Stock Code:8271

APACER TECHNOLOGY INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024

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Independent Auditors' Review Report

To the Board of Directors of Apacer Technology Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Apacer Technology Inc. and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 International Accounting Standard ("IAS") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b) to the consolidated financial statements, the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $792,325 thousand and $728,544 thousand, constituting 10.98% and 11.00% of consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to $64,530 thousand and $50,720 thousand, constituting 2.35% and 2.43% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to $(50,311) thousand and $9,010 thousand, constituting (76.13)% and 8.82% of consolidated total comprehensive income (loss) for the three months ended June 30, 2025 and 2024, respectively, and $(31,591) thousand and $48,311 thousand, constituting (18.50)% and 20.03% of consolidated total comprehensive income (loss) for the six months ended June 30, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(g) to the consolidated financial statements, the investments accounted for using equity method of Apacer Technology Inc. and its subsidiaries as of and for the six months ended June 30, 2025 and 2024, were recognized solely on the financial statements prepared by the investee company, but not reviewed by independent auditors. Such investments accounted for using equity method amounted to $852 thousand and $1,210 thousand as of June 30, 2025 and 2024, respectively, and the share of losses of the equity accounted investee company amounted to $100 thousand and $88 thousand for the three months ended June 30, 2025 and 2024, respectively, and $138 thousand and $141 thousand for the six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee company described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Apacer Technology Inc. and its subsidiaries as of June 30, 2025 and 2024, and of their consolidated financial performance for the three months ended June 30, 2025 and 2024, and of their consolidated financial performance and their consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yin, Yuan-Sheng and Shih, Wei-Ming.

KPMG

Taipei, Taiwan (Republic of China)
July 24, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review 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' review 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

June 30, 2025, December 31, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollar)

		June 30, 2025		December 31, 2024		June 30, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 839,907	12	1,072,751	17	1,503,717	23
1110	Financial assets at fair value through profit or loss －current (note 6(b))	74,206	1	80,596	1	79	-
1170	Notes and accounts receivable, net (notes 6(d) and (t))	1,022,089	14	686,007	11	735,249	11
1180	Accounts receivable from related parties (notes 6(d), (t) and 7)	458,876	6	173,912	3	150,439	2
1200	Other receivables (note 6(e))	6,683	-	7,055	-	6,110	-
1310	Inventories (note 6(f))	2,437,400	34	1,327,828	22	1,791,014	27
1476	Other financial assets－current (note 6(a))	823,337	12	1,404,331	23	941,862	14
1479	Other current assets	155,560	2	67,123	1	90,786	2
	Total current assets	5,818,058	81	4,819,603	78	5,219,256	79
	Non-current assets:						
1510	Financial assets at fair value through profit or loss －non-current (note 6(b))	16,255	-	-	-	-	-
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(c))	36,539	-	37,817	-	42,727	1
1550	Investments accounted for using equity method (note 6(g))	852	-	990	-	1,210	-
1600	Property, plant and equipment (notes 6(i) and 8)	900,722	12	904,937	14	911,920	14
1755	Right-of-use assets (note 6(j))	47,821	1	40,719	1	41,165	-
1780	Intangible assets (note 6(k))	194,679	3	205,134	3	215,989	3
1840	Deferred income tax assets	161,359	2	161,359	3	149,142	2
1980	Other financial assets－non-current	37,233	1	41,866	1	41,327	1
	Total non-current assets	1,395,460	19	1,392,822	22	1,403,480	21
	Total assets	$ 7,213,518	100	6,212,425	100	6,622,736	100

		June 30, 2025		December 31, 2024		June 30, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(l))	$ 337,018	5	288,508	5	243,375	4
2120	Financial liabilities at fair value through profit or loss －current (note 6(b))	36	-	727	-	490	-
2130	Contract liabilities－current (note 6(t))	48,823	1	47,929	1	20,365	-
2170	Notes and accounts payable	1,530,728	21	780,857	13	772,931	12
2180	Accounts payable to related parties (note 7)	133	-	-	-	566	-
2200	Other payables (notes 6(u) and 7)	390,748	5	309,044	5	455,597	7
2216	Dividends payable (note 6(r))	251,022	4	-	-	405,497	6
2230	Current income tax liabilities	43,282	1	18,354	-	40,890	1
2250	Provisions－current (note 6(o))	7,910	-	7,732	-	9,369	-
2280	Lease liabilities－current (note 6(n))	18,864	-	19,314	-	17,472	-
2300	Other current liabilities	28,409	-	32,466	-	26,738	-
2322	Current portion of long-term debt (notes 6(m) and 8)	1,248	-	1,235	-	1,240	-
	Total current liabilities	2,658,221	37	1,506,166	24	1,994,530	30
	Non-current liabilities:						
2540	Long-term debt (notes 6(m) and 8)	20,494	-	21,124	1	21,730	-
2550	Provisions－non-current (notes 6(j) and (o))	500	-	500	-	500	-
2570	Deferred income tax liabilities	16,643	-	18,160	-	19,548	-
2580	Lease liabilities－non-current (note 6(n))	29,407	1	21,753	1	23,952	-
2640	Net defined benefit liabilities	19,634	-	19,619	-	24,259	1
2645	Guarantee deposits	409	-	449	-	447	-
	Total non-current liabilities	87,087	1	81,605	2	90,436	1
	Total liabilities	2,745,308	38	1,587,771	26	2,084,966	31
	Equity attributable to shareholders of the Company (note 6(r)):						
3100	Common stock	1,287,292	18	1,287,292	21	1,287,292	19
3200	Capital surplus	1,123,237	15	1,155,419	18	1,155,383	18
3300	Retained earnings	2,094,770	29	2,122,299	34	2,046,078	31
3400	Other equity	(116,414)	(2)	(57,043)	(1)	(58,028)	(1)
3500	Treasury stock	(28,793)	-	-	-	-	-
	Total equity attributable to shareholders of the Company	4,360,092	60	4,507,967	72	4,430,725	67
36XX	Non-controlling interests (notes 6(h) and (r))	108,118	2	116,687	2	107,045	2
	Total equity	4,468,210	62	4,624,654	74	4,537,770	69
	Total liabilities and equity	$ 7,213,518	100	6,212,425	100	6,622,736	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 three months and six months ended June 30, 2025 and 2024

