

(Stock code: 9911)

Taiwan Sakura Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report

For The Nine-month Periods Ended

30 September 2024 And 2023

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Independent Auditors' Review Report

To Taiwan Sakura Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Sakura Corporation (the "Company") and its subsidiaries as of 30 September 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month and nine-month periods ended 30 September 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent auditors. Those statements reflected total assets of NT\$1,781,062 thousand and NT\$1,690,692 thousand, constituting 18% and 19% of the consolidated total assets, and total liabilities of NT\$300,699 thousand and NT\$300,596 thousand, constituting 8% and 10% of the consolidated total liabilities as of 30 September 2024 and 2023, respectively; and total comprehensive income of NT\$8,248 thousand, NT\$53,334 thousand, NT\$124,523 thousand, and NT\$66,804 thousand, constituting 3%, 14%, 12%, and 8% of the consolidated comprehensive income for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively. As explained in Note 6(7), the financial statements of certain investments in investee companies accounted for under the equity method were not reviewed by independent auditors. Those investments in investee companies under equity method amounted to NT\$1,075,753 thousand and NT\$1,106,814 thousand as of 30 September 2024 and 2023, respectively.

The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$30,834 thousand, NT\$26,420 thousand, NT\$48,590 thousand, and NT\$55,433 thousand, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$(18,595) thousand, NT\$30,104 thousand, NT\$27,736 thousand, and NT\$39,780 thousand for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively. The information related to the above subsidiaries and investments in investee companies accounted for under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and investments in investee companies accounted for using equity method described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 30 September 2024 and 2023, and their consolidated financial performance and cash flows for the three-month and nine-month periods ended 30 September 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Huang, Yu-Ting

Huang, Tzu-Ping

Ernst & Young, Taiwan

11 November 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Taiwan Sakura Corporation
CONSOLIDATED BALANCE SHEETS
30 September 2024, 31 December 2023 and 30 September 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of						
		30 September 2024		31 December 2023		30 September 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	4, 6(1)	\$1,989,667	20	\$2,448,970	26	\$1,949,909	23
1136	Financial assets measured at amortized cost, current	4, 6(2)	254,018	3	51,000	-	26,000	-
1140	Contract assets, current	4, 6(17),(18)	265,498	3	225,267	2	208,271	2
1150	Notes receivable, net	4, 6(3),(18)	126,087	1	145,185	1	102,403	1
1170	Accounts receivable, net	4, 6(3),(18)	1,204,325	12	1,097,802	12	1,030,250	12
130X	Inventories	4, 6(4)	1,537,944	15	1,297,886	14	1,125,264	13
1410	Prepayment	6(5)	182,308	2	90,028	1	107,834	1
1470	Other current assets	4	84,774	1	7,776	-	40,712	1
11XX	Total current assets		5,644,621	57	5,363,914	56	4,590,643	53
Non-current assets								
1517	Financial assets measured at fair value through other comprehensive income, non-current	4, 6(6)	210,168	2	178,638	2	155,918	2
1550	Investment accounted for using equity method	4, 6(7)	1,075,753	11	1,087,985	11	1,106,814	13
1600	Property, plant and equipment	4, 6(8), 8	2,209,193	22	2,143,032	23	2,049,517	23
1755	Right-of-use assets	4, 6(19)	350,370	3	298,857	3	317,598	4
1760	Investment property, net	4, 6(9), 8	200,590	2	190,814	2	191,263	2
1780	Intangible assets	4, 6(10)	156,369	2	151,387	2	148,613	2
1840	Deferred income tax assets	4	26,386	-	28,473	-	26,622	-
1915	Prepayments for equipment		33,206	-	16,097	-	19,747	-
1900	Other non-current assets		73,524	1	75,148	1	65,714	1
15XX	Total non-current assets		4,335,559	43	4,170,431	44	4,081,806	47
1XXX	Total assets		\$9,980,180	100	\$9,534,345	100	\$8,672,449	100

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

(continued)

Taiwan Sakura Corporation
CONSOLIDATED BALANCE SHEETS
30 September 2024, 31 December 2023 and 30 September 2023
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	As of						
			30 September 2024		31 December 2023		30 September 2023		
			Amount	%	Amount	%	Amount	%	
Current liabilities									
2100	Short-term loans	4, 6(11)	\$51,877	1	\$54,586	-	\$54,977	1	
2130	Contract liabilities, current	4, 6(17)	273,206	3	218,709	2	199,941	2	
2150	Notes payable		12,038	-	1,007	-	9,957	-	
2170	Accounts payable	7	1,667,577	16	1,581,224	17	1,385,308	16	
2200	Other payables	6(12)	793,181	8	819,377	9	647,587	7	
2230	Current tax income liabilities	4	123,164	1	273,697	3	194,609	2	
2280	Leased liabilities, current	4, 6(19)	66,918	1	67,114	1	70,740	1	
2320	Long-term loans payable, current portion	4, 6(13)	8,000	-	8,000	-	-	-	
2399	Other current liabilities	4, 6(15)	47,071	-	42,336	-	43,159	1	
21XX	Total current liabilities		<u>3,043,032</u>	<u>30</u>	<u>3,066,050</u>	<u>32</u>	<u>2,606,278</u>	<u>30</u>	
Non-current liabilities									
2540	Long-term loans	4, 6(13)	306,000	3	112,000	1	-	-	
2570	Deferred tax income liabilities	4	52,881	1	44,024	1	50,877	1	
2580	Leased liabilities, non-current	4, 6(19)	244,936	2	193,003	2	206,362	2	
2640	Net defined benefit liability, non-current	4	23,859	-	24,712	-	29,275	-	
2670	Other non-current liabilities	6(15)	56,283	1	56,718	1	57,147	1	
25XX	Total non-current liabilities		<u>683,959</u>	<u>7</u>	<u>430,457</u>	<u>5</u>	<u>343,661</u>	<u>4</u>	
2XXX	Total liabilities		<u>3,726,991</u>	<u>37</u>	<u>3,496,507</u>	<u>37</u>	<u>2,949,939</u>	<u>34</u>	
31XX	Equity attributable to owners of parent	4, 6(16)							
3100	Capital								
3110	Common stock		2,211,212	22	2,211,212	23	2,211,212	25	
3200	Additional paid-in capital		141,154	1	131,074	1	131,081	2	
3300	Retained earnings								
3310	Legal reserve		1,047,021	11	939,528	10	939,528	11	
3320	Special reserve		115,799	1	115,799	1	115,799	1	
3350	Unappropriated earnings		2,618,962	26	2,585,864	27	2,242,605	26	
	Total retained earnings		<u>3,781,782</u>	<u>38</u>	<u>3,641,191</u>	<u>38</u>	<u>3,297,932</u>	<u>38</u>	
3400	Other components of equity								
3410	Exchange differences on translation of foreign operations		(88,668)	(1)	(126,385)	(1)	(75,904)	(1)	
3420	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income		181,358	2	149,828	1	127,108	1	
34XX	Total other components of equity		<u>92,690</u>	<u>1</u>	<u>23,443</u>	<u>-</u>	<u>51,204</u>	<u>-</u>	
3500	Treasury stock		(21,248)	-	(21,248)	-	(21,248)	-	
31XX	Equity attributable to shareholders of the parent		<u>6,205,590</u>	<u>62</u>	<u>5,985,672</u>	<u>62</u>	<u>5,670,181</u>	<u>65</u>	
36XX	Non-controlling interests		47,599	1	52,166	1	52,329	1	
3XXX	Total equity		<u>6,253,189</u>	<u>63</u>	<u>6,037,838</u>	<u>63</u>	<u>5,722,510</u>	<u>66</u>	
3X2X	Total liabilities and equity		<u>\$9,980,180</u>	<u>100</u>	<u>\$9,534,345</u>	<u>100</u>	<u>\$8,672,449</u>	<u>100</u>	

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

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the three-month period ended 30 September				For the nine-month period ended 30 September				
		2024		2023		2024		2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenues	4, 6(17), 7	\$2,463,415	100	\$2,134,096	100	\$7,176,812	100	\$5,968,269	100
5000	Operating costs	6(4),(14),(20), 7	(1,577,458)	(64)	(1,364,071)	(64)	(4,617,258)	(64)	(3,884,342)	(65)
5900	Gross profit		885,957	36	770,025	36	2,559,554	36	2,083,927	35
6000	Operating expenses	6(14),(18),(19),(20),7								
6100	Selling and marketing expenses		(386,365)	(16)	(318,723)	(15)	(1,062,872)	(15)	(943,946)	(16)
6200	Management and administrative expenses		(90,026)	(3)	(86,457)	(4)	(283,524)	(4)	(240,989)	(4)
6300	Research and development expenses		(23,651)	(1)	(23,943)	(1)	(70,677)	(1)	(64,094)	(1)
6450	Expected credit (losses) gains		(2,519)	-	(49)	-	(2,624)	-	21	-
	Total operating expenses		(502,561)	(20)	(429,172)	(20)	(1,419,697)	(20)	(1,249,008)	(21)
6900	Operating income		383,396	16	340,853	16	1,139,857	16	834,919	14
7000	Non-operating income and expenses	6(19),(21)								
7100	Interest income		5,424	-	4,612	-	21,384	-	15,981	-
7010	Other income		8,243	-	11,528	1	28,549	1	26,736	1
7020	Other gains and losses		(9,556)	-	13,285	1	23,462	-	5,742	-
7050	Finance costs		(2,073)	-	(1,527)	-	(5,772)	-	(4,820)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	30,834	1	26,420	1	48,590	1	55,433	1
	Total non-operating income and expenses		32,872	1	54,318	3	116,213	2	99,072	2
7900	Income from continuing operations before income tax		416,268	17	395,171	19	1,256,070	18	933,991	16
7950	Income tax expense	4, 6(23)	(81,722)	(3)	(77,756)	(4)	(262,096)	(4)	(205,259)	(4)
8200	Income from continuing operations, net of tax		334,546	14	317,415	15	993,974	14	728,732	12
8300	Total other comprehensive income	6(22)								
8310	Items that may not be reclassified subsequently to profit or loss									
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income		(59,683)	(2)	19,686	1	31,530	1	47,561	1
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		5,030	-	13,833	1	19,410	-	411	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)	(18,595)	(1)	30,104	1	27,736	-	39,780	1
8399	Income tax related to items that may be reclassified subsequently to profit or loss	6(23)	2,713	-	(8,787)	-	(9,429)	-	(8,038)	-
	Total other comprehensive income, net of tax		(70,535)	(3)	54,836	3	69,247	1	79,714	2
8500	Total comprehensive income		\$264,011	11	\$372,251	18	\$1,063,221	15	\$808,446	14
8600	Net income attributable to:									
8610	Shareholders of the parent		\$335,269		\$317,853		\$998,541		\$731,666	
8620	Non-controlling interests		(723)		(438)		(4,567)		(2,934)	
			\$334,546		\$317,415		\$993,974		\$728,732	
8700	Comprehensive income attributable to:									
8710	Shareholders of the parent		\$264,734		\$372,689		\$1,067,788		\$811,380	
8720	Non-controlling interests		(723)		(438)		(4,567)		(2,934)	
			\$264,011		\$372,251		\$1,063,221		\$808,446	
	Earnings per share (NT\$)	6(24)								
9750	Earnings per share-basic		\$1.53		\$1.45		\$4.56		\$3.34	
9850	Earnings per share-diluted		\$1.53		\$1.45		\$4.55		\$3.33	

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

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine-month periods ended 30 September 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Notes	Retained earnings					Other components of equity					
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Treasury Stock	Equity attributable to shareholders of the parent	Non-Controlling Interests	Total Equity
Balance as of 1 January 2023	\$2,211,212	\$121,350	\$830,964	\$115,799	\$2,437,651	\$(108,057)	\$79,547	\$(21,248)	\$5,667,218	\$55,263	\$5,722,481
Appropriation of earnings, 2022											
Legal reserve			108,564		(108,564)				-		-
Cash dividends					(818,148)				(818,148)		(818,148)
Donation from shareholders		1,173							1,173		1,173
Net income for the nine-month period ended 30 September 2023					731,666				731,666	(2,934)	728,732
Other comprehensive income (loss), net of income tax for the nine-month period ended 30 September 2023					-	32,153	47,561		79,714	-	79,714
Total comprehensive income (loss)	-	-	-	-	731,666	32,153	47,561	-	811,380	(2,934)	808,446
Adjustment due to dividends subsidiaries received from parent company		8,558							8,558		8,558
Balance as of 30 September 2023	4,6(16) <u>\$2,211,212</u>	<u>\$131,081</u>	<u>\$939,528</u>	<u>\$115,799</u>	<u>\$2,242,605</u>	<u>\$(75,904)</u>	<u>\$127,108</u>	<u>\$(21,248)</u>	<u>\$5,670,181</u>	<u>\$52,329</u>	<u>\$5,722,510</u>
Balance as of 1 January 2024	\$2,211,212	\$131,074	\$939,528	\$115,799	\$2,585,864	\$(126,385)	\$149,828	\$(21,248)	\$5,985,672	\$52,166	\$6,037,838
Appropriation of earnings, 2023											
Legal reserve			107,493		(107,493)				-		-
Cash dividends					(857,950)				(857,950)		(857,950)
Donation from shareholders		1,106							1,106		1,106
Net income for the nine-month period ended 30 September 2024					998,541				998,541	(4,567)	993,974
Other comprehensive income (loss), net of income tax for the nine-month period ended 30 September 2024					-	37,717	31,530		69,247	-	69,247
Total comprehensive income (loss)	-	-	-	-	998,541	37,717	31,530	-	1,067,788	(4,567)	1,063,221
Adjustment due to dividends subsidiaries received from parent company		8,974							8,974		8,974
Balance as of 30 September 2024	4,6(16) <u>\$2,211,212</u>	<u>\$141,154</u>	<u>\$1,047,021</u>	<u>\$115,799</u>	<u>\$2,618,962</u>	<u>\$(88,668)</u>	<u>\$181,358</u>	<u>\$(21,248)</u>	<u>\$6,205,590</u>	<u>\$47,599</u>	<u>\$6,253,189</u>

