Stock Code:8271

APACER TECHNOLOGY INC.

FINANCIAL STATEMENTS

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

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

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Independent Auditors' Report

To the Board of Directors of Apacer Technology Inc.:

Opinion

We have audited the parent-company-only financial statements of Apacer Technology Inc. (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2024 and 2023, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent-Company-Only 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 requirements. 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2024 are stated as follows:

1. Valuation of inventories

   Please refer to notes 4(g), 5(a) and 6(e) for the accounting policy on inventories, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of inventory valuation, and "Inventories" for the related disclosures, respectively, of the notes to parent-company-only financial statements.

   Description of key audit matter:

   The Company's inventories are measured at the lower of cost and net realizable value. Management is required to make judgments and estimates in determining the net realizable value of inventories on the reporting date. The market prices of main raw materials of the Company, constituting the majority amount of product cost, fluctuate rapidly and the life cycle of certain products of the Company are short, which could possibly result in a price decline and obsolescence of inventories, wherein the inventories cost may exceed its net realizable value, as the Company fails to timely respond to market changes. Therefore, the valuation of inventories has been identified as one of the key audit matters.

   How the matter was addressed in our audit:

   In relation to the key audit matters above, our principal audit procedures included obtaining and understanding the Company's accounting policy of valuation of inventories, performing a retrospective test to evaluate the reasonableness of the accounting policy of valuation of inventories; as well as performing a sample test of the estimated selling price provided by Management to assess the reasonableness of the net realizable value and allowance for inventory valuation loss.

2. Assessment of impairment of goodwill from investments in subsidiaries

   Please refer to notes 4(m), 5(b) and 6(f) for the accounting policy on impairment of non-financial assets, "Critical accounting judgments and key sources of estimation uncertainty" for estimation uncertainty of impairment of goodwill, and "Impairment test on Goodwill" for the related disclosures, respectively, of the notes to parent-company-only financial statements.

   Description of key audit matter:

   Goodwill arising from acquisition of subsidiaries, which are included in the carrying amount of investments accounted for using equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; and assessing the adequacy of the Company's disclosures with respect to the related information.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only 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 parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only 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.

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent-company-only 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. Identified and assessed the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, designed and performed 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. Obtained 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. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Concluded 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 auditor's report to the related disclosures in the parent-company-only 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtained sufficient and appropriate audit evidence regarding the financial information of the investees accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided 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 determined those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Yuan-Sheng Yin and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)
February 20, 2025

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the 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 parent-company-only financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Parent-Company-Only Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 496,889	8	541,914	9
1110	Financial assets at fair value through profit or loss－current (note 6(b))	80,596	1	593	-
1170	Notes and accounts receivable, net (notes 6(d) and (r))	497,957	8	557,877	9
1180	Accounts receivable from related parties (notes 6(d), (r) and 7)	277,537	5	153,586	3
1310	Inventories (note 6(e))	1,231,444	21	1,362,825	23
1470	Other current assets	58,659	1	85,089	1
1476	Other financial assets－current (note 6(a))	1,280,000	22	1,299,670	22
	Total current assets	3,923,082	66	4,001,554	67
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income －non-current (note 6(c))	37,611	1	35,034	1
1550	Investments accounted for using equity method (note 6(f))	923,280	16	932,605	15
1600	Property, plant and equipment (note 6(g))	843,551	14	853,020	14
1755	Right-of-use assets (note 6(h))	21,623	-	13,043	-
1780	Intangible assets (note 6(i))	28,384	-	33,705	1
1840	Deferred income tax assets (note 6(n))	143,074	2	132,300	2
1980	Other financial assets－non-current	38,221	1	2,205	-
1990	Other non-current assets	-	-	2,195	-
	Total non-current assets	2,035,744	34	2,004,107	33
	Total assets	**$ 5,958,826**	**100**	**6,005,661**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 288,508	5	61,410	1
2120	Financial liabilities at fair value through profit or loss－current (note 6(b))	727	-	70	-
2130	Contract liabilities－current (note 6(r))	32,469	1	26,858	12
2170	Notes and accounts payable	756,762	13	743,282	6
2180	Accounts payable to related parties (note 7)	8,924	-	352,347	7
2200	Other payables (note 6(s))	273,177	5	385,399	-
2220	Other payables to related parties (note 7)	2,103	-	2,158	1
2230	Current income tax liabilities	11,679	-	54,042	-
2250	Provisions－current (note 6(l))	6,906	-	8,308	-
2280	Lease liabilities－current (note 6(k))	9,361	-	9,259	1
2300	Other current liabilities	27,977	-	25,450	-
	Total current liabilities	1,418,593	24	1,668,583	28
	Non-current liabilities:				
2550	Provisions－non-current (note 6(l))	500	-	-	-
2570	Deferred income tax liabilities (note 6(n))	-	-	307	-
2580	Lease liabilities－non-current (note 6(k))	12,147	-	4,161	-
2640	Net defined benefit liabilities (note 6(m))	19,619	-	24,249	-
	Total non-current liabilities	32,266	-	28,717	-
	Total liabilities	1,450,859	24	1,697,300	28
	Equity (note 6(o)):				
3100	Common stock	1,287,292	22	1,226,882	21
3200	Capital surplus	1,155,419	19	925,825	15
3300	Retained earnings	2,122,299	36	2,245,138	37
3400	Other equity	(57,043)	(1)	(89,484)	(1)
	Total equity	4,507,967	76	4,308,361	72
	Total liabilities and equity	**$ 5,958,826**	**100**	**6,005,661**	**100**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	**Revenue (notes 6(r) and 7)**	$ 7,069,010	100	6,627,663	100
5000	**Cost of revenue (notes 6(e), (g), (i), (k), (l), (m), 7 and 12)**	(6,155,535)	(87)	(5,406,242)	(82)
	Gross profit before unrealized gross profit	913,475	13	1,221,421	18
5920	Realized (unrealized) gross profit	2,016	-	(1,175)	-
	Gross profit	915,491	13	1,220,246	18
	Operating expenses (notes 6(d), (g), (h), (i), (k), (m), (s), 7 and 12):				
6100	Selling expenses	(341,829)	(5)	(367,746)	(5)
6200	Administrative expenses	(192,994)	(3)	(219,155)	(3)
6300	Research and development expenses	(155,916)	(2)	(169,477)	(3)
6450	Reversal of (recognized) expected credit losses	(2,048)	-	404	-
6000	**Total operating expenses**	(692,787)	(10)	(755,974)	(11)
	Operating income	222,704	3	464,272	7
	Non-operating income and loss (notes 6(f), (g), (k) and (t)):				
7100	Interest income	27,532	-	27,669	1
7020	Other gains and losses, net	11,137	-	7,026	-
7050	Finance costs	(14,394)	-	(12,343)	-
7070	Share of profits of subsidiaries and associates	67,527	1	155,655	2
	Total non-operating income and loss	91,802	1	178,007	3
	Income before income tax	314,506	4	642,279	10
7950	**Less: Income tax expenses (note 6(n))**	(35,550)	-	(89,233)	(2)
	Net income	278,956	4	553,046	8
	Other comprehensive income (notes 6(m), (n), (o) and (u)):				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	4,626	-	(4,262)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	2,362	-	1,668	-
8330	Share of other comprehensive income (loss) of subsidiaries	69	-	(16)	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	(924)	-	852	-
		6,133	-	(1,758)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operations	30,010	-	(3,747)	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		30,010	-	(3,747)	-
	Other comprehensive income (loss) for the year, net of income tax	36,143	-	(5,505)	-
	Total comprehensive income for the year	$ 315,099	4	547,541	8
	Earnings per share (in New Taiwan Dollar) (note 6(q)):				
9750	Basic earnings per share	$	2.18		4.51
9850	Diluted earnings per share	$	2.17		4.46

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

			Retained earnings				Total other equity			
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2023	$ 1,226,882	924,322	458,390	125,783	1,516,200	2,100,373	(39,687)	(47,702)	(87,389)	4,164,188
Appropriation of earnings:										
Legal reserve	-	-	57,558	-	(57,558)	-	-	-	-	-
Special reserve	-	-	-	(38,392)	38,392	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(404,871)	(404,871)	-	-	-	(404,871)
Changes in equity of associates accounted for using equity method	-	1,503	-	-	-	-	-	-	-	1,503
Net income in 2023	-	-	-	-	553,046	553,046	-	-	-	553,046
Other comprehensive income (loss) in 2023	-	-	-	-	(3,410)	(3,410)	(3,747)	1,652	(2,095)	(5,505)
Total comprehensive income (loss) in 2023	-	-	-	-	549,636	549,636	(3,747)	1,652	(2,095)	547,541
Balance at December 31, 2023	1,226,882	925,825	515,948	87,391	1,641,799	2,245,138	(43,434)	(46,050)	(89,484)	4,308,361
Capital increase in cash (note 6(o))	60,410	229,558	-	-	-	-	-	-	-	289,968
Appropriation of earnings:										
Legal reserve	-	-	54,964	-	(54,964)	-	-	-	-	-
Special reserve	-	-	-	2,093	(2,093)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(405,497)	(405,497)	-	-	-	(405,497)
Claim for the disgorgement right	-	36	-	-	-	-	-	-	-	36
Net income in 2024	-	-	-	-	278,956	278,956	-	-	-	278,956
Other comprehensive income in 2024	-	-	-	-	3,702	3,702	30,010	2,431	32,441	36,143
Total comprehensive income in 2024	-	-	-	-	282,658	282,658	30,010	2,431	32,441	315,099
Balance at December 31, 2024	**$ 1,287,292**	**1,155,419**	**570,912**	**89,484**	**1,461,903**	**2,122,299**	**(13,424)**	**(43,619)**	**(57,043)**	**4,507,967**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 314,506	642,279
Adjustments:		
Depreciation	46,221	43,109
Amortization	10,753	10,047
Recognized (reversal of) expected credit loss	2,048	(404)
Interest expense	14,394	12,343
Interest income	(27,532)	(27,669)
Share of profit of subsidiaries and associates	(67,527)	(155,655)
Loss (gain) on disposal of property, plant and equipment	853	(776)
Gain on lease modifications	(40)	-
Impairment loss on non-financial assets	-	46
Unrealized (realized) gross profit on sales to subsidiaries and associates	(2,016)	1,175
Subtotal	(22,846)	(117,784)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(80,003)	(593)
Notes and accounts receivable	57,872	(22,039)
Accounts receivable from related parties	(123,951)	27,527
Other receivables	576	-
Inventories	131,381	(648,173)
Other current assets	29,705	1,464
Net changes in operating assets	15,580	(641,814)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	657	(942)
Contract liabilities	5,611	(22,943)
Notes and accounts payable	13,480	-
Notes payable to related parties	(343,423)	-
Notes and accounts payable	-	252,471
Accounts payable to related parties	-	217,544
Other payables	(112,902)	(23,483)
Other payables to related parties	(55)	575
Provisions－current	(1,402)	(1,192)
Other current liabilities	2,527	1,832
Net defined benefit liabilities	(4)	5
Net changes in operating liabilities	(435,511)	423,867
Total changes in operating assets and liabilities	(419,931)	(217,947)
Total adjustments	(442,777)	(335,731)
Cash provided by (used in) operations	(128,271)	306,548
Interest received	25,508	26,580
Dividends received	108,947	82,067
Interest paid	(13,714)	(12,433)
Income taxes paid	(91,745)	(71,655)
Net cash provided by (used in) operating activities	(99,275)	331,107

