Sinmag Equipment Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Thus, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINMAG EQUIPMENT CORPORATION

By:

____

HSIEH, SHUN-HO
Chairman

March 11, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinmag Equipment Corporation

Opinion

We have audited the accompanying consolidated financial statements of Sinmag Equipment Corporation (the "Company") 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 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.

Key audit matter of the Group’s consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Due to Sinmag Equipment Corporation being a publicly listed company, it is anticipated that there is pressure on the management to achieve projected financial goals. Among these goals, revenue is considered a key indicator of profitability and operational performance. Additionally, revenue recognition inherently carries higher risks.

<u>Occurrence of Sales Revenue from Major Customers</u>

The Group has thousands of customers. The total revenue of major customers accounted for 42% of the total consolidated operating revenue. Some of the major customers have a higher level of growth rate in operating revenue than the average level of changes in the Group’s overall consolidated operating revenue, resulting in a significant impact on the financial performance of the Group. Therefore, we deemed the validity of the occurrence of sales revenue coming from the above customers a key audit matter. Refer to the accounting policies related to revenue recognition in Note 4 to the consolidated financial statements.

The following audit procedures were performed in response to the abovementioned key audit matter:

1. We obtained an understanding of the design and implementation of the internal controls related to the recognition of sales revenue, and we designed the appropriate audit procedures of internal controls related to the occurrence of sales revenue and confirmed and evaluated the effectiveness of the design and implementation of the Group’s internal controls.

2. We selected samples of sales transactions, reviewed sales orders, bills of lading or signed documents, invoices and receipts, and confirmed the occurrence of sales revenue.

3. We compared the changes in sales revenue, gross profit margin, trade receivables turnover days and credit conditions of the abovementioned major customers between the current and the previous year, and we evaluated the reasonableness of the changes.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 Keng-Hsi Chang and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 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.

Sinmag Equipment 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)	$ 1,223,143	28	$ 989,384	25
Financial assets at amortized cost - current (Notes 4, 7, 8 and 30)	1,556	-	151,846	4
Notes receivable (Notes 4, 9 and 22)	9,890	-	14,055	-
Trade receivables (Notes 4, 9 and 22)	582,080	13	474,611	12
Trade receivables from related parties (Notes 4, 22 and 29)	517	-	811	-
Other receivables (Notes 4 and 9)	7,167	-	22,770	1
Current tax assets (Notes 4 and 24)	14,525	-	3,739	-
Inventories (Notes 4 and 10)	845,287	19	729,617	18
Prepayments (Note 16)	22,277	1	16,394	-
Total current assets	2,706,442	61	2,403,227	60
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 7, 8 and 30)	291,120	7	216,400	6
Property, plant and equipment (Notes 4, 12 and 30)	1,299,093	29	1,180,795	30
Right-of-use assets (Notes 4, 13 and 29)	108,352	2	110,724	3
Goodwill (Notes 4, 14 and 23)	-	-	3,254	-
Intangible assets (Notes 4 and 15)	6,437	-	4,977	-
Deferred tax assets (Notes 4 and 24)	33,627	1	53,188	1
Other non-current assets (Notes 4 and 16)	21,770	-	9,553	-
Total non-current assets	1,760,399	39	1,578,891	40
TOTAL	$ 4,466,841	100	$ 3,982,118	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4, 22 and 29)	$ 164,440	4	$ 135,844	3
Trade payables	271,685	6	227,912	6
Trade payables to related parties (Note 29)	14,132	-	3,521	-
Other payables (Notes 18 and 26)	335,723	8	257,865	7
Current tax liabilities (Notes 4 and 24)	154,835	3	170,805	4
Provisions - current (Notes 4 and 19)	23,513	1	20,966	1
Lease liabilities - current (Notes 4, 13 and 29)	11,005	-	10,789	-
Current portion of long-term borrowings and bonds payable (Notes 17, 26 and 30)	16,561	-	-	-
Total current liabilities	991,894	22	827,702	21
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17, 26 and 30)	-	-	13,861	-
Deferred tax liabilities (Notes 4 and 24)	141,283	3	135,557	3
Lease liabilities - non-current (Notes 4, 13 and 29)	19,964	1	24,173	1
Total non-current liabilities	161,247	4	173,591	4
Total liabilities	1,153,141	26	1,001,293	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 21)				
Share capital				
Ordinary shares	502,302	11	502,302	13
Capital surplus	206,827	5	206,827	5
Retained earnings				
Legal reserve	586,956	13	586,956	15
Special reserve	155,238	4	124,177	3
Unappropriated earnings	1,791,246	40	1,591,714	40
Total retained earnings	2,533,440	57	2,302,847	58
Other equity	(70,829)	(2)	(155,238)	(4)
Total equity attributable to owners of the Company	3,171,740	71	2,856,738	72
NON-CONTROLLING INTERESTS (Notes 4 and 21)	141,960	3	124,087	3
Total equity	3,313,700	74	2,980,825	75
TOTAL	$ 4,466,841	100	$ 3,982,118	100

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

Sinmag Equipment Corporation and Subsidiaries

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

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	$ 4,768,879	100	$ 4,475,232	99
Service revenue	23,180	-	23,454	1
Total operating revenue	4,792,059	100	4,498,686	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 23 and 29)	(2,706,925)	(57)	(2,589,822)	(57)
Service cost	(3,129)	-	(3,410)	-
Total operating costs	(2,710,054)	(57)	(2,593,232)	(57)
GROSS PROFIT	2,082,005	43	1,905,454	43
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	(605,471)	(13)	(540,537)	(12)
General and administrative expenses	(334,843)	(7)	(332,836)	(7)
Research and development expenses	(166,086)	(3)	(156,045)	(4)
Expected credit loss (Notes 4 and 9)	(2,545)	-	(1,137)	-
Total operating expenses	(1,108,945)	(23)	(1,030,555)	(23)
PROFIT FROM OPERATIONS	973,060	20	874,899	20
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	32,518	1	27,273	-
Other income	17,052	-	33,615	1
Other gains and losses	68,806	2	1,217	-
Finance costs	(1,347)	-	(1,723)	-
Total non-operating income and expenses	117,029	3	60,382	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,090,089	23	935,281	21
INCOME TAX EXPENSE (Notes 4 and 24)	(361,726)	(8)	(298,922)	(7)
NET PROFIT FOR THE YEAR	728,363	15	636,359	14

(Continued)

Sinmag Equipment Corporation and Subsidiaries

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

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ -	-	$ (411)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	(2,941)	-
	-	-	(3,352)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	110,498	2	(40,524)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	(21,102)	-	7,765	-
	89,396	2	(32,759)	(1)
Other comprehensive income (loss) for the year, net of income tax	89,396	2	(36,111)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 817,759	17	$ 600,248	13
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 682,665	14	$ 603,037	13
Non-controlling interests	45,698	1	33,322	1
	$ 728,363	15	$ 636,359	14
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 767,074	16	$ 568,624	12
Non-controlling interests	50,685	1	31,624	1
	$ 817,759	17	$ 600,248	13
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	$ 13.59		$ 12.01	
Diluted	$ 13.56		$ 11.98	

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

Sinmag Equipment Corporation and Subsidiaries

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

	Equity Attributable to Owners of the Company								
			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	$ 502,302	$ 206,827	$ 586,956	$ 191,235	$ 1,226,352	$ (124,177)	$ 2,589,495	$ 116,851	$ 2,706,346
Appropriation of 2022 earnings (Note 21)									
Reversal of special reserve	-	-	-	(67,058)	67,058	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(301,381)	-	(301,381)	-	(301,381)
Net profit for the year ended December 31, 2023	-	-	-	-	603,037	-	603,037	33,322	636,359
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(3,352)	(31,061)	(34,413)	(1,698)	(36,111)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	599,685	(31,061)	568,624	31,624	600,248
Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	(24,388)	(24,388)
BALANCE AT DECEMBER 31, 2023	502,302	206,827	586,956	124,177	1,591,714	(155,238)	2,856,738	124,087	2,980,825
Appropriation of 2023 earnings (Note 21)									
Special reserve	-	-	-	31,061	(31,061)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(452,072)	-	(452,072)	-	(452,072)
Net profit for the year ended December 31, 2024	-	-	-	-	682,665	-	682,665	45,698	728,363
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	84,409	84,409	4,987	89,396
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	682,665	84,409	767,074	50,685	817,759
Cash dividends distributed by subsidiaries (Note 21)	-	-	-	-	-	-	-	(32,812)	(32,812)
BALANCE AT DECEMBER 31, 2024	$ 502,302	$ 206,827	$ 586,956	$ 155,238	$ 1,791,246	$ (70,829)	$ 3,171,740	$ 141,960	$ 3,313,700

