Stock Code:8271

APACER TECHNOLOGY INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Apacer Technology Inc. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 “Consolidated Financial Statements” endorsed and issued into effect by the Financial Supervisory Commission. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Apacer Technology Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare

Apacer Technology Inc.
I-Shih Chen
Chairman
February 20, 2025

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Independent Auditors' Report

To the Board of Directors of Apacer Technology Inc.:

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group' consolidated financial statements for the year ended December 31, 2024 are stated as follows:

1. Valuation of inventories

   Please refer to notes 4(h), 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 consolidated financial statements.

   Description of key audit matter:

   The Group'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 the Group's main raw materials, constituting the majority amount of product cost, fluctuate rapidly and the life cycle of certain products of the Group 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 Group 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 Group'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

   Please refer to notes 4(m), 5(b) and 6(j) 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 consolidated financial statements.

   Description of key audit matter:

   Goodwill arising from business combination 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 Group's disclosures with respect to the related information.

Other Matter

Apacer Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We 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 consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 1,072,751	17	1,061,474	17
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 (t))	686,007	11	775,483	12
1180	Accounts receivable from related parties (notes 6(d), (t) and 7)	173,912	3	558	-
1310	Inventories (note 6(e))	1,327,828	22	1,490,481	23
1476	Other financial assets－current (note 6(a))	1,404,331	23	1,567,650	25
1479	Other current assets	74,178	1	97,937	1
	Total current assets	4,819,603	78	4,994,176	78
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income －non-current (note 6(c))	37,817	-	35,171	1
1550	Investments accounted for using equity method (note 6(f))	990	-	1,351	-
1600	Property, plant and equipment (notes 6(h) and 8)	904,937	14	915,689	14
1755	Right-of-use assets (note 6(i))	40,719	1	41,516	1
1780	Intangible assets (note 6(j))	205,134	3	225,324	4
1840	Deferred income tax assets (note 6(p))	161,359	3	149,142	2
1980	Other financial assets－non-current	41,866	1	6,948	-
1990	Other non-current assets	-	-	2,195	-
	Total non-current assets	1,392,822	22	1,377,336	22
	Total assets	**$ 6,212,425**	**100**	**6,371,512**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(k))	$ 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(t))	47,929	1	41,034	1
2170	Notes and accounts payable	780,857	13	747,199	12
2180	Accounts payable to related parties (note 7)	-	-	395,757	6
2200	Other payables (notes 6(u) and 7)	309,044	5	427,860	7
2230	Current income tax liabilities	18,354	-	85,625	2
2250	Provisions－current (note 6(n))	7,732	-	9,494	-
2280	Lease liabilities－current (note 6(m))	19,314	-	19,688	-
2300	Other current liabilities	32,466	-	29,815	-
2322	Current portion of long-term debt (notes 6(l) and 8)	1,235	-	1,228	-
	Total current liabilities	1,506,166	24	1,819,180	29
	Non-current liabilities:				
2540	Long-term debt (notes 6(l) and 8)	21,124	1	22,351	-
2550	Provisions－non-current (notes 6(i) and (n))	500	-	-	-
2570	Deferred income tax liabilities (note 6(l))	18,160	-	21,064	-
2580	Lease liabilities－non-current (note 6(m))	21,753	1	22,597	-
2640	Net defined benefit liabilities (note 6(o))	19,619	-	24,249	1
2645	Guarantee deposits	449	-	-	-
	Total non-current liabilities	81,605	2	90,261	1
	Total liabilities	1,587,771	26	1,909,441	30
	Equity attributable to shareholders of the Company (note 6(q)):				
3100	Common stock	1,287,292	21	1,226,882	19
3200	Capital surplus	1,155,419	18	925,825	15
3300	Retained earnings	2,122,299	34	2,245,138	35
3400	Other equity	(57,043)	(1)	(89,484)	(1)
	Total equity attributable to shareholders of the Company	4,507,967	72	4,308,361	68
36XX	Non-controlling interests (notes 6(g) and (q))	116,687	2	153,710	2
	Total equity	4,624,654	74	4,462,071	70
	Total liabilities and equity	**$ 6,212,425**	**100**	**6,371,512**	**100**

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated 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(t), 7 and 14)**	$ 7,837,159	100	7,631,446	100
5000	**Cost of revenue (notes 6(e), (h), (i), (j), (m), (n), (o), (r), 7 and 12)**	(6,535,954)	(83)	(5,852,804)	(77)
5900	**Gross profit**	1,301,205	17	1,778,642	23
6000	**Operating expenses (notes 6(d), (h), (i), (j), (m), (n), (o), (r), (u), 7 and 12):**				
6100	Selling expenses	(570,867)	(7)	(616,833)	(8)
6200	Administrative expenses	(240,677)	(3)	(262,906)	(3)
6300	Research and development expenses	(180,702)	(3)	(188,773)	(3)
6450	Reversal of (recognized) expected credit losses	(2,048)	-	404	-
6000	**Total operating expenses**	(994,294)	(13)	(1,068,108)	(14)
6900	**Operating income**	306,911	4	710,534	9
7000	**Non-operating income and loss (notes 6(f), (h), (m) and (v)):**				
7100	Interest income	47,071	-	45,211	1
7020	Other gains and losses, net	10,814	-	6,822	-
7050	Finance costs	(15,423)	-	(13,582)	-
7770	Share of losses of associates	(361)	-	(596)	-
	Total non-operating income and loss	42,101	-	37,855	1
7900	**Income before income tax**	349,012	4	748,389	10
7950	**Less: income tax expenses (note 6(p))**	(57,062)	-	(143,677)	(2)
	Net income	291,950	4	604,712	8
	Other comprehensive income (notes 6(o), (q) and (w)):				
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	2,431	-	1,652	-
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)	-
8500	**Total comprehensive income for the year**	**$ 328,093**	**4**	**599,207**	**8**
8600	**Net income attributable to:**				
8610	Shareholders of the Company	$ 278,956	4	553,046	7
8620	Non-controlling interests	12,994	-	51,666	1
		$ 291,950	**4**	**604,712**	**8**
8700	**Total comprehensive income attributable to:**				
8710	Shareholders of the Company	$ 315,099	4	547,541	7
8720	Non-controlling interests	12,994	-	51,666	1
		$ 328,093	**4**	**599,207**	**8**
	Earnings per share (in New Taiwan Dollar) (note 6(s)):				
9750	Basic earnings per share	**$ 2.18**		**4.51**	
9850	Diluted earnings per share	**$ 2.17**		**4.46**	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Attributable to shareholders of the Company											
			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 of the Company	Non-controlling interests	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	139,721	4,303,909
Appropriation of earnings:												
Legal reserve	-	-	57,558	-	(57,558)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(38,392)	38,392	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(404,871)	(404,871)	-	-	-	(404,871)	-	(404,871)
Changes in equity of associates accounted for using equity method	-	1,503	-	-	-	-	-	-	-	1,503	-	1,503
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(37,677)	(37,677)
Net income in 2023	-	-	-	-	553,046	553,046	-	-	-	553,046	51,666	604,712
Other comprehensive income (loss) in 2023	-	-	-	-	(3,410)	(3,410)	(3,747)	1,652	(2,095)	(5,505)	-	(5,505)
Total comprehensive income (loss) in 2023	-	-	-	-	549,636	549,636	(3,747)	1,652	(2,095)	547,541	51,666	599,207
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	153,710	4,462,071
Capital increase in cash (note 6(q))	60,410	229,558	-	-	-	-	-	-	-	289,968	-	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)	-	(405,497)
Claim for the disgorgement right	-	36	-	-	-	-	-	-	-	36	-	36
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(50,017)	(50,017)
Net income in 2024	-	-	-	-	278,956	278,956	-	-	-	278,956	12,994	291,950
Other comprehensive income in 2024	-	-	-	-	3,702	3,702	30,010	2,431	32,441	36,143	-	36,143
Total comprehensive income in 2024	-	-	-	-	282,658	282,658	30,010	2,431	32,441	315,099	12,994	328,093
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**	**116,687**	**4,624,654**