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

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine-month periods ended 30 September 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the nine-month periods ended 30 September	
	2024	2023
Cash flows from operating activities:		
Net income before tax	\$1,256,070	\$933,991
Adjustments:		
Adjustments to reconcile net income:		
Depreciation	127,227	119,243
Amortization	29,149	28,153
Expected credit losses (gains)	2,624	(21)
Interest expense	5,772	4,820
Interest income	(21,384)	(15,981)
Dividend income	(1,364)	(593)
Share of profit of associates and joint ventures accounted for using equity method	(48,590)	(55,433)
Losses on disposal and retirement of property, plant and equipment	3,409	6,873
Inventory valuation losses	175	-
Gains on disposals of investments	(215)	(338)
Reversal of impairment loss on non-financial assets	(11,127)	-
Losses from lease modification	80	-
Changes in operating assets and liabilities:		
Increase in contract asset	(40,399)	(24,993)
Decrease in notes receivable	19,098	8,619
(Increase) Decrease in accounts receivable	(108,979)	22,191
(Increase) Decrease in inventories	(240,233)	40,358
Increase in prepayment	(92,425)	(54,901)
Decrease in other current assets	13,809	2,864
Increase in other non-current assets	(13,337)	(12,498)
Increase in contract liabilities	54,497	76,122
Increase in notes payable	11,031	3,373
Increase (Decrease) in accounts payable	86,353	(8,352)
Decrease in other payables	(26,420)	(77,950)
Increase (Decrease) in other current liabilities	4,735	(2,723)
Decrease in net defined benefit liabilities	(853)	(473)
(Decrease) Increase in other non-current liabilities	(435)	5,178
Cash generated from operations	<u>1,008,268</u>	<u>997,529</u>
Interest received	19,929	16,224
Dividend received	1,364	593
Income tax paid	<u>(411,154)</u>	<u>(251,770)</u>
Net cash provided by operating activities	<u>618,407</u>	<u>762,576</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	(200,309)	-
Disposal of financial assets measured at amortized cost	-	145,049
Acquisition of financial assets at fair value through profit or loss	(50,000)	(150,000)
Proceeds from disposal of financial assets at fair value through profit or loss	50,215	150,338
Acquisition of property, plant and equipment	(127,167)	(133,220)
Proceeds from disposal of property, plant and equipment	-	350
Increase in refundable deposits	(3,010)	(1,919)
Decrease in refundable deposits	1,079	1,631
Acquisition of intangible assets	(12,472)	(9,867)
Increase in prepayment for equipment	(24,835)	(5,058)
Net cash used in investing activities	<u>(366,499)</u>	<u>(2,696)</u>
Cash flows from financing activities:		
Increase in short-term loans	225,133	229,253
Decrease in short-term loans	(227,842)	(213,375)
Increase in long-term loans	200,000	-
Decrease in long-term loans	(6,000)	-
Lease principal repayment	(58,444)	(53,313)
Cash dividends	(848,976)	(809,590)
Interest paid	(2,738)	(1,915)
Capital surplus due to donation from shareholders	1,106	1,173
Net cash used in financing activities	<u>(717,761)</u>	<u>(847,767)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6,550</u>	<u>1,034</u>
Net decrease in cash and cash equivalents	<u>(459,303)</u>	<u>(86,853)</u>
Cash and cash equivalents at beginning of period	<u>2,448,970</u>	<u>2,036,762</u>
Cash and cash equivalents at end of period	<u>\$1,989,667</u>	<u>\$1,949,909</u>

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

Taiwan Sakura Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For The Nine-month Periods Ended 30 September 2024 And 2023
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. COMPANY HISTORY

Taiwan Sakura Corporation (“the Company”) was established on 20 October 1988. It mainly manufactures and sells gas cookers, water heaters, kitchen appliances, furniture, building materials, metal hardware parts, sports equipment, electric hand tools, sanitary equipment and whole bathroom. In the year of 1992, the company's stock was approved by the authority to be traded on the Taiwan Stock Exchange. It was officially listed on 16 July 1992. Its registered location and main operations are located at No. 436, Section 4, Yatan Road, Daya District, Taichung City.

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the “Group”) for the nine-month periods ended 30 September 2024 and 2023 were authorized for issue in accordance with the resolution of the Board of Directors on 11 November 2024.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards and amendments had no material impact on the Group.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

- (a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 “Presentation of Financial Statements”. The main changes are as below:

A. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

B. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

C. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- A. Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- B. Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- C. Clarify the treatment of non-recourse assets and contractually linked instruments.
- D. Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

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(f) Annual Improvements to IFRS Accounting Standards – Volume 11

A. Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

B. Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

C. Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

D. Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

E. Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

F. Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The consolidated financial statements of the Group for the nine-month periods ended 30 September 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“\$”) unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
- (f) recognizes any resulting difference in profit or loss.

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The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Ownership percentage			Remark
			30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	
The Company	Sakura Enterprise (British Virgin Islands) Ltd. (hereinafter referred to as B.V.I.)	Reinvestment to the holding Group in mainland China	100%	100%	100%	
The Company	Svago International Corporation (hereinafter referred to as Svago International)	Originally importing, selling and leasing kitchen appliances, bathroom equipment and metal hardware parts. It changed to gas equipment and parts trading and leasing in 2009.	100%	100%	100%	
The Company	SAKURA Home Collection Co., Ltd. (hereinafter referred to as SAKURA Home Collection)	Interior decoration, installation of electrical appliance, installation of kitchenware and bathroom equipment and other businesses	100%	100%	100%	
The Company	SAKURA PAN PACIFIC HOLDINGS (SINGAPORE) PTE. LTD. (hereinafter referred to as Singapore)	Investment holding	100%	100%	100%	
B.V.I.	Sakura Kitchen (Huanan) Co., Ltd. (hereinafter referred to as Huanan)	Originally manufacturing and selling bathroom equipment and kitchen equipment. It shifted its focus to kitchen appliance sales and real estate leasing in August 2009.	100%	100%	100%	(Note)
SAKURA PAN PACIFIC HOLDINGS (SINGAPORE) PTE. LTD.	Mekong Trading Corporation (hereinafter referred to as MK)	Manufacturing and trading gas of equipment and parts	54.99%	54.99%	54.99%	

Note :B.V.I. consists of five companies including Kunshan Hongyi, which is
100% invested (see Note 13(3) mainland China Investment Information
for details).

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The financial statements of some of the consolidated subsidiaries listed above have not been reviewed by independent accountants. As of 30 September 2024 and 30 September 2023, the related assets of the subsidiaries which were unreviewed by auditors amounted to \$1,781,062 thousand and \$1,690,692 thousand, respectively; and the related liabilities amounted to \$300,699 thousand and \$300,596 thousand, respectively. The comprehensive income of these subsidiaries amounted to \$8,248 thousand, \$53,334 thousand, \$124,523 thousand and \$66,804 thousand for the three-month and nine-month periods ended 30 September 2024 and 2023, respectively.

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

- (b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of foreign currency financial statements

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

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Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

- (6) The standards of which assets and liabilities are classified as current or non-current

An asset is classified as current when:

- (a) The Group expects to realize the asset or intends to sell or consume it during its normal operating cycle.
- (b) The Group holds the asset primarily for the purpose of trading.
- (c) The Group expects to realize the asset within twelve months after the reporting period.
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle.
- (b) The Group holds the liability primarily for the purpose of trading.
- (c) The liability is due to be settled within twelve months after the reporting period.
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

- (7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(8) Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(a) Financial instruments: Recognition and Measurement

The Group accounts for regular purchase or sales of financial assets on the trading date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Group's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as of the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

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Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

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1. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
2. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

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The Group measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follow:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired
- B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity instruments

Classification of liabilities

The Group classifies the instrument issued as a financial liability in accordance with the substance of the contractual arrangement and the definitions of a financial liability.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

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Raw materials and commodity inventory - usually priced at standard cost, adjusted to the actual cost at the settlement date.

Finished goods and work in progress - including direct materials, direct labor and manufacturing costs. Fixed manufacturing costs are apportioned at normal capacity. In-process products and finished products are usually priced at standard cost and are adjusted to the actual cost at the settlement date.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate or an investment in a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro rata basis.

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When the associate or an investment in a joint venture issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid-in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or an investment in a joint venture.

The financial statements of the associate or an investment in a joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- (a) its share of the present value of the estimated future cash flows expected to be generated by the associate or an investment in a joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

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Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 “Impairment of Assets”.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, Plant and Equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is recognized on a straight-line basis over the estimated economic lives of the following assets:

Item	Useful years
Buildings	4~51 years
Machinery equipment	8~11 years
Mold equipment	2~3 years
Transportation equipment	6~16 years
Office equipment	4~8 years
Other equipment	3~11 years

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An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", investment properties are measured using the cost model in accordance with the requirements of IAS 16 "Property, plant and equipment" for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

<u>Item</u>	<u>Useful years</u>
Buildings	3~56 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

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The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

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At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Patents

The patent right has been granted for a period of 10 years by the relevant government agency.

Computer software

The cost of computer software is amortized using the straight-line method over its estimated useful life (3 to 5 years).

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Trademark rights

As of 2009, the Group purchased TOPAX Ltd. (TOPAX) from the court and invested in Svago International Corporation. Since TOPAX is a trademark of a market leading brand, the Group did not expect the net cash inflow of the asset to cease existence in the foreseeable period. Therefore, the useful life of TOPAX trademark was considered to be undeterminable. The rest of the trademark rights are amortized using the straight-line method over the 10-year period of validity.

A summary of the accounting policies applied to the Group's intangible assets is as follows:

	Patent rights	Computer software	Trademark rights	Other Intangible assets	Goodwill
Useful lives	Finite	Finite	Finite (excluding TOPAX trademark rights)	Finite	Not sure
Amortization method used	Amortized on the straight-line method over the period of the patent	Amortized on the straight-line method over the estimated useful life	Amortized on the straight-line method over the estimated useful life	Amortized on the straight-line method over the estimated useful life	Not amortized
Internally generated or externally acquired	Acquired	Acquired	Acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited to the extent that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time.

Provision for warranties

Warranty provisions are estimated based on management's best estimate of future economic benefits due to warranty obligations (based on historical warranty experience).

(18) Treasury shares

The Company's own equity instruments which are reacquired (treasury shares) by the Group are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is gas cooker, water heaters, kitchen appliances, etc., and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized would not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as

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expected by the customers, and the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 90 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities. The period between the transfers of contract liabilities to revenue is usually within one year; thus, no significant financing component arose.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Post-employment benefit plans

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits

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for employees of the overseas subsidiaries are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

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

(22) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current income tax and deferred income tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

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The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred tax is calculated as the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities can be offset with each other if a legally enforceable right exists to set off current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12.

The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(23) Seasonality of operations

The Group's operation is seasonal in nature, as higher market demand for the Group's products in the second half of the year results in higher revenues in the second half of the year rather than in the first nine months.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

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(2) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for unrecognized deferred tax assets.

(3) Accounts receivable – estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to be received (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(4) Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

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6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Demand deposits	\$1,560,621	\$1,973,122	\$1,604,014
Time deposits	427,767	474,586	344,668
Cash on hand	1,279	1,262	1,227
Total	<u>\$1,989,667</u>	<u>\$2,448,970</u>	<u>\$1,949,909</u>

(2) Financial assets measured at amortized cost

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Time deposits — Current	<u>\$254,018</u>	<u>\$51,000</u>	<u>\$26,000</u>

The Group's financial assets measured at amortized cost were not pledged. Please refer to Note 12 for details on credit risk.

(3) Notes receivable and accounts receivable

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Notes receivable	\$126,087	\$145,185	\$102,403
Less: loss allowance	-	-	-
subtotal	<u>126,087</u>	<u>145,185</u>	<u>102,403</u>
Accounts receivable	1,205,091	1,098,315	1,031,066
Less: loss allowance	(766)	(513)	(816)
Subtotal	<u>1,204,325</u>	<u>1,097,802</u>	<u>1,030,250</u>
Total	<u>\$1,330,412</u>	<u>\$1,242,987</u>	<u>1,132,653</u>

The Group's notes receivable and trade receivable were generated as a result of business operations and were not pledged.