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC.

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,965)	(3,750)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,750	-
Acquisition of property, plant and equipment	(25,631)	(31,985)
Proceeds from disposal of property, plant and equipment	-	1,000
Acquisition of intangible assets	(3,850)	(2,916)
Decrease (increase) in other financial assets－current	19,670	(101,870)
Increase in other financial assets－non-current	(36,016)	-
Decrease (ibncrease) in other non-current assets	613	(1,139)
Net cash used in investing activities	(45,429)	(140,660)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	227,098	(30,735)
Payment of lease liabilities	(11,926)	(10,249)
Cash dividends distributed to shareholders	(405,497)	(404,871)
Capital increase in cash	289,968	-
Claim for the disgorgement right	36	-
Net cash provided by (used in) financing activities	99,679	(445,855)
Net decrease in cash and cash equivalents	(45,025)	(255,408)
Cash and cash equivalents at beginning of year	541,914	797,322
Cash and cash equivalents at end of year	$ **496,889**	**541,914**

See accompanying notes to parent-company-only financial statements.

APACER TECHNOLOGY INC.

Notes to Parent-Company-Only Financial Statements

For the years ended December 31, 2024 and 2023

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

1. Organization and business

Apacer Technology Inc. (the "Company") was incorporated on April 16, 1997, as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 1F, No.32, Zhongcheng Rd., Tucheng Dist., New Taipei City, Taiwan. The Company is engaged in the research and development, design, manufacturing, processing, maintenance and sales of memory modules and storage memory devices.

2. Authorization of parent-company-only financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on February 20, 2025.

3. Application of new, revised or amended accounting standards and interpretations:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only 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 IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(c) The impact of IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Company is evaluating the impact on its parent-company-only financial position and parent-company-only financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

(Continued)

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The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only 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 Accounting Standards－Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4. Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the Company’s parent-company-only financial statements.

(a) Statement of compliance

The Company’s accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for the following items in the balance sheets:

1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments);

2) Financial assets at fair value through other comprehensive income; and

3) Defined benefit liabilities are recognized as the present value of the defined benefit obligation less fair value of the plan assets and the effect of the asset ceiling mentioned in note 4(p).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The Company’s parent-company-only financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. Except when otherwise indicated, all financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing 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. Non-monetary 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. Non-monetary 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 equity investments designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Company's parent-company-only financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Company's parent-company-only financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation which involves a loss of control over a subsidiary or a loss of significant influence over an associate that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the shareholders of the Company are entirely reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary, the proportionate share of accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate, the proportionate share of the accumulated exchange differences in equity 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, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

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

The Company classifies the asset 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 within twelve months after the reporting period; or

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

The Company classifies the liability as current under one of the following criteria, and all other liabilities 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) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and 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 that meet the aforesaid criteria and are held for meeting short-term cash commitments instead of investing and other purposes are also classified as cash equivalents.

(f) Financial instruments

Accounts receivable 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 an accounts 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. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Regular way purchases or sales of financial assets are recognized or derecognized on a trade-date basis.

The Company shall reclassify all affected financial assets only when it changes its business model for managing its 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.

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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) Financial assets at fair value through other comprehensive income (Financial assets at "FVOCI")

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings instead of profit or loss.

Dividend income derived from equity investments is recognized in profit or loss on the date on which the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

3) Financial assets at fair value through profit or loss (Financial assets at “FVTPL”)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. 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.

4) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, “principal” is defined as the fair value of the financial assets on initial recognition. “Interest” is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as for a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features)

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable and other financial assets).

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

- 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.

(Continued)

APACER TECHNOLOGY INC.
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Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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.

ECLs are 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). ECLs are discounted at the effective interest rate of the financial asset.

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, either partially or in full, to the extent that there is no realistic prospect of recovery. 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 the Company' s experience, there have been no corporate customer recoveries after 181 days.

6) Derecognition of financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the financial assets 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 assets 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 assets.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

Derivative financial instruments such as foreign currency forward contracts are held to hedge the Company's foreign currency exposures. Derivatives are recognized initially at fair value, and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss. If the valuation of a derivative instrument results in a positive fair value, it is classified as a financial asset; otherwise, it is classified as a financial liability.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition ready for sale. Fixed manufacturing overhead is allocated to finished products and work in process based on the higher of normal capacity or actual capacity; variable manufacturing overhead is allocated based on the actual capacity of machinery and equipment. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(Continued)

APACER TECHNOLOGY INC.

Notes to Parent-Company-Only Financial Statements

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint venture, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, plus, any transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company's financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the change in ownership interests of its associate as "capital surplus" in proportion to its ownership.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When an associate issues new shares and the Company does not subscribe to the new shares in proportion to its original ownership percentage, the Company's interest in the associate's net assets will be changed. The change in the equity interest is adjusted through the capital surplus and investment accounts. If the Company's capital surplus is insufficient to offset the adjustment to investment accounts, the difference is charged as a reduction of retained earnings. If the Company's interest in an associate is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using equity method. Carrying amount of investments in subsidiaries includes goodwill arising from initial recognition less any accumulated impairment losses, which is recognized as a reduction of carry amount. Under the equity method, the net income, other comprehensive income and equity in the parent-company-only financial statement are the same as those attributable to shareholders of the Company in the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(Continued)

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(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 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 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 for property, plant and equipment are as follows: buildings and improvements: 1 to 47 years; machinery and equipment: 2 to 11 years; and other equipment: 3 to 15 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(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 leasee

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.

(Continued)

APACER TECHNOLOGY INC.

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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:

— fixed payments, including in-substance fixed payments;

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

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

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

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

— there is any lease modification in lease subject, scope of the lease or other terms.

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.

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 the difference in profit 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 properties, and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Intangible assets

The Company's intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the following estimated useful lives: acquired computer software: 2 to 10 years; royalties for the use of patents: 20 to 30 years.

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

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(m) Impairment of non-financial assets

The Company assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of 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 from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher 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. 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 non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(n) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(ii) Sales return and allowances provision

A provision for sales returns and allowances is recognized when the underlying products are sold. This provision is estimated based on historical sales return and allowances data.

(iii) Decommissioning liabilities

Decommissioning liabilities arose from necessary demolition, disposal of right-of-use assets and expenses related to termination of leases according to lease contracts and are measured at the discounted value of the cash flows based on expected costs to settle the obligations.

(Continued)

(o) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer.

(i) Sale of goods

The Company recognizes revenue when control of the goods has been transferred to the customer, being when the goods have been delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss have been transferred to the customer, and the Company has objective evidence that all criteria for acceptance have been satisfied.

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) Financing components

The Company does not expect that the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each 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 any plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the term of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expense related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise 1) actuarial gains and losses; 2) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and 3) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liabilities (asset) are recognized in other comprehensive income and then transferred to retained earnings.

(Continued)

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, and the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to items recognized directly in equity or other comprehensive income.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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 payables or receivables 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 at the reporting date 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 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(Continued)

(ii) Temporary differences related to investments in subsidiaries and associates 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 taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, 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 when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are recognized for unused tax losses, 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 reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

(s) Earnings per share ("EPS")

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the parent-company-only financial statements. Basic EPS is calculated by dividing net income attributable to shareholders of the Company by the weighted-average number of common shares outstanding during the year. Diluted EPS is calculated as the net income attributable to shareholders of the Company divided by the weighted-average number of common shares outstanding during the year after adjustment for the effects of all potentially dilutive common shares such as employee compensation.

(t) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the parent-company-only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

(Continued)

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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The Company estimates the net realizable value of inventory, taking into account obsolescence and unmarketable items at the reporting date, 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 of future demand within a specific time horizon, which could result in significant adjustments. Please refer to note 6(e) for more details of the valuation of inventories.

(b) Assessment of impairment of goodwill from investments in subsidiaries

Carrying amount of investments in subsidiaries includes goodwill arising from initial recognition. The assessment of impairment of goodwill requires the Company to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years. Please refer to note 6(f) for more details of the assessment of impairment of goodwill.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 2	12
Demand deposits	396,887	391,902
Time deposits with original maturities less than three months	100,000	150,000
	$ 496,889	**541,914**

As of December 31, 2024 and 2023, the time deposits with original maturities of more than three months amounted to $1,280,000 and $1,299,670, respectively, which were classified as other financial assets－current.

