Stock Code:6664

GROUP UP INDUSTRIAL CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: No.188, Heping Rd., Yangmei Dist., Taoyuan City
Telephone: (03)485-3536

The independent auditors' report and the accompanying 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 financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Group Up Industrial Co., Ltd.:

Opinion

We have audited the financial statements of Group Up Industrial Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Please refer to Note 4(n) "Revenue recognition" and Note 6(p) "Revenue from contracts with customers" to the financial statements.

   Description of key audit matter:

   The Company mainly engaged in the manufacturing and trading of general boxed-shaped equipment, automatic conveyor equipment and ovens. Revenue is recognized when the control of a product is transferred to a customer based on terms and conditions of the sales agreement. Revenue recognition is the main concern of the users of the financial statements. Therefore, we determined that revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the design and effectiveness of the Company's internal controls on revenue recognition; assessing whether the revenue recognition was performed in accordance with the Company's policy; performing sales cut-off test of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether revenue has been recognized in the proper period.

2. Valuation of trade receivables

Please refer to Note 4(f) "impairment of financial assets", Note 5(a) "accounting assumptions and estimation uncertainty of the valuation of trade receivables", and Note 6(c) "trade receivables" to the financial statements.

Description of key audit matter:

The Company's impairment of trade receivables is assessed based on historical experience of evidence of impairment and forward-looking information, which rely on the subjective judgment of the management. Therefore, we determined that the valuation of trade receivables is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the design and effectiveness of the Company's internal controls on valuation of trade receivables; obtaining the evaluation report on the impairment of trade receivables; examining the trade receivables aging report, reasons of overdue receivables, and the subsequent collection of the receivables to assess whether the impairment provisions for trade receivables are reasonable.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Lin, Heng-Shen.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2024

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying 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 auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

GROUP UP INDUSTRIAL CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a)(s))	$ 1,055,858	13	512,082	7
1110	Current financial assets at fair value through profit or loss (notes 6(b)(s))	805,028	9	602,936	9
1150	Notes receivable, net (notes 6(c)(p))	1,248	-	848	-
1170	Account receivables, net (notes 6(c)(p))	379,673	5	417,199	6
1180	Accounts receivable due from related parties, net (notes 6(c)(p) and 7)	15,331	-	5,657	-
130X	Inventories (note 6(e))	1,487,660	18	1,840,426	26
1410	Prepayments	21,291	-	11,988	-
1476	Other current financial assets (notes 6(d) and 8)	2,918,202	34	2,531,892	36
1479	Other current assets, others	3,743	-	4,007	-
	Total current assets	6,688,034	79	5,927,035	84
	Non-current assets:				
1511	Non-current financial assets designated at fair value through profit or loss (note 6(b)(s))	1,375	-	501	-
1550	Investments accounted for using equity method, net (note 6(f))	517,861	6	472,848	7
1600	Property, plant and equipment (notes 6(g))	1,182,621	14	588,876	8
1755	Right-of-use assets (note 6(h))	7,539	-	12,469	-
1840	Deferred income tax assets (note 6(m))	61,868	1	57,720	1
1980	Other non-current financial assets(notes 6(d) and 8)	43,785	-	23,401	-
1995	Other non-current assets, others	9,386	-	12,560	-
	Total non-current assets	1,824,435	21	1,168,375	16
	Total assets	**$ 8,512,469**	**100**	**7,095,410**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (note 6(p))	2,845,197	33	3,302,785	47
2170	Accounts payable (note 6(s))	139,054	2	203,971	3
2180	Accounts payable to related parties (notes 6(s) and 7)	8,521	-	10,646	-
2200	Other payables (notes 6(l) and(s))	156,158	2	162,034	2
2230	Current tax liabilities	124,255	1	76,534	1
2250	Current provisions (note 6(k))	37,586	-	45,852	1
2280	Current lease liabilities (notes 6(j)(s) and 7)	2,134	-	3,550	-
2321	Corporate bonds due within one year or the right of repurchase exercised (notes 6(l) and(s))	50,141	1	-	-
2399	Other current liabilities, others	8,555	-	4,309	-
	Total current liabilities	3,371,601	39	3,809,681	54
	Non-Current liabilities:				
2530	Bonds payable(notes 6(l)(s))	1,175,142	14	233,043	3
2570	Deferred tax liabilities (note 6(m))	46,527	1	24,104	-
2580	Non-current lease liabilities (notes 6(j)(s) and 7)	5,484	-	9,010	-
2640	Net defined benefit liability, non-current (note 6(l))	30,330	-	38,646	1
	Total non-current liabilities	1,257,483	15	304,803	4
	Total liabilities	4,629,084	54	4,114,484	58
	Equity attributable to owners of parent (notes 6(i)(n)(o)(u)):				
3110	Ordinary shares	595,776	7	577,916	8
3140	Advance receipts for share capital	6,235	-	1,869	-
		602,011	7	579,785	8
3200	Capital surplus	860,009	10	534,885	7
	Retained earnings:				
3310	Legal reserve	513,482	6	441,988	7
3320	Special reserve	29,400	-	24,676	-
3350	Unappropriated retained earnings	1,892,737	23	1,428,992	20
		2,435,619	29	1,895,656	27
	Other equity:				
3410	Exchange differences on translation of foreign financial statements	(14,254)	-	(29,400)	-
	Total equity	3,883,385	46	2,980,926	42
	Total liabilities and equity	**$ 8,512,469**	**100**	**7,095,410**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GROUP UP INDUSTRIAL CO., LTD.

Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue, net** (notes 6(p) and 7)	$ 2,351,368	100	2,322,511	100
5000	**Operating costs (notes** 6(e)(j)(k)(l)(q) and 7)	1,118,353	48	1,241,486	53
5900	**Gross profit from operations**	1,233,015	52	1,081,025	47
5910	Unrealized profit (loss) from sales	(52)	-	576	-
5950	**Gross profit from operations, net**	1,232,963	52	1,081,601	47
	Operating expenses (notes 6(c)(j)(l)(q), and 7):				
6100	Selling expenses	100,080	4	126,493	6
6200	Administrative expenses	94,150	4	96,552	4
6300	Research and development expenses	131,125	6	180,530	8
6450	Impairment loss (gain) determined in accordance with IFRS 9	712	-	(2,260)	-
	Total operating expenses	326,067	14	401,315	18
6900	**Net operating income**	906,896	38	680,286	29
	Non-operating income and expenses (notes 6(r) and 7):				
7100	Interest income	108,676	5	100,803	4
7010	Other income	19,938	1	9,060	1
7020	Other gains and losses, net	178,601	7	80,541	3
7050	Finance costs	(5,833)	-	(6,542)	-
7070	Share of profit of investment accounted for using equity method	26,132	1	18,736	1
	Total non-operating income and expenses	327,514	14	202,598	9
7900	**Profit before income tax**	1,234,410	52	882,884	38
7950	Less: income tax expenses (note 6(m))	234,796	10	169,324	7
	Profit	999,614	42	713,560	31
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains on remeasurements of defined benefit plans	5,326	-	1,715	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to loss (note 6(m))	(1,065)	-	(343)	-
	Total items that may not be reclassified subsequently to profit or loss	4,261	-	1,372	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	18,933	1	(5,905)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(m))	(3,787)	-	1,181	-
	Total items that may be reclassified subsequently to profit or loss	15,146	1	(4,724)	-
8300	**Other comprehensive income**	19,407	1	(3,352)	-
8500	**Comprehensive income**	$ 1,019,021	43	710,208	31
	Earnings per share (note 6(o))				
9750	Earnings per share (NT dollars)	$	16.97		12.65
9850	Diluted earnings per share (NT dollars)	$	16.05		11.95

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GROUP UP INDUSTRIAL CO., LTD.