Notes receivable and accounts receivable are generally on 30-90 day terms. The Group follows the requirement of IFRS 9 to assess the impairment. The total carrying amount, including notes receivable and accounts receivable, as of 30 September 2024, 31 December 2023 and 30 September 2023 were \$1,331,178 thousand, \$1,243,500 thousand and \$1,133,469 thousand, respectively. Please refer to Note 6(18) for more details on loss allowance of trade receivable for the nine-month periods ended 30 September 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

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(4) Inventories

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Work in progress	\$463,940	\$252,828	\$171,618
Raw materials	447,724	351,610	314,883
Commodity inventory	368,078	358,159	377,376
Finished goods	258,202	335,289	261,387
Total	<u>\$1,537,944</u>	<u>\$1,297,886</u>	<u>\$1,125,264</u>

The cost of inventories recognized in cost of goods sold by the Group for the three-month and nine-month periods ended 30 September 2024 and 2023 was \$1,577,458 thousand, \$1,364,071 thousand, \$4,617,258 thousand and \$3,884,342 thousand, respectively. The inventory-related loss and net income recognized for the three-month and nine-month periods ended 30 September 2024 and 2023 were as follows:

	<u>Three-month period ended 30 September</u>		<u>Nine-month period ended 30 September</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenue from sale of scraps	\$1,125	\$1,020	\$2,909	\$2,616
Loss on physical inventory	-	-	(126)	(573)
Inventory valuation losses	(58)	-	(175)	-
Inventory retirement losses	(2,054)	(2,859)	(6,799)	(8,178)
Net	<u>\$(987)</u>	<u>\$(1,839)</u>	<u>\$(4,191)</u>	<u>\$(6,135)</u>

No inventories above were pledged.

(5) Prepayments

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Prepayments to suppliers	\$55,778	\$51,731	\$48,107
Prepayments for investments	54,995	-	-
Other prepaid expenses	71,535	38,297	59,727
Total	<u>\$182,308</u>	<u>\$90,028</u>	<u>\$107,834</u>

The Group's board of directors approved an investment in EIFFEL SYSTEM FURNITURE CO., LTD. in March, 2024 to promote the business development of its subsidiary, SAKURA Home Collection. The Group is expected to acquire 51% equity in the company, amounting to 2,300,100 shares, with a total transaction value of \$109,991 thousand. As of 30 September 2024, the prepayments for investments has amounted to \$54,995 thousand.

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(6) Financial assets measured at fair value through other comprehensive income

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Equity instrument investments designated at fair value through other comprehensive income, non-current:			
Listed stocks	\$194,436	\$162,906	\$140,186
Unlisted stocks	15,732	15,732	15,732
Total	<u>\$210,168</u>	<u>\$178,638</u>	<u>\$155,918</u>

The financial assets that are measured by the Group at fair value through other comprehensive income were not pledged.

(7) Investment accounted for using the equity method

- a. The details of the investment of the Group using the equity method are as follows:

Investees	30 Sep. 2024		31 Dec. 2023		30 Sep. 2023	
	Amount	% of ownership	Amount	% of ownership	Amount	% of ownership
Investment in associates:						
SAKURA (CAYMAN) CO., LTD.	\$788,794	45.00%	\$796,884	45.00%	\$828,331	45.00%
PUDA Industrial Co., Ltd.	215,229	43.19%	218,900	43.19%	206,939	43.19%
Sakura Bath and Kitchen Products (China) Co., Ltd.	71,730	3.89%	72,201	3.89%	71,544	3.89%
Total	<u>\$1,075,753</u>		<u>\$1,087,985</u>		<u>\$1,106,814</u>	

- b. The investment benefit and conversion adjustments recognized by the equity method in the financial statements were not reviewed by the investee Group for the three-month and nine-month periods ended 30 September 2024 and 2023 are as follows:

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Investees	Three-month period ended 30 September			
	2024		2023	
	Share of profit or loss of associates and joint ventures	Exchange differences resulting from translation of the financial statements	Share of profit or loss of associates and joint ventures	Exchange differences resulting from translation of the financial statements
Investment in associates:				
SAKURA (CAYMAN) CO., LTD.	\$19,032	\$(19,256)	\$16,609	\$28,497
PUDA Industrial Co., Ltd.	9,768	-	8,039	-
Sakura Bath and Kitchen Products (China) Co., Ltd.	2,034	661	1,772	1,607
Total	<u>\$30,834</u>	<u>\$(18,595)</u>	<u>\$26,420</u>	<u>\$30,104</u>

Investees	Nine-month period ended 30 September			
	2024		2023	
	Share of profit or loss of associates and joint ventures	Exchange differences resulting from translation of the financial statements	Share of profit or loss of associates and joint ventures	Exchange differences resulting from translation of the financial statements
Investment in associates:				
SAKURA (CAYMAN) CO., LTD.	\$29,866	\$25,394	\$39,579	\$39,725
PUDA Industrial Co., Ltd.	15,530	-	11,624	-
Sakura Bath and Kitchen Products (China) Co., Ltd.	3,194	2,342	4,230	55
Total	<u>\$48,590</u>	<u>\$27,736</u>	<u>\$55,433</u>	<u>\$39,780</u>

c. The investment in associates mentioned above were not pledged.

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- d. The summarized financial information of the Group's investment in SAKURA (CAYMAN) CO. LTD, is as follows:

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Current assets	\$3,743,167	\$3,430,533	\$3,575,296
Non-current assets	714,504	662,824	793,854
Current liabilities	(2,482,917)	(2,144,567)	(2,353,852)
Non-current liabilities	(105,409)	(69,737)	(58,768)
Minority shareholding	(116,470)	(108,199)	(115,794)
Equity	1,752,875	1,770,854	1,840,736
Percentage of the Group's ownership	45%	45%	45%
Carrying value of the investment	<u>\$788,794</u>	<u>\$796,884</u>	<u>\$828,331</u>

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Profit from continuing operations	<u>\$42,295</u>	<u>\$36,907</u>	<u>\$66,370</u>	<u>\$87,953</u>
Total comprehensive income	<u>\$42,295</u>	<u>\$36,907</u>	<u>\$66,370</u>	<u>\$87,953</u>

- e. The Group's investments in Sakura Kitchen Products (China) Co., Ltd. and PUDA Industrial Co., Ltd. are not material to the Group. The Group's investment in Sakura Bath and Kitchen Products (China) Co., Ltd. and PUDA Industrial Co., Ltd. was consolidated on 30 September 2024, 31 December 2023 and 30 September 2023 and the total book values are \$286,959 thousand, \$291,101 thousand and \$278,483 thousand, respectively. The aggregated financial information is listed as follows according to the total shares:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Profit from continuing operations	\$11,802	\$9,811	\$18,724	\$15,854
Other comprehensive income, net of tax	661	1,607	2,342	55
Total comprehensive income	<u>\$12,463</u>	<u>\$11,418</u>	<u>\$21,066</u>	<u>\$15,909</u>

The investment in associates mentioned above did not have contingent liabilities or capital commitments as of 30 September 2024, 31 December 2023 and 30 September 2023, and no pledge was provided.

- (8) Property, plant and equipment

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Owner occupied property, plant and equipment	<u>\$2,209,193</u>	<u>\$2,143,032</u>	<u>\$2,049,517</u>

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a. Owner occupied property, plant and equipment

	Land	Buildings	Machinery equipment	Mold equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under installation	Total
Cost:									
1 Jan. 2024	\$1,314,864	\$815,528	\$246,820	\$61,314	\$33,640	\$18,853	\$101,413	\$174,859	\$2,767,291
Additions	-	2,773	1,469	14,165	6,129	1,596	3,475	97,560	127,167
Disposal	-	-	(3,750)	-	-	-	(13,024)	-	(16,774)
Other changes	-	-	221	2,783	-	-	100	-	3,104
Exchange rate differences	-	15,933	-	-	149	-	-	-	16,082
30 Sep. 2024	<u>\$1,314,864</u>	<u>\$834,234</u>	<u>\$244,760</u>	<u>\$78,262</u>	<u>\$39,918</u>	<u>\$20,449</u>	<u>\$91,964</u>	<u>\$272,419</u>	<u>\$2,896,870</u>
Depreciation and impairment:									
1 Jan. 2024	\$-	\$399,738	\$122,701	\$35,893	\$21,678	\$8,577	\$35,672	\$-	\$624,259
Depreciation	-	20,815	20,811	10,806	3,388	3,117	9,216	-	68,153
Disposals	-	-	(3,750)	-	-	-	(9,615)	-	(13,365)
Exchange rate differences	-	8,481	-	-	149	-	-	-	8,630
30 Sep. 2024	<u>\$-</u>	<u>\$429,034</u>	<u>\$139,762</u>	<u>\$46,699</u>	<u>\$25,215</u>	<u>\$11,694</u>	<u>\$35,273</u>	<u>\$-</u>	<u>\$687,677</u>
Disposal									
Cost:									
1 Jan. 2023	\$1,314,864	\$977,371	\$304,991	\$171,353	\$67,830	\$44,920	\$93,522	\$17,878	\$2,992,729
Additions	-	1,172	14,151	10,030	1,642	3,483	9,245	93,497	133,220
Disposals	-	(159,681)	(86,262)	(134,034)	(37,062)	(31,481)	(40,722)	(3,566)	(492,808)
Other changes	-	2,946	12,765	7,407	1,300	138	2,436	(4,549)	22,443
Exchange rate differences	-	255	-	-	3	-	-	(13)	245
30 Sep. 2023	<u>\$1,314,864</u>	<u>\$822,063</u>	<u>\$245,645</u>	<u>\$54,756</u>	<u>\$33,713</u>	<u>\$17,060</u>	<u>\$64,481</u>	<u>\$103,247</u>	<u>\$2,655,829</u>

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	Land	Buildings	Machinery equipment	Mold equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment under installation	Total
Depreciation and impairment:									
1 Jan. 2023	\$-	\$531,587	\$181,616	\$155,963	\$54,341	\$36,378	\$67,346	\$-	\$1,027,231
Depreciation	-	21,248	20,309	10,572	3,355	2,630	6,372	-	64,486
Disposals	-	(156,084)	(86,262)	(134,034)	(37,062)	(31,421)	(40,722)	-	(485,585)
Exchange rate differences	-	177	-	-	3	-	-	-	180
30 Sep. 2023	<u>\$-</u>	<u>\$396,928</u>	<u>\$115,663</u>	<u>\$32,501</u>	<u>\$20,637</u>	<u>\$7,587</u>	<u>\$32,996</u>	<u>\$-</u>	<u>\$606,312</u>
Fair value									
30 Sep. 2024	<u>\$1,314,864</u>	<u>\$405,200</u>	<u>\$104,998</u>	<u>\$31,563</u>	<u>\$14,703</u>	<u>\$8,755</u>	<u>\$56,691</u>	<u>\$272,419</u>	<u>\$2,209,193</u>
31 Dec. 2023	<u>\$1,314,864</u>	<u>\$415,790</u>	<u>\$124,119</u>	<u>\$25,421</u>	<u>\$11,962</u>	<u>\$10,276</u>	<u>\$65,741</u>	<u>\$174,859</u>	<u>\$2,143,032</u>
30 Sep. 2023	<u>\$1,314,864</u>	<u>\$425,135</u>	<u>\$129,982</u>	<u>\$22,255</u>	<u>\$13,076</u>	<u>\$9,473</u>	<u>\$31,485</u>	<u>\$103,247</u>	<u>\$2,049,517</u>

- b. Components of building that have different useful lives are the main building structure, compartment works, utilities and firefighting equipment and renovation works, which are depreciated according to their life time of 50 years, 4 years, and 10 years, respectively.
- c. The Group did not incur any interest expense capitalization requirements related to the acquisition of property, plant and equipment as of 30 September 2024 and 2023.
- d. Please refer to Note 8 for more details on property, plant and equipment under pledge.
- e. The Group owned land in the amount all of \$77,167 thousand as of 30 September 2024, 31 December 2023 and 30 September 2023 respectively, which was categorized as agricultural land. However, the ownership was temporarily registered in the name of a third party. The Group has obtained the land ownership certificate and is applying for the mortgage rights to the land administration office.