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

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss－current:		
Foreign currency forward contracts	$ 39	593
Corporate bonds	80,557	-
	$ 80,596	**593**
Financial liabilities held for trading－current:		
Foreign currency forward contracts	**$ (727)**	**(70)**

(Continued)

APACER TECHNOLOGY INC.
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Please refer to note 6(t) for the detail of the changes in fair value recognized in profit or loss.

The Company entered into derivative contracts to manage foreign currency exchange risk resulting from its operating activities. As of December 31, 2024 and 2023, the derivative financial instruments that did not conform to the criteria for hedge accounting consisted of the following:

	December 31, 2024				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial assets－foreign currency forward contracts	JPY	9,100	$ 39	JPY / NTD	2025/01/22

	December 31, 2024				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial liabilities－foreign	CNY	13,500	$ (481)	CNY / NTD	2025/02/04～2025/02/26
currency forward contracts	USD	750	(246)	USD / NTD	2025/01/03
			$ (727)		

	December 31, 2023				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial assets－foreign currency forward contracts	CNY	13,500	$ 593	CNY / NTD	2024/01/26～2024/02/26

	December 31, 2023				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial liabilities－foreign currency forward contracts	JPY	19,000	$ (70)	JPY / NTD	2024/01/26

(c) Financial assets at fair value through other comprehensive income－non-current

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income:		
Domestic unlisted stocks	$ 37,611	35,034

(Continued)

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The Company designated the abovementioned investments as at fair value through other comprehensive income because these equity investments represent those investments that the Company intends to hold for long-term strategic purposes.

No strategic investments were disposed for the years ended December 31, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(d) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes and accounts receivable	$ 520,367	579,294
Accounts receivable from related parties	277,537	153,586
	797,904	732,880
Less: loss allowance	(22,410)	(21,417)
	$ 775,494	**711,463**

As of December 31, 2024 and 2023, the Company applies the simplified approach to measure its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including related parties), as well as the incorporated forward-looking information. The loss allowance provision was determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 730,355	0.0001%	1
Past due 1-90 days	45,080	0.0577%	25
Past due 91-180 days	666	87.2372%	581
Past due over 181 days	21,803	100%	21,803
	$ 797,904		**22,410**

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 657,688	0.0020%	13
Past due 1-90 days	54,387	1.1014%	599
Past due over 181 days	20,805	100%	20,805
	$ 732,880		**21,417**

(Continued)

APACER TECHNOLOGY INC.
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Movements of the loss allowance for notes and accounts receivable (including related parties) were as follows:

	2024	2023
Balance at January 1	$ 21,417	21,821
Impairment loss recognized (reversed)	2,048	(404)
Write-off	(1,055)	-
Balance at December 31	**$ 22,410**	**21,417**

(e) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 402,617	525,532
Work in process	113,926	99,450
Finished goods	664,952	680,546
Inventories in transit	49,949	57,297
	$ 1,231,444	**1,362,825**

For the years ended December 31, 2024 and 2023, the amounts of inventories recognized as cost of revenue were as follows:

	2024	2023
Cost of inventories sold	$ 6,107,544	5,559,444
(Reversal of) inventories write-downs	48,000	(153,142)
Gain on physical inventory	(9)	(60)
	$ 6,155,535	**5,406,242**

The above write-downs of inventories to net realizable value, and reversal of inventories write-downs due to price recovery, or sale or consumption of beginning inventories which has been written down, were included in cost of revenue.

(f) Investments accounted for using equity method

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

	December 31, 2024	December 31, 2023
Subsidiaries	$ 922,290	931,254
Associates	990	1,351
	$ 923,280	**932,605**

APACER TECHNOLOGY INC.
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(i) Investments in subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2024.

(ii) Impairment test on goodwill

The excess of the cost of acquiring an investment in a subsidiary over the Company's equity interest of the net fair value of the investee's identifiable assets acquired and liabilities assumed at the date of acquisition should be recorded as goodwill, and any impairment of goodwill should be recognized as a deduction from the carrying amount of the investments accounted for using equity method. The movements of goodwill arising from business combination were allocated to the respective CGUs identified as the following subsidiaries:

	UD
Balance at December 31, 2024 (the same as balance at January 1, 2024)	$ 115,683
Balance at December 31, 2023 (the same as balance at January 1, 2023)	$ 115,683

Each CGU to which the goodwill is allocated represents the lowest level within the Company, at which the goodwill is monitored for internal management purpose. As of December 31, 2024 and 2023, based on the results of impairment tests conducted by the Company, the recoverable amount of CGU exceeded its carrying amount; as a result, no impairment loss was recognized. The recoverable amount of a CGU was determined based on the value in use.

With regard to the key assumptions used in the estimation of the recoverable amount, the annual discount rate for the years ended December 31, 2024 and 2023 were 13.77% and 15.97%, respectively, based on weighted average cost of capital. The cash flow projections were determined based on future financial budgets, covering a period of 5 years, and extrapolated with steady annual terminal growth rates for subsequent years, which were 1% for 2024 and 2023. The key assumptions abovementioned represent the management's forecast of the future for the related industry by considering the history information from internal and external sources.

(iii) Investments in associates

	December 31, 2024		December 31, 2023	
Name of Associates	Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
JoiiUp Technology Inc.	10.35 %	$ 990	10.35 %	1,351

Aggregate financial information of associates that were not individually material was summarized as follows. The financial information was included in the Company's parent-company-only financial statements.

	December 31, 2024	December 31, 2023
The aggregate carrying amount of associates that were not individually material	$ 990	1,351

APACER TECHNOLOGY INC.
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		2024	2023
Attributable to the Company:			
Net loss	$	(361)	(596)
Other comprehensive income		-	-
Total comprehensive loss	$	**(361)**	**(596)**

(g) Property, plant and equipment

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

		Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2024	$	556,498	319,878	198,087	56,716	484	1,131,663
Additions		-	9,468	11,049	2,620	2,494	25,631
Disposals		-	(1,794)	(4,133)	(281)	-	(6,208)
Reclassification		-	-	483	-	(483)	-
Balance at December 31, 2024	$	**556,498**	**327,552**	**205,486**	**59,055**	**2,495**	**1,151,086**
Balance at January 1, 2023	$	556,498	321,956	189,328	78,936	5,265	1,151,983
Additions		-	1,693	10,749	1,962	17,581	31,985
Disposals		-	(3,771)	(24,342)	(24,192)	-	(52,305)
Reclassification		-	-	22,352	10	(22,362)	-
Balance at December 31, 2023	$	**556,498**	**319,878**	**198,087**	**56,716**	**484**	**1,131,663**
Accumulated depreciation and impairment loss:							
Balance at January 1, 2024	$	-	88,562	144,132	45,949	-	278,643
Depreciation		-	14,046	15,174	5,027	-	34,247
Disposals		-	(1,794)	(3,282)	(279)	-	(5,355)
Balance at December 31, 2024	$	**-**	**100,814**	**156,024**	**50,697**	**-**	**307,535**
Balance at January 1, 2023	$	-	79,281	153,692	64,795	-	297,768
Depreciation		-	13,051	14,736	5,123	-	32,910
Disposals		-	(3,770)	(24,342)	(23,969)	-	(52,081)
Impairment loss		-	-	46	-	-	46
Balance at December 31, 2023	$	**-**	**88,562**	**144,132**	**45,949**	**-**	**278,643**
Carrying amounts:							
Balance at December 31, 2024	$	**556,498**	**226,738**	**49,462**	**8,358**	**2,495**	**843,551**
Balance at December 31, 2023	$	**556,498**	**231,316**	**53,955**	**10,767**	**484**	**853,020**

For the years ended December 31, 2023, the Company recognized an impairment loss on property, plant and equipment of $46, respectively, which were included in non-operating income and loss.

APACER TECHNOLOGY INC.
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(h) Right-of-use assets

		Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2024	$	20,483	17,097	37,580
Additions		6,244	15,903	22,147
Decommissioning liabilities		500	-	500
Derecognition		(3,768)	(13,836)	(17,604)
Balance at December 31, 2024	$	**23,459**	**19,164**	**42,623**
Balance at January 1, 2023	$	16,715	20,115	36,830
Additions		3,768	774	4,542
Derecognition		-	(3,792)	(3,792)
Balance at December 31, 2023	$	**20,483**	**17,097**	**37,580**
Accumulated depreciation:				
Balance at January 1, 2024	$	12,295	12,242	24,537
Depreciation		6,669	5,305	11,974
Derecognition		(1,675)	(13,836)	(15,511)
Balance at December 31, 2024	$	**17,289**	**3,711**	**21,000**
Balance at January 1, 2023	$	6,965	11,165	18,130
Depreciation		5,330	4,869	10,199
Derecognition		-	(3,792)	(3,792)
Balance at December 31, 2023	$	**12,295**	**12,242**	**24,537**
Carrying amounts:				
Balance at December 31, 2024	$	**6,170**	**15,453**	**21,623**
Balance at December 31, 2023	$	**8,188**	**4,855**	**13,043**

Assessed costs for building restorations were recognized in right-of-use assets, wherein related decommissioning liabilities were included in provisions. Please refer to note 6(l) for further details.

APACER TECHNOLOGY INC.
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(i) Intangible assets

(i) The details of costs, accumulated amortization and impairment loss of intangible assets for the years ended December 31, 2024 and 2023 were as follows:

	Computer software	Royalties for the use of patents	Total
Cost:			
Balance at January 1, 2024	$ 114,301	3,341	117,642
Additions	3,350	500	3,850
Reclassification (note)	1,582	-	1,582
Derecognition	(26,541)	-	(26,541)
Balance at December 31, 2024	**$ 92,692**	**3,841**	**96,533**
Balance at January 1, 2023	$ 112,401	3,504	115,905
Additions	2,916	-	2,916
Reclassification (note)	1,680	-	1,680
Derecognition	(2,696)	(163)	(2,859)
Balance at December 31, 2023	**$ 114,301**	**3,341**	**117,642**
Accumulated amortization and impairment loss:			
Balance at January 1, 2024	$ 82,879	1,058	83,937
Amortization	10,579	174	10,753
Derecognition	(26,541)	-	(26,541)
Balance at December 31, 2024	**$ 66,917**	**1,232**	**68,149**
Balance at January 1, 2023	$ 75,695	1,054	76,749
Amortization	9,880	167	10,047
Derecognition	(2,696)	(163)	(2,859)
Balance at December 31, 2023	**$ 82,879**	**1,058**	**83,937**
Carrying amounts:			
Balance at December 31, 2024	**$ 25,775**	**2,609**	**28,384**
Balance at December 31, 2023	**$ 31,422**	**2,283**	**33,705**

Note: Reclassification from other non-current assets to intangible assets.

