

**ACES ELECTRONICS CO., LTD.**  
**Parent Company Only Financial**  
**Statements**  
**With Independent Auditors' Report**  
**For the Years Ended December 31, 2024 and 2023**

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

## **Independent Auditors' Report**

To the Board of Directors of ACES Electronics Co., Ltd.:

### **Opinion**

We have audited the parent company only financial statements of ACES Electronics Co., Ltd., which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

### **Description of key audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **1. Revenue Recognition**

Please refer to Notes 4(14) to the parent only financial statements for the accounting policy on operating revenue; and refer to Notes 6(19) for disclosures relating to revenue.

Description of key audit matter:

ACES Electronics Co., Ltd. is mainly engaging in processing, manufacturing and selling of connectors. Sales revenue is one of the key audit matters to the financial statements. Therefore, the assessment for recognition of sales revenue is one of the key evaluation matter when we audit the Company's financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We tested the design of internal control process and its efficiency of execution for sales revenue.
- We spot checked the samples of sales revenue with possible risks, verified documents, including external purchase orders from customers, shipping documents, and invoices, etc., to confirm whether revenue is correctly recorded.
- We selected sales transaction samples from a certain period before and after the end of current year, and examined revenue transaction records with vouchers arising from appropriate time period.

## 2. Valuation of inventory

Please refer to Notes 4(7) to the parent only financial statements for the accounting policy on inventory valuation, Notes 5(1) for accounting estimates and assumptions of inventory, and Notes 6(4) for disclosure disclosures relating to inventory.

Description of key audit matter:

Inventory is valued at the lower of cost or net realizable value ACES Electronics Co., Ltd. mainly produces electronic products such as high precision connectors which are affected by the fast change of technology and updates of manufacturing technique; its product sales might have tremendous fluctuation which may cause the cost of inventory to be higher than its net realizable value. Therefore, the assessment for inventory valuation is one of the key evaluation matter when we audit the Company's financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included:

- We assessed the rationality of the inventory valuation policies.
- We tested samples provided by the Company on inventory valued at the lower of cost and net realizable value.
- We assessed if the inventory valuation is recorded according to the accounting policies of the Group.

## **Responsibilities of Management and Those Charged with Governance for the Parent Only Financial Statements**

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

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

Those charged with governance (inclusive of the Audit Committee) from ACES Electronics Co., Ltd are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent Only Financial Statements**

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

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

1. Identified and assessed the risks of material misstatement of the parent only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACES Electronics Co., Ltd.'s internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ACES Electronics Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the ACES Electronics Co., Ltd. to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of ACES Electronics Co., Ltd.'s audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Heng-Shen and Chen, Zheng-Xue.

KPMG

Taipei, Taiwan (Republic of China)  
March 14, 2025

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The standards, procedures, and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

**ACES ELECTRONICS CO., LTD.**

**Balance Sheets**

**December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan dollars)**

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets :</b>						<b>Current liabilities :</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 516,873	4	472,031	5	2100	Short-term borrowings (Note 6(10))	\$ -	-	1,120,000	11
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (12))	1,818	-	-	-	2321	Current portion of corporate bonds (Note 6(12))	-	-	578,202	5
1150	Notes receivable, net (Note 6(3) and (19))	351	-	122	-	2150	Notes payable	167	-	1,868	-
1170	Accounts receivable, net (Note 6(3) and (19))	1,023,934	9	762,149	7	2170	Accounts payable	302,252	3	179,236	2
1180	Net trade receivable from related parties (Note 6(3), (19) and 7)	222,980	2	120,929	1	2180	Accounts payable to related parties (Note 7)	1,097,761	9	829,395	8
1200	Other receivables (Note 6(3))	83,471	1	246,248	2	2200	Other payables (Note 6(6) and (14))	370,265	3	325,166	3
1210	Other receivables from related parties (Note 6(3) and 7)	18,826	-	4,739	-	2220	Other payables to related parties (Note 7)	12,549	-	57,752	-
1310	Inventories (Note 6(4))	370,392	3	314,369	3	2230	Current tax liabilities (Note 6(15))	11,717	-	-	-
1470	Other current assets	28,681	-	35,265	-	2280	Lease liabilities - current (Note 6(13) and 7)	10,123	-	4,176	-
		<u>2,267,326</u>	<u>19</u>	<u>1,955,852</u>	<u>18</u>	2322	Current installments of long-term borrowings (Note 6(11))	224,891	2	187,500	2
						2399	Other current liabilities - others	47,076	-	35,078	-
<b>Non-current assets :</b>								<u>2,076,801</u>	<u>17</u>	<u>3,318,373</u>	<u>31</u>
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	82,720	1	71,866	1		<b>Non-current liabilities :</b>				
1550	Investments in equity-accounted investees (Note 6(5) and (6))	6,758,291	57	6,295,080	60	2530	Bonds payable (Note 6(12))	952,248	8	-	-
1600	Property, plant and equipment (Note 6(7), 7 and 8)	2,454,682	21	1,759,922	17	2540	Long-term borrowings (Note 6(11))	2,018,310	17	1,683,974	16
1755	Right-of-use assets (Note 6(8) and 7)	21,243	-	9,901	-	2570	Deferred tax liabilities (Note 6(15))	310,661	3	266,508	3
1780	Intangible assets (Note 6(9))	66,469	-	38,093	-	2580	Lease liabilities - non-current (Note 6(13) and 7)	11,341	-	5,811	-
1915	Prepayment for equipment	203,976	2	166,698	2	2600	Other non-current liabilities (Note 6(11) and (14))	58,789	1	16,061	-
1840	Deferred tax assets (Note 6(15))	10,470	-	21,491	-			<u>3,351,349</u>	<u>29</u>	<u>1,972,354</u>	<u>19</u>
1990	Other non-current assets - others (Note 6(7) and 7)	24,133	-	226,583	2		<b>Total liabilities</b>	<u>5,428,150</u>	<u>46</u>	<u>5,290,727</u>	<u>50</u>
	<b>Assets</b>	<u>9,621,984</u>	<u>81</u>	<u>8,589,634</u>	<u>82</u>	3110	<b>Equity (Note 6(16)):</b>				
						3140	Common stock	1,418,757	12	1,344,177	13
						3170	Capital collected in advance	68,570	1	-	-
							Share capital awaiting retirement	(210)	-	-	-
							Total share capital	<u>1,487,117</u>	<u>13</u>	<u>1,344,177</u>	<u>13</u>
						3200	Capital surplus (Note 6(12) and (17))	<u>1,586,415</u>	<u>13</u>	<u>993,270</u>	<u>9</u>
							Retained earnings :				
						3310	Legal Reserve	726,030	6	726,030	7
						3320	Special Reserve	116,887	1	62,371	1
						3350	Unappropriated earnings	<u>2,529,233</u>	<u>21</u>	<u>2,236,482</u>	<u>21</u>
								<u>3,372,150</u>	<u>28</u>	<u>3,024,883</u>	<u>29</u>
							Other equity:				
						3410	Exchange differences on translation of the Financial Statements foreign operations	26,323	-	(140,790)	(1)
						3460	Gain on property revaluation (Note 6(17))	33,219	-	33,219	-
						3490	Other equity - others	(44,064)	-	-	-
							<b>Total equity</b>	<u>6,461,160</u>	<u>54</u>	<u>5,254,759</u>	<u>50</u>
<b>Total assets</b>		<u>\$ 11,889,310</u>	<u>100</u>	<u>10,545,486</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 11,889,310</u>	<u>100</u>	<u>10,545,486</u>	<u>100</u>