Statement of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings				Other equity	
	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance on January 1, 2023	$ 550,000	-	312,209	378,545	32,228	1,155,153	1,565,926	(24,676)	2,403,459
Profit for the year ended December 31, 2023	-	-	-	-	-	713,560	713,560	-	713,560
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	1,372	1,372	(4,724)	(3,352)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	714,932	714,932	(4,724)	710,208
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	63,443	-	(63,443)	-	-	-
Special reserve	-	-	-	-	(7,552)	7,552	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(385,202)	(385,202)	-	(385,202)
Conversion of convertible bonds	27,916	1,869	222,676	-	-	-	-	-	252,461
Balance on December 31, 2023	577,916	1,869	534,885	441,988	24,676	1,428,992	1,895,656	(29,400)	2,980,926
Profit for the year ended December 31, 2024	-	-	-	-	-	999,614	999,614	-	999,614
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	4,261	4,261	15,146	19,407
Comprehensive income for the year ended December 31, 2024	-	-	-	-	-	1,003,875	1,003,875	15,146	1,019,021
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	71,494	-	(71,494)	-	-	-
Reversal of special reserve	-	-	-	-	4,724	(4,724)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	(463,912)	(463,912)	-	(463,912)
Other changes in capital surplus:									
Equity components recognized in convertible bonds	-	-	161,547	-	-	-	-	-	161,547
Conversion of convertible bonds	17,860	4,366	163,577	-	-	-	-	-	185,803
Balance on December 31, 2024	**$ 595,776**	**6,235**	**860,009**	**513,482**	**29,400**	**1,892,737**	**2,435,619**	**(14,254)**	**3,883,385**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GROUP UP INDUSTRIAL CO., LTD.

Statement of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Profit before tax	$ 1,234,410	882,884
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	25,414	22,203
Amortization expense	2,359	2,192
Expected credit loss (gain)	712	(2,260)
Net gain on financial assets or liabilities at fair value through profit or loss	(8,792)	(5,519)
Interest expense	5,833	6,542
Interest income	(108,676)	(100,803)
Share of profit of investments accounted for using equity method	(26,132)	(18,736)
Gain on disposal of property, plant and equipment	196	(1,025)
Unrealized profit from sales	52	(576)
Total adjustments to reconcile profit (loss)	(109,034)	(97,982)
Changes in operating assets and liabilities:		
Notes receivable	(400)	45,322
Accounts receivables	36,814	184,721
Accounts receivable due from related parties	(9,674)	4,115
Inventories	352,766	(32,988)
Prepayments	(9,303)	6,638
Other current assets	264	17,288
Contract liabilities	(457,588)	1,072,312
Accounts payable	(64,917)	(301,402)
Accounts payable to related parties	(2,125)	(4,638)
Other payables	(43)	26,563
Provisions	(8,266)	(6,280)
Other current liabilities	4,246	(4,148)
Deferred benefit liability	(4,055)	(3,468)
Total adjustments	(271,315)	906,053
Cash inflow generated from operations	963,095	1,788,937
Interest received	130,671	48,619
Interest paid	(5,833)	(6,542)
Income taxes paid	(172,587)	(198,152)
Net cash flows from operating activities	915,346	1,632,862
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(1,403,502)	(1,301,999)
Proceeds from disposal of financial assets at fair value through profit or loss	1,211,059	954,929
Acquisition of property, plant and equipment	(616,386)	(38,758)
Proceeds from disposal of property, plant and equipment	514	1,124
Decrease in refundable deposits	2,490	-
Other financial assets	(428,689)	(2,207,619)
Other non-current assets	(1,675)	(1,774)
Net cash flows from (used in) investing activities	(1,236,189)	(2,594,097)
Cash flows used in financing activities:		
Proceeds from issuance of convertible bonds	1,332,085	-
Payment of lease liabilities	(3,554)	(5,062)
Cash dividends paid	(463,912)	(385,202)
Net cash flows used in financing activities	864,619	(390,264)
Net increase (decreasae) in cash and cash equivalents	543,776	(1,351,499)
Cash and cash equivalents at beginning of period	512,082	1,863,581
Cash and cash equivalents at end of period	$ 1,055,858	512,082

See accompanying notes to financial statements.

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Group Up Industrial Co., Ltd. (the Company) was incorporated in January 1990 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The address of the Company's registered office is No.188, Heping Rd., Yangmei Dist., Taoyuan City. The Company mainly engages in manufacturing and trading of general boxed-shaped equipment for drying, preheating, and curing, automatic conveyor hot air ovens, IR drying ovens, as well as dust-free and explosion- proof vacuum oven.

The Company's trading stocks have been listed on the main Board of TPEX Since September 12, 2018.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the Board of Directors on February 25, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of not adopting the IFRSs endorsed by the FSC.

The Group has assessed that the application of the following new amendments to the International Financial Reporting Standards (IFRS) effective on January 1, 2025 will not have a material impact on the consolidated financial statements.

Amendment to IAS 21 "Lack of exchangeability

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The standards and interpretations that are issued and amended by IASB but not yet endorsed by FSC, and probably matter to the Group are as follows:

New or amended standards	Main amendments	Effective date announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements”	The new standards introduce three types of income and expenses, two new defined subtotals in the statement of profit or loss, and one single note about the performance measurement of the management. These three amendments and enhancements provide a guidance for how to disaggregate information in financial statements, to lay the foundation for providing users with better and more consistent information, and all companies will be affected. ・The more structured income statement: According to the existing standards, the Company uses different formats to express its operating results, so that investors can easily compare the financial performance of different companies. The new standard uses a more structured income statement, and introduces the new definition of subtotal of "operating profits.” All income and expenses are classified into three new types based on the Company's main business activities. ・Management performance measurement (MPM): The new standard introduces the definition of MPM, and requires the Company, in a single note to the financial statements, to explain why each measurement indicator provides useful information, how to calculation, and how to reconcile the measurement indicators with the amount recognized pursuant to the IFRSs.	January 1, 2027

(Continued)

New or amended standards	Main amendments	Effective date announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	· More disaggregated information: The new standards include the guidance on how companies strengthen the information classification in financial statements. This includes whether the information shall be included in the main financial statements or further disaggregated in the notes.	January 1, 2027

The Group is currently evaluating the impact of the above-mentioned standards and interpretations on the Group's financial position and business results. The relevant impact will be disclosed when the evaluation is completed.