(ii) Amortization

The amortization of intangible assets is included in the following line items of the parent-company-only statement of comprehensive income:

	2024	2023
Cost of revenue	**$ 2,782**	**3,189**
Operating expenses	**$ 7,971**	**6,858**

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(j) Short-term borrowings

The details of short-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 288,508	61,410
Unused credit facilities	$ 1,389,757	1,594,985
Interest rate interval	5.27%~5.45%	6.41%

(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 9,361	9,259
Non-current	$ 12,147	4,161

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 505	476
Variable lease payments not included in the measurement of lease liabilities	$ 1,470	817
Expenses relating to short-term leases	$ 398	351

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

	2024	2023
Total cash outflow for leases	$ 14,299	11,893

(i) Real estate leases

The Company leases buildings for its office and warehouses. The leases typically run for a period of two to four years. Among these leases, the rent payment on some leases of warehouses is calculated monthly based on the area being used.

(ii) Other leases

The Company leases office and transportation equipment, with lease terms of one to five years. Among these leases, the Company leases some office equipment with contract terms within one year. These leases are short-term and the Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

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(l) Provisions

	Warranties	Sales returns and allowances	Decommissioning liabilities	Total
Balance at January 1, 2024	$ 6,192	2,116	-	8,308
Provisions made	712	22,474	500	23,686
Amount utilized	(2,977)	(21,611)	-	(24,588)
Balance at December 31, 2024	**$ 3,927**	**2,979**	**500**	**7,406**
Balance at January 1, 2023	$ 3,811	5,689	-	9,500
Provisions made	2,783	7,835	-	10,618
Amount utilized	(402)	(11,408)	-	(11,810)
Balance at December 31, 2023	**$ 6,192**	**2,116**	**-**	**8,308**

(i) Warranties

The provision for warranties is made based on the number of units sold currently under warranty, historical rates of warranty claim on those units, and cost per claim to satisfy the warranty obligation. The Company reviews the estimation basis on an ongoing basis and revises it when appropriate.

(ii) Sales returns and allowances

Expected sales returns and allowances are estimated based on historical experience.

(iii) Decommissioning liabilities

Decommissioning liabilities are measured at the discounted value of the cash flows based on expected costs to settle the obligations.

(m) Employee benefits

(i) Defined benefit plans

The reconciliations between the present value of defined benefit obligations and the net defined benefit liabilities for defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 53,170	55,129
Fair value of plan assets	(33,551)	(30,880)
	19,619	24,249
Effects of the asset ceiling	-	-
Net defined benefit liabilities	**$ 19,619**	**24,249**

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The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for its employees upon retirement. The Company also established pension funds in accordance with the Regulations Governing the Management, Investment, and Distribution of the Employees' Retirement Fund Established by a Profit-seeking Enterprise, which are deposited monthly in the designated financial institutions. The plans entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

1) Composition of plan assets

In accordance with the requirements of the Labor Standards Law, the Company's pension fund account at Bank of Taiwan is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits, with interest rates offered by local banks.

As of December 31, 2024 and 2023, the Company's labor pension fund account balance at Bank of Taiwan amounted to $33,551 and $30,880, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets including the asset portfolio and yield of the fund.

2) Movements in present value of defined benefit obligations

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

	2024	2023
Defined benefit obligations at January 1	$ 55,129	60,106
Current service costs and interest expense	896	1,141
Remeasurement on the net defined benefit liabilities (assets)		
—Actuarial loss (gain) arising from changes in financial assumptions	(2,146)	787
—Actuarial loss arising from experience adjustments	472	3,570
Benefits paid by the plan	(1,181)	(10,475)
Defined benefit obligations at December 31	**$ 53,170**	**55,129**

(Continued)

APACER TECHNOLOGY INC.
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3) Movements of fair value of plan assets

The movements of the fair value of plan assets of the Company were as follows:

		2024	2023
Fair value of plan assets at January 1	$	30,880	40,124
Interest income		505	701
Remeasurement on the net defined benefit liabilities (assets)			
－Return on plan assets (excluding current interest expense)		2,952	95
Contributions by the employer		395	435
Benefits paid by the plan		(1,181)	(10,475)
Fair value of plan assets at December 31	**$**	**33,551**	**30,880**

4) Changes in the effect of the asset ceiling

There was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

		2024	2023
Current service costs	$	-	93
Net interest expense on the net defined benefit liability		391	347
	$	**391**	**440**
Cost of revenue	$	125	144
Selling expenses		121	143
Administrative expenses		70	71
Research and development expenses		75	82
	$	**391**	**440**

6) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The remeasurement of the net defined benefit liabilities recognized in other comprehensive income were as follows:

		2024	2023
Cumulative amount at January 1	$	26,025	21,763
Recognized during the period		(4,626)	4,262
Cumulative amount at December 31	**$**	**21,399**	**26,025**

(Continued)

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Notes to Parent-Company-Only Financial Statements

7) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.000 %	1.625 %
Future salary increases rate	3.000 %	3.000 %

The Company expects to make contribution of $391 to the defined benefit plans in the year following December 31, 2024.

The weighted average duration of the defined benefit plans is 13.32 years.

8) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates, employee turnover rates and future salary changes. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2024 and 2023.

	Increase (decrease) in present value of defined benefit obligations	
	0.25% Increase	0.25% Decrease
December 31, 2024		
Discount rate	(1,369)	1,416
Future salary change rate	1,371	(1,339)
December 31, 2023		
Discount rate	(1,551)	1,606
Future salary change rate	1,555	(1,508)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

In 2024, the method and assumptions used to carry out the sensitivity analysis was the same as in the prior year.

(Continued)

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(ii) Defined contribution plans

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2024 and 2023, the Company recognized pension expenses of $20,596 and $19,348, respectively, in relation to the defined contribution plans.

(n) Income taxes

(i) The components of income tax expense were as follows:

		2024	2023
Current income tax expense			
Current period	$	50,188	54,393
Adjustments for prior years		(2,633)	1,681
		47,555	56,074
Deferred income tax expense (benefit)			
Origination and reversal of temporary differences		(12,005)	33,159
Income tax expense	$	**35,550**	**89,233**

The components of income tax expense (benefit) recognized in other comprehensive income were as follows:

		2024	2023
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans	$	**924**	**(852)**

Reconciliations of income tax expense and income before income tax were as follows:

		2024	2023
Income before income tax	$	**314,506**	**642,279**
Income tax using the Company's statutory tax rate	$	62,901	128,456
Investment income recorded under equity method		(5,594)	(22,399)
Investment tax credits		(14,524)	(15,294)
Changes in unrecognized temporary differences		(14,295)	(8,182)
Prior-year adjustments		(2,633)	1,681
Surtax on undistributed earnings		3,304	5,927
Others		6,391	(956)
	$	**35,550**	**89,233**

(Continued)

APACER TECHNOLOGY INC.
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(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

		December 31, 2024	December 31, 2023
Unrecognized deferred income tax assets:			
Aggregate deductible temporary differences associated with investments in subsidiaries	$	8,618	12,160
Deductible temporary differences		788	788
	$	**9,406**	**12,948**

		December 31, 2024	December 31, 2023
Unrecognized deferred income tax liabilities:			
Aggregate deductible temporary differences associated with investments in subsidiaries	$	**84,709**	**73,956**

As the Company is able to control the timing of the reversal of the temporary differences associated with investments in its subsidiaries as of December 31, 2024 and 2023, and Management believes that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences are not recognized as deferred income tax assets and liabilities.

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities were as follows:

Deferred income tax assets:

		Defined benefit plans	Provision for inventory obsolescence	Warranty provision	Unrealized impairment loss on financial assets	Others	Total
Balance at January 1, 2024	$	4,850	99,045	1,238	10,000	17,167	132,300
Recognized in profit or loss		(2)	9,600	(453)	-	2,553	11,698
Recognized in other comprehensive loss		(924)	-	-	-	-	(924)
Balance at December 31, 2024	**$**	**3,924**	**108,645**	**785**	**10,000**	**19,720**	**143,074**
Balance at January 1, 2023	$	3,997	129,673	762	10,000	19,868	164,300
Recognized in profit or loss		1	(30,628)	476	-	(2,701)	(32,852)
Recognized in other comprehensive income		852	-	-	-	-	852
Balance at December 31, 2023	**$**	**4,850**	**99,045**	**1,238**	**10,000**	**17,167**	**132,300**

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

Deferred income tax liabilities:

	Others
Balance at January 1, 2024	$ 307
Recognized in profit or loss	(307)
Balance at December 31, 2024	**$ -**
Balance at January 1, 2023	$ -
Recognized in profit or loss	307
Balance at December 31, 2023	**$ 307**

(iii) The Company' s income tax returns for the years through 2022 have been examined and approved by the R.O.C. income tax authorities.

(o) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company' s authorized shares of common stock consisted of 2,000,000 thousand shares, of which 128,729 and 122,688 thousand shares, respectively, were issued. The par value of the Company's common stock is NTD 10 per share. The Company has reserved 15,000 thousand shares for the exercise of employee stock options.