**ACES ELECTRONICS CO., LTD.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**  
(Expressed in thousands of New Taiwan dollars, except for Earnings per share)

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Operating Revenue</b> (Note 6(19) and 7):					
4100	Net sales revenue	\$ 3,592,237	96	2,990,226	97
4800	Other operating revenue	<u>133,181</u>	<u>4</u>	<u>100,092</u>	<u>3</u>
	<b>Net revenue from operations</b>	3,725,418	100	3,090,318	100
5000	<b>Operating costs</b> (Note 6(4), (13), (14), and 7)	<u>2,731,451</u>	<u>73</u>	<u>2,399,083</u>	<u>78</u>
	<b>Gross profit</b>	993,967	27	691,235	22
5910	Unrealized gains or losses from sales	<u>(3,969)</u>	<u>-</u>	<u>412</u>	<u>-</u>
	<b>Gross profit, net</b>	<u>989,998</u>	<u>27</u>	<u>691,647</u>	<u>22</u>
<b>Operating expenses</b> (Note 6(13), (14), (17), (20), and 7):					
6100	Selling expenses	172,643	5	160,669	5
6200	General and administrative expenses	343,573	9	300,917	10
6300	Research and development expenses	292,904	8	295,670	10
6450	Expected credit loss (gain) (Note 6(3))	<u>(361)</u>	<u>-</u>	<u>(745)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>808,759</u>	<u>22</u>	<u>756,511</u>	<u>25</u>
	<b>Profit (loss) from operations</b>	<u>181,239</u>	<u>5</u>	<u>(64,864)</u>	<u>(3)</u>
<b>Non-operating income and expenses</b> (Note 6(21)):					
7100	Interest income	7,057	-	3,859	-
7010	Other income	24,540	1	17,415	1
7020	Other gains and losses (Note 6(12))	24,277	1	(6,418)	-
7050	Finance costs (Note 6(12) and (13))	(85,530)	(2)	(69,189)	(2)
7070	Share of gains or losses from subsidiaries accounted for using equity method	<u>187,014</u>	<u>5</u>	<u>(167,794)</u>	<u>(5)</u>
	<b>Total non-operating income and expenses</b>	<u>157,358</u>	<u>5</u>	<u>(222,127)</u>	<u>(6)</u>
	<b>Profit (loss) before income tax</b>	338,597	10	(286,991)	(9)
7950	<b>Less: income tax expenses (gains)</b> (Note 6(15))	<u>(5,463)</u>	<u>-</u>	<u>(20,448)</u>	<u>(1)</u>
	<b>Profit (loss) for the year</b>	<u>344,060</u>	<u>10</u>	<u>(266,543)</u>	<u>(8)</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will never be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans (Note 6(14))	3,207	-	1,911	-
8349	Less: Income tax related to non-reclassified items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that will never be reclassified to profit or loss</b>	<u>3,207</u>	<u>-</u>	<u>1,911</u>	<u>-</u>
8360	<b>Items that are or may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation to the presentation currency	208,143	6	(59,819)	(2)
8399	Less: Income tax related to items that may be reclassified (Note 6(15))	<u>41,030</u>	<u>(1)</u>	<u>(11,365)</u>	<u>-</u>
	<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<u>167,113</u>	<u>5</u>	<u>(48,454)</u>	<u>(2)</u>
8300	<b>Total other comprehensive income (net of tax) for the year</b>	<u>170,320</u>	<u>5</u>	<u>(46,543)</u>	<u>(2)</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 514,380</u>	<u>15</u>	<u>(313,086)</u>	<u>(10)</u>
<b>Earnings per share</b> (NT\$, Note 6(18))					
9750	Basic earnings per share	<u>\$ 2.51</u>		<u>(1.98)</u>	
9850	Diluted earnings per share	<u>\$ 2.34</u>		<u>(1.98)</u>	

**ACES ELECTRONICS CO., LTD.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in thousands of New Taiwan dollars)**

	Share capital			Retained earnings			Other equity interests			Total Equity	
	Common Stock	Capital collected in advance	Share capital awaiting retirement	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Difference on Translation of Financial Statements of Foreign Operations	Gain on Property Revaluation		Unearned Employees' remuneration
<b>Balance at January 1, 2023</b>	\$ 1,344,177	-	-	988,615	702,410	168,631	2,492,404	(92,336)	33,219	-	5,637,120
Appropriation of earnings :											
Legal Reserve	-	-	-	-	23,620	-	(23,620)	-	-	-	-
Cash dividend distributed to shareholders	-	-	-	-	-	-	(73,930)	-	-	-	(73,930)
Reversal of Special Reserve	-	-	-	-	-	(106,260)	106,260	-	-	-	-
Loss for the year	-	-	-	-	-	-	(266,543)	-	-	-	(266,543)
Other comprehensive income, net of tax	-	-	-	-	-	-	1,911	(48,454)	-	-	(46,543)
Total comprehensive income for the year	-	-	-	-	-	-	(264,632)	(48,454)	-	-	(313,086)
Other changes in capital surplus :											
Changes in ownership of subsidiary equity	-	-	-	4,655	-	-	-	-	-	-	4,655
<b>Balance at December 31, 2023</b>	1,344,177	-	-	993,270	726,030	62,371	2,236,482	(140,790)	33,219	-	5,254,759
Appropriation of earnings :											
Special reserve	-	-	-	-	-	54,516	(54,516)	-	-	-	-
Profit for the year	-	-	-	-	-	-	344,060	-	-	-	344,060
Other comprehensive income, net of tax	-	-	-	-	-	-	3,207	167,113	-	-	170,320
Total comprehensive income for the year	-	-	-	-	-	-	347,267	167,113	-	-	514,380
Conversion of convertible bonds	57,100	68,570	-	470,318	-	-	-	-	-	-	595,988
Originated from recognition of equity components of issue of convertible bonds – stock options	-	-	-	54,866	-	-	-	-	-	-	54,866
Restricted stock awards	17,480	-	-	66,074	-	-	-	-	-	(66,074)	17,480
Expired restricted stock awards	-	-	(210)	(794)	-	-	-	-	-	794	(210)
Compensation costs of share-based payments	-	-	-	-	-	-	-	-	-	21,216	21,216
Changes in ownership of subsidiary equity	-	-	-	2,681	-	-	-	-	-	-	2,681
<b>Balance at December 31, 2024</b>	\$ 1,418,757	68,570	(210)	1,586,415	726,030	116,887	2,529,233	26,323	33,219	(44,064)	6,461,160

**ACES ELECTRONICS CO., LTD.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2024 and 2023  
(Expressed in thousands of New Taiwan dollars)