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"

·IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

·Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

·Annual improvements to IFRS

·Amendment to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of an entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Nonmonetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(Continued)

When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

The Group's assets are classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized the asset within 12 months after the reporting period; or

(iv) The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Group's liabilities are classified as current under one of the following criteria, and all other assets are classified as non-current. (i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability is due and settled within 12 months after the reporting period; or

(iv) The liability has no right to defer the settlement for at least 12 months after the reporting period at the end of the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or fair value through other comprehensive income (FVOCI) described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

(Continued)

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 365 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 365 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Based on its experience, there have no recoveries after 365 days.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(Continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

The Company uses the equity method on investees over which the Company has control when preparing the parent-company-only financial statement. The profit or loss for the period and other comprehensive income presented in individual financial statements shell be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the individual financial statements shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	8-35 years
2)	Transportation	5 years
3)	Office and other equipment	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting year and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(k) Leases

At inception of a contract, the Company assesses whether a 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.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change of its assessment on whether it will exercise an extension or termination option; or

5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of building and office equipment, that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

(Continued)

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(n) Revenue from contracts with customers

1) Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company's obligation to provide a refund under the standard warranty terms is recognized as a provision for warranty.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Rendering Service

The Company provides service of equipment maintenance. Revenue from providing services is recognized at a point in time when the Company satisfies its performance obligations and transfers control of service.

(Continued)

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(r) Operating segments

The Company has already disclosed the segment information in the consolidated financial statements; therefore, the Company will not disclose the segment information again in the separate financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

When the management prepares the consolidated financial statements, it is necessary to make judgments and estimates about the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The actual results may be different from the estimated ones.

The management continues to review the estimates and basic assumptions, which are consistent with the risk management and climate-related commitments of the Group. Changes in the estimates are deferred to be recognized in the period of change and the affected future period.

The consolidated financial statements do not have any information where the accounting policies involve significant judgments and the recognized amount has material impact. The uncertainty of the assumptions and estimates below are in material risks to significantly adjust the book value of assets and liabilities in the next fiscal year.The relevant information is as follows:

(a) The loss allowance of trade receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(c).

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(e) for further description of the valuation of inventories.

(Continued)

(c) Recognition and measurement of provisions and contingent liabilities

Provision for warranty is estimated when product revenue is recognized. The estimate has been made based on the quantities within sales contracts, the historical and others. The Company regularly reviews the basis of the estimate and, if necessary, amends it as appropriate, please refer to note 6(k).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2024	December 31, 2023
Cash on hand, checking accounts and demand deposit	$	498,513	150,320
Time deposits		557,345	361,762
Total	**$**	**1,055,858**	**512,082**

Please refer to note 6(s) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Financial assets and liabilities at fair value through profit or loss

		December 31, 2024	December 31, 2023
Financial assets designated at fair value through profit or loss-current:			
Non-derivative financial assets－funds	$	804,200	602,388
Stocks listed on emerging market		828	548
Total	**$**	**805,028**	**602,936**

		December 31, 2024	December 31, 2023
Financial assets designated at fair value through profit or loss-non-current			
Non-hedging derivatives-redemption at the option of the convertible corporate bonds	**$**	**1,375**	**501**

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(c) Notes and accounts receivables (including overdue collection)

	December 31, 2024	December 31, 2023
Notes receivable from operating activities	$ 1,248	848
Trade receivables (including related parties)	395,859	422,999
Less: loss allowance	(855)	(143)
	$ 396,252	423,704

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes receivable and accounts receivable. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowances were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 390,487	0.1%	-
1 to 90 days past due	5,651	10%	565
90 to 180 days past due	969	30%	290
More than 180 days past due	-	50%~100%	-
	$ 397,107		855

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 422,692	0.1%	5
1 to 90 days past due	1,015	10%	96
90 to 180 days past due	140	30%	42
More than 180 days past due	-	50%~100%	-
	$ 423,847		143

The movements in the allowance for notes and accounts receivable were as follows:

	2024	2023
Balance on January 1	$ 143	2,403
Impairment losses reversed	-	(2,260)
Recognized impairment loss	712	-
Balance on December 31	$ 855	143

As of December 31, 2024 and 2023, the Company did not provide any notes and accounts receivable as collated for its loan.

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(d) Other financial assets

	December 31, 2024		December 31, 2023
Time deposits with maturity of more than three months	$	2,880,418	2,472,113
Interest receivable		37,784	59,779
Restricted time deposits		43,785	23,401
Total	$	2,961,987	2,555,293

Please refer to note 8 for other financial assets pledged as collateral for performance guarantees, short-term borrowings and long-term borrowings as of December 31, 2024 and 2023.

(e) Inventories

	December 31, 2024		December 31, 2023
Raw materials and semi-finished goods	$	67,983	124,953
Work in progress		1,419,677	1,715,128
Finished goods		-	345
	$	1,487,660	1,840,426

The details of the cost of sales were as follows:

	2024		2023
Inventory that has been sold	$	1,005,289	1,094,017
Write-down of inventories(Reversal of write-down)		45,491	56,350
Inventory scrap loss		-	13,613
Maintenance costs		68,057	77,193
Others		(485)	313
	$	1,118,352	1,241,486

As of December 31, 2024 and 2023, the Company did not provide any inventories as collateral for its loans.

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(f) Investments accounted for using equity method

A summary of the Company's financial information about investments accounted for using equity method at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	$ 517,861	472,848

(i) Subsidiaries

Please refer to the consolidated financial statements.

(ii) Collateral

None of the investments accounted for using equity method held by the Company was pledged as collateral as of December 31, 2024 and 2023.

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings	Transportation Equipment	Office and other Equipment	Construction in progress equipment	Total
Cost or deemed cost:						
Balance on January 1, 2024	$ 259,316	288,592	8,838	111,597	32,932	701,275
Additions	602,383	-	800	1,265	11,938	616,386
Reclassification	-	10,367	-	26,920	(37,287)	-
Disposal	-	-	(1,420)	-	-	(1,420)
Balance on December 31, 2024	$ 861,699	298,959	8,218	139,782	7,583	1,316,241
Balance on January 1, 2023	$ 259,316	227,059	12,545	79,077	91,347	669,344
Additions	-	3,151	3,120	7,730	24,757	38,758
Reclassification	-	58,382	-	24,790	(83,172)	-
Disposal	-	-	(6,827)	-	-	(6,827)
Balance on December 31, 2023	$ 259,316	288,592	8,838	111,597	32,932	701,275
Deprecation and impairments loss:						
Balance on January 1, 2024	$ -	56,979	2,978	52,442	-	112,399
Depreciation	-	8,862	1,539	11,530	-	21,931
Disposal	-	-	(710)	-	-	(710)
Balance on December 31, 2024	$ -	65,841	3,807	63,972	-	133,620
Balance on January 1, 2023	$ -	49,264	8,384	44,250	-	101,898
Depreciation	-	7,715	1,322	8,192	-	17,229
Disposal	-	-	(6,728)	-	-	(6,728)
Balance on December 31, 2023	$ -	56,979	2,978	52,442	-	112,399
Carrying amounts:						
Balance on December 31, 2024	$ 861,699	233,118	4,411	75,810	7,583	1,182,621
Balance on January 1, 2023	$ 259,316	177,795	4,161	34,827	91,347	567,446
Balance on December 31, 2023	$ 259,316	231,613	5,860	59,155	32,932	588,876

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On September 19, 2024, the Group's Board of Directors resolved to purchase a land for the construction of the plant from a corporate representative director concurrently a key executive of the Group, and the land transaction contract was signed in November of the same year, with a total price of NTD 602,239 thousand. The transfer registration was completed on December 23 of the same year. Subsequently, the Chairperson was authorized to handle matters related to the construction of new plants within NTD 900 million.