The movements in outstanding shares of common stock were as follows (in thousands of shares):

	Shares of common stock	
	2024	**2023**
Balance at January 1	122,688	122,225
Capital increase in cash	6,041	-
Vested restricted stock issued to employees	-	463
Balance at December 31	**128,729**	**122,688**

1) In order to seek opportunities for technical cooperation and strategic alliances with domestic and international partners and enrich the necessary working capital in response to develop long-term operations, the Company' s Board of Directors meeting held on February 23, 2024 resolved to raise capital through private placement. The effective date of capital increase was on March 1, 2024 and the relevant statutory registration procedures have been completed on April 1, 2024. Details were summarized were as follows:

a) Shares issued: 6,041 thousand shares of common stock

b) Issue price: NTD 48 per share

c) Total proceeds received by the Company: $289,968

d) Investor of the private placement: Advantech Corporate Investment

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

e) Rights and obligations: All the rights and obligations of shares of common stock through the private placement (the "Private Placement Shares") shall be the same as those of shares of common stock issued and outstanding. However, except for selling to specific investors defined in Article 43-8 of the Securities and Exchange Act, the Private Placement Shares cannot be resold during a three-year period from delivery date. After three years from delivery date, according to the Securities and Exchange Act and related regulations, the Company shall obtain a letter issued by Taiwan Stock Exchange Corporation ("TWSE") acknowledging that the Private Placement Shares have met the standards for TWSE listing before it may file with FSC for retroactive handling of public issuance procedures. Thereafter, the Company can apply for listing in TWSE of Private Placement Shares.

f) Others: The Company recognized capital surplus of $229,558, resulting from the issuance price of Private Placement Shares in excess of common stock's par value.

(ii) Capital surplus

	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value	$ 1,096,441	866,883
Employee stock options	12,901	12,901
Treasury stock transactions	3,781	3,781
Restricted stock to employees	26,499	26,499
Changes in equity of associates accounted for using equity method	15,761	15,761
Claim for the disgorgement right	36	-
	$ 1,155,419	**925,825**

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends based on the original shareholding ratio or distributed as cash dividends based on a resolution approved by the shareholders. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations from shareholders received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Retained earnings

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the shareholders, distribute its legal reserve to its shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid in capital.

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

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. The Company shall make allocation of special reserve for 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 the after-tax net profit in the period that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, after retaining a certain portion of it for business considerations, can be distributed as dividends to shareholders. If dividends are distributed by issuing new shares, the distribution shall be approved by the shareholders' meeting. If dividends are distributed in the form of cash, a resolution shall be adopted by a majority vote at a meeting of the board of directors attended by more than two-thirds of the total number of director; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings.

Since the Company operates in an industry experiencing rapid change and development, earnings are distributed in consideration of the current year's earnings, the overall economic environment, related laws and decrees, as well as the Company's long term development and stability in its financial position. The Company has adopted a balance dividend policy, in which a cash dividend comprises at least 10% of the total dividend distribution.

The cash dividends appropriation of 2023 and 2022 earnings were approved by the Company's Board of Directors on April 17, 2024 and February 21, 2023, respectively. The resolved appropriation were as follows:

	2023		2022	
	Dividends per share (in NTD)	**Amount**	**Dividends per share (in NTD)**	**Amount**
Dividends per share:				
Cash dividends	$ 3.15	**405,497**	3.30	**404,871**

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

The cash dividends appropriation of 2024 earnings was approved by the Company's Board of Directors on February 20, 2025, wherein the Company's Board of Directors resolved to distribute cash dividends of $32,182 ($0.25 per share) from capital surplus. The resolved appropriation were as follows:

	2024		
	Dividends per share (in NTD)		**Amount**
Dividends per share:			
Cash dividends	$	1.95	**251,022**

(iv) Other equity items (net after tax)

1) Foreign currency translation differences

		2024	2023
Balance at January 1	$	(43,434)	(39,687)
Foreign exchange differences arising from translation of foreign operations		30,010	(3,747)
Balance at December 31	**$**	**(13,424)**	**(43,434)**

2) Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income

		2024	2023
Balance at January 1	$	(46,050)	(47,702)
Share of other comprehensive income (loss) of subsidiaries		69	(16)
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income		2,362	1,668
Balance at December 31	**$**	**(43,619)**	**(46,050)**

(p) Share-based payment－Restricted stock to employees

For the years ended December 31, 2024 and 2023, the Company had the following share-based payment arrangements:

	Restricted stock to employees
Grant date	2021.01.06
Number of shares granted (thousand shares)	926
Contract term	2 years
Vesting conditions	(Note 2)
Qualified employees	(Note 1)

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

Note 1: Full-time employees who conformed to certain requirements

Note 2: The employees who were granted restricted stock are entitled to purchase the shares of restricted stock at the exercise price of $0. The total share of the restricted stocks issued was determined by achievement of the Company's operation objective for the year 2020. The vesting period of the restricted stock is 1～2 years subsequent to the grant date, and the restricted shares of stock will be vested by taking the individual employee's performance conditions into consideration. When the vesting conditions are met, the restricted stock received by the employees shall be transferred from an escrow account to the employee's security account. During the vesting period, the restricted stock could not be sold, pledged, transferred, gifted, or disposed of in any other forms, excluding inheritance; nevertheless, the rights of a shareholder (such as attendance, proposing, speaking, voting and election at the shareholders' meeting) are the same as those of the Company's shareholders but are executed by the custodian who will act based on law and regulations. The Company will take back the restricted stock from its employees and retire those shares when the vesting conditions are not met.

(i) The movements in number of restricted stock issued to employees (in thousands) were as follows:

	2024	2023
Balance at January 1	-	463
Vested	-	(463)
Balance at December 31	-	-

For the years ended December 31, 2024 and 2023, there was no the compensation cost for restricted stock issued to employees.

(ii) Employee compensation cost

For the years ended December 31, 2024 and 2023, there was no expense resulting from share-based payment.

(q) Earnings per share ("EPS")

(i) Basic earnings per share

	2024	2023
Net income attributable to shareholders of the Company	$ 278,956	553,046
Weighted-average number of ordinary shares outstanding (in thousands)	127,739	122,682
Basic earnings per share (in New Taiwan Dollar)	$ 2.18	4.51

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(ii) Diluted earnings per share

	2024	2023
Net income attributable to shareholders of the Company	$ **278,956**	**553,046**
Weighted-average number of ordinary shares outstanding (in thousands)	127,739	122,682
Effect of dilutive potential common stock (in thousand):		
Remuneration to employees	895	1,392
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock)	$ **128,634**	**124,074**
Diluted earnings per share (in New Taiwan Dollar)	$ **2.17**	**4.46**

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Major products:		
Flash memory cards	$ 4,108,158	3,944,306
Memory modules	2,849,633	2,606,675
Others	111,219	76,682
	$ **7,069,010**	**6,627,663**

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties)	$ 797,904	732,880	738,368
Less: loss allowance	(22,410)	(21,417)	(21,821)
	$ **775,494**	**711,463**	**716,547**

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ **32,469**	**26,858**	**49,801**

For details on notes and accounts receivable and its loss allowance, please refer to note 6(d).

The amounts of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liability balances at January 1, 2024 and 2023, were $26,855 and $49,731, respectively.

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(s) Remuneration to employees and directors

The Company's article of incorporation requires that earnings shall first to be offset against any deficit, then, a minimum of 4% will be distributed as remuneration to its employees and no more than 1.4% to its directors. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the years ended December 31, 2024 and 2023, the Company estimated its remuneration to employees amounting to $32,559 and $70,405, respectively, and the remuneration to directors amounting to $4,927 and $10,119, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. The estimations are recognized as operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in following year.

The abovementioned estimated remuneration to employees and directors for 2024 and 2023 is the same as the amount approved by the Board of Directors and will be paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(t) Non-operating income and loss

(i) Interest income

	2024	2023
Interest income from bank deposits	$ 26,095	27,669
Interest income from corporate bonds	1,437	-
	$ **27,532**	**27,669**

(ii) Other gains and losses, net

	2024	2023
Gains (losses) on disposal of property, plant and equipment	$ (853)	776
Gains on lease modifications	40	-
Foreign currency exchange gains	4,659	3,488
Losses on financial assets and liabilities at fair value through profit or loss	(5,605)	(4,216)
Accrued expenses and advance receipts reclassified to other income	6,400	-
Impairment loss on non-financial assets	-	(46)
Others	6,496	7,024
	$ **11,137**	**7,026**

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(iii) Finance costs

	2024	2023
Interest expense from bank loans	$ 13,889	11,867
Interest expense from lease liabilities	505	476
	$ 14,394	**12,343**

(u) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss	$ 80,596	593
Financial assets at fair value through other comprehensive income	37,611	35,034
Financial assets measured at amortized cost:		
Cash and cash equivalents	496,889	541,914
Notes and accounts receivable (including related parties)	775,494	711,463
Other financial assets (including current and non-current)	1,318,221	1,301,875
Subtotal	2,590,604	2,555,252
Total	**$ 2,708,811**	**2,590,879**

2) Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at fair value through profit or loss	$ 727	70
Financial liabilities measured at amortized cost:		
Short-term borrowings	288,508	61,410
Notes and accounts payable (including related parties)	765,686	1,095,629
Other payables (including related parties)	275,280	387,557
Lease liabilities (including current and non-current)	21,508	13,420
Subtotal	1,350,982	1,558,016
Total	**$ 1,351,709**	**1,558,086**

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Notes to Parent-Company-Only Financial Statements

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The fair value of financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income are measured on a recurring basis.

The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

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

c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	December 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－current:					
Corporate bonds	$ 80,557	80,557	-	-	80,557
Derivatives－foreign currency forward contracts	39	-	39	-	39
	$ 80,596	**80,557**	**39**	**-**	**80,596**
Financial assets at fair value through other comprehensive income－non-current:					
Domestic unlisted stocks	**$ 37,611**	**-**	**-**	**37,611**	**37,611**
Financial liabilities at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	**$ 727**	**-**	**727**	**-**	**727**

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Notes to Parent-Company-Only Financial Statements

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	$ 593	-	593	-	593
Financial assets at fair value through other comprehensive income－non-current:					
Domestic unlisted stocks	$ 35,034	-	-	35,034	35,034
Financial liabilities at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	$ 70	-	70	-	70

(iii) Valuation techniques used in fair value measurement

1) Non-derivative financial instruments

The fair value of financial instruments (e.g. corporate bonds held by the Company) traded in active liquid markets is determined with reference to quoted market prices.