	2024	2023
<b>Cash flows from operating activities:</b>		
Profit (loss) before income tax	\$ 338,597	(286,991)
<b>Adjustments :</b>		
<b>Adjustments to reconcile profit (loss)</b>		
Depreciation expense	219,798	206,523
Amortization expense	36,885	25,904
Expected credit reversal gain	(361)	(745)
Net gain on financial assets at fair value through profit or loss	(3,546)	(14,034)
Interest expense	85,530	69,189
Interest income	(7,057)	(3,859)
Compensation costs of share-based payments	21,216	-
Share of loss (profit) of equity-account investees	(187,014)	167,794
Loss (gain) on disposals and scraps of property, plant and equipment	(404)	907
Gain on disposal of intangible assets	(68)	-
Loss on disposals of equity-account investees	-	26,725
Unrealized (realized) gain (loss) between affiliated companies	3,969	(412)
Gain on lease modification	-	(48)
Total adjustments to reconcile profit (loss)	168,948	477,944
<b>Changes in operating assets and liabilities :</b>		
Net changes in operating assets :		
Notes receivable	(229)	(80)
Accounts receivable	(261,424)	43,184
Accounts receivable from related parties	(102,051)	27,960
Other receivables	162,777	(190,786)
Other receivables from related parties	(14,087)	536
Inventories	(56,023)	(9,764)
Other current assets	3,301	(1,151)
Total net changes in operating assets	(267,736)	(130,101)
Net changes in operating liabilities :		
Notes payable	(1,701)	1,350
Accounts payable	123,016	12,713
Accounts payable to related parties	268,366	65,526
Other payables	45,099	(1,977)
Other payables to related parties	(45,203)	(72,661)
Other current liabilities	11,998	(152)
Net defined benefit liabilities	(665)	(500)
Total net changes in operating liabilities	400,910	4,299
Total net changes in operating assets and liabilities	133,174	(125,802)
Total adjustments	302,122	352,142
Cash generated from operations	640,719	65,151
Interest received	7,057	3,859
Interest paid	(59,836)	(46,893)
Income tax refunded (paid)	34,606	(1,626)
<b>Net cash provided by operating activities</b>	622,546	20,491
<b>Cash flows from investing activities :</b>		
Acquisitions of financial assets at fair value through profit or loss	(21,400)	-
Disposals of financial assets at fair value through profit or loss	13,274	13,300
Acquisitions of subsidiaries (deducting cash obtained)	-	(1,857)
Refund of paid-up capital from liquidated subsidiaries	-	14,860
Acquisitions of property, plant, and equipment	(685,725)	(584,846)
Disposals of property, plant, and equipment	5,588	422
Acquisitions of intangible assets	(23,992)	(28,912)
Disposals of intangible assets	8,617	-
Decrease (increase) in other non-current assets	152,632	(183,640)
Increase in prepaid equipment payments	(261,173)	(16,126)
Dividends received	-	125,000
<b>Net cash used in investing activities</b>	(812,179)	(661,799)
<b>Cash flows from financing activities :</b>		
Increase (decrease) in short-term borrowings	(1,120,000)	470,000
Issue of corporate bonds	998,906	-
Repayment of corporate bonds	(700)	-
Proceeds from long-term borrowings	3,807,000	3,670,368
Repayment of long-term borrowings	(3,437,500)	(3,526,368)
Issue of restricted stock awards	17,480	-
Repurchase of restricted stock awards	(210)	-
Repayment of principal of lease liabilities	(9,987)	(12,537)
Increase (decrease) in other non-current liabilities	47,605	(131)
Cash dividends	-	(73,930)
Acquisitions of investments accounted for using equity method (capital increase of subsidiaries)	(68,119)	(280,257)
<b>Net cash (used in) provided by financing activities</b>	234,475	247,145
<b>Decrease in cash and cash equivalents</b>	44,842	(394,163)
<b>Cash and cash equivalents at January 1</b>	472,031	866,194
<b>Cash and cash equivalents at December 31</b>	<u>\$ 516,873</u>	<u>472,031</u>

# ACES Electronics Co., Ltd.

## Notes to the Parent Company Only Financial Statements

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

### ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

#### 1. Organization

ACES Electronics Co., Ltd. (“the Company”) was established on November 7, 1996 with the approval of the Ministry of Economic Affairs. Its registered office is located at 13 Dong-Yuan Road, Chung-Li District, Taoyuan City, the Republic of China (“ROC”). The Company is mainly engaging in processing, manufacturing and selling of connectors. Shares of the Company are traded in TWSE since March 26, 2009.

#### 2. The Authorization of Financial Statements

These parent company only financial statements were approved and authorized for issue by the Board of Directors on March 14, 2025.

#### 3. Application of New and Revised Standards, Amendments and Interpretations

(1) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC.

The Company has adopted the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations with effective date from January 1, 2024. The adoption does not have a material impact on the Company’s parent company only financial statements.

· Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

· Amendments to IAS 1 “Non-current Liabilities with Covenants

· Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

· Amendments to IFRS 16 “Lease Liability in Sale and Leaseback”

The Company has adopted the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations with effective date from May 23, 2023. The adoption does not have a material impact on the Company’s parent company only financial statements.

· Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules”

(2) Impact of the IFRSs that have been endorsed by the FSC but not yet in effect

The Company assessed that the adoption of the following amendments, effective for annual period beginning on January 1, 2025, would not have a material impact on its parent company only financial statements.

· Amendments to IAS 21 “Lack of Exchangeability”

(3) The IFRSs issued by International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The Company assesses that the adoption of the following new or amended standards, not yet endorsed by the FSC, would not have a significant impact on its financial statements.

<u>New or amended standards</u>	<u>Major amendments</u>	<u>Effective date by IASB</u>
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	January 1, 2027

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<b>New or amended standards</b>	<b>Major amendments</b>	<b>Effective date by IASB</b>
	<p>enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"><li>• 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.</li><li>• Management performance measures (MPM): 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.</li><li>• 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.</li></ul>	

The Company continues to evaluate the impact of the aforementioned standards and interpretations on the financial position and financial performance; the relevant impact will

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be disclosed upon completion of the assessment.

The Company assesses that the adoption of the following other new or amended standards, not yet endorsed by the FSC, would not have a significant impact on its financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: ”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

#### 4. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these parent company only financial statements are set out as below. Unless otherwise stated, the significant accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(2) Basis of preparation

a. Basis of measurement

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

- (i) Financial assets at fair value through profit or loss;
- (ii) Defined benefit liability is recognized as the fair value of the plan assets less the present value of the defined benefit obligation.

b. Functional and presentation currency

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

(3) Foreign currency

a. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period (hereinafter refer to as ‘end of reporting period’), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at the date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

b. Foreign operations

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

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When a foreign operation is disposed of such control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When Company disposes only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

#### (4) Classification of current and non-current assets and liabilities

An asset is classified as current when:

- a. The asset expected to realize, or intends to sell or consume, in its normal operating cycle;
- b. The asset primarily held for the purpose of trading;
- c. The asset expected to realize within twelve months after the reporting date; or
- d. The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a. The liability is expected to be settled within the Company's normal operating cycle;
- b. The liability is held primarily for the purpose of trading.
- c. The liability is due to be settled within twelve months after the reporting date; or
- d. The Company does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

#### (5) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in their fair value. Time deposits with short-term maturity but not for investments and other purposes and are qualified with the aforementioned criteria are classified as cash equivalent.

#### (6) Financial instruments

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

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#### a. Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) – debt investment, FVCI – equity investment, or FVTL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the changes in the business model.

##### (i) Financial assets measured at amortized cost

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

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

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

##### (ii) Financial assets at fair value through profit or loss

All financial assets not classified as at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. The Company has the intention to sell account receivable at fair price through profit and loss immediately or recently; these amounts are recorded under account receivables currently. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, as at fair value through profit and loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

##### (iii) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level, because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

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- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;
- how managers of the business are compensated, for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sale activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

(iv) Assessment on whether contractual cash flows are solely payments of principal and interest

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

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

(v) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivables and refundable deposit) and contract assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

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The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a time deposit to have low credit risk when only deal with financial institutions with good credit rating.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

#### (vi) Derecognition of financial assets

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

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

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derecognized.