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(9) Investment property

The Group's investment properties include only its owner-occupied investment properties. The Group has entered commercial property leases on its owned investment properties. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost :			
As of 1 Jan. 2024	\$164,203	\$78,776	\$242,979
As of 30 Sep. 2024	<u>\$164,203</u>	<u>\$78,776</u>	<u>\$242,979</u>
Depreciation and impairment:			
As of 1 Jan. 2024	\$2,611	\$49,554	\$52,165
Current period depreciation	-	1,351	1,351
Reversal of impairment loss	(1,503)	(9,624)	(11,127)
As of 30 Sep. 2024	<u>\$1,108</u>	<u>\$41,281</u>	<u>\$42,389</u>
Cost:			
As of 1 Jan. 2023	\$164,203	\$108,383	\$272,586
Disposals	-	(29,607)	(29,607)
As of 30 Sep. 2023	<u>\$164,203</u>	<u>\$78,776</u>	<u>\$242,979</u>
Depreciation and impairment:			
As of 1 Jan. 2023	\$2,611	\$77,356	\$79,967
Current period depreciation	-	1,356	1,356
Disposals	-	(29,607)	(29,607)
As of 30 Sep. 2023	<u>\$2,611</u>	<u>\$49,105</u>	<u>\$51,716</u>
Net carrying amount:			
As of 30 Sep. 2024	<u>\$163,095</u>	<u>\$37,495</u>	<u>\$200,590</u>
As of 31 Dec. 2023	<u>\$161,592</u>	<u>\$29,222</u>	<u>\$190,814</u>
As of 30 Sep. 2023	<u>\$161,592</u>	<u>\$29,671</u>	<u>\$191,263</u>

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	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Rental income from investment property	\$1,210	\$1,210	\$3,631	\$3,631
Less:				
Direct operating expenses from investment property generating rental income	(422)	(424)	(1,265)	(1,271)
Direct operating expenses from investment property not generating rental income	(33)	(42)	(197)	(244)
Total	<u>\$755</u>	<u>\$744</u>	<u>\$2,169</u>	<u>\$2,116</u>

For investment property pledge, please refer to Note 8.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of the Group's investment property amounted to \$410,974 thousand, \$369,714 thousand, and \$369,714 thousand as of 30 September 2024, 31 December 2023 and 30 September 2023. The fair value as of 30 September 2024 was evaluated by an independent external appraisal expert, using the cost method to evaluate the price of land, and the comparative method to evaluate the price of buildings. The fair value of investment property as of 31 December 2023 and 30 September 2023 were determined by the Company's management using the comparative method and with reference to transaction prices in nearby locations.

(10) Intangible assets

	Patent rights	Trademark rights	Computer software cost	Goodwill	Other intangible assets	Total
Cost:						
As of 1 Jan. 2024	\$5,815	\$87,218	\$28,550	\$9,063	\$58,634	\$189,280
Addition						
- acquired separately	578	121	11,773	-	-	12,472
Disposals	-	(75)	(2,770)	-	-	(2,845)
Other changes	-	-	4,615	-	-	4,615
As of 30 Sep. 2024	<u>\$6,393</u>	<u>\$87,264</u>	<u>\$42,168</u>	<u>\$9,063</u>	<u>\$58,634</u>	<u>\$203,522</u>
As of 1 Jan. 2023	\$7,033	\$87,459	\$34,932	\$9,063	\$58,634	\$197,121
Addition						
- acquired separately	472	634	8,761	-	-	9,867
As of 30 Sep. 2023	<u>\$7,505</u>	<u>\$88,093</u>	<u>\$43,693</u>	<u>\$9,063</u>	<u>\$58,634</u>	<u>\$206,988</u>

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	Patent rights	Trademark rights	Computer software cost	Goodwill	Other intangible assets	Total
Amortization and impairment:						
As of 1 Jan.2024	\$3,117	\$4,792	\$12,468	\$-	\$17,516	\$37,893
Amortization	436	568	8,339	-	2,762	12,105
Disposals	-	(75)	(2,770)	-	-	(2,845)
As of 30 Sep. 2024	<u>\$3,553</u>	<u>\$5,285</u>	<u>\$18,037</u>	<u>\$-</u>	<u>\$20,278</u>	<u>\$47,153</u>
As of 1 Jan.2023	\$4,279	\$4,978	\$23,149	\$-	\$10,400	\$42,806
Amortization	481	543	9,208	-	5,337	15,569
As of 30 Sep. 2023	<u>\$4,760</u>	<u>\$5,521</u>	<u>\$32,357</u>	<u>\$-</u>	<u>\$15,737</u>	<u>\$58,375</u>
Net carrying amount as of:						
30 Sep. 2024	<u>\$2,840</u>	<u>\$81,979</u>	<u>\$24,131</u>	<u>\$9,063</u>	<u>\$38,356</u>	<u>\$156,369</u>
31 Dec. 2023	<u>\$2,698</u>	<u>\$82,426</u>	<u>\$16,082</u>	<u>\$9,063</u>	<u>\$41,118</u>	<u>\$151,387</u>
30 Sep. 2023	<u>\$2,745</u>	<u>\$82,572</u>	<u>\$11,336</u>	<u>\$9,063</u>	<u>\$42,897</u>	<u>\$148,613</u>

The amortized amount of recognized intangible assets is as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Operating expenses	<u>\$3,987</u>	<u>\$4,986</u>	<u>\$12,105</u>	<u>\$15,569</u>

(11) Short-term loans

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Unsecured bank loan	<u>\$51,877</u>	<u>\$54,586</u>	<u>\$54,977</u>
Interest rates (%)	2.25%-6.00%	2.21%-7.50%	2.21%-8.00%

The Group's unused short-term lines of credits, including credit loans and secured loans, amounted to \$623,123 thousand, \$620,414 thousand and \$589,023 thousand as of 30 September 2024, 31 December 2023 and 30 September 2023, respectively, among which the secured loans were not drawn.

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(12) Other payables

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Accrued salary and bonus	\$360,987	\$357,010	\$270,721
Payables on promotion fee	143,025	116,429	139,726
Payables on advertisement	84,562	63,813	50,443
Accrued employees' compensation and directors' remuneration	66,946	72,067	49,836
Other payables - others	137,661	210,058	136,861
Total	\$793,181	\$819,377	\$647,587

(13) Long-term loans

Details of long-term loans as of 30 September 2024 are as follows:

Lenders	As of 30 Sep. 2024	Interest rate (%)	Maturity date and terms of repayment
Bank of Taiwan - Secured loans	\$200,000	1.875%	Repayable monthly from 27 September 2024 to 27 September 2034 following a 3-year grace period starting from the first disbursement date. Interest is payable monthly throughout the term, and principal is repaid in 84 equal installments starting after the grace period, with repayments scheduled on the 15th of each month.
Bank of Taiwan - Secured loans	114,000	1.835%	Repayable from 1 December 2023 to 1 December 2038, and amortized from 1 January 2024, in 180 installments with one installment per month.
Subtotal	314,000		
Less: current portion	(8,000)		
Total	\$306,000		

Details of long-term loans as of 31 December 2023 are as follows:

Lenders	As of 31 Dec. 2023	Interest rate (%)	Maturity date and terms of repayment
Bank of Taiwan - Secured loans	\$120,000	1.71%	Repayable from 1 December 2023 to 1 December 2038, and amortized from 1 January 2024, in 180 installments with one installment per month.
Subtotal	120,000		
Less: current portion	(8,000)		
Total	\$112,000		

The Group did not have any long-term loans as of 30 September 2023.

Please refer to Note 8 for the above loans under pledge.

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(14) Post-employment benefit plans

Defined contribution plans

The Group's expenses under the defined contribution plan for the three-month and nine-month periods ended 30 September 2024 and 2023 were \$7,779 thousand, \$7,274 thousand, \$23,180 thousand and \$21,659 thousand, respectively.

Defined benefits plan

The Group's expenses under the defined contribution benefits plan for the three-month and nine-month periods ended 30 September 2024 and 2023 were \$150 thousand, \$286 thousand, \$451 thousand, and \$858 thousand, respectively.

(15) Provisions

	<u>Warranties</u>
As of 1 Jan. 2024	\$76,395
Addition - others	19,267
Utilized	(15,023)
As of 30 Sep. 2024	<u>\$80,639</u>
Current - 30 Sep. 2024	\$24,787
Non-current - 30 Sep. 2024	55,852
As of 30 Sep. 2024	<u>\$80,639</u>
Current - 1 Jan. 2023	\$72,386
Addition - others	25,636
Utilized	(21,431)
Unused provision reversed	(196)
As of 31 Dec. 2023	<u>\$76,395</u>
Current - 31 Dec. 2023	\$20,106
Non-current - 31 Dec. 2023	56,289
As of 31 Dec. 2023	<u>\$76,395</u>
As of 1 Jan. 2023	\$72,386
Addition - others	19,072
Utilized	(15,939)
As of 30 Sep. 2023	<u>\$75,519</u>
Current - 30 Sep. 2023	\$18,848
Non-current - 30 Sep. 2023	56,671
As of 30 Sep. 2023	<u>\$75,519</u>

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Note: Provision for liabilities - current and provision for liabilities - non-current were separately booked under other current liabilities and other non-current liabilities.

Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(16) Equities

(a) Common stock

The Company's authorized share capitals amounted to \$4,400,000 thousand and the issued share capitals was \$2,211,212 thousand, all as of 30 September 2024, 31 December 2023 and 30 September 2023. The par value per share was NT\$10 dollar with a total of 221,121,188 shares. Each share is entitled to one vote and the right to receive dividends.

(b) Additional paid-in capital

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Treasury stock transactions	\$76,518	\$67,544	\$67,544
Premium issuance	47,959	47,959	47,959
Donated assets received	15,516	14,410	14,417
Changes in the net value of associates and joint venture equity using the equity method	1,161	1,161	1,161
Total	<u>\$141,154</u>	<u>\$131,074</u>	<u>\$131,081</u>

Under the relevant laws, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

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Additional paid-in capital - treasury stock transactions, which is a subsidiary of the Company - Svago International Corporation, holds the shares of the Company, and the cash dividends of the parent company are subject to the adjustment of the additional paid-in capital - treasury stock transactions.

Additional paid-in capital - donated assets received are the additional paid-in capital generated by the Company due to the donated assets of the receiving shareholder, and the previous year's cash dividends are not received.

The equity method is used to recognize the changes in the net value of the related companies and the joint venture equity, which is the additional paid-in capital of the affiliated company, SAKURA (CAYMAN) CO., LTD., which transfers the trademark rights free of charge to the affiliated company, Sakura Bath and Kitchen Products (China) Co., Ltd.

(c) Treasury stock

As of 30 September 2024, 31 December 2023 and 30 September 2023, the fair value of the treasury stock held by the Company's subsidiary, Svago International Corporation, was \$202,844 thousand, \$160,749 thousand and \$147,796 thousand, respectively, and the number of shares held is 2,312,932 for all dates. These shares held by Svago International Corporation were acquitted for the purpose of financing before the amendment of the Company Act on 12 November 2001.

(d) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- A. Payment of all taxes and dues;
- B. Offset prior years' operation losses;
- C. Set aside 10% of the remaining amount as legal reserve;
- D. Set aside or reverse special reserve in accordance with law and regulations;
- E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Taiwan Sakura Corporation and Subsidiaries
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The Company's products are diverse, and hence the products' different growth stages may be difficult to identify. Regardless, the Company still expects to make significant investment and financial improvement plans in the next few years. In addition, the Company will distribute at least 30% of the shareholders' dividends in the form of cash when it obtains sufficient external funds to pay for its significant annual capital expenditures.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributes distributable earnings, it shall set aside to special reserve, an amount equal to the difference between the balance of special reserve already set aside according to the requirements for the first time adoption of IFRS, and the net contra account in other equity. For any subsequent reversal of the net contra account in other equity, the amount reversed may be distributed from the special reserve.

In accordance with Ruling No. Jin-Guan-Cheng-Fa-Zi 1090150022 issued by the Financial Supervisory Commission on 31 March 2021, on the first time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded on the transfer day that the company elects to transfer to retained earnings by application of the exemption under IFRS 1 "First Adoption of International Financial Reporting Standards", the company shall set aside an equal amount of special reserve. For any subsequent use, disposal of or reclassification of related assets, the amount reversed may be distributed according to the percentage of special reserve that's set aside.

The Company's special surplus reserve amount for the first adoption of IFRS was \$115,799 thousand for both periods ended 1 January 2024 and 1 January 2023. In addition, the Company did not use, dispose or reclassify the relevant assets from 1 January to 30 September 2024 and 2023, and thus revolved the special surplus reserve to the undistributed surplus. As of 30 September 2024 and 2023, the special surplus reserve amount for the first adoption was \$115,799 thousand.

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Details of the 2023 and 2022 earnings distribution and dividends per share as resolved by the shareholders' meetings on 19 June 2024 and 21 June 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$107,492	\$108,564		
Cash dividend				
– common stock (Note)	857,950	818,148	\$3.88	\$3.70

Note : The Company was authorized according to the Articles of Association and passed by special resolution on 13 March 2024 and 10 May 2023, the proposal to distribute common share cash dividends of 2023 and 2022.

Please refer to Note 6(20) for relevant information on the estimation basis and amount for employees' compensation and remuneration to directors.