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

The fair value of the unlisted stock held by the Company is estimated by using the market approach and is determined by reference to valuations of similar companies, third-party quotation, and recent financing and operating activities. The significant unobservable inputs is primarily the liquidity discounts. No quantitative information is disclosed due to that the possible changes in liquidity discounts would not cause significant potential financial impact.

2) Derivative financial instruments

The fair value of derivative financial instruments is determined using a valuation technique, generally accepted by market participants. The fair value of foreign currency forward contracts is usually determined by the forward currency exchange rate.

(iv) Transfers between levels of the fair value hierarchy

There were no transfers among fair value hierarchies for the years ended December 31, 2024 and 2023.

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APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(v) Movement in financial assets included in Level 3 of fair value hierarchy

		2024	2023
Balance, beginning of year	$	35,034	29,616
Purchased		3,965	3,750
Disposal		(3,750)	-
Gains recognized in other comprehensive income, and presented in unrealized gains on financial assets measured at fair value through other comprehensive income		2,362	1,668
Balance, end of year	$	**37,611**	**35,034**

(v) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company’s policies and procedures to measure and manage those risks as well as the quantitative information below.

The Company’s management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company’s Board of Directors.

The Company’s Board of Directors is responsible for developing and monitoring the Company’s risk management policies. 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 adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s operations.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s cash and cash equivalents, derivative instruments, receivables from customers and time deposits classified as other financial assets. As of December 31, 2024 and 2023, the Company’s maximum exposure to credit risk amounted to $2,708,811 and $2,590,879, respectively.

The Company maintains bank deposits and enters into derivative transactions with various reputable financial institutions; therefore, the exposure related to potential default by those counter-parties is not considered significant.

In order to reduce credit risk of accounts receivable, the Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of its customers and utilizes its insurance to minimize the credit risk. As of December 31, 2024 and 2023, the Company has insured credit insurance that cover accounts receivable amounting to $288,538 and $381,740, respectively. When the debtors are in default, the Company will receive 90% of the credit insurance.

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The Company believes that there is no significant concentration of credit risk due to the Company's large number of customers and their wide geographical spread.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2024 and 2023, the Company had unused credit facilities of $1,389,757 and $1,594,985, respectively.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Carrying amount	Contractual cash flows	Within 1 year	More than 1 year
December 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	$ 288,508	(289,858)	(289,858)	-
Notes and accounts payable (including related parties)	765,686	(767,569)	(767,569)	-
Other payables (including related parties)	275,280	(275,280)	(275,280)	-
Lease liabilities	21,508	(22,522)	(9,891)	(12,631)
Derivative financial instruments:				
Foreign currency forward contracts:				
Inflow	-	84,502	84,502	-
Outflow	727	(85,229)	(85,229)	-
December 31, 2023				
Non-derivative financial liabilities:				
Short-term borrowings	$ 61,410	(61,755)	(61,755)	-
Notes and accounts payable (including related parties)	1,095,629	(1,095,629)	(1,095,629)	-
Other payables (including related parties)	387,557	(387,557)	(387,557)	-
Lease liabilities	13,420	(13,714)	(9,489)	(4,225)
Derivative financial instruments:				
Foreign currency forward contracts:				
Inflow	-	4,057	4,057	-
Outflow	70	(4,127)	(4,127)	-

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

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(iii) 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 financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company utilizes derivative financial instruments to manage market risk. All such transactions are carried out within the guidelines set by the Company's Board of Directors.

1) Foreign currency risk

The Company utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its sales and purchases. The maturity dates of derivative financial instruments the Company entered into were less than six months and did not conform to the criteria for hedge accounting. These financial instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The Company's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related parties), notes and accounts payable (including related parties), other financial assets (including current and non-current), other payables (including related parties), and loans and borrowings that are denominated in a currency other than the functional currency of the Company. At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and their respective sensitivity analysis were as follows:

(Amounts in Thousands of New Taiwan Dollar)

	December 31, 2024				
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Change in magnitude	Pre-tax effect on profit or loss (in thousands)
Financial assets					
Monetary items					
USD	$ 27,514	32.785	902,046	1 %	9,020
CNY	19,111	4.492	85,847	1 %	858
JPY	12,795	0.210	2,687	1 %	27
Financial liabilities					
Monetary items					
USD	26,703	32.785	875,458	1 %	8,755
CNY	2,841	4.492	12,762	1 %	128
JPY	120	0.210	25	1 %	-

(Continued)

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	December 31, 2023				
	Foreign currency (in thousands)	**Exchange rate**	**NTD (in thousands)**	**Change in magnitude**	**Pre-tax effect on profit or loss (in thousands)**
Financial assets					
Monetary items					
USD	$ 25,239	30.705	774,963	1 %	7,750
CNY	20,502	4.328	88,733	1 %	887
JPY	20,850	0.217	4,524	1 %	45
Financial liabilities					
Monetary items					
USD	29,003	30.705	890,537	1 %	8,905
CNY	3,137	4.328	13,577	1 %	136
JPY	988	0.217	214	1 %	2

As the Company deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains for the years ended December 31, 2024 and 2023 were $4,659 and $3,488, respectively.

2) Interest rate risk

The Company' s bank loans carried floating interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans, as well as the risk arising from fluctuation of interest rates.

If interest rates had been 100 basis points (1%) higher/lower, with all other variables held constant, pre-tax income for the years ended December 31, 2024 and 2023 would have been $2,885 and $614, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Company has long-term investments in unlisted stocks, which the Company does not actively participate in trading. The Company anticipates that there is no significant market risk related to the investments.

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(w) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, research and development expenses, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other shareholders. The Company monitors its capital through reviewing the liability-to-equity ratio periodically.

The Company's liability-to-equity ratios at the end of each reporting period were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 1,450,859	1,697,300
Total equity	$ 4,507,967	4,308,361
Liability-to-equity ratio	32.18 %	39.40 %

The Company decreased its notes and accounts payable (including related parties) due to the decrease of stock level. It also resulted in the decreasing of liability-to-equity ratio.

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

(i) For acquisition of right-of-use assets under operating lease for the years ended December 31, 2024 and 2023, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	January 1, 2024	Cash flows	Acquisition	Lease modifications	December 31, 2024
Short-term borrowings	$ 61,410	227,098	-	-	288,508
Lease liabilities	13,420	(11,926)	22,147	(2,133)	21,508
	$ 74,830	215,172	22,147	(2,133)	310,016

			Non-cash changes		
	January 1, 2023	Cash flows	Acquisition	Lease modifications	December 31, 2023
Short-term borrowings	$ 92,145	(30,735)	-	-	61,410
Lease liabilities	19,127	(10,249)	4,542	-	13,420
	$ 111,272	(40,984)	4,542	-	74,830

7. Related-party transactions:

(a) Name and relationship with related parties

The followings are the entities that have had transactions with the Company during the periods covered in the parent-company-only financial statements and the Company's subsidiaries.

Name of related parties	Relationship with the Company
Apacer Memory America Inc. ("AMA")	The Company's subsidiary
Apacer Technology B.V. ("AMH")	The Company's subsidiary
Kingdom Corp. Limited ("AMK")	The Company's subsidiary
Apacer Technology Japan Corp. ("AMJ")	The Company's subsidiary
Apacer Technologies Private Limited ("ATPL")	The Company's subsidiary
Apacer Technology (BVI) Inc. ("ACYB")	The Company's subsidiary
UD INFO Corp. ("UD")	The Company's subsidiary (Note)
Apacer Electronic (Shanghai) Co., Ltd. ("AMC")	ACYB's subsidiary
Shenzhen Kylinesports Technology Co. ("AMS")	AMK's subsidiary
Phison Electronics Corporation ("Phison")	Prior to May 31, 2024, Phison was the Company's director.
JoiiUp Technology Inc. ("JoiiUp")	The Company's associate
Acer Incorporated ("Acer")	Entity with significant influence over the Company (note 1)
Other related parties:	
Acer Philippines, Inc. ("APHI")	Acer's subsidiary (note 1)
Acer Computer Co., Ltd. ("ATH")	Acer's subsidiary (note 1)
Servex (Malaysia) Sdn Bhd. ("SMA")	Acer's subsidiary (note 1)
Bluechip Infotech Pty Ltd. ("Bluechip")	Acer's subsidiary (note 1)
Acer India Private Limited ("AIL")	Acer's subsidiary (note 1)
PT. Acer Manufacturing Indonesia ("AMI")	Acer's subsidiary (note 1)
Highpoint Services Network Philippines, Inc. ("HSNP")	Acer's subsidiary (note 1)
Weblink International Inc. ("WLII")	Acer's subsidiary (note 1)
Altos Computing Inc. ("ALT")	Acer's subsidiary (note 1)
Acer ITS Inc. ("ITS")	Acer's subsidiary (note 1)
Acer Synergy Tech Corp. ("AST")	Acer's subsidiary (note 1)
OTO Photonics Inc. ("OTO")	The Company's other related party
Directors, general manager and vice general managers	The Company's key management personnel

Note 1: Starting May 31, 2024, Acer has become the Company's director that has significant influence over the Company. Thereafter, Acer has become a related party of the Company.

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(b) Significant related-party transactions

(i) Revenue

The amounts of significant sales by the Company to related parties were as follows:

	2024	2023
Subsidiaries	$ 1,751,097	1,430,121
Entities with significant influence over the Company	234,612	-
The Company's key management personnel (the Company's director)	2,388	2,628
Other related parties	260,431	-
	$ 2,248,528	1,432,749

The sales prices and payment terms of sales to related parties are not different from those with third-party customers. The payment terms of 30 days calculated from the delivery date to EOM 60 days shows no significant difference between related parties and third-party customers. The Company does not receive any collateral for the receivables from related parties. The Company has not recognized a specific allowance for doubtful receivables after assessment.