#### b. Financial liabilities and equity instruments

##### (i) Classification of debt or equity

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

##### (ii) Equity instrument

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

##### (iii) Compound financial instruments

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

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

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

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

##### (iv) Financial liabilities

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

##### (v) Derecognition of financial liabilities

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

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

##### (vi) Offsetting of financial assets and liabilities

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

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#### (7) Inventories

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

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

#### (8) Investments in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

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

#### (9) Property, plant and equipment

##### a. Recognition and measurement

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

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

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

##### b. Subsequent expenditure

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

##### c. Depreciation

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

Land is not depreciated.

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

(i) Property and plant: 3~35 years

(ii) Machinery and equipment: 5 years

(iii) Mold equipment: 2 years

(iv) Other equipment: 3~5 years

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

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#### (10) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### a. As a lessee

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

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

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

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

- (i) fixed payments, including in-substance fixed payments;
  - (ii) payments for purchase or termination options that are reasonably certain to be exercised.
  - (iii) amounts expected to be payable under a residual value guarantee; and
  - (iv) payments for purchase or termination options that are reasonably certain to be exercised.
- Interests of lease liabilities are provided using the effective interest method. It is remeasured when:

- (i) there is a change in future lease payments arising from the change in an index or rate;
- (ii) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
- (iii) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset;
- (iv) there is a change of its assessment on whether it will exercise a purchase, extension or termination option;
- (v) there is any lease modification regarding underlying assets, scope, or other terms.

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

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

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

##### b. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an

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overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

#### (11) Intangible assets

##### a. Recognition and measurement

The goodwill acquired by the Company are measured at cost less accumulated impairment losses. For computer software and other intangible assets acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

##### b. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

##### c. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

##### (i) Software: 1~5 years

##### (ii) Other intangible assets 1~3 years

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

#### (12) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

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

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

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

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

#### (13) Provisions

A provision shall be recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted by the pre-tax discount rate, which reflects current market assessments of the time value of money and the risks specific to the liability. The discounted amortization is recognized as interest expense.

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#### (14) Revenue Recognition

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

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

The Company often offers volume discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of estimated volume discount. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales of goods are made, with a credit term of 90~150 days, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the consolidated company does not adjust any of the transaction prices for the time value of money.

#### (15) Government grants

The Company has obtained low interest rate loans from banks facilitated by the government, through the "Welcome Businesses Returning to Taiwan to Invest Solutions" launched by the Executive Yuan. The difference between such loan calculated by market borrowing interest rate valued at fair price and the amount received is recorded as deferred income. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the deferred income is recognized as deduction of expenses.

#### (16) Employee benefits

##### a. Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### b. Defined benefit plans

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

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

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

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

#### c. Short-term employee benefits

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

#### (17) Share-based payments

For equity-settled share-based payment agreements, during the vesting period, the Company recognizes expenses and the corresponding increase in equity at the fair value at the grant date. The expenses recognized are adjusted by the number of the awards expected to meet the service condition and non-market vesting conditions. The amount ultimately recognized is measured on the basis of the number of the awards that meet the service condition and non-market vesting conditions at the vesting date.

Non-vesting conditions of share-based payment awards have been measured in the fair value of at the grant date of the share-based payments. Differences between the expectations and actual results shall not be verified and adjusted.

Grant date of the share-based payments is the date that the board of directors have approved the subscription prices and the number of shares allowed employees to subscribe.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (18) Income taxes

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

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

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

- a. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- b. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

- a. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to be utilized; any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (19) Earnings per share

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

#### (20) Operating segments

Company has provided the operating segments disclosure in the consolidated financial statements. Thus, disclosure of the segment information in the parent company only financial statements is waived.

### **5. Critical Accounting Judgments and Key Sources of Estimations and Assumptions Uncertainty**

The preparation of the parent company only financial report requires management to make judgments, estimates, and assumptions to future (including climate-related risks and opportunities) that 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 management continues to monitor the accounting estimates and assumptions to be consistent with the Company's risk management and climate-related commitments. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period on a prospective basis .

There is no information involving critical judgments in applying the accounting policies resulting in significant impacts on the recognized amounts in the parent company only financial statements. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

#### (1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumption as to future demand within a specific time horizon. Due to the obsolescence of aircraft models, there may be significant changes in the net realizable value of inventories. Please refer to note 6(4) for further description on the valuation of inventories.

#### (2) Valuation process

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on all significant fair values (including level 3 fair value), and reports directly to the chief financial officer. The Company also periodically reviews significant unobservable inputs and adjustments. If third-party information (i.e. through securities brokers or price setting service institutes) for evaluating fair value inputs were used, evidence for supporting inputs from third-party will be assessed in order to make sure the valuation and its fair value categorization is compliant with regulations from IFRSs. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

- a. Level 1: quoted prices (unadjusted) in active markets for identical 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 liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

For assumptions used in measuring fair value, please refer to Note 6(2) and 6(22), financial instrument.

#### 6. Description of Significant Accounts

##### (1) Cash and Cash Equivalents

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash on hand	\$ 287	279
Cash in banks	516,586	471,752
	<b>\$ 516,873</b>	<b>472,031</b>

Please refer to note 6(22) for exchange rate risk and sensitivity analysis of the financial assets and liabilities.

##### (2) Financial Assets and Liabilities at Fair Value through Profit or Loss (“FVTPL”) – current and non-current

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Financial assets mandatorily measured at FVTPL:		
Funds	\$ 82,720	71,866
Convertible bonds of embedded derivatives	1,818	-
Total	<b>\$ 84,538</b>	<b>71,866</b>

Please refer to Note 6(21) for amounts remeasured at fair value through profit and loss, and Note 6(22) for fair value information.

As at December 31, 2024 and 2023 none of the Company’s financial assets measured at fair value through profit and loss was pledged as collateral.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(3) Notes, trade and other receivables

a. Details as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Notes receivable	\$ 351	122
Accounts receivable	1,025,241	763,817
Accounts receivable – related parties	222,980	120,929
Other receivables	83,471	246,248
Other receivables – related parties	18,826	4,739
Less: Loss allowance	(1,307)	(1,668)
	<b>\$ 1,349,562</b>	<b>1,134,187</b>

b. The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes, accounts and other receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision for notes receivable, accounts receivable and other receivables for the years ended December 31 2024 and 2023 was analyzed as follows:

<b>December 31, 2024</b>			
	Carrying amount of notes, accounts and other receivables (including related parties)	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,337,705	0%	-
Past due less than 60 days	11,439	0%	-
Past due 61~120 days	478	50%	239
Past due 121~180 days	595	70%	416
Past due over 181 days	652	100%	652
	<b>\$ 1,350,869</b>		<b>1,307</b>

<b>December 31, 2023</b>			
	Carrying amount of notes, accounts and other receivables (including related parties)	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,112,650	0%	-
Past due less than 60 days	20,140	0%	-
Past due 61~120 days	2,783	50%	1,391
Past due 121~180 days	16	70%	11
Past due over 181 days	266	100%	266
	<b>\$ 1,135,855</b>		<b>1,668</b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

The movement of the loss allowance for notes, accounts and other receivables was as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Balance at beginning of the year	\$ 1,668	2,413
Reversal of impairment losses	(361)	(745)
Balance at end of the year	<b>\$ 1,307</b>	<b>1,668</b>

c. The Company has signed accounts receivable factoring contracts without recourse with financial institutions. As stated in the contract, the Company does not have to bear the risks of uncollectable accounts receivables but the loss incurred due to commercial arguments. Due to the fact that the Company has already transferred almost all the risk and revenues of the above mentioned account receivables without further participation, hence meets the criteria of derecognition of financial assets. After derecognition of accounts receivable, the claim to financial institutes were recorded under other receivables. Factored accounts receivables which were not due as of the report date were as follows:

December 31, 2024						
	Factoring amount	Acceptable advances	Amount collected in advance	Transfer to other receivable amount	Interest rate	Amount pledged (in thousands of USD)
Underwriting bank	\$ 124,170	601,108	107,048	17,122	5.478%~5.698%	-
Financial institutes						

  

December 31, 2023						
	Factoring amount	Acceptable advances	Amount collected in advance	Transfer to other receivable amount	Interest rate	Amount pledged (in thousands of USD)
Underwriting bank	\$ 189,616	663,228	-	189,616	0%	-
Financial institutes						

d. None of notes and accounts receivables held by the Company were pledged as of December 31, 2024 and 2023.