As of December 31, 2024 and 2023, the Company did not provide any the property, plant and equipment ,as collateral for its loans.

(h) Right-of-use assets

The Company leases many assets including land, buildings and transportation equipment. Information about leases for which the Company has been a lessee is presented below:

	Land	Buildings	Transportation Equipment	Total
Cost:				
Balance on January 1, 2024	$ 4,133	13,092	4,222	21,447
Disposal	(4,133)	-	(1,956)	(6,089)
Balance on December 31, 2024	**$ -**	**13,092**	**2,266**	**15,358**
Balance on January 1, 2023	$ 4,133	13,092	8,126	25,351
Additions	-	-	1,526	1,526
Disposal	-	-	(5,430)	(5,430)
Balance on December 31, 2023	**$ 4,133**	**13,092**	**4,222**	**21,447**
Accumulated depreciation and impairment loss:				
Balance on January 1, 2024	$ 1,928	5,055	1,995	8,978
Depreciation	758	1,698	1,027	3,483
Disposal	(2,686)	-	(1,956)	(4,642)
Balance on December 31, 2024	**$ -**	**6,753**	**1,066**	**7,819**
Balance on January 1, 2023	$ 1,101	3,357	4,976	9,434
Depreciation	827	1,698	2,449	4,974
Disposal	-	-	(5,430)	(5,430)
Balance on December 31, 2023	**$ 1,928**	**5,055**	**1,995**	**8,978**
Carrying amounts:				
Balance on December 31, 2024	**$ -**	**6,339**	**1,200**	**7,539**
Balance on January 1, 2023	**$ 3,032**	**9,735**	**3,150**	**15,917**
Balance on December 31, 2023	**$ 2,205**	**8,037**	**2,227**	**12,469**

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(i) Convertible bonds payable

	December 31, 2024	December 31, 2023
Total amount of issuing convertible corporate bonds	$ 1,300,500	238,800
Unamortized discounted corporate bonds payable	(75,217)	(5,757)
Convertible corporate bonds payable balance	1,225,283	-
Less: corporate bonds due within one year or the right to repurchase exercised	(50,141)	-
Convertible corporate bonds payable balance	$ 1,175,142	233,043
Embedded derivatives - redemption (included in financial liabilities at fair value through profit or loss—non current)	$ 1,375	501
Equity components - conversion options (included in capital surplus—share options)	$ 164,091	12,030

	2024	2023
Gain on remeasurements of embedded derivative at fair value	$ (870)	743
Interest expense	$ 5,774	6,448

1.The Company issued the first domestic unsecured convertible corporate bonds and recognized conversion options and the liability component as equity and liability, respectively. The detailed information was as follows:

	The first domestic unsecured convertible corporate bonds
The present value of the convertible corporate bonds at the time of issuance	$ 474,770
Embedded derivative financial assets at the time of issuance – redemption	(148)
Equity components at the time of issuance	25,188
Total amount of convertible corporate bonds payable at the time of issuance	$ 499,810

The Company issued the first domestic unsecured convertible corporate bonds on May 30, 2022, with a total issuance amount of NT$500 million, and the main issuance conditions are as follows:

(i) Issuance price ： 101% of the par value

(ii) Coupon rate ：0%.

(iii) Issuance rate : Three years (2022.5.30-2025.5.30)

(iv) The Companys’ right of redemption

From the day following the expiration of three months after the date of issuance to 40 days before the expiration of the issuance period, if the closing price of Company's ordinary shares is equal to or greater than the conversion price by 30% for 30 consecutive trading days, or the outstanding balance of the bonds is less than 10% of total initial issue amount, the Company may redeem the bonds in cash at face value.

(v) Bondholders' put option

The holders of the first domestic unsecured convertible bonds have no right to request the Company or repurchase the convertible bond.

(vi) Terms of conversion

1) From the day following three months after the date of issue to maturity, the holders of the above-mentioned conversion bonds may convert them into ordinary shares of the Company in accordance with the terms of conversion prescribed by the Company.

2) Terms of conversion price

The conversion price was set at $96 per share at the time of issue. When the number of ordinary shares of the Company changes, or other convertible bonds are issued with a conversion price lower than the market price, the conversion price will be adjusted based on a formula in accordance with the terms of issue. On December 31, 2024, the conversion price was $83.4 per share.

2.The Company issued the second domestic unsecured convertible corporate bonds and recognized conversion options and the liability component as equity and liability, respectively. The detailed information was as follows:

	The second domestic unsecured convertible corporate bonds
The present value of the convertible corporate bonds at the time of issuance	$ 1,172,281
Embedded derivative financial assets at the time of issuance – redemption	(1,743)
Equity components at the time of issuance	161,547
Total amount of convertible corporate bonds payable at the time of issuance	**$ 1,332,085**

The Company issued the second domestic unsecured convertible corporate bonds on November 19, 2024, with a total issuance amount of NT$1,250 million, and the main issuance conditions are as follows:

(i) Issuance price ： 106.98% of the par value

(ii) Coupon rate ：0%.

(iii) Issuance rate : Three years (2024.11.19-2027.11.19)

(iv) The Companys' right of redemption

From the day following the expiration of three months after the date of issuance to 40 days before the expiration of the issuance period, if the closing price of Company's ordinary shares is equal to or greater than the conversion price by 30% for 30 consecutive trading days, or the outstanding balance of the bonds is less than 10% of total initial issue amount, the Company may redeem the bonds in cash at face value.

(v) Bondholders' put option

The holders of the second domestic unsecured convertible bonds have no right to request the Company or repurchase the convertible bond.

(vi) Terms of conversion

1) From the day following three months after the date of issue to maturity, the holders of the above-mentioned conversion bonds may convert them into ordinary shares of the Company in accordance with the terms of conversion prescribed by the Company.

2) Terms of conversion price

The conversion price was set at $306 per share at the time of issue. When the number of ordinary shares of the Company changes, or other convertible bonds are issued with a conversion price lower than the market price, the conversion price will be adjusted based on a formula in accordance with the terms of issue. On December 31, 2024, the conversion price was $306 per share.

(j) Lease liabilities

The Company's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 2,134	3,550
Non-current	$ 5,484	9,010

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 59	94
Expenses relating to short term leases	$ 2,512	3,861
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 1,214	151

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

The amounts recognized in the statement of cash flows by the Company were as follows:

		2024	2023
Total cash outflow for leases	$	7,339	9,074

(i) Real estate leases

The Company leases land and buildings for its office space, factory, and employees' dormitories. The leases of land typically run for five years, and of buildings for five to ten years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices.

Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases transportation equipment, with lease terms of three years. In some cases, the Company has options to purchase the assets at the end of the contract term.

(k) Provisions

The movement in warranty provisions was as follow:

		2024	2023
Balance on January 1	$	45,852	52,132
Provisions made (used) during the year		(8,266)	(6,280)
Balance on December 31	$	37,586	45,852

(i) The provision for warranties relates mainly to maintenance of product. The provision is based on estimates made from historical warranty data associated with similar products and services. The Company expects to settle the majority of the liability over the next year.

(ii) As of December 31, 2024 and 2023, the warranty provisions would have increased or decreased by $5,512 thousand and $5,458 thousand, respectively, when the rate of warranty provisions increased or decreased by 0.25%.

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(l) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

		December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$	71,465	77,816
Fair value of plan assets		(41,135)	(39,170)
Net defined benefit liabilities	**$**	**30,330**	**38,646**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account amounted to $41,135 thousand as of the reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

		2024	2023
Defined benefit obligations on January 1	$	77,816	80,897
Benefits paid		(5,490)	(2,646)
Current service costs and interest cost		1,045	1,147
Remeasurements loss (gain):			
－Actuarial loss (gain) arising from financial assumptions		(1,502)	424
－Actuarial loss (gain) due to experience adjustments		(404)	(2,006)
Defined benefit obligations on December 31	**$**	**71,465**	**77,816**

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GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company for 2024 and 2023 were as follows:

	2024	2023
Fair value of plan assets on January 1	$ 39,170	37,411
Interest income	462	472
Remeasurements loss (gain)－return on plan assets excluding interest income	3,420	133
Contributions paid by the employer	3,573	3,800
Benefits paid	(5,490)	(2,646)
Fair value of plan assets on December 31	**$ 41,135**	**39,170**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for 2024 and 2023 were as follows:

	2024	2023
Current service costs	$ 127	128
Net interest of net liabilities for defined benefit obligations	456	547
	$ 583	**675**

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.55%	1.18%
Future salary increase rate	3.0%	3.0%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $3,572 thousand.

The weighted-average lifetime of the defined benefits plans is 7 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

		Impact on the defined benefit obligations	
		Increased 0.50%	Decreased 0.50%
December 31, 2024			
Discount rate	$	(2,337)	2,515
Future salary increasing rate		2,465	(2,316)
December 31, 2023			
Discount rate		(2,784)	3,004
Future salary increasing rate		2,935	(2,749)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contribution to the Bureau of the Labor Insurance amounted to $9,012 thousand and $9,582 thousand for the years ended December 31, 2024 and 2023, respectively.

(iii) Short-term employee benefits provisions

		December 31, 2024	December 31, 2023
Employee paid leave provisions (recognized in other payables)	$	7,039	6,920

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Notes to the Financial Statements

(m) Income taxes

(i) Tax expense

The components of income tax for 2024 and 2023 were as follows:

		2024	2023
Current tax expense	$	221,373	170,382
Deferred tax benefit		13,423	(1,058)
Income tax expense	**$**	**234,796**	**169,324**

The amount of income tax recognized in other comprehensive income for 2024 and 2023 was as follows:

		2024	2023
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement from defined benefit plans	**$**	**(1,065)**	**(343)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation	**$**	**(3,787)**	**1,181**

Reconciliation of income tax and profit before tax for 2024 and 2023 is as follows:

		2024	2023
Profit excluding income tax	$	1,234,410	882,884
Income tax using the Company's domestic tax rate		246,882	176,577
Tax-exempt income		(1,412)	(462)
Tax incentives		(12,481)	(19,516)
Undistributed earnings additional tax		6,773	9,667
Change in provision in prior periods		(4,966)	3,058
Income tax expense	**$**	**234,796**	**169,324**

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(ii) Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax liabilities:

	Investment income and Others
Balance on January 1, 2024	$ 24,104
Recognized in profit or loss	22,423
Balance on December 31, 2024	$ 46,527
Balance on January 1, 2023	$ 20,357
Recognized in profit or loss	3,747
Balance on December 31, 2023	$ 24,104

Deferred tax assets:

	Defined Benefit Plans	Inventory provisions	Expected credit loss	Total
Balance on January 1, 2024	$ 9,351	36,352	12,017	57,720
Recognized in profit or loss	(598)	9,098	500	9,000
Recognized in other comprehensive income	(1,065)	-	(3,787)	(4,852)
Balance on December 31, 2024	$ 7,688	45,450	8,730	61,868
Balance on January 1, 2023	$ 10,319	25,082	16,676	52,077
Recognized in profit or loss	(625)	11,270	(5,840)	4,805
Recognized in other comprehensive income	(343)	-	1,181	838
Balance on December 31, 2023	$ 9,351	36,352	12,017	57,720

(iii) The Company's tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.

(Continued)

(n) Capital and other equity

As of December 31, 2024 and 2023, the authorized capital of the Company all amounted to $800,000 thousand, consisting of 80,000 thousand shares, with par value of $10 per share, and the issued capital consisted of 59,578 thousand shares and 57,792 thousand shares, respectively. All proceeds from the shares issued have been collected.

(i) Ordinary shares

For the years ended December 31, 2024, the holders of convertible bonds issued by the Company exercised their rights by converting their bonds into 2,409 thousand shares of common stock, at the amount of $24,095 thousand, wherein the related registration procedures of 1,786 thousand shares had been completed as of the reporting date, with the remaining 623 thousand shares, whose related registration procedures have yet to be completed, having been recognized as advance receipts for share capital.

(ii) Capital surplus

The balances of capital surplus was as follows:

	December 31, 2024	December 31, 2023
Share capital	$ 666,264	493,201
Employee share options	29,654	29,654
Equity components of convertible corporate bonds	164,091	12,030
	$ 860,009	**534,885**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The distribution of earnings or legal reserve and capital surplus distributed by way of cash, shall be decided during the Board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be submitted in the shareholders' meeting of the Company.

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Since the Company is in the growth stage and developing business expansion, earnings are distributed in consideration of the Company's capital expenditure budget and capital needs. The distribution will be proposed by the Board of directors and resolved during the shareholders' meeting. With the dividends exceeding 10% of the distributable earnings each year, unless the accumulated distributable earnings are less than 10% of the paid-in capital. Earnings can be distributed by way of cash or stock dividends, wherein cash dividends shall not be less than 10% of the total distribution.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. (When the Company distributes its 2021 earnings in 2023, a portion of its current-period earnings and undistributed prior-period earnings shall be reclassified to special earnings reserve. When the Company distributes its 2023 earnings in 2024, the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and undistributed prior-period earnings, shall be reclassified to special earnings reserve.) A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders'equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends for 2023 and 2021 had been approved during board meeting held on February 25, 2025 and February 23, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 7.82	463,912	6.83	385,202

(Continued)

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The amounts of cash dividends for 2024 have been approved and proposed during the board meeting held on February 23, 2024 as follow:

	2024	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 10.00	**603,569**

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2024	$ (29,400)
Exchange differences arising from translation of foreign operations	15,146
Balance on December 31, 2024	**$ (14,254)**
Balance on January 1, 2023	$ (24,676)
Exchange differences arising from translating foreign operations	(4,724)
Balance on December 31, 2023	**$ (29,400)**