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

Sinmag Equipment 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 before income tax	$ 1,090,089	$ 935,281
Adjustments for:		
Depreciation expense	122,266	114,317
Amortization expense	2,052	1,434
Expected credit loss recognized on trade receivables	2,545	1,137
Finance costs	1,347	1,723
Interest income	(32,518)	(27,273)
(Gain)/loss on disposal of property, plant and equipment	(38,202)	821
Write-downs of inventories	17,646	14,841
Impairment loss on goodwill	3,254	-
Net gain on foreign currency exchange	(6,569)	(3,451)
Recognition of provisions	23,477	20,251
Loss/(gain) on lease modification	28	(16)
Changes in operating assets and liabilities		
Notes receivable	4,845	(66)
Trade receivables	(90,318)	(42,621)
Trade receivables from related parties	319	(316)
Other receivables	(360)	1,195
Inventories	(104,102)	79,547
Prepayments	(5,234)	(3,607)
Contract liabilities	23,307	(39,441)
Notes payable	-	(704)
Trade payables	36,230	28,683
Trade payables from related parties	10,298	1,015
Other payables	58,743	41,396
Provisions	(18,788)	(15,295)
Net defined benefit liabilities - non-current	-	5,743
Cash generated from operations	1,100,355	1,114,594
Income tax paid	(387,841)	(297,001)
Net cash generated from operating activities	712,514	817,593
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(85,756)	(245,666)
Proceeds from sale of financial assets at amortized cost	173,717	201,774
Purchase of financial assets at fair value through profit or loss	(1,269,390)	(439,600)
Proceeds from sale of financial assets at fair value through profit or loss	1,269,390	439,600
Payments for property, plant and equipment	(179,694)	(144,352)
Proceeds from disposal of property, plant and equipment	49,883	1,402
Payments for intangible assets	(3,333)	(3,488)
Increase in other non-current assets	(5,642)	(2,732)

(Continued)

Sinmag Equipment 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
Decrease in other non-current assets	$ -	$ 4,275
Interest received	38,632	35,985
Net cash used in investing activities	(12,193)	(152,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	116,104	282,553
Repayments of short-term borrowings	(116,104)	(359,053)
Repayment of the principal portion of lease liabilities	(11,945)	(12,698)
Dividends paid to owners of the Company	(452,072)	(301,381)
Interests paid	(1,347)	(1,765)
Dividends paid to non-controlling interests	(32,812)	(24,388)
Net cash used in financing activities	(498,176)	(416,732)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	31,614	(1,064)
NET INCREASE IN CASH AND CASH EQUIVALENTS	233,759	246,995
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	989,384	742,389
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,223,143	$ 989,384

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

1. GENERAL INFORMATION

Sinmag Equipment Corporation (the "Company") was incorporated in the Republic of China (ROC) in September 1983, and the paid-in capital was $502,302 thousand as of December 31, 2024. The Company is primarily engaged in the following businesses:

a. Wholesale of machinery;

b. Retail sale of machinery and equipment;

c. Machinery and equipment manufacturing;

d. International trade; and

e. All businesses that are not prohibited or restricted by law, except those that are subject to special approval.

The Company's shares have been listed on the mainboard of the Taipei Exchange (TPEx) since December 2007.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company'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 a material impact on the Group's accounting policies.

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.

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

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

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

Note 1: Unless 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

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. 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 financial statements shall prevail.

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 assets 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.

d. Basis of consolidation

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by 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 11 and Tables 7 and 8 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 (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 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's foreign operations (including subsidiaries, associates, joint ventures and branches 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 New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, work in progress, finished goods and merchandise 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 weighted-average cost.

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.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. 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. Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently 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.

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets 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 smallest group of 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 or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when an entity in 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 an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss 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 FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and interest earned on such financial assets are recognized in interest income.

ii. Financial assets at amortized cost.

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

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

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

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost, receivables (including related parties and excluding tax refund receivables) and refundable deposits), 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.

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 (ECLs) on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime 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. When a financial asset's aging is more than 300 days (depending on individual circumstances) 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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method except for situations where interest recognized for short-term payables is considered immaterial.

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.

l. 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.

Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group’s obligations.

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of bakery equipment. Sales of bakery equipment are recognized as revenue when the goods are delivered to the customer because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

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

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the maintenance services of equipment.

As the Group provides maintenance services, customers simultaneously receive and consume the benefits provided by the Group’s performance. Consequently, the related revenue is recognized when services are rendered.

n. Leasing

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, 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. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. 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.

p. Government grants

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

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

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

q. 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, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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.

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

The management evaluated that major accounting policies, estimates and basic assumptions applied by the Group had no significant uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 2,980	$ 3,131
Checking accounts	32,723	60,299
Demand deposits	1,076,440	844,154
Cash equivalents		
Time deposits with original maturities of less than 3 months	111,000	81,800
	$ 1,223,143	$ 989,384

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2024	2023
Bank balance (including time deposits)	0.0001%-3.05%	0.001%-3.5%

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Current		
Time deposits with original maturities over 3 months from the date of acquisition (a)	$ 190	$ 151,625
Restricted assets - bank deposits (a and c)	1,366	221
	$ 1,556	$ 151,846
Non-current		
Restricted assets - time deposits with original maturities over 3 months from the date of acquisition (a and c)	$ 50	$ 50
Time deposits with original maturities over 3 months from the date of acquisition (a)	291,070	216,350
	$ 291,120	$ 216,400

a. The ranges of interest rates for time deposits with original maturities of more than 3 months and restricted bank deposit were approximately 1.3%-3.45% and 1.2%-3.9%, 0.35%-3.05% and 0.35% per annum as of December 31, 2024 and 2023, respectively.

b. Refer to Note 8 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

c. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

8. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Financial Assets at Amortized Cost

	December 31	
	2024	2023
Gross carrying amount	$ 292,676	$ 368,246
Less: Allowance for impairment loss	-	-
	$ 292,676	$ 368,246

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to degree of risk of default. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. As of December 31, 2024 and 2023, the Group evaluated the expected credit loss rates of its debt instrument investments as 0%.

9. NOTES RECEIVABLE, TRADE RECEIVABLES, OVERDUE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable		
At amortized cost		
Gross carrying amount	$ 9,986	$ 14,143
Less: Allowance for impairment loss	(96)	(88)
	$ 9,890	$ 14,055
Trade receivables		
At amortized cost		
Gross carrying amount	$ 609,719	$ 497,622
Less: Allowance for impairment loss	(27,639)	(23,011)
	$ 582,080	$ 474,611

	December 31	
	2024	2023
Overdue receivables		
At amortized cost		
Gross carrying amount	$ 4,057	$ 6,101
Less: Allowance for impairment loss	(4,057)	(6,101)
	$ -	$ -
Other receivables		
Tax refund receivables	$ 1,041	$ -
Interest receivables	95	16,277
Others	6,031	6,493
	$ 7,167	$ 22,770

a. Notes receivable

The average credit period for notes receivable is 60-120 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual notes receivable at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated by reference to the past default experience of the debtor, the debtor's current financial position and economic conditions of the industry in which the debtors operate.

The following table details the loss allowance of notes receivable:

	December 31	
	2024	2023
Expected credit loss rate	0%-1.08%	0%-1.19%
Gross carrying amount	$ 9,986	$ 14,143
Loss allowance (Lifetime ECLs)	(96)	(88)
Amortized cost	$ 9,890	$ 14,055

The movements of the loss allowance of notes receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 88	$ 92
Foreign exchange gains and losses	8	(4)
Balance at December 31	$ 96	$ 88

b. Trade receivables

The average credit period for sales of goods is 60-150 days. No interest was charged on trade receivables that were past due. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due days from the invoice date status is not further distinguished according to the Group's different customer base.

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

December 31, 2024

	Up to 60 Days	61 to 120 Days	121 to 180 Days	181 to 240 Days	241 to 300 Days	301 Days Above	Total
Expected credit loss rate	0.07%-5.47%	0.36%-9.14%	2.02%-40.62%	4.35%-100%	4.47%-100%	4.68%-100%	
Gross carrying amount	$ 461,692	$ 123,850	$ 13,309	$ 1,818	$ 1,566	$ 7,484	$ 609,719
Loss allowance (Lifetime ECLs)	(12,812)	(4,770)	(2,097)	(335)	(857)	(6,768)	(27,639)
Amortized cost	$ 448,880	$ 119,080	$ 11,212	$ 1,483	$ 709	$ 716	$ 582,080

December 31, 2023

	Up to 60 Days	61 to 120 Days	121 to 180 Days	181 to 240 Days	241 to 300 Days	301 Days Above	Total
Expected credit loss rate	0.32%-7.19%	2.67%-11.97%	4.81%-28.55%	9.86%-92.39%	6.45%-100%	7.64%-100%	
Gross carrying amount	$ 370,128	$ 106,545	$ 10,713	$ 3,747	$ 1,008	$ 5,481	$ 497,622
Loss allowance (Lifetime ECLs)	(11,295)	(4,876)	(1,902)	(531)	(248)	(4,159)	(23,011)
Amortized cost	$ 358,833	$ 101,669	$ 8,811	$ 3,216	$ 760	$ 1,322	$ 474,611

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 23,011	$ 23,826
Add: Net remeasurement of loss allowance	4,788	-
Less: Net remeasurement of loss allowance reversed	-	(141)
Less: Amounts written off	(1,158)	(220)
Foreign exchange gains and losses	998	(454)
Balance at December 31	$ 27,639	$ 23,011

c. Overdue receivables

The Group measures the loss allowance for overdue receivables at an amount equal to lifetime ECLs. The expected credit losses on overdue receivables are estimated by reference to the past default experience of the debtor, the debtor's current financial position and the general economic conditions of the industry in which the debtors operate. As of December 31, 2024 and 2023, the rate of expected credit loss of overdue receivables was 100%.

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 6,101	$ 4,996
Add: Net remeasurement of loss allowance	-	1,278
Less: Net remeasurement of loss allowance reversed	(2,243)	-
Less: Amounts written off	-	(71)
Foreign exchange gains and losses	199	(102)
Balance at December 31	$ 4,057	$ 6,101

d. Other receivables

Other receivables consist of tax refund receivables, interest receivables, advances to employees, etc. The Group adopted a policy of only dealing with entities that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from 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 considers the current financial condition of debtors in order to assess whether there has been a significant increase in credit risk on other receivables since initial recognition and measures the expected credit loss. As of December 31, 2024 and 2023, the rate of expected credit loss of other receivables was 0%.