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	2024	2023
Subsidiaries	$ 19,160	1,716
The Company's key management personnel—Phison (the Company's director)	531,567	1,047,711
Other related parties	642	439
	$ 551,369	1,049,866

There are no significant differences between the purchase prices for related parties and those for third-party vendors. The payment terms of EOM 45～ 60 days shows no significant difference between related parties and third-party vendors.

(iii) Receivables

The receivables from related parties were as follows:

Account	Related-party categories	December 31, 2024	December 31, 2023
Accounts receivable from related parties	Subsidiaries:		
	AMC	$ 67,062	77,702
	AMH	13,236	29,582
	AMK	66	23,140
	Other subsidiaries	23,261	22,604
	Other related parties:		
	AIL	85,196	-
	Others	10,000	-
	The Company's key management personnel (the Company's director)	-	558
	Entity with significant influence over the Company－Acer	78,716	-
		$ 277,537	153,586

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(iv) Payables

The payables to related parties were as follows:

Account	Related-party categories	December 31, 2024	December 31, 2023
Accounts payable to related parties	The Company's key management personnel－Phison (the Company's director)	$ -	352,333
	Other related parties	-	14
	Subsidiaries	8,924	-
Other payables to related parties	Subsidiaries	1,930	1,913
	Other related parties	173	-
	The Company's key management personnel (the Company's director)	-	245
		$ 11,027	**354,505**

(v) Operating expenses

The operating expenses related to the after-sale service provided by related parties and sundry purchases were as follows:

Account	Related party categories	2024	2023
Operating expenses	Subsidiaries	$ 4,954	4,499
	The Company's key management personnel (the Company's director)	136	353
	Associates	50	50
	Other related parties	304	-
		$ 5,444	**4,902**

(c) Compensation for key management personnel

	2024	2023
Short-term employee benefits	$ 47,554	77,832
Post-employment benefits	432	432
	$ 47,986	**78,264**

8. Pledged assets: None

9. Significant commitments and contingencies:

(a) Significant unrecognized commitments

	December 31, 2024	December 31, 2023
Unused letters of credit	**$ 35,000**	**15,000**

(b) As of December 31, 2024 and 2023, the Company had outstanding letters of guarantee amounting to $12,000 for the purpose of the payment of customs duties.

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

10. Significant loss from disaster: None

11. Significant subsequent events: None

12. Others:

Employee benefits, depreciation and amortization expenses categorized by function were as follows:

	2024			2023		
	Cost of revenue	**Operating expenses**	**Total**	**Cost of revenue**	**Operating expenses**	**Total**
Employee benefits:						
Salaries	139,288	361,066	500,354	159,869	457,658	617,527
Insurance	15,719	29,879	45,598	15,360	29,315	44,675
Pension	6,141	14,846	20,987	5,955	13,833	19,788
Remuneration to directors	-	10,777	10,777	-	15,969	15,969
Others	10,538	24,268	34,806	8,683	21,656	30,339
Depreciation	20,982	25,239	46,221	20,217	22,892	43,109
Amortization	2,782	7,971	10,753	3,189	6,858	10,047

For the years ended December 31, 2024 and 2023, the information on the number of employees and employee benefit expense of the Company is as follows:

	2024	2023
The number of employees	505	494
The number of non-employee directors	6	7
Average employee benefits	$ 1,206	1,463
Average employee salaries	$ 1,003	1,268
Average employee salaries adjustment rate	(20.90)%	(1.93)%
Remuneration to supervisors	$ -	-

The Company compensation policies (including compensation to the directors, managers and employees) are as follows:

The Board of Directors is authorized by the Company's Articles of Incorporation to determine the compensation recommended by the Remuneration Committee for the directors with reference to the extent of his/her involvement in and value of his/her contribution to the operation of the Company and industry norms in Taiwan. In addition, when there is profit in any fiscal year, based on the percentage of the profit as remuneration to directors stipulated in the Company's Articles of Incorporation and the criteria for allocation subject to the Company's policy, the amount of remunerations for each director must be recommended by the Remuneration Committee to the Board of Directors for approval.

The appointment, discharge and compensation of the Company's executive officers shall be subject to the Company's policy. The Company set the compensation policy for its executive officers by referencing industry norms in Taiwan, as well as their education, experience, responsibility and performance.

In order to achieve the purpose of attracting talents, retaining and training talents for a long term, the Company set the compensation policy for its employees by referencing to the industry norms in Taiwan, as well as their education, experience, responsibility and performance to provide employees with competitive salaries, as well as various reward systems to motivate employees.

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

13. Additional disclosures:

(a) Information on significant transactions:

In accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company discloses the following information on significant transactions for the year ended December 31, 2024:

(i) Financing provided to other parties: None

(ii) Guarantee and endorsement provided to other parties: None

(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries and associates):

(In Thousands of Shares / Thousands of Units)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2024				Note
				Shares/ Units	Carrying Value	Percentage of Ownership	Fair value	
The Company	TSMC ARIZONA CORP TAISEM 3 7/8 04/22/27	-	Financial assets at fair value through profit or loss －current	-	32,220	-	32,220	-
The Company	JPMORGAN CHASE & CO JPM 4.323 04/26/28	-	Financial assets at fair value through profit or loss －current	-	32,413	-	32,413	-
The Company	WELLS FARGO & COMPANY WFC 4.15 01/24/29	-	Financial assets at fair value through profit or loss －current	-	15,924	-	15,924	-
The Company	Stock: Formosa Golf and Country Club Corp.	-	Financial assets at fair value through other comprehensive income －non-current	3.6	10,011	0.01 %	10,011	-
The Company	Stock: OTO Photonics Inc.	-	Financial assets at fair value through other comprehensive income －non-current	4,077	27,600	11.23 %	27,600	-
AMS	Futurepath Technology (Shenzhen) Co., Ltd.	-	Financial assets at fair value through other comprehensive income －non-current	31.5	206	0.03 %	206	-

(iv) Marketable securities for which the accumulated purchase or sale amounts for the year exceed $300 million or 20% of the paid-in capital: None

(v) Acquisition of real estate which exceeds $300 million or 20% of the paid-in capital: None

(vi) Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: None

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital:

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/ (Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Accounts Receivable or (Payable)	
The Company	Acer	Entity with significant influence over the Company	(Sales)	(234,612)	(3)%	OA60	-	-	78,716	10 %	-
The Company	AIL	Other related party	(Sales)	(203,647)	(3)%	OA60	-	-	85,196	11 %	-
The Company	AMA	The Company's subsidiary	(Sales)	(336,269)	(5)%	OA30	-	-	19,132	2 %	-
The Company	AMK	The Company's subsidiary	(Sales)	(501,145)	(7)%	OA30	-	-	66	-	-
The Company	AMH	The Company's subsidiary	(Sales)	(386,194)	(5)%	OA30	-	-	13,236	2 %	-
The Company	AMC	The Company's subsidiary	(Sales)	(430,517)	(6)%	M60	-	-	67,062	9 %	-
The Company	Phison	The Company's director	Purchases	531,568	9 %	M45	-	-	-	- %	-
AMA	The Company	AMA's parent company	Purchases	366,269	100 %	OA30	-	-	(19,132)	(100)%	-
AMK	The Company	AMK's parent company	Purchases	501,145	100 %	OA30	-	-	(66)	(100)%	-
AMH	The Company	AMH's parent company	Purchases	386,194	100 %	OA30	-	-	(13,236)	(100)%	-
AMC	The Company	AMC's parent company	Purchases	430,517	95 %	M60	-	-	(67,062)	(100)%	-

(viii) Receivables from related parties which exceed $100 million or 20% of the paid-in capital: None

(ix) Transactions about derivative instruments: Please refer to note 6(b)

(b) Information on investees:

For the year ended December 31, 2024, the information on investees is as follows (excluding investments in Mainland China):

(In Thousands of Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	AMA	USA	Sales of memory modules and storage memory devices	610	610	20	100.00 %	360,529	18,617	18,617	-
The Company	ACYB	British Virgin Islands	Investment and holding activity	18,542	18,542	2,636	100.00 %	62,799	7,721	7,721	-
The Company	AMJ	Japan	Sales of memory modules and storage memory devices	2,918	2,918	0.2	100.00 %	21,565	1,915	1,915	-
The Company	ATPL	India	Auxiliary sales of memory modules and storage memory devices	915	915	29	100.00 %	1,639	43	43	-
The Company	AMK	Hong Kong	Sales of memory modules and storage memory devices	20,917	20,917	5,000	100.00 %	14,913	1,239	1,239	-
The Company	AMH	Netherlands	Sales of memory modules and storage memory devices	130,469	130,469	80	100.00 %	93,387	10,021	10,021	-
The Company	JoiiUp	Taiwan	Cloud services and software development	7,500	7,500	750	10.35 %	990	(3,488)	(361)	-
The Company	UD	Taiwan	Manufacture and sales of memory modules and storage memory devices	380,815	380,815	4,932	68.54 %	367,458	53,731	28,332	-

(Continued)

APACER TECHNOLOGY INC.
Notes to Parent-Company-Only Financial Statements

(c) Information on investment in Mainland China:

(i) Name and main businesses and products of investee companies in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	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 (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Apacer Electronic (Shanghai) Co., Ltd. (AMC)	Sales of memory modules and storage memory devices	16,393 (USD 500 thousand)	Type 2	16,393 (USD 500 thousand)	-	-	16,393 (USD 500 thousand)	7,701	100.00 %	7,701 (Note 2)	57,638	-
Shenzhen Kylinesports Technology Co. (AMS)	Sales of gaming products	24,523 (USD 748 thousand)	Type 2	19,605 (USD 598 thousand)	-	-	19,605 (USD 598 thousand) (Note 5)	(1,028)	99.00 %	(1,017) (Note 3)	10,606	-

Note 1: Method of investments:

Type 1: Direct investment in Mainland China.