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated 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	$ 349,012	748,389
Adjustments:		
Depreciation	59,440	55,928
Amortization	25,942	25,167
Recognized (reversal of) expected credit loss	2,048	(404)
Interest expense	15,423	13,582
Interest income	(47,071)	(45,211)
Share of loss of associates	361	596
Loss (gain) on disposal of property, plant and equipment	865	(711)
Gain on lease modifications	(148)	-
Impairment loss on non-financial assets	-	46
Subtotal	56,860	48,993
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(80,003)	387
Notes and accounts receivable	87,428	(39,180)
Accounts receivable from related parties	(173,354)	(181)
Inventories	162,653	(534,997)
Other current assets	31,840	8,724
Net changes in operating assets	28,564	(565,247)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	657	(942)
Contract liabilities	6,895	(104,933)
Notes and accounts payable	33,658	242,872
Accounts payable to related parties	(395,757)	181,412
Other payables	(119,492)	(24,330)
Provisions	(1,762)	(1,050)
Other current liabilities	2,651	(30,268)
Net defined benefit liabilities	(4)	5
Net changes in operating liabilities	(473,154)	262,766
Total changes in operating assets and liabilities	(444,590)	(302,481)
Total adjustments	(387,730)	(253,488)
Cash provided by (used in) operations	(38,718)	494,901
Interest received	45,010	44,130
Interest paid	(14,743)	(13,676)
Income taxes paid	(146,398)	(143,513)
Net cash provided by (used in) operating activities	(154,849)	381,842

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated 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	(26,585)	(33,766)
Proceeds from disposal of property, plant and equipment	-	1,019
Acquisition of intangible assets	(3,850)	(3,002)
Decrease (increase) in other financial assets－current	163,319	(187,027)
Increase in other financial assets－non-current	(34,918)	(1,106)
Decrease (increase) in other non-current assets	613	(1,139)
Net cash provided by (used in) investing activities	98,364	(228,771)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	227,098	(30,735)
Repayment of long-term debt	(1,220)	(6,545)
Increase (decrease) in guarantee deposits	449	(6,558)
Payment of lease liabilities	(21,356)	(20,956)
Cash dividends distributed to shareholders	(405,497)	(404,871)
Capital increase in cash	289,968	-
Claim for the disgorgement right	36	-
Distribution of cash dividends by subsidiaries to non-controlling interests	(50,017)	(37,677)
Net cash provided by (used in) financing activities	39,461	(507,342)
Effect of foreign exchange rate changes	28,301	(3,631)
Net increase (decrease) in cash and cash equivalents	11,277	(357,902)
Cash and cash equivalents at beginning of year	1,061,474	1,419,376
Cash and cash equivalents at end of year	$ **1,072,751**	**1,061,474**

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APACER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated 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 and its subsidiaries (collectively the "Group") are engaged in the research and development, design, manufacturing, processing, maintenance and sales of memory modules and storage memory devices.

2. Authorization of the consolidated financial statements

These consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group 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 consolidated financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(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 Group, 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 Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group 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 consolidated 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 consolidated financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in these financial statements.

(a) Statement of compliance

The Group's accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRS Accounting Standards").

(b) Basis of preparation

(i) Basis of measurement

The accompanying consolidated 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 each Group entity is determined based on the primary economic environment in which the entity operates. The Group's consolidated 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.

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the company and subsidiaries. Subsidiaries are entities controlled by the company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized profit and loss arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, financial statements of subsidiaries are adjusted to align their accounting policies with those adopted by the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interest and the fair value of the payment or receipt is recognized as equity and belongs to the Company.