10. INVENTORIES

	December 31	
	2024	2023
Merchandise	$ 199,615	$ 141,570
Finished goods	145,003	123,251
Work in progress	172,587	175,296
Raw materials	242,221	223,496
Inventory in transit	85,861	66,004
	$ 845,287	$ 729,617

The nature of the cost of goods sold was as follows:

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 2,689,232	$ 2,574,748
Inventory write-downs	17,646	14,841
Unallocated production overhead	47	233
	$ 2,706,925	$ 2,589,822

11. SUBSIDIARIES

a. Subsidiaries Included in the Consolidated Financial Statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2024	2023	Remark
Sinmag Equipment Corporation	Lucky Union Limited	Holding company	100.00	100.00	-
Lucky Union Limited	Sinmag Limited	Holding company	100.00	100.00	-
Sinmag Limited	Sinmag Equipment (China) Co., Ltd.	Manufacturing and selling of bakery equipment	96.38	96.38	Main operating risk is political risk, exchange rate risk and interest rate risk
	Sinmag Bakery Machine India Private Limited	Manufacturing and selling of bakery equipment	100.00	100.00	Main operating risk is exchange rate risk
	Ximai Enterprises Management (Wuxi) Co., Ltd.	Corporate management and investment	100.00	100.00	Main operating risk is political risk, exchange rate risk and interest rate risk
Ximai Enterprises Management (Wuxi) Co., Ltd.	Sinmag Equipment (China) Co., Ltd.	Manufacturing and selling of bakery equipment	0.01	0.01	Main operating risk is political risk, exchange rate risk and interest rate risk
Sinmag Equipment (China) Co., Ltd.	Sinmag Equipment (Thailand) Co., Ltd.	Selling of bakery equipment	100.00	100.00	Main operating risk is exchange rate risk
	Wuxi New Order Control Co., Ltd.	Manufacturing and selling of control panel and electromechanical control system	50.00	50.00	Main operating risk is political risk, exchange rate risk and interest rate risk
	Sinmag Bakery Equipment Sdn. Bhd.	Selling of bakery equipment	100.00	100.00	Main operating risk is exchange rate risk
	LBC Bakery Equipment Inc.	Selling of bakery equipment	97.33	97.33	Main operating risk is exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2024	Proportion of Ownership (%) December 31 2023	Remark
	Qingdao Sheng Mai Enterprises Management Co., Ltd. (Note)	Corporate management and investment	Note	Note	-
	Xiamen Sinmag Enterprises Management Co., Ltd. (Note)	Corporate management and investment	Note	Note	-

(Concluded)

Note: The registrations for the establishment of Qingdao Sheng Mai Enterprises Management Co., Ltd. and Xiamen Sinmag Enterprises Management Co., Ltd. were completed in May 2022, but no capital has been injected as of December 31, 2024.

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

Name of Subsidiary	Proportion Of Non-Controlling Interests Ownership And Voting Rights December 31 2024	Proportion Of Non-Controlling Interests Ownership And Voting Rights December 31 2023
Sinmag Equipment (China) Co., Ltd.	3.61%	3.61%

Refer to Table 8 for the information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2024	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31 2023	Non-Controlling Interests December 31 2024	Non-Controlling Interests December 31 2023
Sinmag Equipment (China) Co., Ltd.	$ 32,271	$ 27,820	$ 112,852	$ 101,585

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

Sinmag Equipment (China) Co., Ltd.

	December 31 2024	December 31 2023
Current assets	$ 1,916,104	$ 1,623,740
Non-current assets	1,999,175	1,834,633
Current liabilities	(766,290)	(602,665)
Non-current liabilities	(22,898)	(41,720)
Equity	$ 3,126,091	$ 2,813,988

(Continued)

	December 31	
	2024	2023
Equity attributable to:		
Owners of the Sinmag Equipment (China) Co., Ltd.	$ 3,013,239	$ 2,712,403
Non-controlling interests of Sinmag Equipment (China) Co., Ltd.	112,852	101,585
	$ 3,126,091	$ 2,813,988

(Concluded)

	For the Year Ended December 31	
	2024	2023
Revenue	$ 3,935,921	$ 3,638,157
Profit for the year	$ 893,871	$ 770,597
Other comprehensive income (loss) for the year	109,275	(40,223)
Total comprehensive income for the year	$ 1,003,146	$ 730,374
Profit attributable to:		
Owners of the Sinmag Equipment (China) Co., Ltd.	$ 861,600	$ 742,777
Non-controlling interests of Sinmag Equipment (China) Co., Ltd.	32,271	27,820
	$ 893,871	$ 770,597
Total comprehensive income attributable to:		
Owners of the Sinmag Equipment (China) Co., Ltd.	$ 966,961	$ 704,008
Non-controlling interests of Sinmag Equipment (China) Co., Ltd.	36,185	26,366
	$ 1,003,146	$ 730,374
Cash inflow/(outflow) from:		
Operating activities	$ 914,117	$ 962,522
Investing activities	(4,517)	(166,426)
Financing activities	(709,094)	(482,457)
Effects of exchange rate changes	26,150	(6,839)
Net cash inflow	$ 226,656	$ 306,800
Dividends paid to non-controlling interests	$ 24,918	$ 17,118

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Other Equipment	Property under Construction (Notes 17 and 26)	Total
Cost									
Balance at January 1, 2024	$ 96,251	$ 987,594	$ 462,201	$ 14,777	$ 15,709	$ 70,345	$ 223,955	$ 108,947	$ 1,979,779
Additions	-	36,869	23,520	-	3,047	13,116	16,246	99,649	192,447
Disposals	-	(54,418)	(37,228)	-	(909)	(4,056)	(8,464)	-	(105,075)
Effects of foreign currency exchange differences	1,225	37,541	15,756	516	629	3,304	8,424	3,051	70,446
Reclassification (Note)	-	147,369	868	-	-	-	2,372	(146,712)	3,897
Balance at December 31, 2024	$ 97,476	$ 1,154,955	$ 465,117	$ 15,293	$ 18,476	$ 82,709	$ 242,533	$ 64,935	$ 2,141,494
Accumulated depreciation									
Balance at January 1, 2024	$ -	$ 328,979	$ 279,577	$ 4,167	$ 11,460	$ 52,699	$ 122,102	$ -	$ 798,984
Disposals	-	(48,549)	(32,897)	-	(818)	(3,796)	(7,334)	-	(93,394)
Depreciation expense	-	41,526	24,750	3,042	1,373	6,433	31,243	-	108,367
Effect of foreign currency exchange differences	-	11,319	9,385	162	473	2,448	4,657	-	28,444
Balance at December 31, 2024	$ -	$ 333,275	$ 280,815	$ 7,371	$ 12,488	$ 57,784	$ 150,668	$ -	$ 842,401
Carrying amount at December 31, 2024	$ 97,476	$ 821,680	$ 184,302	$ 7,922	$ 5,988	$ 24,925	$ 91,865	$ 64,935	$ 1,299,093
Cost									
Balance at January 1, 2023	$ 96,293	$ 994,513	$ 457,139	$ 15,054	$ 15,729	$ 66,500	$ 214,861	$ 12,042	$ 1,872,131
Additions	-	11,318	13,231	-	2,288	7,419	14,935	98,427	147,618
Disposals	-	(2,731)	(11,827)	-	(2,174)	(2,754)	(4,741)	-	(24,227)
Effects of foreign currency exchange differences	(42)	(17,006)	(8,188)	(277)	(212)	(664)	(4,207)	(1,522)	(32,118)
Reclassification (Note)	-	1,500	11,846	-	78	(156)	3,107	-	16,375
Balance at December 31, 2023	$ 96,251	$ 987,594	$ 462,201	$ 14,777	$ 15,709	$ 70,345	$ 223,955	$ 108,947	$ 1,979,779
Accumulated depreciation									
Balance at January 1, 2023	$ -	$ 300,243	$ 269,891	$ 1,235	$ 12,608	$ 50,055	$ 100,573	$ -	$ 734,605
Disposals	-	(2,175)	(11,100)	-	(1,999)	(2,591)	(4,139)	-	(22,004)
Depreciation expense	-	36,345	25,628	3,002	998	5,725	27,947	-	99,645
Effect of foreign currency exchange differences	-	(5,434)	(4,842)	(70)	(147)	(490)	(2,279)	-	(13,262)
Balance at December 31, 2023	$ -	$ 328,979	$ 279,577	$ 4,167	$ 11,460	$ 52,699	$ 122,102	$ -	$ 798,984
Carrying amount at December 31, 2023	$ 96,251	$ 658,615	$ 182,624	$ 10,610	$ 4,249	$ 17,646	$ 101,853	$ 108,947	$ 1,180,795

Note: Reclassified from other non-current assets - prepayments for equipment and inventories to property, plant and equipment.

The property, plant and equipment used by the Group are not leased under operating leases.