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

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Revenue (notes 6(t), 7 and 14)**	$ 2,712,370	100	1,883,778	100	4,761,566	100	3,830,480	100
5000	**Cost of revenue (notes 6(f), (i), (j), (n), (s), 7 and 12)**	(2,294,531)	(85)	(1,520,698)	(81)	(4,005,976)	(84)	(3,077,525)	(80)
5900	**Gross profit**	417,839	15	363,080	19	755,590	16	752,955	20
6000	**Operating expenses (notes 6(d), (i), (j), (n), (s), (u), 7 and 12):**								
6100	Selling expenses	(168,056)	(6)	(153,811)	(8)	(310,209)	(6)	(292,834)	(8)
6200	Administrative expenses	(70,856)	(2)	(67,132)	(4)	(130,852)	(3)	(133,274)	(4)
6300	Research and development expenses	(50,357)	(2)	(45,636)	(2)	(94,185)	(2)	(88,623)	(2)
6450	Reversal of (recognized) expected credit losses	2,883	-	32	-	4,141	-	(781)	-
6000	**Total operating expenses**	(286,386)	(10)	(266,547)	(14)	(531,105)	(11)	(515,512)	(14)
6900	**Operating income**	131,453	5	96,533	5	224,485	5	237,443	6
7000	**Non-operating income and loss (notes 6(n) and (v)):**								
7100	Interest income	11,861	-	13,042	1	23,633	-	23,775	1
7020	Other gains and losses, net	26,865	1	4,591	-	40,368	1	2,740	-
7050	Finance costs	(5,374)	-	(3,471)	-	(9,501)	-	(5,502)	-
7770	Share of losses of associates	(100)	-	(88)	-	(138)	-	(141)	-
	Total non-operating income and loss	33,252	1	14,074	1	54,362	1	20,872	1
7900	**Income before income tax**	164,705	6	110,607	6	278,847	6	258,315	7
7950	**Less: income tax expenses (note 6(q))**	(28,842)	(1)	(20,684)	(1)	(48,703)	(1)	(48,527)	(2)
	Net income	135,863	5	89,923	5	230,144	5	209,788	5
	Other comprehensive income (notes 6(r) and (w)):								
8310	**Items that will not be reclassified subsequently to profit or loss:**								
8311	Remeasurements of defined benefit plans	-	-	-	-	-	-	(4)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(3,016)	-	6,252	-	(1,278)	-	7,341	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		(3,016)	-	6,252	-	(1,278)	-	7,337	-
8360	**Items that may be reclassified subsequently to profit or loss:**								
8361	Exchange differences on translation of foreign operations	(66,763)	(3)	5,974	-	(58,097)	(1)	24,120	1
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		(66,763)	(3)	5,974	-	(58,097)	(1)	24,120	1
	Other comprehensive income (loss) for the period, net of income tax	(69,779)	(3)	12,226	-	(59,375)	(1)	31,457	1
8500	**Total comprehensive income for the period**	**$ 66,084**	**2**	**102,149**	**5**	**170,769**	**4**	**241,245**	**6**
8600	**Net income attributable to:**								
8610	Shareholders of the Company	$ 130,626	5	88,880	5	223,493	5	206,441	5
8620	Non-controlling interests	5,237	-	1,043	-	6,651	-	3,347	-
		$ 135,863	**5**	**89,923**	**5**	**230,144**	**5**	**209,788**	**5**
8700	**Total comprehensive income attributable to:**								
8710	Shareholders of the Company	$ 60,858	2	101,103	5	164,122	4	237,893	6
8720	Non-controlling interests	5,226	-	1,046	-	6,647	-	3,352	-
		$ 66,084	**2**	**102,149**	**5**	**170,769**	**4**	**241,245**	**6**
	Earnings per share (in New Taiwan Dollar) (note 6(s)):								
9750	Basic earnings per share	**$ 1.02**		**0.69**		**1.74**		**1.63**	
9850	Diluted earnings per share	**$ 1.01**		**0.69**		**1.73**		**1.61**	

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 six months ended June 30, 2025 and 2024

(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	Treasury stock	Total equity of the Company	Non-controlling interests	Total equity
Balance at January 1, 2024	$ 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(r))	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)
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(50,017)	(50,017)
Net income for the six months ended June 30, 2024	-	-	-	-	206,441	206,441	-	-	-	-	206,441	3,347	209,788
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	(4)	(4)	24,117	7,339	31,456	-	31,452	5	31,457
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	206,437	206,437	24,117	7,339	31,456	-	237,893	3,352	241,245
Balance at June 30, 2024	**$ 1,287,292**	**1,155,383**	**570,912**	**89,484**	**1,385,682**	**2,046,078**	**(19,317)**	**(38,711)**	**(58,028)**	**-**	**4,430,725**	**107,045**	**4,537,770**
Balance at January 1, 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
Appropriation of earnings:													
Legal reserve	-	-	28,265	-	(28,265)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(32,441)	32,441	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(251,022)	(251,022)	-	-	-	-	(251,022)	-	(251,022)
Cash dividends from capital surplus	-	(32,182)	-	-	-	-	-	-	-	-	(32,182)	-	(32,182)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	(28,793)	(28,793)	-	(28,793)
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(15,216)	(15,216)
Net income for the six months ended June 30, 2025	-	-	-	-	223,493	223,493	-	-	-	-	223,493	6,651	230,144
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	-	(58,106)	(1,265)	(59,371)	-	(59,371)	(4)	(59,375)
Total comprehensive loss for the six months ended June 30, 2025	-	-	-	-	223,493	223,493	(58,106)	(1,265)	(59,371)	-	164,122	6,647	170,769
Balance at June 30, 2025	**$ 1,287,292**	**1,123,237**	**599,177**	**57,043**	**1,438,550**	**2,094,770**	**(71,530)**	**(44,884)**	**(116,414)**	**(28,793)**	**4,360,092**	**108,118**	**4,468,210**

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 six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar)

	For the six months ended June 30	
	2025	**2024**
Cash flows from operating activities:		
Income before income tax	$ 278,847	258,315
Adjustments:		
Depreciation	30,454	29,328
Amortization	12,080	12,958
Recognized (reversal of) expected credit loss	(4,141)	781
Interest expense	9,501	5,502
Interest income	(23,633)	(23,775)
Share of loss of associates	138	141
Loss (gain) on disposal of property, plant and equipment	(265)	851
Gain on lease modifications	-	(40)
Subtotal	24,134	25,746
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	6,390	514
Notes and accounts receivable	(331,941)	39,453
Accounts receivable from related parties	(284,964)	(149,881)
Other receivables	372	2,755
Inventories	(1,109,572)	(300,533)
Other current assets	(92,943)	5,216
Net changes in operating assets	(1,812,658)	(402,476)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(691)	420
Contract liabilities	894	(20,669)
Notes and accounts payable	749,871	25,732
Accounts payable to related parties	133	(395,191)
Other payables	33,602	(22,798)
Provisions－current	178	(125)
Other current liabilities	(4,057)	(3,077)
Net defined benefit liabilities	15	4
Provisions－non-current	-	500
Net changes in operating liabilities	779,945	(415,204)
Total changes in operating assets and liabilities	(1,032,713)	(817,680)
Total adjustments	(1,008,579)	(791,934)
Cash used in operations	(729,732)	(533,619)
Interest received	24,330	24,610
Interest paid	(8,797)	(4,984)
Income taxes paid	(21,483)	(102,542)
Net cash used in operating activities	(735,682)	(616,535)