#### (4) Inventories

a. Details as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	\$ 36,061	97,207
Semi-finished goods	72,078	40,293
Work-in-progress	14,152	1,737
Finished goods	213,327	144,922
Merchandise	34,774	30,210
	<b>\$ 370,392</b>	<b>314,369</b>

**ACES Electronics Co., Ltd.**

Notes to the Parent Company Only Financial Statements

b. Details of the Company's cost of inventories recorded as cost and expenses of goods sold for the years ended December 31 2024 and 2023 are as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Cost of goods sold	\$ 2,662,056	2,327,129
Loss on obsolescence write-off	7,367	9,783
Loss on inventory write-down	2,933	4,690
Unamortized manufacturing expenses	36,454	52,195
Failed quality costs	20,782	4,364
Others	1,859	922
	<b>\$ 2,731,451</b>	<b>2,399,083</b>

c. As at December 31, 2024 and 2023, none of the Company's inventories was pledged as collateral.

(5) Investments accounted for using equity method

The investments accounted for using equity method as of the reporting date are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Subsidiaries	<b>\$ 6,758,291</b>	<b>6,295,080</b>

a. Subsidiaries

(i) ACECONN ELECTRONIC CO., LTD.

The Company has resolved by the board of directors to execute cash capital increase to ACECONN ELECTRONIC CO., LTD.(USD3,500 thousand) on November 7, 2023, and injected capital amounting to \$6,244 thousand (USD200 thousand) in January 2024.

(ii) ACES ELECTRICS (HONG KONG) CO. LIMITED

The Company established ACES ELECTRICS (HONG KONG) CO. LIMITED in February 2024.

b. Changes in ownership of subsidiary equity

(i) KUANG YING COMPUTER EQUIPMENT CO., LTD.

The Company acquired 89 thousand of shares of KUANG YING COMPUTER EQUIPMENT CO., LTD. from minority shareholders by cash of \$1,778 thousand in December 2024, which increase its shareholding percentage from 99.66% to 100%. The resulting changes in ownership decrease the capital surplus by \$454 thousand.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (ii) COMPUPACK TECHNOLOGY CO., LTD

The Group bought back 50 thousand of shares of MICON PRECISE CORP. (MICON PRECISE) from minority shareholders by cash of \$318 thousand in November 2024, and conducted a short-form merge with COMPUPACK TECHNOLOGY CO., LTD. (COMPUPACK TECHNOLOGY). After the merge, COMPUPACK TECHNOLOGY is the surviving company, and MICON PRECISE is the dissolved company. The resulting changes in ownership decrease the capital surplus by \$318 thousand.

#### c. Guarantees

As of December 31, 2024 and 2023, the investments accounted for using equity method are not pledged as collaterals.

#### (6) Business combination

##### a. Genesis Group

The board of directors have resolved the acquisition of Genesis Technology USA, Inc. and Genesis Holding Company (together referred to as the “Genesis Group”), an American group consist of companies in electromagnetic shielding, high-frequency connectors and high-speed connecting cables, in order to enhance business strategies in Internet communications, cloud services and industrial controls on December 17, 2020. The transfer of shares was completed on April 14, 2021.

According to the transaction considerations and contingent payments agreed in the acquisition contract, the amounts have been paid in full as of December 31, 2024. The amounts not paid is \$23,365 thousand as of December 31, 2023, which were recognized under “other payables” and “other payables.”

##### b. JASON TECHNOLOGY LIMITED.

In order to expand sales developments in automobile industry, the Company acquired 100% of common stocks of JASON TECHNOLOGY LIMITED (hereinafter refer to as Jason Company) on July 1, 2021.

According to the acquisition contract, the amount that the Company shall pay to the original share holder of JASON TECHNOLOGY LIMITED. for the percentage of achieving sales amount do not exceed US\$20 thousand, and shall be paid by installments in three years. As of December 31, 2024, the Company has paid \$1,857 thousand (about US\$66 thousand), and the residual contingent considerations are recognized under “other non-current liabilities.”

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (7) Property, plant and equipment

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

	<b>Land</b>	<b>Buildings and structures</b>	<b>Machinery equipment</b>	<b>Mold equipment</b>	<b>Other equipment</b>	<b>Constructi ons in process</b>	<b>Total</b>
Cost or deemed cost:							
Balance at January 1, 2024	\$ 203,393	464,059	839,868	625,043	200,931	837,290	3,170,584
Additions	368,531	17,453	49,573	60,214	26,775	163,179	685,725
Reclassification	156,819	165	59,362	4,894	2,655	-	223,895
Disposals	-	-	(3,011)	(1,428)	(3,319)	-	(7,758)
Balance at December 31, 2024	<b>\$ 728,743</b>	<b>481,677</b>	<b>945,792</b>	<b>688,723</b>	<b>227,042</b>	<b>1,000,469</b>	<b>4,072,446</b>
Balance at January 1, 2023	\$ 203,393	458,251	787,922	574,729	179,520	404,361	2,608,176
Additions	-	5,559	42,094	83,200	21,064	432,929	584,846
Reclassification	-	544	13,287	2,446	2,881	-	19,158
Disposals	-	(295)	(3,435)	(35,332)	(2,534)	-	(41,596)
Balance at December 31, 2023	<b>\$ 203,393</b>	<b>464,059</b>	<b>839,868</b>	<b>625,043</b>	<b>200,931</b>	<b>837,290</b>	<b>3,170,584</b>
Accumulated depreciation:							
Balance at January 1, 2024	\$ -	151,522	591,475	538,569	129,096	-	1,410,662
Depreciation of the year	-	18,875	88,126	78,582	24,093	-	209,676
Disposals	-	-	(583)	(512)	(1,479)	-	(2,574)
Balance at December 31, 2024	<b>\$ -</b>	<b>170,397</b>	<b>679,018</b>	<b>616,639</b>	<b>151,710</b>	<b>-</b>	<b>1,617,764</b>
Balance at January 1, 2023	\$ -	133,050	513,701	500,371	109,646	-	1,256,768
Depreciation of the year	-	18,698	80,304	73,176	21,983	-	194,161
Disposals	-	(226)	(2,530)	(34,978)	(2,533)	-	(40,267)
Balance at December 31, 2023	<b>\$ -</b>	<b>151,522</b>	<b>591,475</b>	<b>538,569</b>	<b>129,096</b>	<b>-</b>	<b>1,410,662</b>
Carrying value:							
Balance at December 31, 2024	<b>\$ 728,743</b>	<b>311,280</b>	<b>266,774</b>	<b>72,084</b>	<b>75,332</b>	<b>1,000,469</b>	<b>2,454,682</b>
Balance at January 1, 2023	<b>\$ 203,393</b>	<b>325,201</b>	<b>274,221</b>	<b>74,358</b>	<b>69,874</b>	<b>404,361</b>	<b>1,351,408</b>
Balance at December 31, 2023	<b>\$ 203,393</b>	<b>312,537</b>	<b>248,393</b>	<b>86,474</b>	<b>71,835</b>	<b>837,290</b>	<b>1,759,922</b>

a. Guarantee

As of December 31, 2024, some part of properties and plants were pledged as guaranteed for long-term borrowings and credit limit amount. For details, please refer to Note 8.