(e) Non-controlling interest

	Nine-month period ended 30 September	
	2024	2023
Beginning balance	\$52,166	\$55,263
Contributed to non-controlling interests of net loss	(4,567)	(2,934)
Ending balance	<u>\$47,599</u>	<u>\$52,329</u>

(17) Operating revenue

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Revenue from contracts with customers				
– Sale of goods	\$2,445,978	\$2,116,560	\$7,123,886	\$5,915,355
Rental income	17,437	17,536	52,926	52,914
Total	<u>\$2,463,415</u>	<u>\$2,134,096</u>	<u>\$7,176,812</u>	<u>\$5,968,269</u>

Analysis of revenue from contracts with customers during the nine-month periods ended 30 September 2024 and 2023 are as follows:

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Disaggregation of revenue

For the three-month periods ended 30 September 2024:

	Gas appliances division	Kitchenware division	Other divisions	Total
Sale of goods	\$1,295,165	\$768,815	\$381,998	\$2,445,978
Rental income	-	-	17,437	17,437
Total	<u>\$1,295,165</u>	<u>\$768,815</u>	<u>\$399,435</u>	<u>\$2,463,415</u>

Timing of revenue
recognition:

At a point in time	\$1,295,165	\$768,815	\$381,998	\$2,445,978
Over time	-	-	17,437	17,437
Total	<u>\$1,295,165</u>	<u>\$768,815</u>	<u>\$399,435</u>	<u>\$2,463,415</u>

For the three-month periods ended 30 September 2023:

	Gas appliances division	Kitchenware division	Other division	Total
Sale of goods	\$1,214,202	\$673,079	\$229,279	\$2,116,560
Rental income	-	-	17,536	17,536
Total	<u>\$1,214,202</u>	<u>\$673,079</u>	<u>\$246,815</u>	<u>\$2,134,096</u>

Timing of revenue
recognition:

At a point in time	\$1,214,202	\$673,079	\$229,279	\$2,116,560
Over time	-	-	17,536	17,536
Total	<u>\$1,214,202</u>	<u>\$673,079</u>	<u>\$246,815</u>	<u>\$2,134,096</u>

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Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the nine-month periods ended 30 September 2024:

	Gas appliances division	Kitchenware division	Other divisions	Total
Sale of goods	\$4,046,421	\$2,129,676	\$947,789	\$7,123,886
Rental income	-	-	52,926	52,926
Total	\$4,046,421	\$2,129,676	\$1,000,715	\$7,176,812

Timing of revenue
recognition:

At a point in time	\$4,046,421	\$2,129,676	\$947,789	\$7,123,886
Over time	-	-	52,926	52,926
Total	\$4,046,421	\$2,129,676	\$1,000,715	\$7,176,812

For the nine-month periods ended 30 September 2023:

	Gas appliances division	Kitchenware division	Other division	Total
Sale of goods	\$3,648,073	\$1,695,275	\$572,007	\$5,915,355
Rental income	-	-	52,914	52,914
Total	\$3,648,073	\$1,695,275	\$624,921	\$5,968,269

Timing of revenue
recognition:

At a point in time	\$3,648,073	\$1,695,275	\$572,007	\$5,915,355
Over time	-	-	52,914	52,914
Total	\$3,648,073	\$1,695,275	\$624,921	\$5,968,269

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Contract balances

A. Contract assets – current

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	1 Jan. 2023
Sale of goods	<u>\$265,498</u>	<u>\$225,267</u>	<u>\$208,271</u>	<u>\$183,142</u>

The significant changes in the Group's balances of contract assets for the nine-month periods ended 30 September 2024 and 2023 are as follows:

	Nine-month period ended 30 September	
	2024	2023
The opening balance transferred to trade receivables	\$(225,267)	\$(183,142)
Fulfilling performance obligations without achieving the unconditional collection	<u>265,498</u>	<u>208,271</u>
Changes during the period	<u>\$40,231</u>	<u>\$25,129</u>

B. Contract liabilities – current

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023	1 Jan. 2023
Sale of goods	<u>\$273,206</u>	<u>\$218,709</u>	<u>\$199,941</u>	<u>\$123,819</u>

The significant changes in the Group's balances of contract liabilities for the nine-month periods ended 30 September 2024 and 2023 are as follows:

	Nine-month period ended 30 September	
	2024	2023
The opening balance transferred to revenue	\$(218,709)	\$(123,819)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	<u>273,206</u>	<u>199,941</u>
Changes during the period	<u>\$54,497</u>	<u>\$76,122</u>

(c) Transaction price allocated to unfulfilled performance obligations

None.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
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(d) Assets recognized from costs to fulfil a contract

None.

(18) Expected credit losses (gains)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Operating expenses– Expected credit losses (gains)				
Contract assets	\$134	\$(88)	\$168	\$(136)
Accounts receivable	194	137	265	115
Notes receivable	-	-	-	-
Other receivables	2,191	-	2,191	-
Total	<u>\$2,519</u>	<u>\$49</u>	<u>\$2,624</u>	<u>\$(21)</u>

Please refer to Note 12 for more details on credit risk.

The loss allowances of the Group's contract assets and receivables (including notes receivable and accounts receivable) were measured at lifetime expected credit loss. The assessment of the Company's loss allowance as of 30 September 2024, 31 December 2023 and 30 September 2023 is as follows:

- (a) The total carrying amounts of the contract assets were \$265,727 thousand, \$225,328 thousand and \$208,331 thousand, respectively. The amounts of the allowance loss were \$229 thousand, \$61 thousand and \$60 thousand, respectively, based on individual customer assessment method.
- (b) The receivables are divided into groups based on the credit rating, regional and industrial factors of the counterparty, and the matrix is used to measure the allowance loss. The related information is as follows:

As of 30 September 2024

Group 1:	Not yet due (Note)	Days of overdue			Total
		Over a year	Over two years	Over three years	
Gross carrying amount	\$1,310,965	\$361	\$-	\$-	\$1,311,326
Loss ratio	0.01%-0.3%	70%	90%	100%	
Lifetime expected credit losses	-	(253)	-	-	(253)
Carrying amount	<u>\$1,310,965</u>	<u>\$108</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,311,073</u>

Taiwan Sakura Corporation and Subsidiaries
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Group 2:	Not yet due (Note)	Days of overdue			Total
		Over a year	Over two years	Over three years	
Gross carrying amount	\$18,826	\$1,026	\$-	\$-	\$19,852
Loss ratio	0.01%-0.3%	50%	70%	100%	
Lifetime expected credit losses	-	(513)	-	-	(513)
Carrying amount	\$18,826	\$513	\$-	\$-	\$19,339

As of 31 December 2023

Group 1:	Not yet due (Note)	Days of overdue			Total
		Over a year	Over two years	Over three years	
Gross carrying amount	\$1,212,311	\$-	\$-	\$-	\$1,212,311
Loss ratio	0.01%-0.3%	70%	90%	100%	
Lifetime expected credit losses	-	-	-	-	-
Carrying amount	\$1,212,311	\$-	\$-	\$-	\$1,212,311

Group 2:	Not yet due (Note)	Days of overdue			Total
		Over a year	Over two years	Over three years	
Gross carrying amount	\$28,993	\$2,196	\$-	\$-	\$31,189
Loss ratio	0.01%-30%	50%	70%	100%	
Lifetime expected credit losses	-	(513)	-	-	(513)
Carrying amount	\$28,993	\$1,683	\$-	\$-	\$30,676

As of 30 September 2023

Group 1:	Not yet due (Note)	Days of overdue			Total
		Over a year	Over two years	Over three years	
Gross carrying amount	\$1,100,435	\$195	\$-	\$-	\$1,100,630
Loss ratio	0.01%-0.3%	70%-75%	90%	100%	
Lifetime expected credit losses	-	(136)	-	-	(136)
Carrying amount	\$1,100,435	\$59	\$-	\$-	\$1,100,494

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Group 2:	Days of overdue				Total
	Not yet due (Note)	Over a year	Over two years	Over three years	
Gross carrying amount	\$30,841	\$1,998	\$-	\$-	\$32,839
Loss ratio	0.01%-0.30%	50%	70%	100%	
Lifetime expected credit losses	-	(680)	-	-	(680)
Carrying amount	\$30,841	\$1,318	\$-	\$-	\$32,159

Note: The Group's note receivables are not overdue. The Group accrues the expected credit impairment loss according to the individual customer assessment method.

The movement in the provision for impairment of contract assets, notes receivable and accounts receivable and other receivables for the nine-month ended 30 September 2024 and 2023 is as follows:

	Contract assets	Notes receivable	Accounts receivable	Other receivables	Total
As of 1 Jan. 2024	\$61	\$-	\$513	\$2,581	\$3,155
Addition for the current year	168	-	265	2,191	2,624
Write off	-	-	(12)	-	(12)
As of 30 Sep. 2024	\$229	\$-	\$766	\$4,772	\$5,767
As of 1 Jan. 2023	\$196	\$-	\$701	\$3,268	\$4,165
Reversal for the current year	(136)	-	115	-	(21)
Write off	-	-	-	(142)	(142)
As of 30 Sep. 2023	\$60	\$-	\$816	\$3,126	\$4,002

(19) Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land and buildings and transportation equipment. The lease terms range from 1 to 51 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

Taiwan Sakura Corporation and Subsidiaries
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A. Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Buildings	\$292,506	\$241,093	\$242,304
Land	48,277	47,975	49,475
Transportation equipment	6,210	5,141	4,331
Land improvement	3,377	4,648	21,488
Total	<u>\$350,370</u>	<u>\$298,857</u>	<u>\$317,598</u>

For the nine-month periods ended 30 September 2024 and 2023, the Group's additions to right-of-use assets amounted to \$107,291 thousand and \$60,587 thousand, respectively.

b. Lease liabilities

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Lease liabilities			
Current	\$66,918	\$67,114	\$70,740
Non-current	244,936	193,003	206,362
Total	<u>\$311,854</u>	<u>\$260,117</u>	<u>\$277,102</u>

Please refer to Note 6(21)(d) for the interest on lease liabilities recognized for the nine-month periods ended 30 September 2024 and 2023, and refer to Note 12(5) - Liquidity Risk Management for the maturity analysis for lease liabilities as of 30 September 2024 and 2023.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	<u>Three-month period</u> <u>ended 30 September</u>		<u>Nine-month period</u> <u>ended 30 September</u>	
	2024	2023	2024	2023
Buildings	\$19,127	\$17,311	\$53,350	\$48,673
Land	554	538	1,642	1,622
Transportation equipment	478	577	1,460	1,670
Land improvement	424	479	1,271	1,436
Total	<u>\$20,583</u>	<u>\$18,905</u>	<u>\$57,723</u>	<u>\$53,401</u>

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Income and costs relating to leasing activities

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
	The expenses relating to short-term leases	\$2,092	\$787	\$5,230

D. Cash outflow relating to leasing activities

For the nine-month periods ended 30 September 2024 and 2023, the Group's total cash out-flows for leases amounted to \$63,674 thousand and \$56,974 thousand, respectively.

(2) Group as a lessor

- (a) Please refer to Note 6(9) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
	Lease income for operating leases Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$1,222	\$1,216	\$3,652

- (b) For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of 30 September 2024, 31 December 2023 and 30 September 2023 are as follows:

	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
No later than one year	\$67,363	\$41,182	\$70,552
Later than one year but no later than two years	61,448	-	5,880
Total	\$128,811	\$41,182	\$76,432

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(20) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

Function Nature	Three-month period ended 30 September 2024			Three-month period ended 30 September 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits expense						
Salaries	\$92,854	\$200,187	\$293,041	\$75,394	\$194,380	\$269,774
Labor and health insurance	7,800	12,840	20,640	7,229	12,324	19,553
Pension	2,356	5,573	7,929	2,153	5,407	7,560
Other employee benefits expense	3,899	7,933	11,832	3,263	6,979	10,242
Depreciation	24,899	19,120	44,019	24,617	16,673	41,290
Amortization	1,218	8,647	9,865	1,629	7,382	9,011

Function Nature	Nine-month period ended 30 September 2024			Nine-month period ended 30 September 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits expense						
Salaries	\$265,309	\$580,462	\$845,771	\$209,542	\$517,076	\$726,618
Labor and health insurance	23,193	43,161	66,354	21,579	40,516	62,095
Pension	6,983	16,648	23,631	6,372	16,145	22,517
Other employee benefits expense	10,546	21,905	32,451	9,275	19,137	28,412
Depreciation	73,357	53,870	127,227	69,989	49,254	119,243
Amortization	3,792	25,357	29,149	5,456	22,697	28,153

According to the Company's Articles of Incorporation, if the Company makes a profit for the year, it shall contribute 2% to 8% as employee remuneration, and no more than 5% as director compensation. However, the profit shall make up for losses first, if any. The above-mentioned employee compensation shall be distributed in stocks or cash and shall be approved by the Board of Directors with more than two-thirds of the directors' attendance and a majority of the directors' consents and the results are reported to the shareholders' meeting. Information about the appropriation of employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors, please refer to the "Market Observation Post System " of the TWSE.

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For the three-month and nine-month periods ended 30 September 2024, employees' compensation and remuneration to the directors were accrued at \$13,334 thousand, \$8,444 thousand, \$39,492 thousand, and \$25,011 thousand respectively, which were booked under salary expenses. For the three-month and nine-month periods ended 30 September 2023, employees' compensation and remuneration to the directors were accrued at \$12,676 thousand, \$8,028 thousand, \$29,169 thousand, and \$18,474 thousand, respectively, which were booked under salary expenses.