No impairment assessment was performed for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

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

Buildings	3-50 years
Machinery and equipment	3-10 years
Leasehold improvements	5 years
Transportation equipment	5 years
Office equipment	3-10 years
Other equipment	3-10 years

The significant part of the Group’s buildings includes main buildings, mechanical and electrical power equipment and construction system etc., and are depreciated over their estimated useful lives of 20 to 50 years, 10 to 15 years and 3 to 20 years, respectively.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 77,487	$ 75,592
Buildings	30,865	35,132
	$ 108,352	$ 110,724

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 6,774	$ 41,433
Depreciation charge for right-of-use assets		
Land	$ 1,703	$ 1,679
Buildings	12,196	12,993
	$ 13,899	$ 14,672

As of December 31, 2024, the Group acquired the land use rights certificates, which are for land located in mainland China.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current (Note 29)	$ 11,005	$ 10,789
Non-current (Note 29)	$ 19,964	$ 24,173

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.65%-4.60%	1.65%-5.30%

c. Material lease-in activities and terms

The Group leases certain land use rights and buildings for the use of offices, dormitories, warehouses and parking lots with lease terms of 2 to 99 years. The Group does not have bargain purchase options to acquire the land use rights and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 5,743	$ 7,324
Expenses relating to low-value asset leases	$ 447	$ 438
Total cash outflow for leases	$ (18,643)	$ (20,857)

The Group leases certain buildings which qualify as short-term leases, and transportation equipment and certain office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	December 31	
	2024	2023
Lease commitments	$ 165	$ -

14. GOODWILL

	For the Year Ended December 31	
	2024	2023
Cost		
Balance at January 1	$ 3,254	$ 3,254
Additions (deductions)	-	-
Balance at December 31	$ 3,254	$ 3,254
Accumulated impairment losses		
Balance at January 1	$ -	$ -
Impairment losses recognized (Note 23)	3,254	-
Balance at December 31	$ 3,254	$ -
Carrying amount at December 31	$ -	$ 3,254

The Group's goodwill was tested for impairment at the end of the annual reporting period, and the recoverable amount was lower than the carrying amount. A goodwill impairment loss of $3,254 thousand was recognized and presented in other gains and losses in 2024.

15. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2024	$ 14,741
Additions	3,333
Effect of foreign currency exchange differences	529
Balance at December 31, 2024	$ 18,603
Accumulated amortization and impairment	
Balance at January 1, 2024	$ 9,764
Amortization expense	2,052
Effect of foreign currency exchange differences	350
Balance at December 31, 2024	$ 12,166
Carrying amount at December 31, 2024	$ 6,437
Cost	
Balance at January 1, 2023	$ 13,195
Additions	3,488
Disposals	(1,677)
Effect of foreign currency exchange differences	(265)
Balance at December 31, 2023	$ 14,741
Accumulated amortization and impairment	
Balance at January 1, 2023	$ 10,185
Amortization expense	1,434
Disposals	(1,677)
Effect of foreign currency exchange differences	(178)
Balance at December 31, 2023	$ 9,764
Carrying amount at December 31, 2023	$ 4,977

Computer software is amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

16. OTHER ASSETS

	December 31	
	2024	2023
Current		
Other prepayments		
Prepayments for purchase	$ 5,187	$ 4,999
Prepaid expenses	17,090	11,395
	$ 22,277	$ 16,394
Non-current		
Other assets		
Refundable deposits (Note)	$ 3,362	$ 3,037
Prepayments for equipment	6,167	4,330
Prepayments - non-current	-	13
Interest receivables (Note)	12,241	2,173
	$ 21,770	$ 9,553

Note: The Group considers the historical default rates of each credit rating supplied by external rating agencies and the current financial condition of debtors to estimate 12-month or lifetime expected credit losses. As of December 31, 2024 and 2023, the Group evaluated the expected credit loss rates of its refundable deposits as 0%.

17. BORROWINGS

Long-term borrowings

	December 31	
	2024	2023
Secured borrowings (Note 30)		
Long-term borrowings - urban regeneration (Note 26)	$ 16,561	$ 13,861
Less: Current portion	(16,561)	-
Long-term borrowings	$ -	$ 13,861

The Group participated in the "Taipei City, Da-An District, Huaisheng Section 2, No. 316, 316-2 Urban Renewal Plan" (the "Plan"). The Plan, which was implemented by the original landowner and legal building owner with "Taipei City, Da-An District, Huaisheng Section 2, No. 316, 316-2 Association" (the "Association"), was approved by the municipal authority. To assure that the Plan would be carried out as expected, the Association signed the property trust contract with the Trust Department of Hua Nan Commercial Bank (Notes 26 and 30), and the Association applied the property financing arrangement to Hua Nan Commercial Bank which states that the borrowings are managed by the trust account of Hua Nan Commercial Bank. Upon completion of the project, the expense accrued from the project will be allocated proportionately to the original landowner and legal building owner based on the value of the property rights within the scope of the area as stated in the Plan. As of December 31, 2024 and 2023, the expense allocated to the Group was $16,561 thousand and $13,861 thousand, and the borrowing rate was 2.83%-2.955% and 2.705%-2.83%, respectively.

18. OTHER PAYABLES

	December 31	
	2024	2023
Payables for salaries or bonuses	$ 177,905	$ 166,468
Payables for professional service fees	9,338	8,430
Payables for employee welfare fund	7,391	6,655
Payables for business tax	13,034	2,471
Payables for equipment (Note 26)	10,939	886
Payables for freight	32,142	6,603
Payable for commission	12,179	4,469
Others	72,795	61,883
	$ 335,723	$ 257,865

19. PROVISIONS

	December 31	
	2024	2023
Current		
Warranties	$ 23,513	$ 20,966

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 20,966	$ 16,245
Additional provisions recognized	23,477	20,251
Amount used	(18,788)	(15,295)
Effect of foreign currency exchange differences	(2,142)	(235)
Balance at December 31	$ 23,513	$ 20,966

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties in sale of goods contracts. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The employees of the Group's subsidiaries in mainland China, Malaysia, U.S.A., India and Thailand are members of a state-managed retirement benefit plan operated by the local governments. The subsidiaries are required to contribute specified percentages of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

In March 2023, the Company, in accordance with the Labor Standards Act and the LPA, reached a consensus on closing the tenure record in the defined benefit plans with the employees. In May 2023, the account cancellation, in accordance with the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds, was approved by the New Taipei City Government with Letter No. 1120765206, and the remaining $4,899 thousand in the labor pension reserve account was collected in June 2023.

Movements in net defined benefit assets for the year 2023 were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Assets**
Balance at January 1, 2023	$ 32,381	$ (38,535)	$ (6,154)
Net interest expense (income)	243	(289)	(46)
Loss on settlements	890	-	890
Recognized in profit or loss	1,133	(289)	844
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(224)	(224)
Actuarial loss - experience adjustments	635	-	635
Recognized in other comprehensive income	635	(224)	411
Benefits paid	(30,071)	30,071	-
Liabilities extinguished on settlement	(4,078)	4,078	-
Refund of overfunding	-	4,899	4,899
Balance at December 31, 2023	$ -	$ -	$ -

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	**2023**
Number of shares authorized (in thousands)	60,000	60,000
Shares authorized	$ 600,000	$ 600,000
Number of shares issued and fully paid (in thousands)	50,230	50,230
Shares issued	$ 502,302	$ 502,302

The Company reserved 2,100 thousand ordinary shares authorized for employee share options.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Arising from issuance of ordinary shares	$ 74,811	$ 74,811
Arising from the difference between consideration received and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	927	927
	75,738	75,738
May only be used to offset a deficit**		
Changes in percentage of ownership interests in subsidiaries	131,089	131,089
	$ 206,827	$ 206,827

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

** Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit after considering taxes expenses in a fiscal year, the profit shall be first utilized for offsetting losses of previous years (including the adjustment of unappropriated profit), setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with beginning undistributed retained earnings (including the adjustment of unappropriated profit) shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

In the event of a shortfall in "cumulative net increases in fair value measurement of investment properties from the prior period" and "cumulative net debit balance reserves from the prior period" when the Company sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Company shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

In accordance with Article 240 of the Company Law or Article 241 of the Company Law, if the Company used dividend bonus, legal reserve, capital surplus to distribute as cash dividends, the board of directors shall be authorized to resolve the proposal by the vote of at least half of the directors present, provided the number of directors present shall be at least two-thirds of the entire board of directors, and report the distribution to the shareholders' meeting.

As the Company is in the growing stage, in determining the Company's dividend distribution policy, the Company's board of directors considers the current and future investment environment, capital needs for future expansions, domestic and international competition and capital budget, and also takes into account shareholder's benefits and the balance between dividend distributions and the Company's long-term financial plans. A dividend distribution plan is proposed annually by the board of directors and passed for resolution in the shareholders' meeting.

The Company shall, considering financial, operational and managerial factors, distribute no less than 20% of unappropriated earnings to shareholders as dividends and bonuses, in the form of cash or share dividends, whilst cash dividends should not be lower than 20% of total bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 23(g).

Under Article 237 of the Company Law, an appropriation of 10% of the amount of net income plus the items other than net income are included in the unappropriated earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset the deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

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

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	**2022**
Drawdown (reversal) of the special reserve	$ 31,061	$ (67,058)
Cash dividends	$ 452,072	$ 301,381
Cash dividends per share (NT$)	$ 9	$ 6

The above appropriations for cash dividends were resolved by the Company's board of directors on March 13, 2024 and March 27, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 21, 2024 and June 19, 2023, respectively.