(ii) List of subsidiaries in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023
The Company	Apacer Memory America Inc. (AMA)	Sales of memory modules and storage memory devices	100.00 %	100.00 %
The Company	Apacer Technology B.V. (AMH)	Sales of memory modules and storage memory devices	100.00 %	100.00 %
The Company	Apacer Technology Japan Corp. (AMJ)	Sales of memory modules and storage memory devices	100.00 %	100.00 %
The Company	Kingdom Corp. Limited (AMK)	Sales of memory modules and storage memory devices	100.00 %	100.00 %
The Company/ ACYB	Apacer Technologies Private Limited (ATPL)	Auxiliary sales of memory modules and storage memory devices	100.00 %	100.00 %
The Company	Apacer Technology (BVI) Inc. (ACYB)	Investment holding activity	100.00 %	100.00 %
The Company	UD INFO Corp. (UD)	Manufacture and sales of memory modules and storage memory devices	68.54 %	68.54 %
ACYB	Apacer Electronic (Shanghai) Co., Ltd. (AMC)	Sales of memory modules and storage memory devices	100.00 %	100.00 %
AMK	Shenzhen Kylinesports Technology Co. (AMS)	Sales of gaming products and consumer electronic products	99.00 %	99.00 %

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

APACER TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) 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 Group's consolidated 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 Group's consolidated 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 Group are entirely reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary, the proportionate share of accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Group'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 in other comprehensive income.

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

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

(f) 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.

(g) 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 Group 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 Group 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.

(Continued)

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 Group 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 Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(Continued)

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 Group 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 Group 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 Group 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 Group's claim to cash flows from specified assets (e.g. non-recourse features)

5) Impairment of financial assets

The Group 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 Group 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.

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 Group 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 Group 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 Group'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 Group in accordance with the contract and the cash flows that the Group 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 Group 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 Group 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 Group's procedures for recovery of amounts due. Based on the Group's experience, there have been no corporate customer recoveries after 181 days.

6) Derecognition of financial assets

The Group derecognizes a 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

The Group 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.

(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 Group derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Group 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 liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group 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 Group'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.

(h) 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. AND SUBSIDIARIES
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(i) Investment in associates

Associates are those entities in which the Group 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 Group's financial statements include the Group'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 Group, 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 Group's ownership percentage of the associate, the Group 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 Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group'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 Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When an associate issues new shares and the Group does not subscribe to the new shares in proportion to its original ownership percentage, the Group'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 Group's capital surplus is insufficient to offset the adjustment to investment accounts, the difference is charged as a reduction of retained earnings. If the Group'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.

(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.

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Subsequent expenditure

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

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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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 Group 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 Group 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 consolidated balance sheets.

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

(l) Intangible assets

(i) Goodwill

Goodwill arising from the acquisition of subsidiaries is accounted for as intangible assets. Please refer to note 4(s) for the description of the measurement of goodwill at initial recognition. Goodwill is not amortized but is measured at cost, less accumulated impairment losses.

(ii) Other intangible assets

The Group’s other 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: 1 to 10 years; royalties for the use of patents: 13 to 30 years; customer relationships: 7.42 years; expertise: 5 years.

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

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(m) Impairment of non-financial assets

The Group 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 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

(o) Revenue recognition

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

(i) Sale of goods

The Group 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 Group 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 Group has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Group 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 Group 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 Group'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 Group 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 Group 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 Group 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 Group 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 Group 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) Business combinations

The Group accounts for business combinations using the acquisition method. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred (including any non-controlling interest in the acquiree) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Group shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed and recognize any additional assets or liabilities that are identified in that review, and shall recognize a gain on the bargain purchase thereafter.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

Non-controlling interests in an acquire that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation are measured at either fair value or the present ownership instruments’ proportionate share in the recognized amounts of the acquiree’s net identifiable assets. All other non-controlling interest is measured at its acquisition-date fair value or other measurement basis in accordance with Taiwan-IFRS Accounting Standards.

In a business combination achieved in stages, the Group shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Group’ s equity interest should be reclassified to profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(t) Earnings per share ("EPS")

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the consolidated 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.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions on the allocation of resources to the segment and to assess its performance for which discrete financial information is available.

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and Taiwan-IFRS Accounting Standards 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 Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

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 Group 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

The assessment of impairment of goodwill requires the Group 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(j) 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	$ 122	97
Demand deposits	917,070	875,143
Time deposits with original maturities less than three months	155,559	186,234
	$ 1,072,751	**1,061,474**

As of December 31, 2024 and 2023, the time deposits with original maturities of more than three months amounted to $1,404,331 and $1,567,650, 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:		
Corporate bonds	$ 80,557	-
Foreign currency forward contracts	39	593
	$ 80,596	**593**
Financial liabilities held for trading－current:		
Foreign currency forward contracts	**$ (727)**	**(70)**

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

The Group 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

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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	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, 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 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
Foreign unlisted stocks	206	137
	$ 37,817	35,171

The Group designated the abovementioned investments as at fair value through other comprehensive income because these equity investments represent those investments that the Group 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.

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(d) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes and accounts receivable	$ 708,417	796,900
Accounts receivable from related parties	173,912	558
	882,329	797,458
Less: loss allowance	(22,410)	(21,417)
	$ 859,919	**776,041**

As of December 31, 2024 and 2023, the Group 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	$ 789,061	0.0001%	1
Past due 1-90 days	70,799	0.0367%	25
Past due 91-180 days	666	87.2500%	581
Past due over 181 days	21,803	100%	21,803
	$ 882,329		**22,410**

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 701,045	0.0001%	1
Past due 1-90 days	75,590	0.7911%	599
Past due 91-180 days	18	66.67%	12
Past due over 181 days	20,805	100%	20,805
	$ 797,458		**21,417**

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**

(Continued)

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(e) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 417,752	583,527
Work in process	134,028	111,133
Finished goods	726,099	738,524
Inventories in transit	49,949	57,297
	$ 1,327,828	1,490,481

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	$ 6,478,296	5,976,248
(Reversal of) inventories write-downs	57,675	(123,373)
Gain on physical inventory	(17)	(71)
	$ 6,535,954	5,852,804

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

(i) 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 Group's consolidated financial statement.