A resolution was passed at a board of directors meeting held on 7 May 2024 to distribute \$42,249 thousand and \$26,758 thousand in cash as the employees' compensation and remuneration to directors of 2023, respectively. No material differences existed between the estimated amount and actual distribution of the employees' compensation and remuneration to directors for the year ended 31 December 2023.

No material differences existed between the estimated amount and actual distribution of the employees' compensation and remuneration to directors for the year ended 31 December 2022.

(21) Non-operating income and expenses

(a) Interest income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Interest income Financial assets measured at amortized cost	\$5,424	\$4,612	\$21,384	\$15,981

(b) Other income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Rental income	\$1,222	\$1,216	\$3,652	\$3,646
Dividend income	1,364	578	1,364	593
Other income	5,657	9,734	23,533	22,497
Total	\$8,243	\$11,528	\$28,549	\$26,736

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(c) Other gains and losses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Foreign exchange gains, net	\$(8,537)	\$14,619	\$18,173	\$16,119
Reversal of impairment loss on investment property	-	-	11,127	-
Gains on disposals of investments	-	-	215	338
Losses from lease modification	-	-	(80)	-
Losses on disposals of property, plant and equipment	-	(60)	(3,409)	(6,873)
Other losses - others	(1,019)	(1,274)	(2,564)	(3,842)
Total	<u>\$(9,556)</u>	<u>\$13,285</u>	<u>\$23,462</u>	<u>\$5,742</u>

(d) Finance costs

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Interest on loans from bank	\$1,033	\$531	\$2,962	\$1,915
Interest on lease liabilities	1,040	996	2,810	2,905
Total	<u>\$2,073</u>	<u>\$1,527</u>	<u>\$5,772</u>	<u>\$4,820</u>

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Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(22) Components of other comprehensive income

For the three-month period ended 30 September 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive (loss) income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains on equity instrument investments measured at fair value through other comprehensive income	\$(59,683)	\$-	\$(59,683)	\$-	\$(59,683)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	5,030	-	5,030	(1,006)	4,024
Share of gain (loss) of associates and joint ventures accounted for using equity method through other comprehensive income	(18,595)	-	(18,595)	3,719	(14,876)
Total other comprehensive income	<u>\$(73,248)</u>	<u>\$-</u>	<u>\$(73,248)</u>	<u>\$2,713</u>	<u>\$(70,535)</u>

For the three-month period ended 30 September 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive (loss) income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains on equity instrument investments measured at fair value through other comprehensive income	\$19,686	\$-	\$19,686	\$-	\$19,686
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	13,833	-	13,833	(2,766)	11,067
Share of gain (loss) of associates and joint ventures accounted for using equity method through other comprehensive income	30,104	-	30,104	(6,021)	24,083
Total other comprehensive income	<u>\$63,623</u>	<u>\$-</u>	<u>\$63,623</u>	<u>\$(8,787)</u>	<u>\$54,836</u>

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For the nine-month period ended 30 September 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive (loss) income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains on equity instrument investments measured at fair value through other comprehensive income	\$31,530	\$-	\$31,530	\$-	\$31,530
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	19,410	-	19,410	(3,882)	15,528
Share of gain (loss) of associates and joint ventures accounted for using equity method through other comprehensive income	27,736	-	27,736	(5,547)	22,189
Total other comprehensive income	<u>\$78,676</u>	<u>\$-</u>	<u>\$78,676</u>	<u>\$(9,429)</u>	<u>\$69,247</u>

For the nine-month periods ended 30 September 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive loss	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains on equity instrument investments measured at fair value through other comprehensive income	\$47,561	\$-	\$47,561	\$-	\$47,561
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	411	-	411	(82)	329
Share of (loss) gain of associates and joint ventures accounted for using equity method through other comprehensive income	39,780	-	39,780	(7,956)	31,824
Total other comprehensive income	<u>\$87,752</u>	<u>\$-</u>	<u>\$87,752</u>	<u>\$(8,038)</u>	<u>\$79,714</u>

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(23) Income tax

Components of the income tax expenses :

(a) Income tax expense recognized in profit or loss

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Current income tax expense (income):				
Current income tax charge	\$91,227	\$75,307	\$261,519	\$194,883
Adjustments in respect of current income tax of prior periods	(2,388)	(2,427)	(938)	(2,131)
Deferred tax expense (income):				
Deferred tax (income) expense relating to origination and reversal of temporary differences	(7,117)	4,876	1,515	12,507
Total income tax expense	<u>\$81,722</u>	<u>\$77,756</u>	<u>\$262,096</u>	<u>\$205,259</u>

(b) Income tax relating to components of other comprehensive income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Deferred tax expense (income):				
Exchange differences on translation of foreign operations	\$1,006	\$2,766	\$3,882	\$82
Share of loss of associates and joint ventures accounted for using equity method through other comprehensive income	(3,719)	6,021	5,547	7,956
Income tax relating to components of other comprehensive income	<u>\$(2,713)</u>	<u>\$8,787</u>	<u>\$9,429</u>	<u>\$8,038</u>

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(c) The assessment of income tax returns

As of 30 September 2024, the assessment returns of income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved through 2022
Subsidiary - Svago International Corporation	Assessed and approved through 2022
Subsidiary - SAKURA Home Collection	Assessed and approved through 2022

As of 30 September 2024, all foreign subsidiaries governed by foreign tax authorities have filed income tax returns up to 2023, expect SAKURA PAN PACIFIC HOLDINGS (SINGAPORE) PTE. LTD. will file in November 2024.

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
(a) Basic earnings per share				
Net profit attributable to ordinary stockholders	\$335,269	\$317,853	\$998,541	\$731,666
Weighted average number of ordinary shares outstanding (in thousands)	218,808	218,808	218,808	218,808
Basic earnings per share (NT\$)	\$1.53	\$1.45	\$4.56	\$3.34

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	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
(b) Diluted earnings per share				
Net profit attributable to ordinary stockholders	\$335,269	\$317,853	\$998,541	\$731,666
Net profit after adjusting the dilution effect (in thousands)	\$335,269	\$317,853	\$998,541	\$731,666
Weighted average number of ordinary shares outstanding (in thousands)	218,808	218,808	218,808	218,808
Effect of dilution:				
Employee compensation – stock (in thousands)	450	456	658	749
Weighted average number of ordinary shares outstanding after dilution (in thousands)	219,258	219,264	219,466	219,557
Diluted earnings per share (NT\$)	\$1.53	\$1.45	\$4.55	\$3.33

There has not been other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date that the financial statements were authorized for issuance.

7. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Sakura Bath and Kitchen Products (China) Co., Ltd. (hereinafter referred to as Sakura China)	Invested company evaluated by equity method
PUDA Industrial Co., Ltd. (hereinafter referred to as PUDA)	Invested company evaluated by equity method
Sakura Shunde Co., Ltd. (hereinafter referred to as Sakura Shunde)	Subsidiary of the invested company evaluated by the equity method
Sakura Cultural and Educational Foundation	Substantive related party

Taiwan Sakura Corporation and Subsidiaries
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Significant transactions and balances with related parties

(1) Sales

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Subsidiaries of the invested company evaluated by the equity method	\$17,437	\$17,536	\$52,926	\$52,914

The sales price of the Group to related parties is not significantly different from any third parties. The credit terms range from two to three months after monthly-closing, T/T. In addition, the subsidiary of the Group has leased a factory to the related party, Sakura Bath and Kitchen Products (Shunde) Co., Ltd. since October 2009. The rental revenue from the operating revenue for the three-month periods ended 30 September 2024 and 2023 was \$17,437 thousand and \$17,536 thousand. The rental income from the sales revenue for the nine-month periods ended 30 September 2024 and 2023 was \$52,926 thousand and \$52,914 thousand, respectively.

(2) Purchases

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
Subsidiary of the invested company evaluated by the equity method	\$5,825	\$4,799	\$14,674	\$15,389
Invested company evaluated by equity method	1,393	3,250	5,231	10,212
Total	\$7,218	\$8,049	\$19,905	\$25,601

The terms of purchases and payment of the Group from related parties is not significantly different from any third parties.

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(3) Accounts payable

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Subsidiary of the invested company evaluated by the equity method	\$4,197	\$3,088	\$4,851
Invested company evaluated by equity method	662	3,230	1,656
Total	<u>\$4,859</u>	<u>\$6,318</u>	<u>\$6,507</u>

(4) Endorsements and guarantees

Please refer to Note 9(3) for details of the guarantees provided by the Company for related corporate borrowings. For details, please refer to Note 13(1)(b) - Information on reinvestments.

(5) Key management personnel compensation

	<u>Three-month period ended 30 September</u>		<u>Nine-month period ended 30 September</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$10,307	\$12,896	\$31,141	\$31,098
Post-employment benefits	205	286	641	676
Total	<u>\$10,512</u>	<u>\$13,182</u>	<u>\$31,782</u>	<u>\$31,774</u>

(6) Donation expenses

	<u>Three-month period ended 30 September</u>		<u>Nine-month period ended 30 September</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sakura Cultural and Educational Foundation	<u>\$-</u>	<u>\$-</u>	<u>\$2,000</u>	<u>\$2,000</u>

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8. PLEDGED ASSETS

The following table lists assets of the Group were pledged:

Item	Carrying amount		
	30 Sep. 2024	31 Dec. 2023	30 Sep. 2023
Property, plant and equipment	\$1,403,056	\$867,443	\$869,535
Investment property, land	80,484	80,484	80,484
Investment property, buildings	26,521	17,915	18,254
Total	<u>\$1,510,061</u>	<u>\$965,842</u>	<u>\$968,273</u>

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) As of 30 September 2024, the Group's unused letters of credit amounted to CNY 5,229 thousand.
- (2) As of 30 September 2024, the Group's remaining balance due to construction in progress and loans was \$413,198 thousand.
- (3) Information about endorsement and guarantee to others as of 30 September 2024, please refer to Note 13(1)(b).
- (4) The Group's major contracts and related payments with constructors and engineering companies are as follows:

Name of Construction	Contract price (tax included)	Amount paid	Outstanding amount
Factory construction of the Wufeng Plant	<u>\$540,000</u>	<u>\$243,580</u>	<u>\$296,420</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

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12. OTHERS

(1) Financial instruments

Financial assets

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Financial assets measured at fair value through other comprehensive income	\$210,168	\$178,638	\$155,918
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,989,667	2,448,970	1,949,909
Financial assets measured at amortized cost - current	254,018	51,000	26,000
Contract assets - current	265,498	225,267	208,271
Notes receivable	126,087	145,185	102,403
Accounts receivable	1,204,325	1,097,802	1,030,250
Refundable deposits	17,641	15,710	15,680

Financial liabilities

	<u>30 Sep. 2024</u>	<u>31 Dec. 2023</u>	<u>30 Sep. 2023</u>
Financial liabilities at amortized cost:			
Short-term loans	\$51,877	\$54,586	\$54,977
Contract liability - current	273,206	218,709	199,941
Notes payable	12,038	1,007	9,957
Accounts payables	1,667,577	1,581,224	1,385,308
Other payables	793,181	819,377	647,587
Lease liabilities (including current and non-current)	311,854	260,117	277,102
Long-term loans (including current portion with maturity less than 1 year)	314,000	120,000	-

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

The Group's market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risks (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investment in foreign operating agencies.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The impact of foreign currency appreciation/depreciation on the Group's profit and loss. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD, CNY and VND. The sensitivity analysis information is as follows:

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- (a) When the exchange rate of NT\$ to USD is appreciated/depreciated by 1%, the profit and loss of the Group for the nine-month periods ended 30 September 2024 and 2023 is increased/decreased by \$4,334 thousand and \$3,179 thousand, respectively. The equity is decreased/increased by \$7,888 thousand and \$8,283 thousand, respectively.

- (b) When the exchange rate of NT\$ to CNY is appreciated/depreciated by 1%, the profit and loss of the Group for the nine-month periods ended 30 September 2024 and 2023 is increased/decreased by \$3,035 thousand and \$2,218 thousand, respectively. The equity is decreased/increased by \$717 thousand and \$715 thousand, respectively.

- (e) When the exchange rate of NT\$ to VND is appreciated/depreciated by 1%, the profit and loss of the Group for the nine-month periods ended 30 September 2024 and 2023 is increased/decreased by \$240 thousand and \$236 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with fixed interest rates.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and the conversion rights in the issued overseas convertible corporate bonds will be affected by the fair value of the uncertainty of the future value of the investment securities. The listed and unlisted equity securities held by the Group are included in the holdings for trading and provisioning, respectively. The conversion rights of the overseas convertible corporate bonds issued are non-compliance with the definition of equity elements, therefore, they are financial liabilities at fair value through profit or loss. The Group manages the equity price risk through diversifying and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors must review and approve all equity investment decisions.