The appropriation of earnings for 2024, was proposed by the Company's board of directors on March 11, 2025. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2024
Reversal of the special reserve	$ (84,409)
Cash dividends	$ 452,072
Cash dividends per share (NT$)	$ 9

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 6, 2025.

d. Special reserve

	December 31	
	2024	2023
Appropriation in respect of:		
Debit to other equity items	$ 100,905	$ 69,844
First-time adoption of IFRSs	54,333	54,333
	$ 155,238	$ 124,177

e. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (155,238)	$ (124,177)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	105,511	(38,826)
Related income tax	(21,102)	7,765
Other comprehensive income recognized for the year	84,409	(31,061)
Balance at December 31	$ (70,829)	$ (155,238)

f. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 124,087	$ 116,851
Share in profit for the year	45,698	33,322
Other comprehensive income during the year		
Exchange differences on the translation of the financial statements of foreign operations	(4,987)	(1,698)
Cash dividend	(32,812)	(24,388)
Balance at December 31	$ 141,960	$ 124,087

22. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	$ 4,768,879	$ 4,475,232
Revenue from the rendering of services	23,180	23,454
	$ 4,792,059	$ 4,498,686

a. Contract information

1) Revenue from the sale of goods

The main operating revenue of the Group was from sales of bakery equipment. Goods are sold at their respective fixed amounts as agreed in the contracts.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from providing the maintenance services of equipment.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 9)	$ 9,890	$ 14,055	$ 14,264
Trade receivables (Note 9)	582,080	474,611	440,182
Trade receivables from related parties (Note 29)	517	811	490
	$ 592,487	$ 489,477	$ 454,936
Contract liabilities			
Sale of goods	$ 164,440	$ 135,844	$ 177,735

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year is as follows:

	For the Year Ended December 31	
	2024	2023
From contract liabilities at the start of the year		
Sale of goods	$ 118,631	$ 158,646

c. Disaggregation of revenue

	Manufacturing and Selling of Bakery Equipment Segment	
	2024	2023
Type of goods or services		
Sale of goods	$ 4,768,879	$ 4,475,232
Rendering of services	23,180	23,454
	$ 4,792,059	$ 4,498,686

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2024	2023
Interest income		
Bank deposits	$ 28,425	$ 25,959
Financial assets at FVTPL	4,093	1,314
	$ 32,518	$ 27,273

b. Other income

	For the Year Ended December 31	
	2024	2023
Income from government subsidies	$ 12,699	$ 26,873
Others	4,353	6,742
	$ 17,052	$ 33,615

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain/(loss) on disposal of property, plant and equipment	$ 38,202	$ (821)
Net foreign exchange gains	40,698	13,465
(Loss)/gain on lease modification	(28)	16
Impairment loss recognized on goodwill (Note 14)	(3,254)	-
Others	(6,812)	(11,443)
	$ 68,806	$ 1,217

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 851	$ 799
Interest on lease liabilities	943	1,222
Less: Capitalized interest amount	(447)	(298)
	$ 1,347	$ 1,723

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	$ 447	$ 298
Capitalization rate	2.83%-2.955%	2.705%-2.83%

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 68,661	$ 65,954
Operating expenses	53,605	48,363
	$ 122,266	$ 114,317
An analysis of amortization by function		
Operating costs	$ -	$ 16
Selling and marketing expenses	347	140
General and administrative expenses	1,557	1,019
Research and development expenses	148	259
	$ 2,052	$ 1,434

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	$ 1,038,831	$ 942,134
Post-employment benefits		
Defined contribution plans	88,072	82,549
Defined benefit plans (Note 20)	-	844
	88,072	83,393
Total employee benefits expense	$ 1,126,903	$ 1,025,527
An analysis of employee benefits expense by function		
Operating costs	456,300	429,305
Operating expenses	670,603	596,222
	$ 1,126,903	$ 1,025,527

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees and remuneration of directors at rates of 2%-10% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which have been approved by the Company's board of directors on March 11, 2025 and March 13, 2024, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	2.03%	2.24%
Remuneration of directors	1.38%	1.38%

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	$ 16,282	$ 15,687
Remuneration of directors	11,098	9,683

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.

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

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	$ 56,147	$ 69,787
Foreign exchange losses	(15,449)	(56,322)
Net foreign exchange gains	$ 40,698	$ 13,465

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 523,332	$ 424,204
Income tax on unappropriated earnings	5,828	5,389
Adjustments for prior years	18,173	(14,647)
Withholding tax credits from overseas profits of the current year	(87,843)	(44,187)
Tax deduction	(102,204)	(106,690)
	357,286	264,069
Deferred tax		
In respect of the current year	15,725	34,853
Adjustments for prior year	(11,285)	-
	4,440	34,853
Income tax expense recognized in profit or loss	$ 361,726	$ 298,922

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

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 1,090,089	$ 935,281
Income tax expense calculated at the statutory rate (20%)	$ 218,018	$ 187,056
Unrecognized deductible temporary differences - share of profit of subsidiaries accounted for using the equity method	(17,509)	(29,166)
Nondeductible expenses in determining taxable income	8,642	25,438
Repatriation of subsidiary's tax earnings	77,364	45,701
Income tax on unappropriated earnings	5,828	5,389
Withholding tax credits from overseas profits of the current year	(87,843)	(44,187)
Effect of different tax rates of entities in the Group operating in other jurisdictions	150,338	123,338
Adjustments for prior years' tax	6,888	(14,647)
Income tax expense recognized in profit or loss	$ 361,726	$ 298,922

The applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

Under the corporate income tax law in mainland China, Sinmag Equipment (China) Co., Ltd. qualified as a high-tech enterprise from 2024 to 2026, resulting in a 15% corporate income tax rate.

Under the Preferential Income Tax Policies for Small and Low-Profit Enterprises in mainland China, Wuxi New Order Control Co., Ltd. applied an income tax rate of 20% on taxable income that constituted 25% of its revenue at less than RMB3,000 thousand in 2023.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Current tax	$ -	$ -
Deferred tax		
In respect of the current year		
Translation of foreign operations	21,102	(7,765)
Remeasurement of defined benefit plans	-	2,941
Total income tax recognized in other comprehensive income	$ 21,102	$ (4,824)

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	$ 14,525	$ 3,739
Current tax liabilities		
Income tax payable	$ 154,835	$ 170,805

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for impairment loss	$ 3,319	$ 494	$ -	$ 121	$ 3,934
Unrealized loss on inventories	12,854	781	-	252	13,887
Unrealized gain on transactions with subsidiaries	768	330	-	-	1,098
Provisions	4,098	597	-	185	4,880
Lease liabilities	5,206	(1,474)	-	168	3,900
Exchange differences on translating the financial statements of foreign operations	23,589	-	(21,102)	-	2,487
Others	3,354	(36)	-	123	3,441
	$ 53,188	$ 692	$ (21,102)	$ 849	$ 33,627
Deferred tax liabilities					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	$ 127,419	$ 7,046	$ -	$ 321	$ 134,786
Property, plant and equipment property tax difference	2,813	(345)	-	106	2,574
Right-of-use assets	5,228	(1,511)	-	169	3,886
Others	97	(58)	-	(2)	37
	$ 135,557	$ 5,132	$ -	$ 594	$ 141,283

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for impairment loss	$ 3,681	$ (306)	$ -	$ (56)	$ 3,319
Unrealized loss on inventories	11,441	1,514	-	(101)	12,854
Unrealized gain on transactions with subsidiaries	879	(111)	-	-	768
Provisions	3,392	743	-	(37)	4,098
Lease liabilities	1,292	3,985	-	(71)	5,206
Defined benefit obligations	2,941	-	(2,941)	-	-
Exchange differences on translating the financial statements of foreign operations	15,824	-	7,765	-	23,589
Others	5,931	(2,561)	-	(16)	3,354
	$ 45,381	$ 3,264	$ 4,824	$ (281)	$ 53,188
Deferred tax liabilities					
Temporary differences					
Share of profit or loss of subsidiaries accounted for using the equity method	$ 88,162	$ 39,431	$ -	$ (174)	$ 127,419
Pensions	5,088	(5,088)	-	-	-
Property, plant and equipment property tax difference	3,202	(331)	-	(58)	2,813
Right-of-use assets	1,292	4,008	-	(72)	5,228
Others	-	97	-	-	97
	$ 97,744	$ 38,117	$ -	$ (304)	$ 135,557

e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2024 and 2023, the taxable temporary differences associated with investments in subsidiaries and branches for which no deferred tax liabilities have been recognized were $1,132,902 thousand and $1,045,357 thousand, respectively.

f. Income tax assessments

The Company’s tax returns through 2022 have been assessed by the tax authorities, and the Group had no litigation or claim regarding tax assessments as of December 31, 2024.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share		
From continuing operations	$ 13.59	$ 12.01
Diluted earnings per share		
From continuing operations	$ 13.56	$ 11.98

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2024	**2023**
Profit for the year attributable to owners of the Company	$ 682,665	$ 603,037
Effect of potentially dilutive ordinary shares		
Employees' compensation	-	-
Earnings used in the computation of diluted earnings per share	$ 682,665	$ 603,037

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

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	50,230	50,230
Effect of potentially dilutive ordinary shares		
Employees' compensation	130	128
Weighted average number of ordinary shares used in the computation of diluted earnings per share	50,360	50,358

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be 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.

26. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2024 and 2023.

1) The Group acquired property, plant and equipment that had not yet paid in the amounts of $10,939 thousand and $886 thousand, which were recorded as other payables during the years ended December 31, 2024 and 2023, respectively.