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 six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar)

	For the six months ended June 30	
	2025	**2024**
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(3,965)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	3,750
Acquisition of financial assets at fair value through profit or loss	(16,255)	-
Acquisition of property, plant and equipment	(14,735)	(15,521)
Proceeds from disposal of property, plant and equipment	265	-
Acquisition of intangible assets	(1,472)	(1,883)
Decrease in other financial assets－current	580,994	625,788
Decrease (increase) in other financial assets－non-current	4,633	(34,379)
Decrease in other non-current assets	-	2,195
Net cash provided by investing activities	553,430	575,985
Cash flows from financing activities:		
Increase in short-term borrowings	48,510	181,965
Repayment of long-term debt	(617)	(609)
Increase (decrease) in guarantee deposits	(40)	447
Payment of lease liabilities	(13,268)	(10,339)
Capital increase in cash	-	289,968
Purchase of treasury stock	(28,793)	-
Net cash provided by financing activities	5,792	461,432
Effect of foreign exchange rate changes	(56,384)	21,361
Net increase (decrease) in cash and cash equivalents	(232,844)	442,243
Cash and cash equivalents at beginning of period	1,072,751	1,061,474
Cash and cash equivalents at end of period	$ **839,907**	**1,503,717**

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 six months ended June 30, 2025 and 2024

(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 July 24, 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, 2025:

- Amendments to IAS 21 "Lack of Exchangeability"

(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, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

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

The following new and amended standards, which may be relevant to the Group, have been issued by the 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

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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" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- 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

(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 guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRSs") for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2024.

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(i) 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 June 30, 2025	December 31, 2024	June 30, 2024	Note
The Company	Apacer Memory America Inc. ("AMA")	Sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
The Company	Apacer Technology B.V. ("AMH")	Sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
The Company	Apacer Technology Japan Corp. ("AMJ")	Sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
The Company	Kingdom Corp. Limited ("AMK")	Sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
The Company/ ACYB	Apacer Technologies Private Limited ("ATPL")	Auxiliary sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
The Company	Apacer Technology (BVI) Inc. ("ACYB")	Investment holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	UD INFO Corp. ("UD")	Manufacture and sales of memory modules and storage memory devices	68.54 %	68.54 %	68.54 %	-
ACYB	Apacer Electronic (Shanghai) Co., Ltd. ("AMC")	Sales of memory modules and storage memory devices	100.00 %	100.00 %	100.00 %	Note 1
AMK	Shenzhen Kylinesports Technology Co. ("AMS")	Sales of gaming products and consumer electronic products	99.00 %	99.00 %	99.00 %	Note 1

Note 1: These are non-significant subsidiaries whose financial statements have not been reviewed as of and for the six months ended June 30, 2025 and 2024.

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

(c) Employee benefits

The defined benefit pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time, as well as significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses in the interim financial statements have been measured and disclosed in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expenses for an interim period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. It is recognized fully as current tax expense for the current period.

When income tax expenses are recognized directly in equity or other comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the related amounts shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(e) Treasury stock

When shares recognized as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury stock. When treasury stock is sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim financial reporting" endorsed and issued into effect by FSC 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.

The preparation of the consolidated interim financial statements, critical judgments and estimation uncertainties made by management are in conformity with note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. Significant account disclosures

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 145	122	96
Demand deposits	748,839	917,070	898,681
Time deposits with original maturities less than three months	90,923	155,559	604,940
	$ 839,907	**1,072,751**	**1,503,717**

As of June 30, 2025, December 31 and June 30, 2024, the time deposits with original maturities of more than three months amounted to $823,337, 1,404,331 and $941,862, respectively, which were classified as other financial assets－current.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss－current:			
Corporate bonds	$ 72,929	80,557	-
Foreign currency forward contracts	1,277	39	79
	$ 74,206	**80,596**	**79**

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	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss－non-current:			
Foreign unlisted preferred stocks	$ 16,255	-	-
Financial liabilities held for trading－current:			
Foreign currency forward contracts	$ (36)	(727)	(490)

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 June 30, 2025, December 31 and June 30, 2024, the derivative financial instruments that did not conform to the criteria for hedge accounting consisted of the following:

	June 30, 2025				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial assets－foreign	CNY	21,000	$ 1,276	CNY / NTD	2025/07/28～2025/08/27
currency forward contracts	JPY	10,600	1	JPY / NTD	2025/07/25
			$ 1,277		

	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

	June 30, 2024				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial assets－foreign currency forward contracts	JPY	18,300	$ 79	JPY / NTD	2024/07/25

	June 30, 2025				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial liabilities－foreign currency forward contracts	CNY	2,000	$ (36)	CNY / NTD	2025/08/27

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	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)		

	June 30, 2024				
	Contract amount (in thousands)		Fair value	Currency (Sell / Buy)	Maturity period
Financial liabilities－foreign	CNY	8,700	$ (182)	CNY / NTD	2024/07/26~2024/08/26
currency forward contracts	USD	2,300	(308)	USD / NTD	2024/07/10~2024/07/15
			$ (490)		

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

	June 30, 2025	December 31, 2024	June 30, 2024
Equity investments at fair value through other comprehensive income:			
Domestic unlisted stocks	$ 36,388	37,611	42,464
Foreign unlisted stocks	151	206	263
	$ 36,539	37,817	42,727

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 six months ended June 30, 2025 and 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(d) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable	$ 1,040,358	708,417	757,447
Accounts receivable from related parties	458,876	173,912	150,439
	1,499,234	882,329	907,886
Less: loss allowance	(18,269)	(22,410)	(22,198)
	$ 1,480,965	859,919	885,688

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As of June 30, 2025, December 31 and June 30, 2024, 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:

	June 30, 2025		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,352,209	0.0001%	1
Past due 1-90 days	128,879	0.1045%	135
Past due 91-180 days	105	87.2500%	92
Past due over 181 days	18,041	100%	18,041
	$ 1,499,234		**18,269**

	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**

	June 30, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 753,103	0.0001%	1
Past due 1-90 days	132,532	0.0385%	51
Past due 91-180 days	208	49.5192%	103
Past due over 181 days	22,043	100%	22,043
	$ 907,886		**22,198**

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

	For the six months ended June 30,	
	2025	**2024**
Balance at January 1	$ 22,410	21,417
Impairment loss recognized (reversed)	(4,141)	781
Balance at June 30	**$ 18,269**	**22,198**

(e) Other receivables

	June 30, 2025	**December 31, 2024**	**June 30, 2024**
Other receivables	**$ 6,683**	**7,055**	**6,110**

There is no loss allowance provision for other receivables on June 30, 2025, December 31 and June 30, 2024 after the assessment.