(o) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year ended 2024 and 2023 was as follows:

Unit: earnings per share in dollars/in thousand of shares

	2024	**2023**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	**$ 999,614**	**713,560**
Weighted average number of outstanding ordinary shares (in thousands)	58,891	56,411
	$ 16.97	**12.65**

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		2023	2022
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company (basic)	$	999,614	713,560
Gain on revaluation of the redemption at the option of the convertible corporate bonds measured at fair value		696	(594)
Interest expense of convertible bonds		4,619	5,159
Profit attributable to ordinary shareholders of the Company	$	1,004,929	718,125
Weighted average number of outstanding ordinary shares (basic)		58,891	56,411
Effect of employee share bonus		128	174
Effect of convertible bonds		3,579	3,516
Weighted average number of outstanding ordinary shares (diluted)		62,598	60,101
	$	16.05	11.95

(p) Revenue from contracts with customers

(i) Details of revenue

		2024	2023
Primary geographical markets:			
Taiwan	$	292,495	410,146
China		1,634,449	1,716,589
Others		424,424	195,776
	$	2,351,368	2,322,511
Major products:			
Equipment	$	2,319,109	2,291,488
Service		32,259	31,023
	$	2,351,368	2,322,511

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$	1,248	848	46,170
Accounts receivable (including related parties)		395,859	422,999	611,835
Less: allowance for impairment		(855)	(143)	(2,403)
Total	$	396,252	423,704	655,602

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	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 2,845,197	3,302,785	2,230,473

For details on notes receivables and accounts receivable (including related parties) and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were $1,709,578 thousand and $953,593 thousand, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the equipment sales contracts, and the customer has not confirmed the function of the machine yet. Revenue is recognized after the function of the machine is confirmed by the customer.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(iii) The transaction price allocated to the unfulfilled performance obligations

The contract has an original expected duration of less than one year, thus the Group applies the practical expedient of IFRS 15 and does not disclose information about the transaction price allocated to the remaining performance obligations of the contract.

(q) Employee compensation and directors' remuneration

In accordance with the articles of incorporation, the Company should contribute no less than 2% of the profit as employee remuneration and less than 5% as directors' remuneration when there is profit for the year. The distribution of remuneration shall be approved by the majority of directors at the Board of Directors meeting, attended by more than two thirds of the directors; thereafter, to be submitted during the shareholders'meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration all amounting to $26,000 thousand and 22,000, and directors' remuneration all amounting to $5,500 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses each year. The differences between accrual and actual distribution, if any, would be treated as changes in accounting estimates and recognized as profit or loss in next year. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2024 and 2023.

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Notes to the Financial Statements

(r) Non-operating income and expenses

(i) Interest income

The details of interest income for 2024 and 2023 were as follows:

		2024	2023
Interest income from bank deposits	$	108,660	100,765
Other interest income		16	38
	$	108,676	100,803

(ii) Other gains and losses

The details of other gains and losses for 2024 and 2023 were as follows:

		2024	2023
Foreign exchange gains	$	169,971	73,941
Loss on disposals of property, plant and equipment		(196)	-
Gains on financial assets at fair value through profit or loss		8,792	5,519
Others		34	1,081
	$	178,601	80,541

(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Company believes that there is no significant concentration of credit risk due to the Company's large number of customers and their wide geographic spread. In order to reduce credit risk, the Company evaluates the financial status of customers regularly without requiring its customers to provide collateral.

(Continued)

GROUP UP INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual cash flows	Within 6 months	6~12 months	1~2 years	2~ 5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Accounts payable and other payables (including related parties)	$ 303,733	303,733	303,733	-	-	-	-
Convertible bonds payable	1,225,283	1,300,500	50,500	-	-	1,250,000	-
Lease liabilities	7,618	7,886	1,172	1,007	1,147	1,170	3,390
	$ 1,536,634	**1,612,119**	**355,405**	**1,007**	**1,147**	**1,251,170**	**3,390**
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable and other payables (including related parties)	$ 376,651	376,651	376,651	-	-	-	-
Convertible bonds payable	233,043	238,800	-	-	238,800	-	-
Lease liability	12,560	12,911	1,950	1,675	3,019	2,517	3,750
	$ 622,254	**628,362**	**378,601**	**1,675**	**241,819**	**2,517**	**3,750**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure of foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 66,026	32.785	2,164,662	68,208	30.705	2,094,327
CNY	49,519	4.478	221,746	54,057	4.327	233,905
Financial liabilities						
Monetary items:						
USD	117	32.785	3,836	1,050	30.705	32,240
CNY	10	4.478	45	57	4.327	247

GROUP UP INDUSTRIAL CO., LTD.
Notes to the Financial Statements

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables and trade payables are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD and CNY as of December 31, 2024 and 2023 would have increased (decreased) the net profit after tax by $19,060 thousand and $18,366 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For 2024 and 2023, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $169,971 thousand and $73,941 thousand, respectively.

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ 806,403	805,028	1,375	-	806,403

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ 603,437	602,936	501	-	603,437

2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(t) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the companying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

1) Notes receivable, accounts and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment are offered. The Company's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

2) Investments

The cash of the Company is kept in different financial institutions and credit risks exposed to each financial institution are properly controlled, and therefore, there is no significant credit risk.

3) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2024 and 2023, no other guarantees were outstanding.

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the Chinese Yuan (CNY) and US Dollar (USD).

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

2) Interest rate risk

Some of the Company's long and short-term borrowings are debts with floating interest rates. Therefore, movement of the market interest rate will affect the interest rate of the loans accordingly, which will cause fluctuations in its future cash flow.

3) Other Risk

The Company has not entered into a long-term purchase contract other than to meet anticipated consumption and sales requirement.

(u) Capital management

The Group's policy is to manage its capital to safeguard the capacity to continue as a going concern, to continue to provide returns for shareholders, maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company's equity capital ratio on December 31, 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
Total equity	$ 3,883,385	2,980,926
Total asset	$ 8,512,469	7,095,410
Equity capital ratio at December 31	46%	42%

There were no changes in the Company's approach to capital management during the year.

(v) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023 were acquisition of right-of-used assets by leasing. Please refer to Note 6(h) and (j).

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(7) Related-party transactions:

(a) Names and relationship with the Company

The followings are related parties that had transactions with the Company during the periods covered in the financial statements.

Key management personnel	Relationship with the Company
GROUP UP (SAMOA) Ltd.	A subsidiary
GROUP UP TECHNOLOGY (SIP) Co., Ltd.	A subsidiary
GROUP UP Trading (Shenzhen) Limited	A subsidiary
An-Shun Chen	Legal representative director and key management personnel
Jung-Kung Lee	Legal representative director and key management personnel
Tian-Ho Yu	Legal representative director and key management personnel
Wen-Chang Lai	Legal representative director and key management personnel
Hung-Chan Chen	The person is a first-degree relative of the legal representative director and key management personnel
Che-Kuan Yu	The person is a first-degree relative of the legal representative director and key management personnel

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to related parties was as follow:

Relationship	2024	2023
Subsidiary:		
GROUP UP TECHNOLOGY (SIP) Co., Ltd.	$ 36,875	24,266
GROUP UP Trading (Shenzhen) Limited	12,833	10,356
	$ 49,708	34,622

The selling price of equipment with related parties is incomparable as the equipment sold to the Company's related parties are customized. The selling prices of other products and components are based on the cost, plus 10%~20%, with payment terms ranging from 2 to 4 months, having no significant difference from those with the general customers.