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

	2024	2023
Attributable to the Group:		
Net loss	$ (361)	(596)
Other comprehensive income	-	-
Total comprehensive loss	$ (361)	(596)

(Continued)

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(g) Subsidiaries that have material non-controlling interest

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Principal place of business/ Registration country	The percentage of ownership and voting rights held by non-controlling interests December 31, 2024	December 31, 2023
UD INFO Corp. (UD)	Taiwan	31.46 %	31.46 %

The summarized financial information of subsidiaries was as follows, the information was prepared in accordance with Taiwan-IFRS Accounting Standards. The fair value adjustments made during the acquisition as at the acquisition date were included in the information. Intra-group transactions were not eliminated in this information:

(i) The summarized financial information of UD:

	December 31, 2024	December 31, 2023
Current assets	$ 331,316	504,906
Non-current assets	252,428	267,654
Current liabilities	(57,950)	(125,576)
Non-current liabilities	(39,284)	(43,109)
Net assets	**$ 486,510**	**603,875**
The carrying amount of non-controlling interests	**$ 116,585**	**153,597**

	2024	2023
Net sales	**$ 532,724**	**782,918**
Net income	41,598	164,485
Other comprehensive income	-	-
Total comprehensive income	**$ 41,598**	**164,485**
Net income attributable to non-controlling interests	**$ 13,005**	**51,682**
Total comprehensive income attributable to non-controlling interests	**$ 13,005**	**51,682**

	2024	2023
Cash flow from operating activities	$ (805)	115,852
Cash flow from investing activities	144,294	(88,484)
Cash flow from financing activities	(160,686)	(126,884)
Effects of foreign exchange rate changes	-	-
Net decrease in cash and cash equivalents	**$ (17,197)**	**(99,516)**
Cash dividends paid to non-controlling interests	**$ (50,017)**	**(37,677)**

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:						
Balance at January 1, 2024	$ 598,567	339,429	199,808	70,790	483	1,209,077
Additions	-	9,468	11,421	3,201	2,495	26,585
Disposals	-	(1,794)	(4,265)	(505)	-	(6,564)
Reclassification and effect of exchange rate changes	-	(17)	521	677	(483)	698
Balance at December 31, 2024	**$ 598,567**	**347,086**	**207,485**	**74,163**	**2,495**	**1,229,796**
Balance at January 1, 2023	$ 598,567	341,544	191,052	92,716	5,263	1,229,142
Additions	-	1,693	10,869	3,623	17,581	33,766
Disposals	-	(3,771)	(24,459)	(25,405)	-	(53,635)
Reclassification and effect of exchange rate changes	-	(37)	22,346	(144)	(22,361)	(196)
Balance at December 31, 2023	**$ 598,567**	**339,429**	**199,808**	**70,790**	**483**	**1,209,077**
Accumulated depreciation and impairment loss:						
Balance at January 1, 2024	$ -	91,402	145,144	56,842	-	293,388
Depreciation	-	15,012	15,439	6,113	-	36,564
Disposals	-	(1,794)	(3,413)	(492)	-	(5,699)
Reclassification and effect of exchange rate changes	-	(7)	35	578	-	606
Balance at December 31, 2024	**$ -**	**104,613**	**157,205**	**63,041**	**-**	**324,859**
Balance at January 1, 2023	$ -	81,165	154,595	75,980	-	311,740
Depreciation	-	14,018	14,966	6,080	-	35,064
Disposals	-	(3,770)	(24,459)	(25,098)	-	(53,327)
Impairment loss	-	-	46	-	-	46
Reclassification and effect of exchange rate changes	-	(11)	(4)	(120)	-	(135)
Balance at December 31, 2023	**$ -**	**91,402**	**145,144**	**56,842**	**-**	**293,388**
Carrying amounts:						
Balance at December 31, 2024	**$ 598,567**	**242,473**	**50,280**	**11,122**	**2,495**	**904,937**
Balance at December 31, 2023	**$ 598,567**	**248,027**	**54,664**	**13,948**	**483**	**915,689**

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

Please refer to note 8 for the detail of the Group's property, plant and equipment pledged as collateral to secure the bank loans and credit facilities.

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(i) Right-of-use assets

		Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2024	$	61,074	18,899	79,973
Additions		6,540	15,903	22,443
Decommissioning liabilities		500	-	500
Derecognition		(4,077)	(15,620)	(19,697)
Effect of exchange rates changes		2,011	-	2,011
Balance at December 31, 2024	**$**	**66,048**	**19,182**	**85,230**
Balance at January 1, 2023	$	56,977	21,899	78,876
Additions		15,394	849	16,243
Derecognition		(10,661)	(3,792)	(14,453)
Effect of exchange rates changes		(636)	(57)	(693)
Balance at December 31, 2023	**$**	**61,074**	**18,899**	**79,973**
Accumulated depreciation:				
Balance at January 1, 2024	$	24,908	13,549	38,457
Depreciation		17,076	5,800	22,876
Derecognition		(1,920)	(15,620)	(17,540)
Effect of exchange rates changes		718	-	718
Balance at December 31, 2024	**$**	**40,782**	**3,729**	**44,511**
Balance at January 1, 2023	$	20,572	11,859	32,431
Depreciation		15,400	5,464	20,864
Derecognition		(10,661)	(3,792)	(14,453)
Effect of exchange rates changes		(403)	18	(385)
Balance at December 31, 2023	**$**	**24,908**	**13,549**	**38,457**
Carrying amounts:				
Balance at December 31, 2024	**$**	**25,266**	**15,453**	**40,719**
Balance at December 31, 2023	**$**	**36,166**	**5,350**	**41,516**

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(n) for further details.

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(j) Intangible assets

	Goodwill	Computer software	Customer relationships	Expertise	Royalties for the use of patents	Total
Cost:						
Balance at January 1, 2024	$ 115,683	119,205	69,705	27,104	3,341	335,038
Additions	-	3,350	-	-	500	3,850
Derecognition	-	(26,541)	-	-	-	(26,541)
Reclassification and effect of exchange rate changes (note)	-	1,591	-	-	-	1,591
Balance at December 31, 2024	**$ 115,683**	**97,605**	**69,705**	**27,104**	**3,841**	**313,938**
Balance at January 1, 2023	$ 115,683	117,075	69,705	27,104	3,504	333,071
Additions	-	3,002	-	-	-	3,002
Derecognition	-	(2,696)	-	-	(163)	(2,859)
Reclassification and effect of exchange rate changes	-	1,824	-	-	-	1,824
Balance at December 31, 2023	**$ 115,683**	**119,205**	**69,705**	**27,104**	**3,341**	**335,038**
Accumulated amortization and impairment loss:						
Balance at January 1, 2024	$ -	87,661	13,315	7,680	1,058	109,714
Amortization	-	10,948	9,399	5,421	174	25,942
Derecognition	-	(26,541)	-	-	-	(26,541)
Reclassification and effect of exchange rate changes (note)	-	(311)	-	-	-	(311)
Balance at December 31, 2024	**$ -**	**71,757**	**22,714**	**13,101**	**1,232**	**108,804**
Balance at January 1, 2023	$ -	80,286	3,916	2,259	1,054	87,515
Amortization	-	10,180	9,399	5,421	167	25,167
Derecognition	-	(2,696)	-	-	(163)	(2,859)
Reclassification and effect of exchange rate changes	-	(109)	-	-	-	(109)
Balance at December 31, 2023	**$ -**	**87,661**	**13,315**	**7,680**	**1,058**	**109,714**
Carrying amounts:						
Balance at December 31, 2024	**$ 115,683**	**25,848**	**46,991**	**14,003**	**2,609**	**205,134**
Balance at December 31, 2023	**$ 115,683**	**31,544**	**56,390**	**19,424**	**2,283**	**225,324**