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(f) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	$ 1,038,666	417,752	685,836
Work in process	380,632	134,028	104,181
Finished goods	974,082	726,099	919,618
Inventories in transit	44,020	49,949	81,379
	$ 2,437,400	1,327,828	1,791,014

For the six months ended June 30, 2025 and 2024, the amounts of inventories recognized as cost of revenue were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of inventories sold	$ 2,339,540	1,509,957	4,034,675	3,088,297
(Reversal of) inventories write-downs	(45,009)	10,741	(28,699)	(10,772)
	$ 2,294,531	1,520,698	4,005,976	3,077,525

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.

(g) Investments accounted for using equity method

(i) The details of investments accounted for using equity method were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	$ 852	990	1,210

There were no significant changes in investments accounted for using equity method for the six months ended June 30, 2025 and 2024. Please refer to note 6(f) of the consolidated financial statements for the year ended December 31, 2024 for related information.

(ii) The abovementioned investments accounted for using equity method, and the related share of loss and other comprehensive income of those investments were calculated based on the investees' financial statements that have not been reviewed.

(h) Subsidiaries that have material non-controlling interest

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

		The percentage of ownership and voting rights held by non-controlling interests		
Subsidiaries	Principal place of business/ Registration country	June 30, 2025	December 31, 2024	June 30, 2024
UD INFO Corp. (UD)	Taiwan	31.46 %	31.46 %	31.46 %

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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:

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 411,959	331,316	501,682
Non-current assets	244,305	252,428	264,694
Current liabilities	(159,801)	(57,950)	(269,460)
Non-current liabilities	(37,137)	(39,284)	(41,195)
Net assets	**$ 459,326**	**486,510**	**455,721**
The carrying amount of non-controlling interests	**$ 108,024**	**116,585**	**106,934**

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net sales	**$ 108,596**	**146,463**	**189,233**	**278,227**
Net income	$ 16,673	3,641	21,175	10,810
Other comprehensive income	-	-	-	-
Total comprehensive income	**$ 16,673**	**39,566**	**21,175**	**10,810**
Net income attributable to non-controlling interests	**$ 5,238**	**1,047**	**6,654**	**3,354**
Total comprehensive income attributable to non-controlling interests	**$ 5,238**	**1,047**	**6,654**	**3,354**

	For the six months ended June 30,	
	2025	2024
Cash flow from operating activities	$ 80,037	(47,987)
Cash flow from investing activities	(49,700)	105,984
Cash flow from financing activities	(617)	(909)
Effects of foreign exchange rate changes	-	-
Net increase in cash and cash equivalents	**$ 29,720**	**57,088**
Cash dividends paid to non-controlling interests	**$ -**	**-**

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(i) 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, 2025	$ 598,567	347,086	207,485	74,163	2,495	1,229,796
Additions	-	2,757	7,052	4,779	147	14,735
Disposals	-	-	(4,593)	(546)	-	(5,139)
Reclassification and effect of exchange rate changes	-	(16)	2,431	(1,388)	(2,495)	(1,468)
Balance at June 30, 2025	**$ 598,567**	**349,827**	**212,375**	**77,008**	**147**	**1,237,924**
Balance at January 1, 2024	$ 598,567	339,429	199,808	70,790	483	1,209,077
Additions	-	6,109	7,239	1,657	516	15,521
Disposals	-	-	(3,026)	(280)	-	(3,306)
Reclassification and effect of exchange rate changes	-	(36)	458	534	(426)	530
Balance at June 30, 2024	**$ 598,567**	**345,502**	**204,479**	**72,701**	**573**	**1,221,822**
Accumulated depreciation and impairment loss:						
Balance at January 1, 2025	$ -	104,613	157,205	63,041	-	324,859
Depreciation	-	8,647	7,190	2,930	-	18,767
Disposals	-	-	(4,593)	(546)	-	(5,139)
Reclassification and effect of exchange rate changes	-	(8)	(61)	(1,216)	-	(1,285)
Balance at June 30, 2025	**$ -**	**113,252**	**159,741**	**64,209**	**-**	**337,202**
Balance at January 1, 2024	$ -	91,402	145,144	56,842	-	293,388
Depreciation	-	7,140	8,267	3,093	-	18,500
Disposals	-	-	(2,175)	(280)	-	(2,455)
Reclassification and effect of exchange rate changes	-	(16)	30	455	-	469
Balance at June 30, 2024	**$ -**	**98,526**	**151,266**	**60,110**	**-**	**309,902**
Carrying amounts:						
Balance at June 30, 2025	**$ 598,567**	**236,575**	**52,634**	**12,799**	**147**	**900,722**
Balance at January 1, 2025	**$ 598,567**	**242,473**	**50,280**	**11,122**	**2,495**	**904,937**
Balance at June 30, 2024	**$ 598,567**	**246,976**	**53,213**	**12,591**	**573**	**911,920**

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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(j) Right-of-use assets

		Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2025	$	66,048	19,182	85,230
Additions		18,396	2,076	20,472
Derecognition		(18,445)	(2,048)	(20,493)
Effect of exchange rates changes		(4,043)	-	(4,043)
Balance at June 30, 2025	$	**61,956**	**19,210**	**81,166**
Balance at January 1, 2024	$	61,074	18,899	79,973
Additions		6,899	4,712	11,611
Derecognition		(3,923)	(4,551)	(8,474)
Effect of exchange rates changes		1,445	-	1,445
Balance at June 30, 2024	$	**65,495**	**19,060**	**84,555**
Accumulated depreciation:				
Balance at January 1, 2025	$	40,782	3,729	44,511
Depreciation		8,914	2,773	11,687
Derecognition		(18,445)	(2,048)	(20,493)
Effect of exchange rates changes		(2,360)	-	(2,360)
Balance at June 30, 2025	$	**28,891**	**4,454**	**33,345**
Balance at January 1, 2024	$	24,908	13,549	38,457
Depreciation		8,052	2,776	10,828
Derecognition		(1,830)	(4,551)	(6,381)
Effect of exchange rates changes		448	38	486
Balance at June 30, 2024	$	**31,578**	**11,812**	**43,390**
Carrying amounts:				
Balance at June 30, 2025	$	**33,065**	**14,756**	**47,821**
Balance at January 1, 2025	$	**25,266**	**15,453**	**40,719**
Balance at June 30, 2024	$	**33,917**	**7,248**	**41,165**

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(o) for further details.

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(k) Intangible assets

	Goodwill	Computer software	Customer relationships	Expertise	Royalties for the use of patents	Total
Carrying amounts:						
Balance at June 30, 2025	$ 115,683	22,685	42,292	11,293	2,726	194,679
Balance at January 1, 2025	$ 115,683	25,848	46,991	14,003	2,609	205,134
Balance at June 30, 2024	$ 115,683	29,702	51,691	16,714	2,199	215,989

According to IAS 36, goodwill arising from a business combination is tested at least annually. According to the result of the impairment test, there were no losses incurred by the Group as of December 31, 2024; please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2024 for more details. As of June 30, 2025, the Group assessed the achievement of the forecasted revenue and operating income of CGUs to which the goodwill are allocated for the six months ended June 30, 2025, and concluded that there were no indications of goodwill impairment.