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(ii) Purchases

The amounts of significant purchases by the Company to related parties were as follow:

Relationship	2024	2023
Subsidiary:		
GROUP UP TECHNOLOGY (SIP) Co., Ltd.	$ 5,491	10,601
GROUP UP Trading (Shenzhen) Limited	1,973	2,791
	$ 7,464	13,392

The purchase price of equipment with related parties is incomparable as the equipment purchased from the Company's related parties are customized. The purchase prices of other products and components are based on the cost, plus 10%~20%, with payment terms ranging from 2 to 3 months, having no significant difference from those with the general suppliers.

(iii) Maintenance costs

Relationship	2024	2023
Subsidiary:		
GROUP UP TECHNOLOGY (SIP) Co., Ltd.	$ 23,933	33,161
GROUP UP Trading (Shenzhen) Limited	26,115	26,817
	$ 50,048	59,978

The Company delegates its related parties to provide equipment maintenance service to its customers in China, with payment terms ranging from 2 to 3 months, having no significant difference from the general suppliers.

(iv) Lease

The Company rented office buildings from its related party. A five-year lease contract was signed, in which the rental fee is determined based on nearby office rental rates. The total value of the contract was $8,863 thousand. For the years ended December 31, 2024 and 2023, the Company recognized the amounted of $19 thousand and $32 thousand as interest expense, respectively. As of December 31, 2024 and 2023, the balance of lease liabilities amounted to $778 thousand and $3,923 thousand, respectively.

(v) Property transactions

The Group purchased a land for the construction of the plant from a corporate representative director concurrently a key executive of the Group, with a total price of NTD 602,239 thousand in November 2024. As of December 31, 2024, the payment for the land was fully paid.

(vi) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivables	Subsidiary	$ 15,331	5,657

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(vii) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts payables	Subsidiary	$ 8,521	10,646

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2024	2023
Short-term employee benefits	$ 52,075	36,350

(8) Pledged assets:

The carrying value of borrowings and pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2024	December 31, 2023
Time deposit (classified in other financial assets)	Performance guarantee letter and borrowings	$ 43,785	23,401

(9) Significant commitments and contingencies:

As of December 31, 2024 and 2023, the Company's performance guarantee letter and standby letter of credit provided by the bank is $5,528 thousand and $18,531 thousand.

(10) Losses due to major disasters:None

(11) Subsequent events:None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sale	Operating expenses	Total
Employee benefits						
Salary	137,312	141,781	279,093	154,003	138,747	292,750
Labor and health insurance	11,817	9,638	21,455	13,190	8,654	21,844
Pension	5,522	4,073	9,595	6,376	3,881	10,257
Remuneration of directors	-	8,314	8,314	-	8,176	8,176
Others	8,385	4,701	13,086	8,004	4,045	12,049
Depreciation	15,753	9,661	25,414	13,636	8,567	22,203
Amortization	1,179	1,180	2,359	1,356	836	2,192

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

The Company’s employee headcounts and employee benefits for 2024 and 2023 was as follows:

	2024	2023
Number of employees	245	257
Number of non-employee directors	5	5
The average employee benefit	$ 1,347	1,337
The average salaries	$ 1,163	1,162
Adjustment of average employee salaries	0.09%	8.60%
Compensation to the supervisor	$ -	-

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) is as follows:

1. Salary and remuneration policy, procedure, and the relationship of operating performance for employees.

   (1) The scope and method of “employee compensation” provision is in accordance with Company’s Articles 19 of Incorporation. After the current year’s pre-tax profit is deducted from the profit prior to the distribution of related remunerations, after retaining the amount of accumulated losses, if there is any remaining balance, it shall be withdrawn. Appropriate not less than 2% for employee compensation, with the agreement of the Board of Directors.

   (2) The Company implements the "employee rewards" system in order to motivate work performance, according to the Company's "R&D design", "manufacture’, "sales" and other departments operating performance targets, assessing the individual performance of the employees, based on the individual performance. Bonuses, special bonuses, and year-end bonuses will be issued depending on the profitability.

2. Salary and remuneration policy, procedure, and the relationship of operating performance for directors.

   “Directors’ remuneration” includes transportation allowance, directors’ remuneration and independent directors’ remuneration, in accordance with Article 19 of the Company’s Articles of Incorporation. After the current year’s pre-tax profit is deducted from the profit prior to the distribution of related remunerations, and after offsetting the accumulated losses, a maximum of 5% of the remaining balance shall be appropriated as Directors' remuneration. The“Independent Directors' Remuneration” is based on the Company's "Directors' and Managers' Salary and Remuneration Measures".

3. Salary and remuneration policy, procedure, and the relationship of operating performance for managers.

   "Managers' remuneration" is based on the Company's "Directors' , Supervisors' and Managers' Salary and Remuneration Measures", taking into account the Company's business strategy, profitability, performance and job contribution, also the salary market. The proposal by the Salary and Compensation Committee will be implemented after the Board of Directors' resolution.

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on the Company's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers":

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of Shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership	Fair value	
The Company	Capital Money Market Fund	N/A	Financial assets at fair value through profit or loss－current	2,977	50,082	- %	50,082	
〃	Hua Nan Phoenix Money Market Fund	〃	〃	2,952	50,061	- %	50,061	
〃	Union Money Market Fund	〃	〃	3,637	50,059	- %	50,059	
〃	Jih Sun Money Market Fund	〃	〃	3,293	50,943	- %	50,943	
〃	TCB Taiwan Money Market Fund	〃	〃	6,734	71,084	- %	71,084	
〃	Eastspring Investments Well Pool Money Market Fund	〃	〃	3,589	50,772	- %	50,772	
〃	Yuanta De-Li Money Market Fund	〃	〃	2,989	50,825	- %	50,825	
〃	JPMorgan (Taiwan) Taiwan First Money Market Fund	〃	〃	1,921	30,045	- %	30,045	
〃	Mega Diamond Money Market Fund	〃	〃	3,827	50,065	- %	50,065	
〃	FSITC Money Market	〃	〃	270	50,065	- %	50,065	
〃	Franklin Templeton Sinoam Money Market Fund	〃	〃	1,860	20,056	- %	20,056	
〃	ECLAT FOREVER TECHNOLOGY CO., LTD.	〃	〃	12	828	0.03 %	828	
	FSITC Taiwan Money Market			3,137	50,083	- %	50,083	
〃	Pictet-USD Short Term Money Market	〃	〃	46	230,060	-%	230,060	

(Continued)