b. Prepayment for land

The Company acquired the land in MIRDC in Taoyuan from related parties with total transaction amount of \$522,729 thousand in 2023. As of December 31, 2023, the prepayment for land amounted to \$156,819 thousand (recognized under “other non-current assets – others”). Please refer to Note 7(8) Right-of-use asset. The Company has paid the remaining amount of \$365,910 thousand in full and completed the transfer of ownership procedures. Therefore, \$156,819 thousand of “other non-current assets – others” was reclassified to “property, plant and equipment.”

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (8) Right-of-use assets

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

	<u>Land</u>	<u>Transport equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 11,462	6,133	17,595
Additions	17,083	4,381	21,464
Reductions	-	(4,598)	(4,598)
Balance at December 31, 2024	<u>\$ 28,545</u>	<u>5,916</u>	<u>34,461</u>
Balance at January 1, 2023	\$ 34,563	6,157	40,720
Additions	22,243	1,050	23,293
Reductions	(45,344)	(1,074)	(46,418)
Balance at December 31, 2023	<u>\$ 11,462</u>	<u>6,133</u>	<u>17,595</u>
Accumulated depreciation:			
Balance at January 1, 2024	\$ 3,757	3,937	7,694
Provision for depreciation	8,263	1,859	10,122
Reductions	-	(4,598)	(4,598)
Balance at December 31, 2024	<u>\$ 12,020</u>	<u>1,198</u>	<u>13,218</u>
Balance at January 1, 2023	\$ 28,010	2,959	30,969
Provision for depreciation	10,310	2,052	12,362
Reductions	(34,563)	(1,074)	(35,637)
Balance at December 31, 2023	<u>\$ 3,757</u>	<u>3,937</u>	<u>7,694</u>
Carrying value:			
December 31, 2024	<u>\$ 16,525</u>	<u>4,718</u>	<u>21,243</u>
January 1, 2023	<u>\$ 6,553</u>	<u>3,198</u>	<u>9,751</u>
December 31, 2023	<u>\$ 7,705</u>	<u>2,196</u>	<u>9,901</u>

As the lease contracts of land and plants expired successively for the year ended December 31, 2023, the Company resigned lease contracts with lessors. Please refer to Note 7 for the transactions of leasing land and plants from related parties.

#### (9) Intangible assets

The movement in cost and accumulated amortization of intangible assets for the years ended December 31, 2024 and 2023 were as follows:

	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 45,051	66,240	111,291
Separately acquired	23,992	-	23,992
Reclassifications	49,818	-	49,818
Disposals	(438)	(10,000)	(10,438)
Balance at December 31, 2024	<u>\$ 118,423</u>	<u>56,240</u>	<u>174,663</u>
Balance at January 1, 2023	\$ 34,596	47,783	82,379
Separately acquired	10,455	18,457	28,912
Balance at December 31, 2023	<u>\$ 45,051</u>	<u>66,240</u>	<u>111,291</u>
Accumulated amortization and impairment:			

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

Balance at January 1, 2024	\$	35,840	37,358	73,198
Current amortization		21,644	15,241	36,885
Disposals		(18)	(1,871)	(1,889)
Balance at December 31, 2024	<b>\$</b>	<b>57,466</b>	<b>50,728</b>	<b>108,194</b>
Balance at January 1, 2023	\$	25,902	21,392	47,294
Current amortization		9,938	15,966	25,904
Balance at December 31, 2023	<b>\$</b>	<b>35,840</b>	<b>37,358</b>	<b>73,198</b>
Carrying value:				
December 31, 2024	<b>\$</b>	<b>60,957</b>	<b>5,512</b>	<b>66,469</b>
January 1, 2023	<b>\$</b>	<b>8,694</b>	<b>26,391</b>	<b>35,085</b>
December 31, 2023	<b>\$</b>	<b>9,211</b>	<b>28,882</b>	<b>38,093</b>

- a. The Company acquired and paid the expenses for SAP software for the years ended December 31, 2024 and 2023. As of December 31, 2023, \$49,818 thousand has been paid, recognized under “other non-current assets – others.” As the Company has completed the inspection and started to use, \$49,818 thousand of “other non-current assets – others” has been reclassified to “intangible assets.”
- b. As of December 31, 2024 and 2023, none of the Company’s intangible assets was pledged as collateral.

#### (10) Short-term borrowings

The Company’s short-term borrowing details as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured bank loans	<u>\$ -</u>	<u>1,120,000</u>
Unused credit lines	<u>\$ 2,104,398</u>	<u>1,040,482</u>
Interest rate	<u>1.86%~1.97%</u>	<u>1.4%~2.221%</u>

#### (11) Long-term borrowings

The Company’s long-term borrowing details, conditions and terms as follows:

<u>December 31, 2024</u>				
	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.3500%~1.7550%	2025~2026	\$ 336,201
Secured bank loans	NTD	2.1142%~2.4250%	2028~2039	1,907,000
Less: current maturity				<u>(224,891)</u>
Total				<b>\$ 2,018,310</b>
Unused credit facility				<b>\$ 1,950,000</b>
<u>December 31, 2023</u>				
	<u>Currency</u>	<u>Interest rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	NTD	1.2250%~1.6500%	2025-2026	\$ 521,474
Credit loans	NTD	1.9229%~2.2119%	2028	1,350,000
Less: current maturity				<u>(187,500)</u>
Total				<b>\$ 1,683,974</b>
Unused credit lines				<b>\$ 2,606,000</b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

- a. The Company entered into a syndicated loan agreement with group of banks. During the loan term, the Company is required to calculate and maintain certain financial ratios at an agreed level based on the consolidated financial statements audit. For the years ended December 31, 2024 and 2023, there is no incident of the Company violating such financial ratios .
- b. The Company has obtained special low-interest rate loans of \$600,000 thousand from banks according to “Welcome Businesses Returning to Taiwan to Invest Solution” on June 2020. The actual special loan interest rate was 0.85%, the difference calculated by the fair loan value on market interest rate of 1.35% was regarded as government grants and recorded as deferred income. As of December 31, 2024 and 2023, deferred income were \$1,299 thousand and \$3,526 thousand respectively. These amounts were recorded under “other non-current liabilities.”
- c. Please refer to Note 8 for the assets pledged as collateral for bank borrowings.