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

(i) Amortization

The amortization of intangible assets is included in the following line items of the consolidated statement of comprehensive income:

	2024	2023
Cost of revenue	**$ 2,782**	**3,189**
Operating expenses	**$ 23,160**	**21,978**

(Continued)

(ii) Impairment test on goodwill

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 Group, 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 Group, 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 rates 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.

(k) 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	$ 1,444,757	1,649,985
Interest rate interval	5.27%~5.45%	6.41%

(l) Long-term debt

	December 31, 2024	December 31, 2023
Secured bank loans	$ 22,359	23,579
Less: current portion of long-term debt	(1,235)	(1,228)
	$ 21,124	22,351
Unused credit facilities	$ 409	505
Interest rate interval	2.10%	1.98%

Please refer to note 8 for the Group's assets pledged as collateral to secure the bank loans and credit facilities.

(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 19,314	19,688
Non-current	$ 21,753	22,597

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 1,055	1,224
Variable lease payments not included in the measurement of lease liabilities	$ 1,470	817
Expenses relating to short-term leases	$ 647	799

The amounts recognized in the statements of cash flows for the Group were as follows:

	2024	2023
Total cash outflows for leases	$ 24,528	23,796

(i) Real estate leases

The Group leases buildings for its office and warehouses. The leases typically run for a period of one to seven 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 Group leases office and transportation equipment, with lease terms of one to five years. Among these leases, the Group leases some office equipment with contract terms within one year. These leases are short-term and the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Provisions

	Warranties	Sales returns and allowances	Decommissioning liabilities	Total
Balance at January 1, 2024	$ 7,378	2,116	-	9,494
Provisions made	711	22,474	500	23,685
Amount utilized	(3,337)	(21,610)	-	(24,947)
Balance at December 31, 2024	$ 4,752	2,980	500	8,232
Balance at January 1, 2023	$ 4,855	5,689	-	10,544
Provisions made	2,925	7,835	-	10,760
Amount utilized	(402)	(11,408)	-	(11,810)
Balance at December 31, 2023	$ 7,378	2,116	-	9,494

(Continued)

(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 Group 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.

(o) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities for defined benefit plans was 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**

Except for the Company, there is not any other entity within the Group which has defined benefit plans. 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.

(Continued)

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As of December 31, 2024 and 2023, the Group’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 Group 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**

3) Movements of fair value of plan assets

The movements of the fair value of plan assets of the Group 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.

(Continued)

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**

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 Group 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 Group 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.

(Continued)

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.

(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. Foreign subsidiaries make contributions in compliance with their respective local regulations. Under this defined contribution plan, the Group 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 Group recognized pension expenses of $30,329 and $29,340, respectively, in relation to the defined contribution plans.

(p) Income taxes

The Group's income tax expense for an interim period is best estimated by multiplying pre-tax incomes for the interim reporting period with the effective annual tax rate as forecasted by the management.

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

	2024	**2023**
Current income tax expense		
Current period	$ 76,355	117,021
Adjustments for prior years	(3,248)	1,659
	73,107	118,680
Deferred income tax expense (benefit)		
Origination and reversal of temporary differences	(16,045)	24,997
Income tax expense	**$ 57,062**	**143,677**

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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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	$ 349,012	748,389
Income tax using the Company's statutory tax rate	$ 69,802	149,678
Effect of different tax rates in foreign jurisdictions	1,904	2,663
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	(3,248)	1,659
Surtax on undistributed earnings	3,304	5,927
Others	19,713	29,625
	$ 57,062	143,677

(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 Group 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.

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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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	112,701	1,476	10,000	20,115	149,142
Recognized in profit or loss		(2)	11,543	(525)	-	2,125	13,141
Recognized in other comprehensive loss		(924)	-	-	-	-	(924)
Balance at December 31, 2024	**$**	**3,924**	**124,244**	**951**	**10,000**	**22,240**	**161,359**
Balance at January 1, 2023	$	3,997	137,333	971	10,000	22,816	175,117
Recognized in profit or loss		1	(24,632)	505	-	(2,701)	(26,827)
Recognized in other comprehensive income		852	-	-	-	-	852
Balance at December 31, 2023	**$**	**4,850**	**112,701**	**1,476**	**10,000**	**20,115**	**149,142**

Deferred income tax liabilities:

		Others
Balance at January 1, 2024	$	21,064
Recognized in profit or loss		(2,904)
Balance at December 31, 2024	**$**	**18,160**
Balance at January 1, 2023	$	22,894
Recognized in profit or loss		(1,830)
Balance at December 31, 2023	**$**	**21,064**

(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.

(q) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company’s authorized shares of common stock consisted of 200,000 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**

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
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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

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.

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 directors; 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.

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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

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)
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	2,431	1,652
Balance at December 31	$ (43,619)	(46,050)

(Continued)

(v) Non-controlling interests

		2024	2023
Balance at January 1	$	153,710	139,721
Equity attributable to non-controlling interest:			
Net income		12,994	51,666
Distribution of cash dividends by subsidiaries to non-controlling interests		(50,017)	(37,677)
Balance at December 31	$	116,687	153,710

(r) Share-based payment

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

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

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.

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(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.