There were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2025 and 2024. Information on amortization for the period is presented in note 12(a). Please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(l) Short-term borrowings

The details of short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	$ 337,018	288,508	243,375
Unused credit facilities	$ 1,262,492	1,444,757	1,481,175
Interest rate interval	4.99%~5.10%	5.27%~5.45%	6.23%~6.25%

(m) Long-term debt

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	$ 21,742	22,359	22,970
Less: current portion of long-term debt	(1,248)	(1,235)	(1,240)
	$ 20,494	21,124	21,730
Unused credit facilities	$ 1,026	409	1,114
Interest rate interval	2.10%	2.10%	2.10%

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

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(n) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 18,864	19,314	17,472
Non-current	$ 29,407	21,753	23,952

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	$ 342	257	616	520
Variable lease payments not included in the measurement of lease liabilities	$ 2,772	471	3,181	797
Expenses relating to short-term leases	$ 499	103	684	258

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

	For the six months ended June 30,	
	2025	2024
Total cash outflows for leases	$ 17,749	11,914

(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.

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(o) Provisions

	June 30, 2025	December 31, 2024	June 30, 2024
Warranties	$ 4,147	4,752	7,241
Sales returns and allowances	3,763	2,980	2,128
Decommissioning liabilities	500	500	500
	$ 8,410	8,232	9,869

There were no significant changes in provisions for the six months ended June 30, 2025 and 2024. Please refer to note 6(n) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(p) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

(ii) The pension expenses recognized in profit or loss in respect of defined contribution plans and defined benefit plans for the three months and for the six months ended June 30, 2025 and 2024, are presented in note 12(a).

(q) 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:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current income tax expense				
Current period	$ 28,842	20,684	48,703	48,527

(ii) For the six months ended June 30, 2025 and 2024, there was no income tax expense recognized directly in equity or other comprehensive income.

(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.

(r) Capital and other equity

(i) Common stock

As of June 30, 2025, December 31 and June 30, 2024, the Company's authorized shares of common stock consisted of 200,000 thousand shares, of which 128,729 thousand shares 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	
	For the six months ended June 30,	
	2025	2024
Balance at January 1	128,729	122,688
Capital increase in cash	-	6,041
Purchase of treasury stock	(600)	-
Balance at June 30	**128,129**	**128,729**

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.

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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) Treasury stock

On April 17, 2025, in order to maintain the Company's credit and shareholders' rights and interests, the Company's Board of Directors resolved to repurchase its own common stock of 1,000 thousand shares as treasury stock, constituting 0.78% of the Company's issued common stock, from April 22, 2025 to June 21, 2025 at the repurchase price from NTD 32 to NTD 55. On June 19, 2025, considering the stability in the international financial market and the stock price during the execution period, and the stock price exceeds the maximum repurchase price of NTD 55, the abovementioned repurchase was not fully completed, wherein 600 thousand shares of treasury stock, amounting to $28,793, were repurchased.

According to Securities and Exchange Act, treasury stock held by the Company should not be pledged, and do not bear any shareholder rights before their transfer.

(iii) Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Paid-in capital in excess of par value	$ 1,064,259	1,096,441	1,096,441
Employee stock options	12,901	12,901	12,901
Treasury stock transactions	3,781	3,781	3,781
Restricted stock to employees	26,499	26,499	26,499
Changes in equity of associates accounted for using equity method	15,761	15,761	15,761
Claim for the disgorgement right	36	36	-
	$ 1,123,237	**1,155,419**	**1,155,383**

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.

(iv) 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.

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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.

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 appropriations of 2024 and 2023 earnings were approved by the Company's Board of Directors on February 20, 2025 and April 17, 2024, respectively, wherein the Company's Board of Directors resolved to distribute cash dividends of $32,182 ($0.25 per share) from capital surplus. The resolved appropriations were as follows:

	2024		2023	
	Dividends per share (in NTD)	**Amount**	**Dividends per share (in NTD)**	**Amount**
Dividends per share:				
Cash dividends	$ 1.95	**251,022**	3.15	**405,497**

(Continued)

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(v) Other equity items (net after tax)

1) Foreign currency translation differences

	For the six months ended June 30, 2025	2024
Balance at January 1	$ (13,424)	(43,434)
Foreign exchange differences arising from translation of foreign operations	(58,106)	24,117
Balance at June 30	**$ (71,530)**	**(19,317)**

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

	For the six months ended June 30, 2025	2024
Balance at January 1	$ (43,619)	(46,050)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,265)	7,339
Balance at June 30	**$ (44,884)**	**(38,711)**

(vi) Non-controlling interests

	For the six months ended June 30, 2025	2024
Balance at January 1	$ 116,687	153,710
Equity attributable to non-controlling interest:		
Net income	6,651	3,347
Exchange differences on translation of foreign operations	9	3
Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(13)	2
Distribution of cash dividends by subsidiaries to non-controlling interests	(15,216)	(50,017)
Balance at June 30	**$ 108,118**	**107,045**

(Continued)

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(s) Earnings per share ("EPS")

(i) Basic earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to shareholders of the Company	$ 130,626	88,880	223,493	206,441
Weighted-average number of common shares outstanding (in thousands)	128,394	128,729	128,561	126,738
Basic earnings per share (in New Taiwan Dollar)	$ 1.02	0.69	1.74	1.63

(ii) Diluted earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net income attributable to shareholders of the Company	$ 130,626	88,880	223,493	206,441
Weighted-average number of common shares outstanding (in thousands)	128,394	128,729	128,561	126,738
Effect of dilutive potential common shares (in thousands):				
Remuneration to employees	435	420	610	1,098
Weighted-average number of common shares outstanding (including effect of dilutive potential common stock)	128,829	129,149	129,171	127,836
Diluted earnings per share (in New Taiwan Dollar)	$ 1.01	0.69	1.73	1.61

(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.