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When the price of the Group's listed equity securities held for sale increases/decreases by 1%, the Group's equity would increase/decrease by \$1,944 thousand and \$1,402 thousand, respectively, for the nine-month periods ended 30 September 2024 and 2023.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, accounts receivable, notes receivable, and lease payments receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk assessment for all customers are based on their financial position, ratings from credit rating agencies, historical experiences, prevailing economic condition and the Group's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures (such as requesting for prepayment).

As of 30 September 2024, 31 December 2023 and 30 September 2023, amounts receivable from top ten customers represented 29.24%, 30.82% and 30.31% of the total trade receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

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(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank loans. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
As of 30 Sep. 2024					
Short-term loans	\$52,157	\$-	\$-	\$-	\$52,157
Notes and accounts payable	1,679,615	-	-	-	1,679,615
Other payables	793,181	-	-	-	793,181
Long-term loans	13,519	26,863	82,432	229,570	352,384
Lease liabilities	71,399	63,642	80,990	113,097	329,128
As of 31 Dec. 2023					
Short-term loans	\$55,701	\$-	\$-	\$-	\$55,701
Notes and accounts payable	1,582,231	-	-	-	1,582,231
Other payables	819,377	-	-	-	819,377
Long-term loans	9,989	19,568	19,021	86,897	135,475
Lease liabilities	70,966	47,703	64,989	90,674	274,332
As of 30 Sep. 2023					
Short-term loans	\$56,121	\$-	\$-	\$-	\$56,121
Notes and accounts payable	1,395,265	-	-	-	1,395,265
Other payables	647,587	-	-	-	647,587
Lease liabilities	74,850	52,094	67,362	98,117	292,423

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(6) Reconciliation of liabilities arising from financing activities

Information on the reconciliation of liabilities for the nine-month period ended 30 September 2024:

	Short-term loans	Lease liabilities	Long-term loans (including current portion)	Total
As of 1 Jan. 2024	\$54,586	\$260,117	\$120,000	\$434,703
Non-cash changes	-	110,181	-	110,181
Cash flows	(2,709)	(58,444)	194,000	132,847
As of 30 Sep. 2024	<u>\$51,877</u>	<u>\$311,854</u>	<u>\$314,000</u>	<u>\$677,731</u>

Information on the reconciliation of liabilities for the nine-month period ended 30 September 2023:

	Short-term loans	Lease liabilities	Long-term loans (including current portion)	Total
As of 1 Jan. 2023	\$39,099	\$266,923	\$-	\$306,022
Non-cash changes	-	63,492	-	63,492
Cash flows	15,878	(53,313)	-	(37,435)
As of 30 Sep. 2023	<u>\$54,977</u>	<u>\$277,102</u>	<u>\$-</u>	<u>\$332,079</u>

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

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- A. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- D. Fair value of bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approaches fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for the fair value measurement hierarchy for financial instruments of the Group.

(8) Derivatives

The Group did not hold any derivatives for trading as of 30 September 2024, 31 December 2023 and 30 September 2023.

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(9) Fair value measurement hierarchy

(a) Definition of fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels of the hierarchy by reassessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 30 Sep. 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$194,436	\$-	\$15,732	\$210,168

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As of 31 Dec. 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$162,906	\$-	\$15,732	\$178,638
As of 30 Sep. 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value:				
Fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$140,186	\$-	\$15,732	\$155,918

Transfer between level 1 and level 2 during the period

For the nine-month period ended 30 September 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period

The assets and liabilities measured by the Group's repetitive fair value are the level 3 of the fair value hierarchy. The adjustment of the opening balance to the ending balance is as follows:

	<u>Assets</u>
	<u>Financial assets measured at fair value through other comprehensive income</u>
	<u>Stock</u>
As of 1 Jan. 2024	\$15,732
Total gains and losses recognized in nine-month period ended 30 September 2024:	
Recognized in other comprehensive gains and losses (presented in "Unrealized valuation gains and losses on equity instrument measured at fair value through other comprehensive income")	-
As of 30 Sep. 2024	<u>\$15,732</u>

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	Assets
	Financial assets measured at fair value through other comprehensive income
	Stock
As of 1 Jan. 2023	\$15,732
Total gains and losses recognized in nine-month period ended 30 September 2023:	
Recognized in other comprehensive gains and losses (presented in “Unrealized valuation gains and losses on equity instrument measured at fair value through other comprehensive income”)	-
As of 30 Sep. 2023	\$15,732

Significant unobservable input value information at the level 3 of the fair value hierarchy

The assets of the Group's fair value hierarchy are measured at the fair value. The significant unobservable inputs for fair value measurement are listed in the following table:

As of 30 September 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between input value and fair value
Financial assets:					
Through other comprehensive gains and losses as measured by fair value					
Stock	Cost method	Discount for lack of liquidity	35%	The higher the degree of lack of liquidity, the lower the estimated fair value	When the percentage of lack of liquidity increases (decreases) by 1%, the company's equity would decrease/increase by \$157 thousand.

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As of 31 December 2023:

Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between input value and fair value	
Financial assets:					
Through other comprehensive gains and losses as measured by fair value					
Stock	Cost method	Discount for lack of liquidity	35%	The higher the degree of lack of liquidity, the lower the estimated fair value	When the percentage of lack of liquidity increases (decreases) by 1%, the company's equity would decrease/increase by \$157 thousand.

As of 30 September 2023:

Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between input value and fair value	
Financial assets:					
Through other comprehensive gains and losses as measured by fair value					
Stock	Cost method	Discount for lack of liquidity	35%	The higher the degree of lack of liquidity, the lower the estimated fair value	When the percentage of lack of liquidity increases (decreases) by 1%, the company's equity would decrease/increase by \$157 thousand.

Valuation process used for Level 3 fair value measurements

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

- (c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of 30 September 2024

	Level 1	Level 2	Level 3	Total
Listing only fair value assets:				
Investment property				
(Details refer to Note 6(9))	\$-	\$-	\$410,974	\$410,974

As of 31 December 2023

	Level 1	Level 2	Level 3	Total
Listing only fair value assets:				
Investment property				
(Details refer to Note 6(9))	\$-	\$-	\$369,714	\$369,714

As of 30 September 2023

	Level 1	Level 2	Level 3	Total
Listing only fair value assets:				
Investment property				
(Details refer to Note 6(9))	\$-	\$-	\$369,714	\$369,714

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(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	Unit: thousands								
	30 Sep. 2024			31 Dec. 2023			30 Sep. 2023		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$13,865	31.6510	\$438,841	\$10,373	30.7350	\$318,814	\$10,051	32.2680	\$324,326
CNY	123,761	4.5115	558,348	108,323	4.3338	469,450	92,144	4.4202	407,295
VND	35,643,013	0.0013	46,336	43,885,957	0.0013	57,052	44,757,326	0.0013	58,185
<u>Long-term equity investment by equity method</u>									
USD	\$24,922	31.6510	\$788,794	\$25,928	30.7350	\$796,884	\$25,670	32.2680	\$828,331
CNY	15,899	4.5115	71,730	16,660	4.3338	72,201	16,186	4.4202	71,544
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	\$171	31.6510	\$5,412	\$260	30.7350	\$7,991	\$199	32.2680	6,421
CNY	56,482	4.5115	254,819	55,906	4.3338	242,285	41,975	4.4202	185,538
VND	17,170,018	0.0013	22,321	2,600,908	0.0013	3,381	26,625,395	0.0013	34,613

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Due to the wide variety of individual functional currencies of the Group, it is not possible to disclose the exchange gains and losses information of monetary financial assets and financial liabilities in accordance with each significant foreign currency. The net foreign exchange rate gains of the Group for the nine-month period ended 30 September 2024 and 2023 were \$18,173 thousand and \$16,119 thousand, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

13. OTHER DISCLOSURE

(1) Information of significant transactions:

(a) Loans to others: None.

(b) Provision of endorsement and guarantees to others:

No.	Endorser/ guarantor (company name)	Endorsed/guaranteed party		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount during the year	Outstanding endorsement/ guarantee amount at 30 Sep. 2024 (Note 3)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China
		Company name	Relationship										
0	Taiwan Sakura Corporation	Svago International Corporation	Parent company and subsidiary	\$2,171,956	\$30,000	\$30,000	\$-	\$-	0.48%	\$2,171,956	Y	N	N
0	Taiwan Sakura Corporation	SAKURA Home Collection Co., Ltd.	Parent company and subsidiary	2,171,956	95,000	95,000	30,000	-	1.53%	2,171,956	Y	N	N
1	Svago International Corporation	Taiwan Sakura Corporation	Parent company and subsidiary	216,066	104,646	73,970	-	-	17.12%	518,558	N	Y	N

Note 1: (1) If Taiwan Sakura Corporation provides guarantee endorsement to a single entity in which it directly or indirectly holds more than 50% of the voting shares, its endorsement guarantee limit shall not exceed 35% of the net value of the Company.

(2) The amount of endorsement of a single entity guaranteed by Svago International Corporation shall not exceed 50% of the net value of its most recent financial statement.

Note 2: (1) The total amount of endorsement guarantees of Taiwan Sakura Corporation was limited to 35% of the net value as of 30 September 2024.

(2) The total amount of the endorsement guarantee of Svago International Corporation was limited to 120% of the net value of its most recent financial report.

Note 3: The amount approved by the Board of Directors should be filled out. However, where the board of directors authorizes the chairman of the Board of Directors to determine the amount in accordance with paragraph 8, Article 12 of the Public Offering Group's Fund Loan and Endorsement Guarantee Processing Guidelines, the amount shall refer to the amount determined by the board.

Taiwan Sakura Corporation and Subsidiaries
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(c) The holding of securities at the end of the period (excluding subsidiaries, affiliates and joint ventures):

Holding company	Type of securities	Name of securities	Relationship between issuer of securities and the Company	Account name	End of period				Remark
					Number of shares / unit	Book amount	Shareholding ratio	Fair value	
Taiwan Sakura Corporation	Stock	Sakura Development Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income - non-current	2,241,719	\$111,638	-	\$111,638	
Svago International Corporation	"	Sakura Development Co., Ltd.	-	"	1,662,615	82,798	-	82,798	
Taiwan Sakura Corporation	"	Hanshin Asset Management	-	"	1,300,233	10,532	0.60%	10,532	
Taiwan Sakura Corporation	"	Taichung International Entertainment	-	"	2	3,465	0.06%	3,465	
Taiwan Sakura Corporation	"	Grand Hi-Lai Hotel	-	"	784	-	-	-	
Taiwan Sakura Corporation	"	Yamay International Development Corp.	-	"	130	-	-	-	
Svago International Corporation	"	Taichung International Entertainment	-	"	1	1,735	0.03%	1,735	
				Total		<u>\$210,168</u>		<u>\$210,168</u>	

(d) Acquisition or sale of the same security with the accumulated amount exceeding NT\$300 million or 20% of the Company's paid-in capital or more: None.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (e) Acquisition of real estate reaching NT\$300 million or 20% of paid-up capital or more: None.
- (f) Disposal of real estate reaching NT\$300 million or 20% of paid-up capital or more: None.
- (g) Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of the paid-up capital or more. The details are as follows:

Company Name	Counter-party	Relationship	Transactions				Differences in transaction terms compared to third party transactions		Note and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Taiwan Sakura Corporation	Svago International Corporation	Subsidiary	Sales	\$268,073	4.11%	3 months after monthly-closing	Product standard cost plus 5%	Regular	\$33,173	2.74%	

- (h) Receivables from related party reaching NT\$100 million than 20% of the paid-up capital or more: None.
- (i) Engaged in derivatives trading: None.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(j) Significant inter-company transactions during the reporting periods are as follows:

No (Note 1)	Company	Counterparty	Relationship (Note 2)	Transactions			
				General ledger account	Amount	transaction terms	Percentage of total assets (Note 3)
0	Taiwan Sakura Corporation	Svago International Corporation	1	Sales	\$268,073	Product standard cost-plus 5%	3.74%
0	Taiwan Sakura Corporation	Svago International Corporation	1	Account receivable	\$33,173	Actual remittance method	0.33%
1	Svago International Corporation	Taiwan Sakura Corporation	2	Purchases	\$268,073	Product standard cost-plus 5%	3.74%
1	Svago International Corporation	Taiwan Sakura Corporation	2	Account payable	\$33,173	Actual remittance method	0.33%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. The parent company is 0.
2. The subsidiaries are numbered in order starting from '1'.

Note 2: There are three types of relationships between transaction company and counterparty:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The important transaction of this table may be determined by the company according to the principle of materiality.