(s) 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 common shares outstanding (in thousands)	127,739	122,682
Basic earnings per share (in New Taiwan Dollar)	$ 2.18	4.51

(ii) Diluted earnings per share

	2024	2023
Net income attributable to shareholders of the Company	$ 278,956	553,046
Weighted-average number of common shares outstanding (in thousands)	127,739	122,682
Effect of dilutive potential common shares (in thousands):		
Remuneration to employees	895	1,392
Weighted-average number of common 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

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(t) Revenue from contracts with customers

(i) Disaggregation of revenue

The Group recognizes revenue when control of the goods has been transferred to the customer. Disaggregation of revenue is based on the Group's location of business.

	2024		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 4,082,243	694,121	4,776,364
Memory modules	2,717,549	232,027	2,949,576
Others	111,219	-	111,219
	$ 6,911,011	926,148	7,837,159

	2023		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 4,143,841	670,385	4,814,226
Memory modules	2,436,419	304,119	2,740,538
Others	76,682	-	76,682
	$ 6,656,942	974,504	7,631,446

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties)	$ 882,329	797,458	758,097
Less: loss allowance	(22,410)	(21,417)	(21,821)
	$ 859,919	776,041	736,276

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities－current	$ 47,929	41,034	177,632

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 liabilities balances at January 1, 2024 and 2023 were $40,980 and $177,419, respectively.

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(u) 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.

(v) Non-operating income and loss

(i) Interest income

	2024	2023
Interest income from bank deposits	$ 45,634	45,211
Interest income from corporate bonds	1,437	-
	$ 47,071	**45,211**

(ii) Other gains and losses, net

	2024	2023
Gains (losses) on disposal of property, plant and equipment	$ (865)	711
Gains on lease modifications	148	-
Foreign currency exchange gains	2,594	4,627
Losses on financial assets and liabilities at fair value through profit or loss	(5,605)	(4,262)
Impairment loss on non-financial assets	-	(46)
Accrued expenses and advance receipts reclassified to other income	6,400	-
Others	8,142	5,792
	$ 10,814	**6,822**

(Continued)

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(iii) Finance costs

	2024	2023
Interest expense from bank loans	$ (14,368)	(12,358)
Interest expense from lease liabilities	(1,055)	(1,224)
	$ **(15,423)**	**(13,582)**

(w) 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	37,817	35,171
Financial assets measured at amortized cost:		
Cash and cash equivalents	1,072,751	1,061,474
Notes and accounts receivable (including related parties)	859,919	776,041
Other receivables	-	-
Other financial assets (including current and non-current)	1,446,197	1,574,598
Subtotal	3,378,867	3,412,113
Total	$ **3,497,280**	**3,447,877**

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)	780,857	1,142,956
Other payables	309,044	427,860
Lease liabilities (including current and non-current)	41,067	42,285
Long-term debt (including current portion)	22,359	23,579
Guarantee deposits	449	-
Subtotal	1,442,284	1,698,090
Total	$ **1,443,011**	**1,698,160**

(Continued)

(ii) Fair value information

1) Financial instruments not measured at fair value

The Group 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
Foreign unlisted stocks	206	-	-	206	206
	$ 37,817	-	-	37,817	37,817
Financial liabilities at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	$ 727	-	727	-	727

(Continued)

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	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
Foreign unlisted stocks	137	-	-	137	137
	$ 35,171	-	-	35,171	35,171
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 Group) 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 unlisted stock held by the Group 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 are 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.

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

		2024	2023
Balance, beginning of period	$	35,171	29,769
Purchased		3,965	3,750
Disposals		(3,750)	-
Gains recognized in other comprehensive income, and presented in unrealized gains on financial assets measured at fair value through other comprehensive income		2,431	1,652
Balance, end of period	**$**	**37,817**	**35,171**

(x) Financial risk management

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

The Group'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 Group's Board of Directors.

The Group's Board of Directors is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's operations.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group's maximum exposure to credit risk amounted to $3,497,280 and $3,447,877, respectively.

The Group 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.

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In order to reduce credit risk of accounts receivable, the Group has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Group 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 Group has insured credit insurance that cover accounts receivable amounting to $429,351 and $550,770, respectively. When the debtors are in default, the Group will receive 90% of the credit insurance.

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

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Group 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 Group had unused credit facilities of $1,445,166 and $1,650,490, respectively.

The table below summarizes the maturity profile of the Group'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)	-
Long-term debt (including current portion)		22,359	(26,262)	(1,699)	(24,563)
Notes and accounts payable (including related parties)		780,857	(780,857)	(780,857)	-
Other payables (including related parties)		309,044	(309,044)	(309,044)	-
Lease liabilities		41,067	(42,531)	(20,153)	(22,378)
Guarantee deposits		449	(449)	(449)	-
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)	-
Long-term debt (including current portion)		23,579	(27,686)	(1,690)	(25,996)
Notes and accounts payable (including related parties)		1,142,956	(1,142,956)	(1,142,956)	-
Other payables		427,860	(427,860)	(427,860)	-
Lease liabilities		42,285	(43,522)	(20,442)	(23,080)
Derivative financial instruments:					
Foreign currency forward contracts:					
Inflow		-	4,057	4,057	-
Outflow		70	(4,127)	(4,127)	-

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

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

1) Foreign currency risk

The Group 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 Group 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 Group'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 payables, other financial assets (including current and non-current), and loans and borrowings that are denominated in a currency other than the functional currencies of the Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the functional currencies of the Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

(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	$ 29,414	32.785	964,338	1 %	9,643
CNY	19,246	4.492	86,453	1 %	865
JPY	14,012	0.210	2,943	1 %	29
Financial liabilities					
Monetary items					
USD	9,941	32.785	325,916	1 %	3,259
CNY	644	4.492	2,893	1 %	29
JPY	400	0.210	84	1 %	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	$ 27,686	30.705	850,099	1 %	8,501
CNY	20,542	4.328	88,906	1 %	889
JPY	21,676	0.217	4,704	1 %	47
Financial liabilities					
Monetary items					
USD	30,735	30.705	943,718	1 %	9,437
CNY	3,170	4.328	13,720	1 %	137
JPY	1,298	0.217	282	1 %	3

As the Group 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 $2,594 and $4,627, respectively.