	For the three months ended June 30, 2025		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 1,186,312	166,405	1,352,717
Memory modules	1,262,541	65,508	1,328,049
Others	31,604	-	31,604
	$ 2,480,457	231,913	2,712,370

(Continued)

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	For the three months ended June 30, 2024		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 979,587	174,430	1,154,017
Memory modules	644,527	51,654	696,181
Others	33,580	-	33,580
	$ 1,657,694	226,084	1,883,778

	For the six months ended June 30, 2025		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 2,213,167	317,606	2,530,773
Memory modules	2,012,388	140,909	2,153,297
Others	77,496	-	77,496
	$ 4,303,051	458,515	4,761,566

	For the six months ended June 30, 2024		
	Segment		
	Asia	America and Europe	Total
Major products:			
Flash memory cards	$ 1,948,603	389,392	2,337,995
Memory modules	1,328,013	124,381	1,452,394
Others	40,091	-	40,091
	$ 3,316,707	513,773	3,830,480

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable (including related parties)	$ 1,499,234	882,329	907,886
Less: loss allowance	(18,269)	(22,410)	(22,198)
	$ 1,480,965	859,919	885,688

	June 30, 2025	December 31, 2024	June 30, 2024
Contract liabilities－current	$ 48,823	47,929	20,365

(Continued)

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

The amounts of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the contract liabilities balances at January 1, 2025 and 2024 were $47,266 and $38,470, respectively.

(u) Remuneration to employees and directors

The Company's amended Article of Incorporation approved by the shareholders' meeting held on May 22, 2025 requires that earnings shall first to be offset against any deficit, then, a minimum of 4% will be distributed as remuneration to its employees, of which no less than 5% should be distributed to non-executive 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. The Company's Article of Incorporation before amendment 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 three months and six months ended June 30, 2025 and 2024, the Company estimated its remuneration to employees amounting to $13,177 (of which $4,610 was distributed to non-executive employees), $13,752, $23,104 (of which $8,083 was distributed to non-executive employees) and $28,195, respectively, and the remuneration to directors amounting to $1,944, $1,803, $3,261 and $3,878, 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.

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 remuneration to employees and directors is the same as the amount and 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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Interest income from bank deposits	$ 11,096	13,042	21,968	23,775
Interest income from corporate bonds	765	-	1,665	-
	$ 11,861	**13,042**	**23,633**	**23,775**

(Continued)

(ii) Other gains and losses, net

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Gains (losses) on disposal of property, plant and equipment	$ 265	-	265	(851)
Foreign currency exchange gains	14,310	1,417	17,487	235
Gains (losses) on financial assets and liabilities at fair value through profit or loss	8,328	(573)	6,791	(3,400)
Compensation income	-	838	10,913	1,167
Others	3,962	2,909	4,912	5,589
	$ 26,865	**4,591**	**40,368**	**2,740**

(iii) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Interest expense from bank loans	$ (5,032)	(3,214)	(8,885)	(4,982)
Interest expense from lease liabilities	(342)	(257)	(616)	(520)
	$ (5,374)	**(3,471)**	**(9,501)**	**(5,502)**

(w) Financial instruments

Except for the content mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to notes 6(w) and 6(x) of the consolidated financial statements for the year ended December 31, 2024.

(i) 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 June 30, 2025, December 31 and June 30, 2024, the Group had unused credit facilities of $1,263,518, $1,445,166 and $1,482,289, respectively.

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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
June 30, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	$ 337,018	(338,835)	(338,835)	-
Long-term debt (including current portion)	21,742	(25,411)	(1,699)	(23,712)
Notes and accounts payable (including related parties)	1,530,861	(1,530,861)	(1,530,861)	-
Other payables	390,748	(390,748)	(390,748)	-
Dividends payable	251,022	(251,022)	(251,022)	-
Lease liabilities	48,271	(50,451)	(20,046)	(30,405)
Guarantee deposits	409	(409)	-	(409)
Derivative financial instruments:				
Foreign currency forward contracts:				
Inflow	-	8,140	8,140	-
Outflow	36	(8,176)	(8,176)	-
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	(780,587)	(780,587)	-
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)	-
June 30, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	$ 243,375	(244,598)	(244,598)	-
Long-term debt (including current portion)	22,970	(27,089)	(1,717)	(25,372)
Notes and accounts payable (including related parties)	773,497	(773,497)	(773,497)	-
Other payables	455,597	(455,597)	(455,597)	-
Dividends payable	405,497	(405,497)	(405,497)	-
Lease liabilities	41,424	(42,907)	(18,354)	(24,553)
Guarantee deposits	447	(447)	-	(447)
Derivative financial instruments:				
Foreign currency forward contracts:				
Inflow	-	112,999	112,999	-
Outflow	490	(113,489)	(113,489)	-

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

(Continued)

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(ii) Foreign currency risk

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 receivables, other payables, other financial assets (including current and non-current), and loans and borrowings that are denominated in a currency other than the respective 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)

	June 30, 2025				
	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	$ 51,173	29.290	1,498,857	1 %	14,989
CNY	26,819	4.088	109,636	1 %	1,096
JPY	15,271	0.203	3,100	1 %	31
Financial liabilities					
Monetary items					
USD	54,221	29.290	1,588,133	1 %	15,881
CNY	208	4.088	850	1 %	9
JPY	435	0.203	88	1 %	1

	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

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	June 30, 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	$ 32,014	32.450	1,038,854	1 %	10,389
CNY	13,868	4.466	61,934	1 %	619
EUR	319	34.709	11,072	1 %	111
Financial liabilities					
Monetary items					
USD	27,199	32.450	882,608	1 %	8,826
CNY	227	4.466	1,014	1 %	10

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gain (loss) for the three months ended June 30, 2025 and 2024 were $14,310 and $1,417, respectively, and for the six months ended June 30, 2025 and 2024 were $17,487 and $$235, respectively.

(iii) Categories of financial instruments

1) Financial assets

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss (including current and non-current)	$ 90,461	80,596	79
Financial assets at fair value through other comprehensive income	36,539	37,817	42,727
Financial assets measured at amortized cost:			
Cash and cash equivalents	839,907	1,072,751	1,503,717
Notes and accounts receivable (including related parties)	1,480,965	859,919	885,688
Other receivables	5,126	6,206	5,923
Other financial assets (including current and non-current)	860,570	1,446,197	983,189
Subtotal	3,186,568	3,385,073	3,378,517
Total	**$ 3,313,568**	**3,503,486**	**3,421,323**

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2) Financial liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at fair value through profit or loss	$ 36	727	490
Financial liabilities measured at amortized cost:			
Short-term borrowings	337,018	288,508	243,375
Notes and accounts payable (including related parties)	1,530,861	780,857	773,497
Other payables	390,748	309,044	455,597
Dividends payable	251,022	-	405,497
Lease liabilities (including current and non-current)	48,271	41,067	41,424
Long-term debt (including current portion)	21,742	22,359	22,970
Guarantee deposits	409	449	447
Subtotal	2,580,071	1,442,284	1,942,807
Total	**$ 2,580,107**	**1,443,011**	**1,943,297**

(iv) 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).