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
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(2) Information on investees:

- (a) Names, locations, main business items, initial investment amount, shareholding at the end of the period, current profit and loss and the recognized investment income and loss: (excluding investees in mainland China)

Investor	Investee	Location	Main business items	Initial investment amount		Shares held as of 30 Sep. 2024			Investee company's current (loss) profit	Investment (loss) income recognized by the Group	Note
				Balance as of 30 Sep. 2024	Balance as of 31 Dec. 2023	Number of shares	Ownership (%)	Book value			
Taiwan Sakura Corporation	PUDA Industrial Co., Ltd.	No. 118, Section 2, Hefei Road, Haifengli, Qingshui District, Taichung City	Manufacturing and processing of strengthened plastic products and trading of sanitary ware, building materials equipment, machinery and car accessories, etc.	\$101,000	\$101,000	12,800,419	43.19%	\$215,229	\$35,957	\$15,530	
Taiwan Sakura Corporation	Sakura Enterprise (B.V.I.) Ltd.	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110.	Investment company	223,903	223,903	17,153,171	100.00%	1,785,833	66,943	66,943	
Taiwan Sakura Corporation	Svago International Corporation	No. 303, Sec. 4, Yatan Rd., Daya Dist., Taichung City	Gas equipment, parts manufacturing and leasing business	657,882	657,882	11,959,750	100.00%	275,536	56,098	55,993	Note 1

Taiwan Sakura Corporation and Subsidiaries
Notes to Consolidated Financial Statements (continued)
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Investor	Investee	Location	Main business items	Initial investment amount		Shares held as of 30 Sep. 2024			Investee company's current (loss) profit	Investment (loss) income recognized by the Group	Note
				Balance as of 30 Sep. 2024	Balance as of 31 Dec. 2023	Number of shares	Ownership (%)	Book value			
Taiwan Sakura Corporation	SAKURA Home Collection Co., Ltd.	3F., No. 436, Sec. 4, Yatan Rd., Daya Dist., Taichung City	Interior decoration, electrical appliance installation, kitchenware and bathroom equipment installation project	250,000	250,000	25,000,000	100.00%	55,204	1,833	1,833	
Taiwan Sakura Corporation	SAKURA PAN PACIFIC HOLDINGS (SINGAPORE) PTE.LTD.	80 Robinson Road #02-00 Singapore	Holding company	USD4,000,000	USD4,000,000	4,000,000	100.00%	91,856	(4,535)	(4,535)	
Sakura Enterprise (B.V.I.) Ltd.	SAKURA (CAYMAN) CO., LTD.	P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Raod, Grand Cayman, KY1-1205, Cayman Islands.	Investment Group	USD5,850,000	USD5,850,000	5,850,000	45.00%	788,794	66,370	29,866	Note 2
SAKURA PAN PACIFIC HOLDINGS (SINGAPORE) PTE.LTD.	Mekong Trading Corporation	No. 30 TraLuong Street, Ward 2, Tan Binh District, Ho Chi Minh City	Manufacturing and trading gas of equipment and parts	USD2,837,166	USD2,837,166	2,028,000	54.99%	57,918	(7,385)	(5,580)	Note 3

NOTE1: Gains and losses on investment include the adjustment of the downstream unrealized gross profit.

NOTE2: The current profit or loss of SAKURA (CAYMAN) CO., LTD. included investment income from Sakura Kitchen (China) Co., Ltd. accounted for using equity method.

NOTE3: The investment income from the investees recognized for the current period included amortization of premium.

(3) Information of investment in Mainland China:

- (a) The details of the Company's investment in China through the Sakura Enterprise (B.V.I.) Ltd. are as follows:

Taiwan Sakura Corporation and Subsidiaries
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(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investment company name in China	Main business items	Paid-up capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of 1 Jan. 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended 30 Sep. 2024		Accumulated amount of remittance from Taiwan to Mainland China as of 30 Sep. 2024	Net income of investee for the nine-month period ended 30 Sep. 2024	Ownership held by the Group (direct or indirect)	Investment income recognized by the Group for the nine-month period ended 30 Sep. 2024	Book value of investments in Mainland China as of 30 Sep. 2024	Accumulated amount of investment income remitted back to Taiwan as of 30 Sep. 2024
					Remitted to Mainland China	Remitted back to Taiwan						
Sakura Bath and Kitchen Products (China) Co., Ltd.	Kitchen appliances	\$1,443,680 (RMB320,000,000)	Investing in a third region to set up a company to reinvest in mainland companies	\$383,318 (USD12,110,786)	\$-	\$-	\$383,318 (USD12,110,786)	\$82,099	44.39% (Note 3)	\$36,444	\$871,299	\$1,277,527 (USD31,811,100) (RMB59,996,315)
Sakura Bath and Kitchen Products (Huanan) Co., Ltd.	Kitchen appliances and real estate leasing industry	443,114 (USD14,000,000)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	24,393	100.00%	24,393	478,093	-
Kunshan Hongyu Trading Co., Ltd.	Household appliances, electronic products, communication equipment	3,518 (USD111,159)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	326	100.00%	326	7,093	-
Kunshan Jingye Consulting Co., Ltd.	Corporate investment, management consulting services	2,183 (USD 68,977)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	191	100.00%	191	4,337	-

Taiwan Sakura Corporation and Subsidiaries
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Investment company name in China	Main business items	Paid-up capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of 1 Jan. 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended 30 Sep. 2024		Accumulated amount of remittance from Taiwan to Mainland China as of 30 Sep. 2024	Net income of investee for the nine-month period ended 30 Sep. 2024	Ownership held by the Group (direct or indirect)	Investment income recognized by the Group for the nine-month period ended 30 Sep. 2024	Book value of investments in Mainland China as of 30 Sep. 2024	Accumulated amount of investment income remitted back to Taiwan as of 30 Sep. 2024
					Remitted to Mainland China	Remitted back to Taiwan						
Kunshan Yuntian Trading Co., Ltd	Household appliances, electronic products, communication equipment	1,866 (USD 58,961)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	166	100.00%	166	3,828	-
Kunshan Haohui Consulting Co., Ltd	Corporate image, corporate marketing, exhibition planning consultation	1,794 (USD 56,681)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	158	100.00%	158	3,648	-
Kunshan Zhanye Consulting Co., Ltd	Business information consulting service	451 (RMB100,000)	Investing in a third region to set up a company to reinvest in mainland companies	-	-	-	-	-	100.00%	-	762	-

At the end of the period, the accumulated amount of remittance from Taiwan to the Mainland China	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investment
\$383,318 (USD 12,110,786)	\$1,424,376 (USD 45,002,573)(Note 1)	\$3,723,354 (Note 2)

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Note 1: The investment amount approved by the MOEA is USD45,002,573 (excluding the amount of surplus remittance), of which USD13,800,000 and USD13,213,043 are the surplus investment of the third regional investment cause (B.V.I.) to reinvest Sakura Kitchen Products (Huanan) Co., Ltd. and Sakura Kitchen Products (China) Co., Ltd. USD1,995,100 are the surplus of the third regional investment business (i.e. B.V.I.) to invest in Kunshan Hongyi Trading Co., Ltd., Kunshan Jingye Consulting Co., Ltd., Kunshan Yuntian Trading Co., Ltd., Kunshan Haohui Consulting Co., Ltd. and Kunshan Zhanye Consulting Co., Ltd.

Note 2: According to the regulations of the Investment Commission, Ministry of Economic Affairs, the investment limit of the Group to the mainland is 60% of its net value.

Note 3: This is the overall shareholding ratio, including shareholding ratio of 2.78% in B.V.I., the shareholding ratio of 1.11% in Kunshan Honghu Trading Co., Ltd., Kunshan Jingye Consulting Co., Ltd., Kunshan Yuntian Trading Co., Ltd., Kunshan Haohui Consulting Co., Ltd. and Kunshan Zhanye Business Consulting Co., Ltd., and shareholding ratio of 40.50% in SAKURA (CAYMAN) CO., LTD., totaling 44.39%.

(b) For information on major transactions between the Group and the mainland reinvestment company and its price and payment terms, please refer to Note 7.

(4) Information of major shareholders

As of 30 September 2024

Name	Shares	Ownership (Shares)	Ownership (%)
Jin Rong Investment Co., Ltd.		14,200,501	6.42%
Yuan Chi Investment Co., Ltd.		13,311,536	6.02%
Ko Li Te Investment Co., Ltd.		13,268,176	6.00%

14. Department information

For management purposes, the Group classifies operating units according to different strategic institutions and is divided into the following three reporting departments:

1. Gas Appliances Department: This department is primarily responsible for the manufacturing and trading of gas appliances.
2. Kitchenware Department: This department is mainly responsible for the manufacturing and trading of system kitchenwares and parts.
3. Sakura Enterprise (British Virgin Islands) Ltd. (hereinafter referred to as B.V.I.): The department is mainly engaged in financial investment.

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The Company has other operating departments that do not meet the quantitative threshold; they mainly engage in property leasing, import business, international business, administrative affairs and interior decoration.

The aforementioned reporting operations department did not aggregate more than one operating department.

The management individually monitors the operational results of its business units to make decisions on resource allocation and performance assessment. The performance of the department is assessed based on pre-tax profit and loss. The accounting policies of the reporting department are the same as the summary of the Group's important accounting policies. However, the income tax on the consolidated financial statements is managed based on Group and is not allocated to the operating department.

The transfer pricing between operational departments is based on regular transactions similar to external third parties.

For the three-month period ended 30 September 2024

	Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Total
Income						
Revenue from external customers	\$1,295,165	\$768,815	\$-	\$399,435	\$-	\$2,463,415
Inter-department income	79,499	-	-	-	(79,499)	-
Total income	<u>\$1,374,664</u>	<u>\$768,815</u>	<u>\$-</u>	<u>\$399,435</u>	<u>\$(79,499)</u>	<u>\$2,463,415</u>
Department profit and loss	<u>\$286,707</u>	<u>\$159,473</u>	<u>\$24,715</u>	<u>\$4,197</u>	<u>\$(58,824)</u>	<u>\$416,268</u>

For the three-month period ended 30 September 2023

	Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Total
Income						
Revenue from external customers	\$1,214,202	\$673,079	\$-	\$246,815	\$-	\$2,134,096
Inter-department income	64,218	-	-	-	(64,218)	-
Total income	<u>\$1,278,420</u>	<u>\$673,079</u>	<u>\$-</u>	<u>\$246,815</u>	<u>\$(64,218)</u>	<u>\$2,134,096</u>
Department profit and loss	<u>\$327,147</u>	<u>\$128,703</u>	<u>\$37,366</u>	<u>\$(39,434)</u>	<u>\$(58,611)</u>	<u>\$395,171</u>

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For the nine-month period ended 30 September 2024

	Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Total
Income						
Revenue from external customers	\$4,046,421	\$2,129,676	\$-	\$1,000,715	\$-	\$7,176,812
Inter-department income	274,413	-	-	-	(274,413)	-
Total income	<u>\$4,320,834</u>	<u>\$2,129,676</u>	<u>\$-</u>	<u>\$1,000,715</u>	<u>\$(274,413)</u>	<u>\$7,176,812</u>
Department profit and loss	<u>\$1,018,340</u>	<u>\$428,427</u>	<u>\$66,943</u>	<u>\$(103,092)</u>	<u>\$(154,548)</u>	<u>\$1,256,070</u>

For the nine-month period ended 30 September 2023

	Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Total
Income						
Revenue from external customers	\$3,648,073	\$1,695,275	\$-	\$624,921	\$-	\$5,968,269
Inter-department income	223,547	-	-	-	(223,547)	-
Total income	<u>\$3,871,620</u>	<u>\$1,695,275</u>	<u>\$-</u>	<u>\$624,921</u>	<u>\$(223,547)</u>	<u>\$5,968,269</u>
Department profit and loss	<u>\$878,694</u>	<u>\$254,584</u>	<u>\$72,745</u>	<u>\$(154,139)</u>	<u>\$(117,893)</u>	<u>\$933,991</u>

The related information of operating segment asset as of 30 September 2024, 31 December 2023 and 30 September 2023 are listed as follows:

Operating department assets

		Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Group total
30 September 2024	Department assets	<u>\$2,459,195</u>	<u>\$2,504,193</u>	<u>\$1,792,167</u>	<u>\$6,232,813</u>	<u>\$(3,008,188)</u>	<u>\$9,980,180</u>
31 December 2023	Department assets	<u>\$2,459,705</u>	<u>\$2,114,888</u>	<u>\$1,681,187</u>	<u>\$6,120,987</u>	<u>\$(2,842,422)</u>	<u>\$9,534,345</u>
30 September 2023	Department assets	<u>\$2,237,042</u>	<u>\$2,003,902</u>	<u>\$1,756,245</u>	<u>\$5,529,229</u>	<u>\$(2,853,969)</u>	<u>\$8,672,449</u>

Operating department liabilities

		Gas Appliances Department	Kitchenware Department	B.V.I.	Other Departments	Adjustment and elimination	Group total
30 September 2024	Department liability	<u>\$1,640,509</u>	<u>\$942,946</u>	<u>\$6,333</u>	<u>\$1,234,965</u>	<u>\$(97,762)</u>	<u>\$3,726,991</u>
31 December 2023	Department liability	<u>\$1,590,854</u>	<u>\$822,917</u>	<u>\$9,442</u>	<u>\$1,196,530</u>	<u>\$(123,236)</u>	<u>\$3,496,507</u>
30 September 2023	Department liability	<u>\$1,386,321</u>	<u>\$780,781</u>	<u>\$9,586</u>	<u>\$857,069</u>	<u>\$(83,818)</u>	<u>\$2,949,939</u>