2) The Group proportionately allocated and capitalized the expenses accrued from the urban regeneration project based on the value of the property rights within the scope of the area as stated in the Plan. In addition, the Association applied the property financing arrangement to Hua Nan Commercial Bank. As of December 31, 2024 and 2023, the amounts which were accounted as property under construction and long-term borrowings - urban regeneration were $16,561thousand and $13,861 thousand, respectively.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2024

		Cash Flows		Non-cash Changes				
	Opening Balance	Increase (Decrease) in Principal	Finance Costs	Urban Regeneration/ New Leases	Lease Modification	Finance Costs	Exchange Differences on Translating the Financial Statements	Closing Balance
Long-term borrowings and current portion of long-term borrowings	$ 13,861	$ -	$ -	$ 2,700	$ -	$ -	$ -	$ 16,561
Lease liabilities	34,962	(11,945)	(943)	6,774	124	943	1,054	30,969
	$ 48,823	$ (11,945)	$ (943)	$ 9,474	$ 124	$ 943	$ 1,054	$ 47,530

For the year ended December 31, 2023

		Cash Flows		Non-cash Changes				
	Opening Balance	Increase (Decrease) in Principal	Finance Costs	Urban Regeneration/ New Leases	Lease Modification	Finance Costs	Exchange Differences on Translating the Financial Statements	Closing Balance
Long-term borrowings	$ 10,119	$ -	$ -	$ 3,742	$ -	$ -	$ -	$ 13,861
Short-term borrowings	76,500	(76,500)	-	-	-	-	-	-
Lease liabilities	7,520	(12,698)	(1,222)	41,433	(364)	1,222	(929)	34,962
	$ 94,139	$ (89,198)	$ (1,222)	$ 45,175	$ (364)	$ 1,222	$ (929)	$ 48,823

27. CAPITAL MANAGEMENT

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

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

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the 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, and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

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

The management of the Group considered that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

b. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Amortized cost (1)	$ 2,130,035	$ 1,875,087
Financial liabilities		
Amortized cost (2)	439,771	327,565

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, receivables (including related parties and excluding tax refund receivables), interest receivables (account for other non-current assets) and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise payables (including related parties and excluding payables for salaries or bonuses, payables for employees' welfare fund and payables for business tax), long-term borrowings and current portion of long-term borrowings.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, receivables, debt instruments, payables, long-term borrowings and lease liabilities. Risks on the financial instruments include market risk (such as 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 (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. The Group assesses the net risk position of non-functional currency denominated sales and purchases periodically and adjusts its non-functional cash position on the basis of its assessment.

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 32.

Sensitivity analysis

The Group was mainly exposed to exchange fluctuations of the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currency. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. 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 an increase in pre-tax profit associated with the functional currency weakening 1% against the relevant currency. For a 1% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2024	2023
Profit or loss	$ 7,215	$ 4,792

This was mainly attributable to the exposure outstanding on USD cash and cash equivalents, receivables and payables which were not hedged at the end of the reporting period.

The Group's sensitivity to the USD increased during the current year mainly due to a increase in USD denominated cash and cash equivalents and receivables.

b) Interest rate risk

The Group was exposed to interest rate risk because its deposits, bank loans and lease liabilities are at both fixed and floating interest rates.

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

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 402,310	$ 449,825
Financial liabilities	30,969	34,962
Cash flow interest rate risk		
Financial assets	1,077,806	844,375
Financial liabilities	16,561	13,861

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis points 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 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by $2,653 thousand and $2,076 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings.

The Group's sensitivity to the interest rate increased during the current year mainly due to an increase in floating interest rate bank deposits.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of 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, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group rated its major customers based on the information supplied by independent rating agencies where available and, if not available, other publicly available financial information and its own trading records. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group continually evaluated its counterparties' financial status, and, if necessary, requested a guarantee deposit as a term of transaction to lower its exposure to the credit risk.

The Group's concentration of credit risk by geographical location was mainly in the United States, which accounted for 31% and 21% of the total trade receivables as of December 31, 2024 and 2023, respectively.

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.

For the Group, bank loans are an important resource of liquidity to the Group. Refer to section (b) below for more information on unused amounts of financing facilities at December 31, 2024 and 2023.

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

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

December 31, 2024

	Within 3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	$ 405,764	$ 17,446	$ -
Lease liabilities	5,054	6,725	20,477
Long-term borrowings	16,596	-	-
	$ 427,414	$ 24,171	$ 20,477

Additional information on the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years
Lease liabilities	$ 11,779	$ 20,477

December 31, 2023

	Within 3 Months	3 Months to 1 Year	1-5 Years
Non-interest bearing liabilities	$ 298,100	$ 15,604	$ -
Lease liabilities	4,667	6,988	25,067
Long-term borrowings	-	-	13,861
	$ 302,767	$ 22,592	$ 38,928

Additional information on the maturity analysis for lease liabilities

	Less than 1 Year	1-5 Years
Lease liabilities	$ 11,655	$ 25,067

b) Financing facilities

	December 31	
	2024	2023
Unsecured bank loan facilities, reviewed annually and payable on demand:		
Amount used	$ -	$ -
Amount unused	904,103	879,127
	$ 904,103	$ 879,127
Secured bank loan facilities:		
Amount used	$ 16,561	$ 13,861
Amount unused	140,000	140,000
	$ 156,561	$ 153,861

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

Related Party Name	Related Party Category
Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	Associate
Tehmag Foods Corporation	Associate
Wuxi Temma Paper Cup Co., Ltd.	Associate
San Neng Bake Ware (Wuxi) Co., Ltd.	Associate
San Neng Bakeware Corporation	Associate
New Order Enterprise Co., Ltd.	Associate
Auto Control Co., Ltd.	Associate
Tehmag Foods Corporation Sdn. Bhd.	Associate
Wuxi Squires Kitchen Trading Co., Ltd.	Associate

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Sales	Associates	$ 17,034	$ 12,825

The sales prices to related parties were negotiated case by case, and the collection terms to related parties were 60 days or 90 days within receiving the bills of lading. The sales prices to third parties were determined in accordance with mutual agreements, and the collection terms from third parties were 90 days.

c. Purchases of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Purchases	Associates	$ 88,863	$ 60,052

The purchase prices from related parties were determined based on their costs with a margin. The payment terms to related parties were 30 days to 120 days or 45 days within receiving the bill of lading. The prices and payment terms were determined in accordance with mutual agreements, and the payment terms to third parties were 90 days.

d. Contract liabilities

Related Party Category/Name	December 31	
	2024	2023
Associates	$ 1	$ -

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Trade receivables	Associates	$ 517	$ 811

The outstanding trade receivables from related parties are unsecured. As of December 31, 2024 and 2023, all receivables from related parties were not past due. And for the years ended December 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

f. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Trade payables	Associates	$ 14,132	$ 3,521

The outstanding trade payables from related parties are unsecured.

g. Lease arrangements - the Group is lessee

Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Acquisition of right-of-use assets		
Associates - Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	$ -	$ 38,154

Line Item	Related Party Category/Name	December 31 2024	December 31 2023
Lease liabilities - current	Associates - Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	$ 7,687	$ 7,196
Lease liabilities - non-current	Associates - Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	16,124	23,008
		$ 23,811	$ 30,204

Related Party Category/Name	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Interest expense		
Associates - Zeelandia Bakery Ingredients (Wuxi) Co., Ltd.	$ 804	$ 1,021

The Group leased the right-of-use of buildings from its associates - Zeelandia Bakery Ingredients (Wuxi) Co., Ltd. in January 2023. The lease term of the contract was 5 years; the rental is based on prevailing market rates, and fixed lease payments are paid semi-annually.

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Production overhead - other expenses	Associates	$ -	$ 31
Selling and marketing expenses - other expenses	Associates	$ 902	$ 1
Research and development expenses - other expenses	Associates	$ 5	$ 3
Other income	Associates	$ -	$ 4

i. Compensation of key management personnel

	For the Year Ended December 31 2024	2023
Short-term employee benefits	$ 71,643	$ 68,430
Post-employment benefits	1,195	1,018
	$ 72,838	$ 69,448

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank loans, taxpayer accounts, the tariffs of imported raw materials guarantees and construction guarantee deposit accounts:

	December 31 2024	2023
Financial assets at amortized cost - current		
Taxpayer accounts and construction guarantee deposit accounts	$ 1,366	$ 221
Financial assets at amortized cost - non-current		
Pledged time deposits	$ 50	$ 50
Others		
Freehold land	$ 58,715	$ 58,715
Buildings, net	29,584	23,686
Property under construction	16,561	13,861
	$ 104,860	$ 96,262

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Unrecognized commitments were as follows:

	December 31	
	2024	**2023**
Acquisition of property, plant and equipment	$ 117,384	$ 32,840

32. 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 and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,158	32.79 (USD:NTD)	$ 70,760
USD	21,946	7.19 (USD:RMB)	719,485
USD	4	4.44 (USD:MYR)	129
			$ 790,374
Financial liabilities			
Monetary items			
USD	492	32.79 (USD:NTD)	$ 16,127
USD	1,248	7.19 (USD:RMB)	40,910
USD	362	33.81 (USD:THB)	11,862
			$ 68,899

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,305	30.65 (USD:NTD)	$ 70,634
USD	15,022	7.08 (USD:RMB)	460,377
USD	4	4.59 (USD:MYR)	121
			$ 531,132
Financial liabilities			
Monetary items			
USD	667	30.65 (USD:NTD)	$ 20,456
USD	757	7.08 (USD:RMB)	23,207
USD	268	34.15 (USD:THB)	8,228
			$ 51,891

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were $40,698 thousand and $13,465 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group in the Group.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (none)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (none)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 2)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 3)

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 4)

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

9) Trading in derivative instruments (Note 23 and Table 2)

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

b. Information on investees (Table 7)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resultant gains or losses

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

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds

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

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

e. Disclosure of the affiliates

1) Disclosures on the notes appended to the consolidated financial statements of the affiliates are as follows:

No.	Items	Reference
1	The names of subordinate companies, a description of their relationship with the controlling company, the nature of their business, and the controlling company's shareholding or capital contribution ratio in each company.	Note 11, Tables 7 and 8
2	Increases, decreases, or changes in the subordinate companies included in the current consolidated financial statements of the affiliates.	None
3	The names and shareholding or capital contribution ratios of subordinate companies not listed in the current consolidated financial statements for affiliates and the reasons why they are not included in the consolidated statements.	None
4	The adjustment method and treatment adopted if the opening and closing dates of the subordinate company's accounting year are different from those of the controlling company.	None
5	An explanation of any differences in accounting policies between the subordinate companies and the controlling company. The method and substance of adjustments adopted in the event of any non-conformity with the Generally Accepted Accounting Principles of the Republic of China.	None
6	Special operational risks of overseas subordinate companies, such as exchange rate fluctuations.	Note 11
7	Statutory or contractual restrictions on distribution of earnings by the various affiliates.	Note
8	Amortization methods and period for consolidated borrowings (loans).	None
9	Other matters of significance or explanations that would contribute to the fair presentation of the consolidated financial statements of the affiliates.	None

2) Disclosures on the notes for subordinate company affiliates are as follows:

No.	Items	Reference
1	Transactions that have been eliminated between the controlling company and subordinate companies or between subordinate companies.	Table 6
2	Information regarding financing, endorsements, and guarantees.	Table 1
3	Information regarding trading in derivative products.	Note 23 and Tables 2
4	Significant contingent matters.	None
5	Significant subsequent events.	None
6	Names of bills and securities held, and their quantities, cost, market value (or net par value if a bill or security does not have a market value), shareholding or capital contribution ratio, description of any pledges, and the highest amount of shareholding or capital contribution during the period.	Tables 7 and 8
7	Other matters of significance or explanations that would contribute to a fair presentation of the consolidated financial statements of the affiliates.	None

Note: As set forth in the Articles, Sinmag Equipment (China) Co., Ltd. and Wuxi New Order Control Co., Ltd. shall allocate reserve funds, expansion funds and welfare funds for employees after payment of taxes, respectively. The reserve funds are accrued at rates of no less than 10% of net profit before income tax. When the accumulated withdrawal amount reaches 50% of the registered capital, it could be withdrawn. The proportion of allocation shall be decided by the board of directors.

34. SEGMENT INFORMATION

a. Segment revenue and results

The manufacturing and selling of bakery equipment and control panels and electromechanical control system segment includes a number of direct sales operations in various cities, each of which is considered a separate operating segment by the chief operating decision maker. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- The nature of the products and production processes is similar;
- The pricing strategy of the products is similar;

b. 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**
Bakery equipment products	$ 4,768,879	$ 4,475,232
Services	23,180	23,454
	$ 4,792,059	$ 4,498,686

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and the United States.

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

	Revenue from External Customers For the Year Ended December 31		**Non-current Assets December 31**	
	2024	**2023**	**2024**	**2023**
Taiwan	$ 255,509	$ 336,838	$ 124,151	$ 118,759
China	3,053,748	2,877,765	1,078,756	1,001,504
United States	1,169,146	956,332	156,582	114,359
Others	313,656	327,751	72,801	71,644
	$ 4,792,059	$ 4,498,686	$ 1,432,290	$ 1,306,266

Non-current assets exclude financial instruments, refundable deposits and deferred tax assets.

d. Information on major customers

No single customer contributed 10% or more to the Group’s revenue for both 2024 and 2023.

TABLE 1

Sinmag Equipment Corporation and Subsidiaries

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 2)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
0	Sinmag Equipment Corporation	Sinmag Limited	Other receivables from related parties	Yes	$ 3,934 (US$ 120)	$ - (US$ -)	$ - (US$ -)	2%	Short-term financing	$ -	Working capital	$ -	-	-	$ 1,268,696	$ 1,268,696	-

Note 1: a. For subsidiaries with direct or indirect ownership stakes granting the Company 50% or more of the voting rights and with whom the Company has business dealings, the total amount of loans provided shall not exceed 40% of the Company's most recent audited or reviewed financial statements' net worth. Individual loan amounts shall not exceed the total annual business dealings between the parties for the most recent fiscal year. Business dealings refer to the higher of either party's purchase or sales amount within the past year.

b. For subsidiaries with direct or indirect ownership stakes granting the Company 50% or more of the voting rights and requiring short-term financing. Individual financing amounts and total financing amounts shall not exceed 40% of the Company's most recent audited or reviewed financial statements' net worth.

c. The Company engages in providing funds to foreign subsidiaries in which it holds direct or indirect ownership of 100% of the voting rights. The total amount of such loans shall not exceed 60% of the Company's most recent audited or reviewed financial statements' net worth.

d. The Company engages in providing funds to foreign subsidiaries, in which it holds direct or indirect ownership of 100% of the voting rights, with the total amount of such loans not exceeding 60% of the Company's most recent audited or reviewed financial statements' net worth.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated upon consolidation.

Note 3: The highest balance for the period, ending balance and actual borrowed amount converted at the spot exchange rate as of December 31, 2024.

Sinmag Equipment 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 Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Sinmag Equipment (China) Co., Ltd	Industrial Bank Corporate Finance RMB Structured Deposit Product	Financial assets at fair value through profit or loss	Industrial Bank	-	-	$ -	-	$ 1,269,390	-	$ 1,273,729	$ 1,269,390	$ 4,339	-	$ -

Note: Marketable securities in this table include shares, bonds, beneficiary certificates and securities derived from these items.

TABLE 3

Sinmag Equipment Corporation and Subsidiaries

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

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Sinmag Equipment (China) Co., Ltd	Building (Entrusted construction project)	2024.11.07	$ 163,850 (RMB 36,590)	As of December 31, 2024, $49,155 thousand has been paid (RMB 10,977 thousand) (tax included)	Note	None	-	-	-	$ -	Land lease and build, N/A	For operational use	-

Note: The counterparty is not a related party.

TABLE 4

Sinmag Equipment Corporation and Subsidiaries

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transactions		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sinmag Equipment Corporation	Sinmag Equipment (China) Co., Ltd.	Subsidiary	Purchase	$ 172,869	70	B/L 45 day	Note 1	Note 2	$ (11,650)	(41)	Note 3
Sinmag Equipment (China) Co., Ltd.	Sinmag Equipment Corporation	The ultimate parent company	(Sale)	(172,869)	(4)	B/L 45 day	〃	〃	11,650	2	〃
	Sinmag Equipment Corporation	The ultimate parent company	Purchase	123,853	6	B/L 90 day	〃	〃	(29,118)	(10)	〃
Sinmag Equipment Corporation	Sinmag Equipment (China) Co., Ltd.	Subsidiary	(Sale)	(123,853)	(35)	B/L 90 day	〃	〃	29,118	58	〃
LBC Bakery Equipment Inc.	Sinmag Equipment (China) Co., Ltd.	Parent company	Purchase	577,942	91	B/L 90 day	〃	〃	(141,818)	(91)	〃
Sinmag Equipment (China) Co., Ltd.	LBC Bakery Equipment Inc.	Subsidiary	(Sale)	(577,942)	(15)	B/L 90 day	〃	〃	141,818	28	〃
	Wuxi New Order Control Co., Ltd.	Subsidiary	Purchase	122,881	6	Monthly payment: 30 days	〃	〃	(12,639)	(4)	〃
Wuxi New Order Control Co., Ltd.	Sinmag Equipment (China) Co., Ltd.	Parent company	(Sale)	(122,881)	(100)	Monthly payment: 30 days	〃	〃	12,639	100	〃

Note 1: Unit prices for related parties were determined based on their costs with a margin or negotiated on a case-by-case basis, unit prices for non-related parties were determined in accordance with mutual agreements.

Note 2: Open account of 90 days for non-related parties.

Note 3: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated upon consolidation.

Sinmag Equipment 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)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Sinmag Equipment (China) Co., Ltd	LBC Bakery Equipment Inc.	Subsidiary	Trade receivables $ 141,818	51.18	$ -	-	$ 141,818	$ -

Note 1: Amounts collected from January 1, 2025, to March 10, 2025.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated upon consolidation.

TABLE 6

Sinmag Equipment Corporation and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount (Note 1)	Payment Terms	% of Total Sales or Assets (Note 2)
0	Sinmag Equipment Corporation	Sinmag Equipment (China) Co., Ltd.	Note 4.a	Sales	$ 123,853	Cost with a margin, B/L 90 days	3
				Trade receivables	29,118	-	1
1	Lucky Union Limited	Sinmag Equipment Corporation	Note 4.b	Surplus repatriation	607,751	-	14
2	Sinmag Limited	Lucky Union Limited	Note 4.c	Surplus repatriation	607,751	-	14
3	Sinmag Equipment (China) Co., Ltd.	Sinmag Equipment Corporation	Note 4.b	Sales	172,869	Cost with a margin, B/L 45 days	4
				Trade receivables	11,650	-	-
		Sinmag Limited	Note 4.c	Surplus repatriation	666,058	-	15
		Sinmag Bakery Equipment Sdn. Bhd.	Note 4.c	Sales	51,666	Cost with a margin, B/L 60 days	1
		LBC Bakery Equipment Inc.	Note 4.c	Sales	577,942	Cost with a margin, B/L 90 days	12
				Trade receivables	141,818	-	3
		Sinmag Equipment (Thailand) Co., Ltd.	Note 4.c	Sales	79,706	Cost with a margin, B/L 90 days	2
4	Wuxi New Order Control Co., Ltd.	Sinmag Equipment (China) Co., Ltd.	Note 4.c	Sales	122,881	Negotiated case by case, monthly payment: 30 days	3
				Trade receivables	12,639	-	-
5	LBC Bakery Equipment Inc.	Sinmag Equipment (China) Co., Ltd.	Note 4.c	Sales	26,454	Negotiated case by case, monthly payment: 90 days	1
				Trade receivables	11,767	-	-
				Surplus repatriation	94,048	-	2
6	Sinmag Bakery Equipment Sdn. Bhd.	Sinmag Equipment (China) Co., Ltd.	Note 4.c	Surplus repatriation	44,882	-	1

Business relationships between parent and subsidiaries:

Sinmag Equipment Corporation, Sinmag Equipment (China) Co., Ltd., Sinmag Bakery Equipment Sdn. Bhd., Wuxi New Order Control Co., Ltd., LBC Bakery Equipment Inc., Sinmag Bakery Machine India Private Limited and Sinmag Equipment (Thailand) Co., Ltd. are mainly engaged in the manufacturing and selling of bakery equipment, control panels and electromechanical control systems. Lucky Union Limited and Sinmag Limited are holding companies. Ximai Enterprises Management (Wuxi) Co., Ltd., Qingdao Sheng Mai Enterprises Management Co., Ltd. and Xiamen Sinmag Enterprises Management Co., Ltd. are mainly engaged in enterprise management and investment.