2) Interest rate risk

The Group's bank loans carried floating interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group 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 $3,109 and $ 850, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

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

(y) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Group 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 Group monitors its capital through reviewing the liability-to-equity ratio periodically.

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

	December 31, 2024	December 31, 2023
Total liabilities	$ 1,587,771	1,909,441
Total equity	$ 4,624,654	4,462,071
Liability-to-equity ratio	34.33 %	42.79 %

The Group 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.

(z) 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(i).

(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
Long-term debt	23,579	(1,220)	-	-	22,359
Lease liabilities	42,285	(21,356)	22,443	(2,305)	41,067
Guarantee deposits	-	449	-	-	449
	$ 127,274	204,971	22,443	(2,305)	352,383

			Non-cash changes		
	January 1, 2023	Cash flows	Acquisition	Lease modifications	December 31, 2023
Short-term borrowings	$ 92,145	(30,735)	-	-	61,410
Long-term debt	30,124	(6,545)	-	-	23,579
Lease liabilities	46,998	(20,956)	16,243	-	42,285
Guarantee deposits	6,558	(6,558)	-	-	-
	$ 175,825	(64,794)	16,243	-	127,274

(Continued)

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7. Related-party transactions

(a) Name and relationship with related parties

The followings are the entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related parties	Relationship with the Group
Phison Electronics Corporation ("Phison")	Prior to May 31, 2024, Phison was the Company's director.
JoiiUp Technology Inc. ("JoiiUp")	The Group's associate
Acer Incorporated ("Acer")	Entity with significant influence over the Group (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 Group's other related party
Directors, general manager and vice general managers	The Group'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.

(b) Significant related-party transactions

(i) Revenue

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

	2024	2023
Entity with significant influence over the Group	$ 234,612	-
Other related parties	260,431	-
The Group's key management personnel (the Company's director)	9,065	2,648
	$ 504,108	**2,648**

(Continued)

The sales prices and payment terms of sales to related parties are not different from those with third-party customers. The payment terms for related parties and third-party customers are 30 days calculated from the delivery date to EOM 60 days and 30~90 days calculated from the delivery date, respectively. The Group does not receive any collateral for the receivables from related parties. The Group has not recognized a specific allowance for doubtful receivables after assessment.

(ii) Purchases

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

	2024	2023
The Group's key management personnel－Phison (the Company's director)	$ 688,338	1,333,729
Other related parties	642	439
	$ 688,980	**1,334,168**

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 show 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	Entity with significant influence over the Group－Acer	$ 78,716	-
	Other related parties:		
	AIL	85,196	-
	Others	10,000	-
	The Group's key management personnel (the Company's director)	-	558
		$ 173,912	**558**

(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 Group's key management personnel－Phison (the Company's director)	$ -	395,743
	Other related parties	-	14
Other payables to related parties	The Group's key management personnel (the Company's director)	-	245
	Other related parties	173	-
		$ 173	**396,002**

(Continued)

(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	The Group's key management personnel (the Company's director)	$ 136	353
	Associates	50	50
	Other related parties	304	-
		$ 490	**403**

(c) Compensation for key management personnel

	2024	2023
Short-term employee benefits	$ 50,524	82,088
Post-employment benefits	432	432
	$ 50,956	**82,520**

8. Pledged assets

The carrying amounts of the assets pledged as collateral are detailed below:

Pledged assets	Pledged to secure	December 31, 2024	December 31, 2023
Property, plant and equipment	Bank loans and credit facilities	**$ 57,540**	**58,472**

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 Group had outstanding letters of guarantee amounting to $12,000 for the purpose of the payment of customs duties.

10. Significant loss from disaster: None

11. Significant subsequent events: None

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12. Others

(a) 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	141,999	505,913	647,912	163,838	613,171	777,009
Insurance	16,527	47,972	64,499	16,157	47,021	63,178
Pension	6,272	24,448	30,720	6,081	23,699	29,780
Others	11,297	35,899	47,196	9,337	31,007	40,344
Depreciation	21,389	38,051	59,440	20,713	35,215	55,928
Amortization	2,782	23,160	25,942	3,189	21,978	25,167

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 Group 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)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2024				Maximum Percentage of Ownership during 2024		Note
				Shares/ Units	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units	Percentage of Ownership	
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	3.6	0.01 %	-
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	4,077	11.23 %	-
AMS	Futurepath Technology (Shenzhen) Co., Ltd.	-	Financial assets at fair value through other comprehensive income —non-current	31.5	206	0.03 %	206	31.5	0.03 %	-

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(iv) Marketable securities for which the accumulated purchase or sale amounts for the period 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

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

			Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		
Company Name	Related Party	Nature of Relationship	Purchases/ (Sales)	Amount	% of Total Purchases/ (Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Accounts Receivable or (Payable)	Note
The Company	Acer	Entity with significant influence over the Group	(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)	(366,269)	(5)%	OA30	-	-	19,132	2 %	Note 1
The Company	AMK	The Company's subsidiary	(Sales)	(501,145)	(7)%	M60	-	-	66	-	Note 1
The Company	AMH	The Company's subsidiary	(Sales)	(386,194)	(5)%	OA30	-	-	13,236	2 %	Note 1
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	-	-	-	-	Note 2
AMA	The Company	AMA's parent company	Purchases	366,269	100 %	OA30	-	-	(19,132)	(100)%	Note 1
AMK	The Company	AMK's parent company	Purchases	501,145	100 %	OA30	-	-	(66)	(100)%	Note 1
AMH	The Company	AMH's parent company	Purchases	386,194	100 %	OA30	-	-	(13,236)	(100)%	Note 1
AMC	The Company	AMC's parent company	Purchases	430,517	95 %	M60	-	-	(67,062)	(100)%	Note 1

Note 1: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

Note 2: Prior to May 31, 2024, Phison was the Company's director. Starting May 31, 2024, Phison was no longer a related party of the Company.