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	June 30, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss－current:					
Corporate bonds	$ 72,929	72,929	-	-	72,929
Derivatives－foreign currency forward contracts	1,277	-	1,278	-	1,278
	$ 74,206	72,929	1,278	-	74,207
Financial assets at fair value through profit or loss－non-current:					
Foreign unlisted preferred stock	$ 16,255	-	-	16,255	16,255
Financial assets at fair value through other comprehensive income －non-current:					
Domestic unlisted stocks	$ 36,388	-	-	36,388	36,388
Foreign unlisted stocks	151	-	-	151	151
	$ 36,539	-	-	36,539	36,539
Financial liabilities at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	$ 36	-	36	-	36

	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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	June 30, 2024				
		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	$ 79	-	79	-	79
Financial assets at fair value through other comprehensive income －non-current:					
Domestic unlisted stocks	$ 42,464	-	-	42,464	42,464
Foreign unlisted stocks	263	-	-	263	263
	$ 42,727	-	-	42,727	42,727
Financial liabilities at fair value through profit or loss－current:					
Derivatives－foreign currency forward contracts	$ 490	-	490	-	490

(v) 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 preferred stock is determined based on the discounted cash flow model. 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.

(vi) Transfers between levels of the fair value hierarchy

There were no transfers among fair value hierarchies for the six months ended June 30, 2025 and 2024.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Balance, beginning of period	$ 39,555	36,260	37,817	35,171
Purchased	16,255	3,965	16,255	3,965
Disposals	-	(3,750)	-	(3,750)
Gains (losses) recognized in other comprehensive income, and presented in unrealized gains on financial assets measured at fair value through other comprehensive income	(3,016)	6,252	(1,278)	7,341
Balance, end of period	**$ 52,794**	**42,727**	**52,794**	**42,727**

(x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2024.

(y) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the consolidated financial statements for the year ended December 31, 2024. There were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2024 for related details.

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

(i) For acquisition of right-of-use assets under operating lease for the six months ended June 30, 2025 and 2024, please refer to note 6(j).

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

			Non-cash changes		
	January 1, 2025	Cash flows	Acquisition	Lease modifications	June 30, 2025
Short-term borrowings	$ 288,508	48,510	-	-	337,018
Long-term debt	22,359	(617)	-	-	21,742
Lease liabilities	41,067	(13,268)	20,472	-	48,271
Guarantee deposits	449	(40)	-	-	409
	$ 352,383	**34,585**	**20,472**	**-**	**407,440**

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	January 1, 2024	Cash flows	Non-cash changes: Acquisition	Non-cash changes: Lease modifications	June 30, 2024
Short-term borrowings	$ 61,410	181,965	-	-	243,375
Long-term debt	23,579	(609)	-	-	22,970
Lease liabilities	42,285	(10,339)	11,611	(2,133)	41,424
Guarantee deposits	-	447	-	-	447
	$ 127,274	171,464	11,611	(2,133)	308,216

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)
ALTOS COMPUTING (INDIA) PRIVATE LIMITED	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)
Highpoint Service Network Corporation ("HSNC")	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)
AOPEN Inc. ("AOI")	Acer's subsidiary (note 1)
Posiflex Technology Inc.	Acer's subsidiary (note 1)
Portwell Inc.	Acer's subsidiary (note 1)
Portwell Japan, Inc. ("PJI")	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

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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:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Entity with significant influence over the Group	$ 461,226	45,991	624,700	45,991
Other related parties	197,080	12,056	344,626	12,056
The Group's key management personnel (the Company's director)	-	(1,171)	-	9,068
	$ 658,306	56,876	969,326	67,115

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:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
The Group's key management personnel－Phison (the Company's director)	$ -	351,369	-	688,339
Other related parties	100	538	227	557
	$ 100	351,907	227	688,896

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.

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(iii) Receivables

The receivables from related parties were as follows:

Account	Related-party categories	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable from related parties	Entity with significant influence over the Group－Acer	$ 347,940	78,716	118,508
	Other related parties:			
	AIL	73,103	85,196	-
	Others	37,833	10,000	31,931
		$ 458,876	**173,912**	**150,439**

(iv) Payables

The payables to related parties were as follows:

Account	Related-party categories	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable to related parties	Other related parties	$ 133	-	566
Other payables	Other related parties	163	173	114
		$ 296	**173**	**680**

(v) Operating expenses

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

		For the three months ended June 30,		For the six months ended June 30,	
Account	**Related-party categories**	**2025**	**2024**	**2025**	**2024**
Operating expenses	The Group’s key management personnel (the Company’s director)	$ -	119	-	136
	Associates	13	45	25	57
	Other related parties	121	-	174	-
		$ 134	**164**	**199**	**193**

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(c) Compensation for key management personnel

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	$ 18,157	17,078	33,612	38,601
Post-employment benefits	108	108	216	216
	$ 18,265	17,186	33,828	38,817

8. Pledged assets

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

Pledged assets	Pledged to secure	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	Bank loans and credit facilities	$ 57,074	57,540	58,006

9. Significant commitments and contingencies

(a) Significant unrecognized commitments

	June 30, 2025	December 31, 2024	June 30, 2024
Unused letters of credit	$ 35,000	35,000	35,000

(b) As of June 30, 2025, December 31 and June 30, 2024, 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

12. Others

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

	For the three months ended June 30, 2025			For the three months ended June 30, 2024		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	37,326	157,527	194,853	37,306	137,803	175,109
Insurance	3,924	11,280	15,204	3,905	10,837	14,742
Pension	1,486	6,215	7,701	1,586	6,019	7,605
Others	3,896	11,393	15,289	3,836	12,541	16,377
Depreciation	5,302	9,755	15,057	5,633	9,237	14,870
Amortization	313	5,728	6,041	779	5,850	6,629

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	70,937	297,349	368,286	76,552	283,858	360,410
Insurance	8,185	24,505	32,690	8,394	24,499	32,893
Pension	2,979	12,520	15,499	3,176	12,029	15,205
Others	5,048	16,293	21,341	5,594	19,448	25,042
Depreciation	10,492	19,962	30,454	11,070	18,258	29,328
Amortization	676	11,404	12,080	1,557	11,401	12,958

(b) Seasonality operations

The Group’s operations were not significantly influenced by seasonality or cyclicality factors.

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 six months ended June 30, 2025:

(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	June 30, 2025				Note
				Shares/ Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	TSMC ARIZONA CORP TAISEM 3 7/8 04/22/27	-	Financial assets at fair value through profit or loss－current	-	29,095	-	29,095	-
The Company	JPMORGAN CHASE & CO JPM 4.323 04/26/28	-	Financial assets at fair value through profit or loss－current	-	29,255	-	29,255	-
The Company	WELLS FARGO & COMPANY WFC 4.15 01/24/29	-	Financial assets at fair value through profit or loss－current	-	14,579	-	14,579	-
The Company	Stock: Formosa Golf and Country Club Corp.	-	Financial assets at fair value through other comprehensive income－non-current	3.6	13,476	0.01 %	13,476	-
The Company	Stock: OTO Photonics Inc.	-	Financial assets at fair value through other comprehensive income－non-current	4,077	22,912	11.23 %	22,912	-
The Company	Neo Semiconductor, Inc.	-	Financial assets at fair value through profit or loss－non-current	250	16,255	20.00 %	16,255	Note
AMS	Futurepath Technology (Shenzhen) Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	32	151	0.03	151	-

Note 1: Marketable securities held are preferred stock, wherein the percentage of ownership refers to the percentage of ownership of the specific type of preferred stock.