#### (12) Bonds payable

- a. The details of unsecured convertible bonds were as follows:

	December 31, 2024	December 31, 2023
Total unsecured convertible corporate bonds issued	\$ 1,600,000	600,000
Unamortized discounted corporate bonds payable	(47,752)	(20,698)
Cumulative converted amount of unsecured convertible corporate bonds	(599,300)	(1,100)
Redeemed amount of unsecured convertible corporate bonds	(700)	-
Corporate bonds issued balance at year-end	<b>\$ 952,248</b>	<b>578,202</b>
Embedded derivatives – redemption right (recognized in financial assets at fair value through profit or loss)	<b>\$ 1,818</b>	-
Equity component – conversion options (recognized in capital surplus – stock options)	<b>\$ 54,866</b>	<b>71,065</b>
	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Embedded derivative – redeem options (recognized in other gains and losses)	<b>\$ 818</b>	<b>(62)</b>
Interest expenses	<b>\$ 25,694</b>	<b>22,296</b>

- b. Major terms and conditions of the third issuance of convertible company bonds in 2024:
  - (i) Par value issued: NT\$1,000,000 thousand, to be issued at 100.5% of the par value. Total issued amount is \$1,005,000 thousand. The amount after deducting issue costs of \$6,094 thousand is \$998,906 thousand, which has been collected in full.
  - (ii) Issued period: Three years (from August 6, 2024 to August 6, 2027)
  - (iii) Interest rate: 0%
  - (iv) Redemption at the option of the Company: The Company may redeem the bonds under the following conditions:
    - A. The Company may redeem the bonds, in whole or in part, 3 months after the issuance and forty days prior to the maturity date, at the principal amount of the bonds if the closing price of the Company’s common stocks on the Taiwan Stock Exchange for a period of 30 consecutive trading days, is at least 130% of the conversion price.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

- B. The Company may redeem the bonds, in whole or in part, 3 months after the issuance and forty days prior to the maturity date, at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or canceled.

(iv) Terms of conversion:

- A. From 3 months after the issuance to the maturity date, bondholders may convert bonds into common shares of the Company according to terms of conversion.
- B. Conversion price: The conversion price at the time of issuance was NT\$51 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture. This bond does not have reset clause.

- (v) If the bondholder does not convert the bonds at maturity, the Company has to pay in full in cash for redemption of bonds held at the principal amount of bonds with additional interest for compensation (interest compensation at maturity is 1.5075% of the principal amount).

- c. The bondholders of the Company's domestic second unsecured convertible bonds redeemed the bonds during the year of 2024 and 12,567 thousand new shares were issued at par value. The residual convertible bonds not yet converted amounting to \$700 thousand will be mature in November 2024 and redeemed by the Company. Please refer to Note 6(12) of the parent company only financial statements for the year ended December 31, 2023 for other relevant information.

(13) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	<u>\$ 10,123</u>	<u>4,176</u>
Non-current	<u>\$ 11,341</u>	<u>5,811</u>

For the maturity analysis, please refer to note 6(22) Financial Instruments.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Interests on lease liabilities	<u>\$ 454</u>	<u>330</u>
Expenses relating to short-term leases	<u>\$ 4,234</u>	<u>4,587</u>

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

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Total cash outflow for leases	<u>\$ 14,675</u>	<u>17,454</u>

a. Lease of land, property and plant

The Company leases land, property and plant for its factory with lease terms of usually 3 years.

b. Other lease

The Company leases transport equipment with lease terms of usually 3 years.

(14) Employee benefits

a. Defined benefit plans

Adjustment of the Company's present value of defined obligation and fair value of plan assets was as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Present value of defined obligation	\$ 32,821	32,283
Fair value of plan assets	<u>(27,023)</u>	<u>(23,835)</u>
Net defined benefit liabilities	<u>\$ 5,798</u>	<u>8,448</u>

The Company's employee benefit liability details as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Net defined benefit obligation liabilities (under 'other non-current liabilities')	\$ 5,798	8,448
Compensated absences liabilities (under 'other payables')	<u>12,877</u>	<u>12,877</u>
Total employee benefit liabilities	<u>\$ 18,675</u>	<u>21,325</u>

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### Notes to the Parent Company Only Financial Statements

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

(i) Composition of plan assets

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

As of reporting date, the Company's Bank of Taiwan labor pension reserve account balance amounted to \$27,023 thousand. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(ii) Changes on current value of defined obligation

The changes on current value of defined obligation for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Defined benefit obligation on January 1	\$ 32,283	39,819
Current service cost and interest	524	696
Remeasurements of net defined benefit liabilities (assets)	14	(8,232)
Defined benefit obligation on December 31	<b>\$ 32,821</b>	<b>32,283</b>

(iii) Movements on fair value of plan assets

The changes on current value of defined benefit asset plan for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Fair value of plan assets on January 1	\$ 23,835	22,560
Interest revenue	393	401
Remeasurements of net defined benefit liabilities (assets)	1,999	79
Amount appropriated to plan	796	795
Fair value of plan assets on December 31	<b>\$ 27,023</b>	<b>23,835</b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(iv) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Net interest of net defined benefit liabilities (assets)	\$ <b>131</b>	<b>295</b>
Operating costs and expenses	\$ <b>131</b>	<b>295</b>

(v) Recognized as remeasurements of net defined benefit liabilities under other comprehensive profit and loss.

As of at December 31, 2024 and 2023, details of the Company's remeasurements of net defined benefit liabilities under other comprehensive profit and loss was as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Accumulated balance on January 1	\$ (14,948)	(16,859)
Current recognition		
The Company	1,985	8,311
Subsidiaries	1,222	(6,400)
Accumulated balance on December 31	\$ <b>(11,741)</b>	<b>(14,948)</b>

(vi) Actuarial assumptions

Details of actuarial assumptions used to decide defined benefit obligation at the end of reporting date as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Discount rate	2.000%	1.625%
Increase on future payroll	3.000%	3.000%

The Company has planned to appropriate in the amount of \$821 thousand for defined benefit plan within 1 year after the reporting date of the year ended December 31, 2024.

The weighted average duration for defined benefit plan is 11.63 years.

(vii) Sensitivity analysis

Details of the impact to current value of defined benefit obligation by using main actuarial assumption change of 0.25% for the years ended December 31, 2024 and 2023 was as follows:

	<b>Impact to defined benefit obligation</b>	
	<b>Increase by 0.25%</b>	<b>Decrease by 0.25%</b>
December 31, 2024		
Discount rate	\$ (715)	738
Increase on future payroll	713	(694)
December 31, 2023		
Discount rate	(1,088)	1,128
Increase on future payroll	911	(889)

Reasonably possible changes to one of the relevant actuarial assumptions, holding other

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The approach used in recognizing the net defined liability in the balance sheets is the same as the one used in developing the sensitivity analysis.

And the relevant actuarial assumptions in the current and previous years.

b. Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance) in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution method were \$24,624 thousand and \$24,587 thousand for the years ended December 31, 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance.