(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)

(x) Business relationships and significant intercompany transactions:

				Transaction Details			
Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue or Total Assets
0	The Company	AMA	1	Sales	366,269	OA30	5 %
0	The Company	AMK	1	Sales	501,145	OA30	6 %
0	The Company	AMH	1	Sales	386,194	OA30	5 %
0	The Company	AMC	1	Sales	430,517	M60	5 %
0	The Company	AMJ	1	Sales	39,196	M60	1 %
0	The Company	UD	1	Sales	27,775	M30	-
1	UD	The Company	2	Sales	19,160	M30	-
0	The Company	AMA	1	Accounts receivable	19,132	OA30	-
0	The Company	AMK	1	Accounts receivable	66	OA30	-
0	The Company	AMH	1	Accounts receivable	13,236	OA30	-
0	The Company	AMC	1	Accounts receivable	67,062	M60	1 %
0	The Company	AMJ	1	Accounts receivable	2,648	M60	-
0	The Company	UD	1	Accounts receivable	1,481	M30	-
1	UD	The Company	2	Accounts receivable	8,935	M30	-

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Note 1: Parties to the intercompany transactions are identified and numbered as follows:

1. “0” represents the Company.
2. Subsidiaries are numbered from “1”.

Note 2: The relationships with counterparties are as follows:

No. “1” represents the transactions from the Company to subsidiary.

No. “2” represents the transactions from subsidiary to the Company.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for sales and accounts receivable. The corresponding purchases and accounts payable are not disclosed.

(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)

				Original Investment Amount		Balance as of December 31, 2024			Maximum Percentage of Ownership during 2024				
Investor	Investee	Location	Main Businesses and Products	December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership	Net Income (Loss) of the Investee	Investment Income (Loss)	Note
The Company	AMA	USA	Sales of memory modules and storage memory devices	610	610	20	100.00 %	360,529	20	100 %	18,617	18,617	Note
The Company	ACYB	British Virgin Islands	Investment and holding activity	18,542	18,542	2,636	100.00 %	62,799	2,636	100 %	7,721	7,721	Note
The Company	AMJ	Japan	Sales of memory modules and storage memory devices	2,918	2,918	0.2	100.00 %	21,565	0.2	100 %	1,915	1,915	Note
The Company	ATPL	India	Auxiliary sales of memory modules and storage memory devices	915	915	29	100.00 %	1,639	29	100 %	43	43	Note
The Company	AMK	Hong Kong	Sales of memory modules and storage memory devices	20,917	20,917	5,000	100.00 %	14,908	5,000	100 %	1,239	1,239	Note
The Company	AMH	Netherlands	Sales of memory modules and storage memory devices	130,469	130,469	80	100.00 %	93,387	80	100 %	10,021	10,021	Note
The Company	JoiiUp	Taiwan	Cloud services and software development	7,500	7,500	750	10.35 %	990	750	10.35 %	(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	4,932	68.54 %	53,731	28,332	Note

Note: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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(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	Maximum Percentage of Ownership during 2024		Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow				Shares	Percentage of Ownership			
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 %	(Note 4)	100.00 %	7,701	57,638 (Note 2)	-
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 3)	(1,028)	99.00 %	(Note 4)	99.00 %	(1,017)	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: There were no shares as the investee company is a limited liability company.

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

Note 6: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

Note 7: The above amounts were translated into New Taiwan Dollar at the exchange rate of US$1=NTD 32.785.

(ii) Limits on investments in Mainland China:

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
35,998 (USD 1,098 thousand)	40,391 (USD 1,232 thousand)	2,704,777

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

The transactions between parent and investee companies in Mainland China (the intercompany transaction) have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on significant transactions” and “Business relationships and significant intercompany transactions” for detail description.

(d) Major shareholders:

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

(Continued)

APACER TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

14. Segment information

(a) General information

The Group has two reportable segments: Asia segment and America and Europe segment. The Asia segment engages in the manufacturing, maintenance, research and development, and sale of the Group’s products. The America and Europe segment engages in the sale of the Group’s products.

The Group’s reportable segments are separated by geographical segments. Each segment provides different organizational functions and marketing strategies, and thus should be managed separately.

(b) Reportable segments, profit or loss, segment assets, basis of measurement, and reconciliation

The Group uses income before income tax as the measurement for segment profit and the basis of resource allocation and performance assessment. There was no material inconsistency between the accounting policies adopted for the operating segments and the accounting policies described in note 4. The reporting amount is consistent with the report used by chief operating decision maker.

The Group’s operating segment information and reconciliation are as follows:

	2024			
	Asia	**America and Europe**	**Adjustments and eliminations**	**Total**
External revenue	$ 6,911,011	926,148	-	7,837,159
Intra-group revenue	1,778,919	-	(1,778,919)	-
Total segment revenue	**$ 8,689,930**	**926,148**	**(1,778,919)**	**7,837,159**
Segment profit (loss)	**$ 394,795**	**37,532**	**(83,315)**	**349,012**

	2023			
	Asia	**America and Europe**	**Adjustments and eliminations**	**Total**
External revenue	$ 6,656,942	974,504	-	7,631,446
Intra-group revenue	1,438,331	-	(1,438,331)	-
Total segment revenue	**$ 8,095,273**	**974,504**	**(1,438,331)**	**7,631,446**
Segment profit (loss)	**$ 872,904**	**47,113**	**(171,628)**	**748,389**

(Continued)

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(c) Product information

Revenues from external customers are detailed below:

Region	2024	2023
Flash memory products	$ 4,776,364	4,814,226
Memory modules	2,949,576	2,740,538
Others	111,219	76,682
	$ **7,837,159**	**7,631,446**

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

Region	2024	2023
Hong Kong	$ 1,598,338	1,241,655
Taiwan	1,483,722	1,239,570
Mainland China	779,193	593,714
Americas	745,241	465,913
Japan	249,622	405,800
Others	2,981,043	3,684,794
	$ **7,837,159**	**7,631,446**

Non-current assets:

Region	2024	2023
Taiwan	$ 1,129,211	1,153,881
Americas	9,868	13,211
Netherlands	6,296	8,198
Japan	2,223	4,282
Others	3,192	5,152
	$ **1,150,790**	**1,184,724**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and other assets, but do not include financial instruments and deferred income tax assets.

(e) Major customer information

The Group doesn’t have a single customer representing at least 10% of revenue in the consolidated statements of comprehensive income.