 5,966	-	3
			2	Sales	RMB 32,688	-	2
		Thomas Dynamic Material (Jiangsu) Co., Ltd.	2	Sales	USD 2,461	-	1
			2	Sales	RMB 39,416	-	3
4	Thomas Dynamic Material (Jiangsu) Co., Ltd.	Hong Kong Best Expectation International Trading Limited	1	Sales	RMB 36,833	-	2
5	Vietnam Paihong Company Limited	Hong Kong Best Expectation International Trading Limited	2	Sales	USD 11,598	-	5

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount (Note 1)			
The Corporation	Hong Kong Antex Limited	Hong Kong	International investments	USD 54,335	USD 54,335	54,334,644	100	$ 4,409,469	$ 248,752	$ 248,752	Subsidiary
	Hon Shin Corp.	British Samoa	International investments and trade	USD 20,000	USD 20,000	20,000,000	100	363,320	24,215	24,215	Subsidiary
Shanghai Best Expectation Textile Trading Limited	Hong Kong Best Expectation International Trading Limited	Hong Kong	International investments and trade	USD 110,064	USD 85,064	110,063,700	100	78,553	(473,999)	(Note 3)	Sub - Subsidiary
Hong Kong Best Expectation International Trading Limited	Vietnam Paihong Company Limited	Binh Duong Province, Vietnam	Production & marketing of mesh and other fabrics	USD 190,000	USD 165,000	-	100	2,952,701	(395,164)	(Note 3)	Sub - Subsidiary

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: Information on investment in mainland China is on Table 9.

Note 3: Not applicable.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 6 and7)	Carrying Amount as of December 31, 2024 (Notes 6 and 7)	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Thomas Dynamic Material (Jiangsu) Co., Ltd.	Processing of Touch Fasteners, Webbing and Embroidery	$ 1,722,204 (RMB 384,592)	(Note 1)	$ 1,191,243 (USD 36,335)	$ -	$ -	$ 1,191,243 (USD 36,335)	$ 281,687	99.99	$ 281,659	$ 4,777,289	$ 1,843,571 (USD 2,512) (RMB 393,304)
Dongguan Paihong Industry Co., Ltd	Production & Marketing of Touch Fastener, Elastic, Various Type of Webbings and Jacquard Engineered Mesh, And Consumer Electronic Accessories, Etc.	1,598,770 (RMB 357,028)	(Note 1)	590,130 (USD 18,000)	-	-	590,130 (USD 18,000)	418,016	99.99	417,111	2,174,895	691,117 (RMB 154,336)
Wuxi Paihong Real Estate Co., Ltd.	Commercial Property Management; Planning Consultants, Sales, Development & Leasing of Real Estate and Design Decoration.	1,701,640 (RMB 380,000)	(Note 1)	(Note 2)	-	-	(Note 2)	(82,656)	99.99	(82,303)	2,521,092	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and Sales of Masks and Non-Woven Products	582,140 (RMB 130,000)	(Note 1)	(Note 3)	-	-	(Note 3)	(7,954)	100	(7,954)	197,507	-
Shanghai Best Expectation Textile Trading Limited	International investments and trade	3,613,746 (RMB 807,000)	(Note 1)	(Note 4)	-	-	(Note 4)	(466,193)	99.99	(467,937)	133,191	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Not applicable	Not applicable	Not applicable

Note 1: Refer to Note 10 to the consolidated financial statements.

Note 2: Established in China by Thomas Dynamic Material (Jiangsu) Co., Ltd. which was reinvested in by the Corporation through Hong Kong Antex Limited. The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd..

Note 3: The investment was funded by Hong Kong Antex Limited.

Note 4: The investment was funded by Thomas Dynamic Material (Jiangsu) Co., Ltd. and Dongguan Paihong Industry Co., Ltd.

Note 5: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The investment gain (loss) is recognized according to the financial statements audited by the Corporation's independent auditors.

Note 7: Significant intercompany accounts and transactions have been eliminated.

TABLE 10

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Paiho Int'l Limited	199,247,299	49.81
Kuo-Ian Cheng	34,966,301	8.74

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.