GROUP UP INDUSTRIAL CO., LTD.
Notes to the Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	CTBC Hua Win Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	13,184	150,000	13,184	150,734	150,000	734	-	-
〃	Mega Diamond Money Market Fund	〃	-	-	3,884	50,097	9,158	119,000	9,214	119,238	119,097	141	3,828	50,065
〃	FSITC Taiwan Money Market	〃	-	-	-	-	12,314	195,000	9,177	145,225	145,000	225	3,137	50,083
	Capital Money Market Fund		-	-	3,045	50,506	7,177	120,000	7,245	120,902	120,506	395	2,977	50,082
〃	Pictet-USD Short Term Money Market	〃	-	-	-	-	46	226,776	-	-	-	-	46	230,060

(In Thousands of shares)

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Company acquired	Name of property	Date of transaction or date of occurrence	Transaction amount	Payment status	Counterparty	Relationship with Customs	Where the counterparty is a related party, the information on the previous transfer				The reference for price determination	Purpose of acquisition and status of use	Other agreements
							Owner	Relationship with the issuer	Date of transfer	Amount			
The Company	Land	November 20, 2024	602,239	Fully paid	Chen ,An-Shun; Li, Jung-Kuan; Yu, Tien-Ho; Lai, Wen-Zhang	The Group's corporate representative directors and key management personnel	Huang, Cheng Yuan; Shen, Shu-Zhen; Lu, Chong-Yi	Non-related parties	July 14, 2012	215,160	Appraisal Report	Plant construction	None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(ix) Trading in derivative instruments:Please refer to notes 6(b) and (i)

(b) Information on investees:

The following is the information on investees for 2023 (excluding information on investees in Mainland China):

(In Thousands of shares and USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
The Company	GROUP (SAMOA) Ltd.	SAMOA	Investment holdings	399,464 (USD12,500)	399,464 (USD12,500)	12,500	100.00%	517,861	26,103	26,132	

(Continued)

GROUP UP INDUSTRIAL CO., LTD.

Notes to the Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
GROUP UP TECHNOLOGY (SIP) CO., LTD.	Manufacture and sales of equipment, maintenance services	326,105 (USD10,000)	(2)	373,898 (USD11,700)	-	-	373,898 (USD11,700)	19,015	100.00%	19,015	423,718	107,186
GROUP UP Trading (Shenzhen) Limited	Sales of equipment and maintenance services	15,979 (USD500)	(2)	15,979 (USD500)	-	-	15,979 (USD500)	6,391	100.00%	6,391	43,370	-

Note 1: There are three kinds of investment.

(1)Invest directly in Mainland China Companies.

(2)Invest in Mainland China by remitting through a third region.

(3)Others.

Note 2: The recognition of gain and loss on investment based on the financial report which was audited by Group's auditor.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
389,877 (USD12,200)	389,877 (USD12,200)	2,330,031

(iii) Significant transactions: None.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Tung Tak Investment Co., Ltd.	3,632,928	6.03%

(14) Segment information:

Please refer to consolidated financial statements of the Company and its subsidiaries as of December 31, 2024 and 2023, and for the years then ended.

Group Up Industrial Co., Ltd.

Statement of cash and cash equivalents

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Cash	Petty cash and cash on hand	$ 3,836
Checking accounts and demand deposits		440,960
Foreign currency deposits (Note)	USD: 914,042.60	29,967
	CNY: 2,479,543.97	11,103
	HKD: 284,496.58	1,201
	JPY: 54,520,667.27	11,444
	GBP: 43.58	2
Foreign time deposits (Note)	USD： 17,000,000元；due within one year; annual interest rate range:4.88%~4.92%	557,345
Total		$ 1,055,858

Note: The aforementioned foreign currency was valuated in the rate on December 31, 2024.

USD：NTD=1：32.785

CNY：NTD=1：4.478

HKD：NTD=1：4.222

JPY ：NTD=1：0.210

GBP：NDT=1：41.19

Group Up Industrial Co., Ltd.

Statement of trade receivables

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Client name	Amount
Customer Z	$ 76,309
Customer I	48,380
Customer V	47,756
Customer R	23,364
Other (Note)	184,719
Subtotal	380,528
Less: loss allowance	(855)
Total	**$ 379,673**

Note: Amounts less than 5% of the account balance are not disclosed individually.

Group Up Industrial Co., Ltd.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount		Market price basis
	Cost	Market price	
Raw materials and semi-finished goods	$ 145,127	67,983	Net realizable value
Work in progress	1,564,703	1,419,677	〃
Finished goods	5,078	-	〃
Less: allowance for inventory impairment	(227,248)		
Total	**$ 1,487,660**		

Group Up Industrial Co., Ltd.

Statement of changes in investments accounted for using equity method

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Additions		Decrease		Others				Ending balance				
Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Share of profit of investments accounted for using equity method	Exchange differences on translation of foreign financial statements	Shares	Percentage of ownership	Amount	Market value or net asset value	Collateral
Equity method:															
GROUP UP (SAMOA) Ltd.	12,500	$ 472,848	-	-	-	-	-	(52)	26,132	18,933	12,500	100.00	517,861	529,183	Nil

Group Up Industrial Co., Ltd.

Statement of current contract liabilities

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Contract liability o	$ 397,684
Contract liability u	382,729
Contract liability r	311,095
Contract liability s	268,787
Contract liability v	177,280
Others (Note)	1,307,622
Total	**$ 2,845,197**

Note: Amounts less than 5% of the account balance are not disclosed individually.

Group Up Industrial Co., Ltd.

Statement of cost of revenue

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Raw materials and semi-finished goods, beginning of year	$ 193,014
Add: Raw materials purchased	535,259
Less: Raw materials and semi-finished goods, end of year	(145,127)
Reclassified into expense	(548)
Cost adjustment	(182)
Sales of raw materials	(48,207)
Raw materials consumed	534,209
Processing cost	178,183
Manufacturing overhead	136,117
Manufacturing cost	848,509
Add: Work in process, beginning of year	1,823,234
Less: Work in process, end of year	(1,564,703)
Reclassified to expense	(131,125)
Maintenance costs	(19,690)
Cost of finished goods	956,225
Add: finished goods, beginning of year	5,935
Less: finished goods, end of year	(5,078)
Cost of merchandise inventory	957,082
Allowance for inventory written off	45,491
Sales of raw materials	48,207
Maintenance costs	68,057
Other operating cost	(484)
Cost of revenue	**$ 1,118,353**

Group Up Industrial Co., Ltd.

Statement of operating expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expense	Administrative expenses	Research and development expenses
Payroll and bonus	$ 33,230	61,533	47,018
Director's remuneration	-	8,314	-
Sales commission	8,851	-	-
Travel expense	5,532	2,648	8,270
Shipping expense	6,486	1	14
Shipping expense	16,044	-	-
Packaging expense	12,074	-	-
Others (Note)	17,863	21,654	75,823
Total	**$ 100,080**	**94,150**	**131,125**

Note: Amounts less than 5% of the account balance are not disclosed individually

Other financial assets, please refer to Note 6 (d) .
Property, plant and equipment, please refer to Note 6(g).
Accumulated depreciation of property, plant and equipment, please refer to Note 6(g).
Operating revenue, please refer to Note 6(p).