Note 1: The above table discloses only one-way transaction information. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 2: The calculation of the percentage of the transaction accounts for total consolidated revenues or total assets. For the assets and liabilities, they are calculated by the ending balance divided by the consolidated total assets. For profit or loss, they are calculated by the accumulated amount at the end of period divided by the consolidated total revenue.

Note 3: The above table discloses only the amounts of important transactions that exceed NT$10,000 thousand.

(Continued)

Note 4: Relationship to the counterparty:

a. Parent company to subsidiary
b. Subsidiary to parent company
c. Subsidiary to subsidiary

(Concluded)

Sinmag Equipment Corporation and Subsidiaries

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024				Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount	Net Worth Per Share			
Sinmag Equipment Corporation	Lucky Union Limited	Samoa	Holding company	$ 88,735	$ 88,735	-	100.00	$ 3,009,309	$ -	$ 800,612	$ 800,612	Notes 1 and 2
Lucky Union Limited	Sinmag Limited	Samoa	Holding company	103,987	103,987	-	100.00	3,011,453	-	800,351	800,351	Notes 1 and 2
Sinmag Limited	Sinmag Bakery Machine India Private Limited	India	Manufacturing and selling of bakery equipment	54,748	54,748	-	100.00	3,390	-	812	812	Notes 1 and 2
Sinmag Equipment (China) Co., Ltd.	Sinmag Equipment (Thailand) Co., Ltd.	Thailand	Selling of bakery equipment	84,759	84,759	20,600,000	100.00	98,716	4.79	13,040	12,570	Notes 1 and 2
	LBC Bakery Equipment Inc.	United States	Selling of bakery equipment	298,686	298,686	910,682	97.33	367,944	403.89	120,569	113,112	Notes 1 and 2
	Sinmag Bakery Equipment Sdn. Bhd.	Malaysia	Selling of bakery equipment	110,297	110,297	300,000	100.00	136,307	454.36	19,504	18,800	Notes 1 and 2

Note 1: The share of profit (loss) was recognized according to the audited financial statements of the investees for the same year.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: The table above shows that the highest amount of shareholding or capital contribution ratio is equal to the shareholding or capital contribution ratio at the end of the year. No collateral was provided on these investments.

Note 4: For information on investments in mainland China, refer to Table 8.

Sinmag Equipment Corporation and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	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)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Sinmag Equipment (China) Co., Ltd. (Note 3)	Manufacturing and selling of bakery equipment	$ 1,626,034 (RMB 362,055)	c	$ 349,938 (US$ 10,594)	$ -	$ -	$ 349,938 (US$ 10,594)	$ 893,871	96.39	$ 860,754 (Note 2 b.(2))	$ 3,001,984	$ 5,523,391 (US$ 179,765)	Notes 5 and 6
Wuxi New Order Control Co., Ltd.	Manufacturing and selling of control panel and electromechanical control system	4,961 (US$ 150)	d	3,348 (US$ 104)	-	-	3,348 (US$ 104)	20,062	48.20	7,320 (Note 2 b.(2))	9,689	67,543 (US$ 2,232)	Note 5
Ximai Enterprises Management (Wuxi) Co., Ltd.	Corporate management and investment	1,340 (US$ 47)	b	1,340 (US$ 47)	-	-	1,340 (US$ 47)	85	100.00	85 (Note 2 b.(2))	1,547	- (US$ -)	-
Qingdao Sheng Mai Enterprises Management Co., Ltd.	Corporate management and investment	- (RMB -)	d	- (US$ -)	-	-	- (US$ -)	-	96.39	- (Note 2 a.)	-	- (US$ -)	Note 8
Xiamen Sinmag Enterprises Management Co., Ltd.	Corporate management and investment	- (RMB -)	d	- (US$ -)	-	-	- (US$ -)	-	96.39	- (Note 2 a.)	-	- (US$ -)	Note 8

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$354,626 (Note 4)	$1,676,146	$1,988,220

Note 1: The four methods of investing in mainland China are as follows:

a. Direct investments in mainland China.
b. Investment in mainland China through an existing company established in a third region (Lucky Union Limited and Sinmag Limited).
c. Investment in mainland China through an existing company established in a third region (Lucky Union Limited and Sinmag Limited) and a subsidiary established in China (Ximai Enterprises Management (Wuxi) Co., Ltd.).
d. Investment through a subsidiary established in China. (Sinmag Equipment (China) Co., Ltd.)

Note 2: In the column of investment gain (loss)

a. If the investment is still in preparation and there is no investment gain (loss), it will be specified.

b. The basis for recognizing investment gain (loss) is as follows:

1) Based on financial statements audited by an international accounting firm that has a business relationship with an accounting firm in the ROC.
2) Based on financial statements audited by the accounting firm of the parent company in Taiwan.
3) The investees’ financial statements have not been audited for the same year.

Note 3: Part of the amount reinvested in a third region.

Note 4: Repatriation of investments of $5,590,934 thousand was not deducted from the amount.

Note 5: The share of profits (losses) of the investee includes the effect of realized and unrealized gross profit on intercompany transactions. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 6: Have material non-controlling interests.

Note 7: The table above shows that the highest amount of shareholding or capital contribution ratio is equal to the shareholding or capital contribution ratio at the end of the year. No collateral was provided on these investments.

Note 8: The registrations for the establishment of Qingdao Sheng Mai Enterprises Management Co., Ltd. and Xiamen Sinmag Enterprises Management Co., Ltd. were completed in May 2022, but no capital has been injected as of December 31, 2024.

Sinmag Equipment Corporation and Subsidiaries

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

2. The amount and percentage of sales and the balance and percentage of the related payables at the end of the period:

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with General Transactions	Ending Balance	%		
Sinmag Equipment (China) Co., Ltd.	Purchase	$ 172,869	70	Cost with a margin	B/L 45 days	Note 1	$ (11,650)	(41)	$ 11,255	Notes 2 and 3
	Sales	(123,853)	(35)	Cost with a margin	B/L 90 days	〃	29,118	58	5,491	Notes 2 and 4
	Purchase	51,666	54	Cost with a margin	B/L 60 days	〃	-	-	9,742	Notes 2 and 5
	Purchase	577,942	91	Cost with a margin	B/L 90 days	〃	(141,818)	(91)	109,153	Notes 2 and 6
	Purchase	79,706	80	Cost with a margin	B/L 90 days	〃	(8,640)	(69)	16,599	Notes 2 and 7
	Sales	(122,881)	(100)	Negotiated case by case	Monthly payment: 30 days	〃	12,639	100	5,920	Notes 2 and 8
	Sales	(26,454)	(2)	Negotiated case by case	B/L 90 days	〃	11,767	6	-	Notes 2 and 9
	Purchase	3	-	Cost with a margin	Payment within one month after delivery of the equipment.	〃	-	-	-	Notes 2 and 10
Wuxi New Order Control Co., Ltd.	Purchase	122,881	6	Negotiated case by case	Monthly payment: 30 days	〃	(12,639)	(4)	-	Notes 2 and 11
	Sales	(3)	-	Cost with a margin	Payment within one month after delivery of the equipment.	〃	-	-	-	Notes 2 and 12

Note 1: The payment terms for non-related parties are negotiated on a case-by-case basis, which is 90 days from end of the month of sale or purchase of goods.

Note 2: Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation.

Note 3: Sinmag Equipment Corporation purchased from Sinmag Equipment (China) Co., Ltd.

Note 4: Sinmag Equipment Corporation sold to Sinmag Equipment (China) Co., Ltd.

Note 5: Sinmag Bakery Equipment Sdn. Bhd. purchased from Sinmag Equipment (China) Co., Ltd.

Note 6: LBC Bakery Equipment Inc. purchased from Sinmag Equipment (China) Co., Ltd.

Note 7: Sinmag Equipment (Thailand) Co., Ltd. purchased from Sinmag Equipment (China) Co., Ltd.

Note 8: Wuxi New Order Control Co., Ltd. sold to Sinmag Equipment (China) Co., Ltd.

Note 9: LBC Bakery Equipment Inc. sold to Sinmag Equipment (China) Co., Ltd.

Note 10: Wuxi New Order Control Co., Ltd. purchased from Sinmag Equipment (China) Co., Ltd.

(Continued)

Note 11: Sinmag Equipment (China) Co., Ltd. purchased from Wuxi New Order Control Co., Ltd.

Note 12: Sinmag Equipment (China) Co., Ltd. sold to Wuxi New Order Control Co., Ltd.

3. The amount of property transactions and the amount of the resultant gains or losses: None.

4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

5. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

6. 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: Note 29.

(Concluded)

TABLE 10

Sinmag Equipment Corporation

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng Chia Investment Co., Ltd.	3,375,545	6.72

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 preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company 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.