Type 2: Indirect investment in Mainland China through a holding company established in a third country.

Type 3: Others.

Note 2: Investment income or loss recognized based on the financial statements audited by the auditors of the Company.

Note 3: Investment income or loss recognized based on the unaudited financial statements of investee companies.

Note 4: The above amounts were translated into New Taiwan Dollar at the exchange rate of US$1=NTD 32.785.

Note 5: The amount of AMK reinvestments amounting to US$134 thousand was excluded.

(ii) Limits on investments in Mainland China:

Investor	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company	35,998 (USD 1,098 thousand)	40,391 (USD 1,232 thousand)	2,704,777

(iii) Significant transactions with investee companies in Mainland China:

Please refer to section "Information on significant transactions" for detail description.

(d) Major shareholders:

Shareholding / Major Shareholder's Name	Shares	Percentage
Phison Electronics Corporation	12,554,580	9.75 %
Acer Inc.	11,928,000	9.26 %

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2024 for disclosure of segment information.

Apacer Technology Inc.

Statement of Cash and Cash Equivalents

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Cash on hand		$ 2
Demand deposits (Note)		396,887
Time deposits		100,000
		$ 496,889

Note: Foreign currency deposits were translated at the spot exchange rate on December 31, 2024 as follows:

Currency	Exchange rate
USD	32.785
EUR	34.119
JPY	0.210
CNY	4.492

Statement of Notes and Accounts Receivable

Client Name	Description	Amount
Customer A		$ 35,368
Customer B		34,066
Customer C		32,889
Customer D		28,608
Others (Note)		389,436
		520,367
Less: Loss allowance		(22,410)
		$ 497,957

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Apacer Technology Inc.

Statement of Accounts Receivable From Related Parties

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Client Name	Description	Amount
AIL		$ 85,196
Acer		78,716
AMC		67,062
AMA		19,132
AMH		13,236
Others (Note)		14,195
		$ 277,537

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Inventories

Item	Amount	
	Carrying amount (Note)	**Net realizable value**
Raw materials	$ 402,617	428,835
Work in process	113,926	114,695
Finished goods	664,952	761,334
Inventories in transit	49,949	57,612
Total	**$ 1,231,444**	**1,362,476**

Note: Provision of inventory obsolescence has been deducted.

(Continued)

Apacer Technology Inc.

Statement of Other Current Assets

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Overpaid VAT		$ 39,371
Prepayments		8,907
Prepaid expenses		1,011
Others (Note)		9,370
		$ 58,659

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Changes in Financial Assets at Fair Value Through Other Comprehensive Income －Non-Current

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar / Shares)

Name of financial instruments	Balance at January 1, 2024		Addition		Decrease		Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	Balance at December 31, 2024		Collateral
	Shares	Fair value	Shares	Amount	Shares	Amount		Shares	Fair value	
OTO Photonics Inc.	3,772	$ 21,273	305	3,965	-	-	2,362	4,077	27,600	Nil
Formosa Golf and Country Club Corp.	3.6	10,011	-	-	-	-	-	3.6	10,011	Nil
Koson Technology Inc.	150	3,750	-	-	150	3,750	-	-	-	Nil
		$ 35,034		3,965		3,750	2,362		37,611	

(Continued)

Apacer Technology Inc.

Statement of Changes in Investments Accounted for Using Equity Method

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar / Shares)

Name of investees	Balance at January 1, 2024		Addition		Decrease (Note 3)		Share of profits (losses) of subsidiaries and associates	Other adjustments (Note 2)	Exchange differences on translation of foreign operations	Adjustments accounted for using equity method (Note 1)	Balance at December 31, 2024			Equity	Method	Collateral
	Shares	Amount	Shares	Amount	Shares	Amount					Shares	%	Amount			
ATPL	29	$ 1,536	-	-	-	-	43	-	60	-	29	100.00	1,639	1,639	Equity method	Nil
AMA	20	319,691	-	-	-	-	18,617	(19)	22,240	-	20	100.00	360,529	360,602	Equity method	Nil
ACYB	2,636	51,325	-	-	-	-	7,721	1,563	2,190	-	2,636	100.00	62,799	62,395	Equity method	Nil
AMH	80	77,556	-	-	-	-	10,021	169	5,641	-	80	100.00	93,387	94,577	Equity method	Nil
AMJ	0.20	20,213	-	-	-	-	1,915	134	(697)	-	0.2	100.00	21,565	21,565	Equity method	Nil
AMK	5,000	13,029	-	-	-	-	1,239	-	576	69	5,000	100.00	14,913	14,908	Equity method	Nil
JoiiUp	750	1,351	-	-	-	-	(361)	-	-	-	750	10.35	990	990	Equity method	Nil
UD	4,932	447,904	-	-	-	(108,947)	28,332	169	-	-	4,932	68.54	367,458	314,381	Equity method	Nil
		$ 932,605		**-**		**(108,947)**	**67,527**	**2,016**	**30,010**	**69**			**923,280**	**871,057**		

Note 1: Adjustments for investments accounted for using equity method were unrealized losses from investments in equity instruments measured at fair value through other comprehensive income.

Note 2: Other adjustments are unrealized profit or loss resulted from transactions with subsidiaries.

Note 3: Decrease in investments accounted for using equity method arose from the cash dividends distributed by subsidiaries.

(Continued)

Apacer Technology Inc.

Statement of Other Financial Assets – Non-Current

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Refundable deposits		$ 38,221

Statement of Short-Term Borrowings

Type	Creditor	Ending balance	Interest rate	Credit facilities	Collateral
OA loans	Citibank Taiwan Limited	$ 163,925	5.27%~5.45%	360,000	Nil
OA loans	Bank of Taiwan	65,570	5.44%	250,000	Nil
OA loans	E.SUN Commercial Bank	59,013	5.45%	200,000	Nil
		$ 288,508			

(Continued)

Apacer Technology Inc.

Statement of Notes and Accounts Payable

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Vendor Name	Description	Amount
Vendor A		$ 225,187
Vendor B		119,710
Vendor C		76,123
Vendor D		48,081
Others (Note)		287,661
		$ 756,762

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Accounts Payable to Related Parties

Vendor Name	Description	Amount
UD		**$ 8,924**

(Continued)

Apacer Technology Inc.

Statement of Other Payables

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Accrued bonus		$ 63,765
Accrued remuneration to employees and directors		37,486
Wages and salaries payable		51,403
Others (Note)		120,523
		$ 273,177

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Other Payables to Related Parties

Vendor Name	Description	Amount
ATPL		$ 1,405
AMC		414
AMJ		100
Others (Note)		184
		$ 2,103

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Other Current Liabilities

Item	Description	Amount
Provisions for employee annual leave		$ 22,832
Withholding taxes		5,145
		$ 27,977

(Continued)

Apacer Technology Inc.

Statement of Lease Liabilities

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Lease Term	Discount Rate (%)	Balance at December 31, 2024
Buildings	2021/05~2026/06	3.26%	$ 5,921
Other equipment	2021/03~2028/12	3.26%	15,587
			$ 21,508
Lease liabilities—current			**$ 9,361**
Lease liabilities—non-current			**$ 12,147**

Statement of Revenue

For the year ended December 31, 2024

Item	Amount
Flash memory cards	$ 4,108,158
Memory modules	2,849,633
Others	111,219
	$ 7,069,010

(Continued)

Apacer Technology Inc.

Statement of Cost of Revenue

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Raw materials	
Balance, beginning of year (including inventories in transit amounted to $62,453)	$ 906,797
Add: Purchase of raw materials	3,103,002
Gain on physical inventory	9
Less: Balance, end of year (including inventories in transit amounted to $49,949)	851,462
Cost of sales on raw materials	310,496
Transferred to operating expenses	2,053
Raw materials used	2,845,797
Direct labor	98,050
Manufacturing overhead	336,986
Manufacturing cost	3,280,833
Add: Work in process, beginning of year	100,145
Less: Work in process, end of year	115,932
Cost of goods manufactured	3,265,046
Add: Finished goods, beginning of year	851,105
Purchase of finished goods	2,523,747
Less: Finished goods, end of year	807,272
Transferred to operating expenses	35,578
Write-downs of inventories	48,000
Cost of sales on raw materials	310,496
Gain on physical inventory	(9)
Cost of revenue	**$ 6,155,535**

(Continued)

Apacer Technology Inc.

Statement of Selling Expenses

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Wages and salaries	$ 167,283
Advertisement expense	32,173
Insurance expense	21,496
Others (Note)	120,877
	$ 341,829

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Administrative Expenses

Item	Amount
Wages and salaries	$ 100,813
Professional service fees	14,164
Remuneration to directors	10,777
Others (Note)	67,240
	$ 192,994

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Apacer Technology Inc.

Statement of Research and Development Expenses

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Wages and salaries	$ 92,970
Indirect material	22,404
Others (Note)	40,542
Total	**$ 155,916**

Note: The amount of each item in others does not exceed 5% of the account balance.

For details on statement of financial assets at fair value through profit or loss－current, please refer to note 6(b).

For details on statement of other financial assets－current, please refer to note 6(a).

For details on statement of changes in property, plant and equipment, please refer to note 6(g).

For details on statement of changes in accumulated depreciation of property, plant and equipment, please refer to note 6(g).

For details on statement of changes in right-of-use assets, please refer to note 6(h).

For details on statement of changes in intangible assets, please refer to note 6(i).

For details on statement of deferred income tax assets, please refer to note 6(n).

For details on statement of financial liabilities at fair value through profit or loss－current, please refer to note 6(b).

For details on statement of provisions－current, please refer to note 6(l).

For details on statement of deferred income tax liabilities, please refer to note 6(n).

For details on statement of net defined benefit liabilities, please refer to note 6(m).

For details on statement of other gains and losses－net, please refer to note 6(t).

For details on statement of financial cost, please refer to note 6(t).