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APACER TECHNOLOGY INC. AND SUBSIDIARIES
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(iv) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital:

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/ (Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Accounts Receivable or (Payable)	
The Company	Acer	Entity with significant influence over the Group	(Sales)	(624,700)	(14)%	OA60	-	-	347,940	23 %	-
The Company	AIL	Other related party	(Sales)	(252,252)	(6)%	OA60	-	-	73,103	5 %	-
The Company	AMA	The Company's subsidiary	(Sales)	(182,293)	(4)%	OA30	-	-	43,291	3 %	Note 1
The Company	AMK	The Company's subsidiary	(Sales)	(255,149)	(6)%	M60	-	-	37,055	3	Note 1
The Company	AMH	The Company's subsidiary	(Sales)	(193,228)	(4)%	OA30	-	-	33,387	2 %	Note 1
The Company	AMC	The Company's subsidiary	(Sales)	(313,161)	(7)%	M60	-	-	91,716	6 %	Note 1
AMA	The Company	AMA's parent company	Purchases	182,293	100 %	OA30	-	-	(43,291)	(100)%	Note 1
AMK	The Company	AMK's parent company	Purchases	255,149	100 %	OA30	-	-	(37,055)	(100)%	Note 1
AMH	The Company	AMH's parent company	Purchases	193,228	100 %	OA30	-	-	(33,387)	(100)%	Note 1
AMC	The Company	AMC's parent company	Purchases	313,161	80 %	M60	-	-	(91,716)	(77)%	Note 1

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

(v) Receivables from related parties which exceed $100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	Acer	Entity with significant influence over the Group	347,940	5.86	-	-	-	-

(vi) Business relationships and significant intercompany transactions:

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue or Total Assets
0	The Company	AMA	1	Sales	182,293	OA30	4 %
0	The Company	AMK	1	Sales	255,149	OA30	5 %
0	The Company	AMH	1	Sales	193,228	OA30	4 %
0	The Company	AMC	1	Sales	313,161	M60	7 %
0	The Company	AMA	1	Accounts receivable	43,291	OA30	1 %
0	The Company	AMK	1	Accounts receivable	37,055	OA30	1 %
0	The Company	AMH	1	Accounts receivable	33,387	OA30	-
0	The Company	AMC	1	Accounts receivable	91,716	M60	1 %

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 that exceed 1% of consolidated operating revenue or total assets. The corresponding purchases and accounts payable are not disclosed.

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(b) Information on investees:

For the six months ended June 30, 2025, the information on investees is as follows (excluding investments in Mainland China):

(In Thousands of Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2025			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	AMA	USA	Sales of memory modules and storage memory devices	610	610	20	100.00 %	335,189	14,460	14,460	Note
The Company	ACYB	British Virgin Islands	Investment and holding activity	18,542	18,542	2,636	100.00 %	60,918	5,152	5,152	Note
The Company	AMJ	Japan	Sales of memory modules and storage memory devices	2,918	2,918	0.2	100.00 %	20,962	39	39	Note
The Company	ATPL	India	Auxiliary sales of memory modules and storage memory devices	915	915	29	99.65 %	1,580	130	129	Note
The Company	AMK	Hong Kong	Sales of memory modules and storage memory devices	20,917	20,917	5,000	100.00 %	15,028	1,686	1,686	Note
The Company	AMH	Netherlands	Sales of memory modules and storage memory devices	130,469	130,469	80	100.00 %	88,231	5,084	5,084	Note
The Company	JoiiUp	Taiwan	Cloud services and software development	7,500	7,500	750	10.35 %	852	(2,091)	(138)	-
The Company	UD	Taiwan	Manufacture and sales of memory modules and storage memory devices	380,815	380,815	4,932	68.54 %	348,914	27,240	14,498	Note
ACYB	ATPL	India	Auxiliary sales of memory modules and storage memory devices	1	1	0.1	0.35 %	1	130	1	Note

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

(c) Information on investment in Mainland China:

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2025	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of June 30, 2025	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow						
Apacer Electronic (Shanghai) Co., Ltd. (“AMC”)	Sales of memory modules and storage memory devices	14,645 (USD 500 thousand)	Type 2	14,645 (USD 500 thousand)	-	-	14,645 (USD 500 thousand)	5,185	100.00 %	5,185	54,938 (Note 2)	-
Shenzhen Kylinesports Technology Co. (“AMS”)	Sales of gaming products	21,909 (USD 748 thousand)	Type 2	17,515 (USD 598 thousand)	-	-	17,515 (USD 598 thousand) (Note 3)	(353)	99.00 %	(349)	9,385	-

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

Note 4: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

Note 5: The above amounts were translated into New Taiwan Dollar at the exchange rate of US$1=NTD 29.29.

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(ii) Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
32,160 (USD 1,098 thousand)	36,085 (USD 1,232 thousand)	2,616,502

(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.

14. Segment information

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

	For the three months ended June 30, 2025			
	Asia	America and Europe	Adjustments and eliminations	Total
External revenue	$ 2,480,457	231,913	-	2,712,370
Intra-group revenue	579,963	-	(579,963)	-
Total segment revenue	$ 3,060,420	231,913	(579,963)	2,712,370
Segment profit (loss)	**$ 179,805**	**16,646**	**(31,746)**	**164,705**

	For the three months ended June 30, 2024			
	Asia	America and Europe	Adjustments and eliminations	Total
External revenue	$ 1,657,694	226,084	-	1,883,778
Intra-group revenue	314,812	-	(314,812)	-
Total segment revenue	$ 1,972,506	226,084	(314,812)	1,883,778
Segment profit (loss)	**$ 117,066**	**3,089**	**(9,548)**	**110,607**

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	For the six months ended June 30, 2025			
	Asia	America and Europe	Adjustments and eliminations	Total
External revenue	$ 4,303,051	458,515	-	4,761,566
Intra-group revenue	980,017	-	(980,017)	-
Total segment revenue	**$ 5,283,068**	**458,515**	**(980,017)**	**4,761,566**
Segment profit (loss)	**$ 300,218**	**27,283**	**(48,654)**	**278,847**

	For the six months ended June 30, 2024			
	Asia	America and Europe	Adjustments and eliminations	Total
External revenue	$ 3,316,707	513,773	-	3,830,480
Intra-group revenue	747,232	-	(747,232)	-
Total segment revenue	**$ 4,063,939**	**513,773**	**(747,232)**	**3,830,480**
Segment profit (loss)	**$ 270,778**	**26,887**	**(39,350)**	**258,315**