(15) Income taxes

a. Income tax expenses

- (i) The components of income tax expenses in the years 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Current tax expense		
Current period	\$ 15,680	-
Prior period over-estimation	(35,287)	(13,415)
Deferred income tax expenses (benefits)	14,144	(7,033)
Income tax benefits	<b><u>\$ (5,463)</u></b>	<b><u>(20,448)</u></b>

- (ii) Details of the amount of income tax expenses (benefits) recognized in other comprehensive income for the years ended December 31, 2024 and 2023 was as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	<b><u>\$ (41,030)</u></b>	<b><u>11,365</u></b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

- (iii) Reconciliation of income tax expenses and profit before tax for 2024 and 2023 were as follows:

	<b>For the years ended December 31, 2024</b>	<b>For the years ended December 31, 2023</b>
Profit (loss) before income tax	<u><b>\$ 338,597</b></u>	<u><b>(286,991)</b></u>
Income tax using the Company's domestic tax rate	\$ 67,719	(57,398)
Domestic investment benefit recognized under equity method	(17,141)	25,949
Permanent difference	4,258	(20,445)
Unrecognized temporary difference	(25,024)	39,011
Unrecognized tax loss	-	5,862
Prior period over-estimation	(35,287)	(13,415)
Others	<u>12</u>	<u>(12)</u>
	<u><b>\$ (5,463)</b></u>	<u><b>(20,448)</b></u>

#### Deferred tax assets and liabilities

- (i) Unrecognized deferred tax liabilities

As of the years ended December 31, 2024 and 2023, the temporary differences related to investments in subsidiaries and associates was not recognized under deferred tax liabilities because the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future. Relevant amount as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<u><b>\$ 1,192,073</b></u>	<u><b>1,643,813</b></u>
Unrecognized amount of deferred tax liabilities	<u><b>\$ 238,415</b></u>	<u><b>328,763</b></u>

- (ii) Recognized deferred tax assets and liabilities

The changes on deferred income tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows:

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

	Inventory valuation loss	Unrealized profit and loss between affiliated companies	Others	Total
<b>Deferred income tax assets:</b>				
January 1, 2024	\$ 8,713	377	12,401	21,491
(Debit) credit in profit or loss	586	794	(12,401)	(11,021)
December 31, 2024	<b>\$ 9,299</b>	<b>1,171</b>	-	<b>10,470</b>
January 1, 2023	\$ 7,775	459	4,737	12,971
(Debit) credit in profit or loss	938	(82)	7,664	8,520
December 31, 2023	<b>\$ 8,713</b>	<b>377</b>	<b>12,401</b>	<b>21,491</b>

	Share of profit or loss of subsidiaries accounted for using equity method	Exchange differences on translation of foreign financial statements	Others	Total
<b>Deferred tax liabilities:</b>				
January 1, 2024	\$ 280,788	(34,449)	20,169	266,508
Credit (debit) in profit or loss	13,351	-	(10,228)	3,123
Credit in other comprehensive income	-	41,030	-	41,030
December 31, 2024	<b>\$ 294,139</b>	<b>6,581</b>	<b>9,941</b>	<b>310,661</b>
January 1, 2023	\$ 280,788	(23,084)	18,682	276,386
Credit (debit) in profit or loss	-	-	1,487	1,487
Credit in other comprehensive income	-	(11,365)	-	(11,365)
December 31, 2023	<b>\$ 280,788</b>	<b>(34,449)</b>	<b>20,169</b>	<b>266,508</b>

b. Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the tax authority.

(16) Capital and other equity

a. Share capital

As of December 31, 2024 and 2023, the authorized common stock of the Company was \$2,000,000 thousand in both years, comprising 200,000 thousand shares with a par value of \$10 per share. The issued common stocks were 141,876 thousand shares and 134,418 thousand shares, respectively.

(a) Common stock

The Company has issued 12,567 thousand of new shares for the execution of conversion right by the convertible bondholders for the year ended December 31, 2024. The new shares were issued at par, with the total amount of \$125,670 thousand. Among the new shares, as the legal registration procedures of 6,857 thousand of shares haven't been completed, they are recognized under "capital collected in advance."

The Company repurchased and canceled 21 thousand of restricted stock awards in October and December 2024, with total amount of \$210 thousand. As the legal registration procedures of the cancellations haven't been completed, they are recognized under "share capital awaiting retirement."

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

The Company has resolved by the board of directors on July 23, 2024 to issue 1,850 thousand of restricted stock awards (Please refer to Note 6(17) for details.), and determined the base date to be August 30, 2024. The number of shares actually subscribed by employees is 1,748 thousand, with the subscription price of \$10 per share. The total amount is \$17,480 thousand. The legal registration procedures of the issue of the aforementioned capital have been completed.

(b) Capital surplus

The balances of capital surplus were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Additional paid-in capital	\$ 1,297,455	756,155
Consolidation excess	3,831	3,831
Changes in net value of equity investment in affiliated companies accounted for using equity method	107,878	105,197
Employee stock options	13,978	13,978
Restricted stock awards	65,280	-
Expired employee stock options	30,461	30,378
Stock option for conversion of convertible bonds	54,866	71,065
Others	12,666	12,666
	<b>\$ 1,586,415</b>	<b>993,270</b>

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

Please refer to Note 6(5) and 6(12) for other changes in capital surplus.

c. Retained earnings

In accordance with the Articles of Incorporation, the current year's after-tax earnings should be used initially to cover any accumulated deficit (including adjustments for undistributed earnings) and set aside 10% of the remaining earnings as legal reserve; however this is not required if total legal reserve equals total paid-in capital. Special legal reserve was set aside according to the Company's operational requirements and rules and regulations of relevant laws. The distribution of the remaining amount, plus unappropriated earnings from prior years, shall be proposed by the Board of Directors and resolved by shareholders in their general meeting.

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### Notes to the Parent Company Only Financial Statements

If dividend is distributed in issued new shares, shall be made in accordance with the provisions of Article 241 of the Company Law. If dividend is distributed in cash, the board of directors shall be attended by two-thirds of the total directors, and resolved by a majority votes at the board of directors, to distribute dividends and bonuses in whole or in part to be paid in cash, and report to the shareholders' meeting.

The Company's dividend appropriation plan is based on current earning, with the principle of stabilizing share interest, and for adaptation with this matured industry and company capital structure. As for the distribution plan, cash dividends shall not be lower be 20% of combined share dividend and cash dividend. However, the shareholders' meeting will review actual earning situation of the current year and future capital planning for any adjustment.

(i) Legal reserve

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

(ii) Special reserve

In accordance with the guidelines of FSC, a portion of current-period earnings and undistributed prior-period earnings shall be retained as a special reserve. The amount to be retained should be equal to the current-period total reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special reserve to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

According to the regulations of FSC, the Company reserved special earning surplus from current profit and loss and undistributed earnings from previous period as net debit item of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. ◦

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(iii) Earnings distribution

The Company has resolved by the board of directors on March 12, 2024 not to distribute the dividends for the year ended December 31, 2023. The amount of cash dividends in the earnings distribution proposal for the year ended December 31, 2022 has been resolved by the board of directors on March 24, 2023. The amounts of dividends distributed to shareholders are as follows:

	<b>For the year ended December 31, 2022</b>	
	<b>Dividend (dollar)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 0.55	73,930

c. Other equity

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Subsidiary property revaluation increments</b>	<b>Unearned employees' remunerations</b>	<b>Total</b>
Balance at January 1, 2024	\$ (140,790)	33,219	-	(107,571)
Exchange differences on foreign operations	167,113	-	-	167,113
Restricted stock awards	-	-	(44,064)	(44,064)
Balance at December 31, 2024	<b>\$ 26,323</b>	<b>33,219</b>	<b>(44,064)</b>	<b>15,478</b>
Balance at January 1, 2023	\$ (92,336)	33,219	-	(59,117)
Exchange differences on foreign operations	(70,183)	-	-	(70,183)
Gains or losses on disposals of foreign operations reclassified to profit or loss	21,729	-	-	21,729
Balance at December 31, 2023	<b>\$ (140,790)</b>	<b>33,219</b>	<b>-</b>	<b>(107,571)</b>

## **ACES Electronics Co., Ltd.**

### Notes to the Parent Company Only Financial Statements

#### (17) Share-based payments

The Company has resolved by the shareholders meeting on June 25, 2024 to issue 4000 thousand of restricted stock awards, granted to full-time employees of the Company meeting specific criteria. The effective registration in Securities and Futures Bureau, FSC has been completed. The Company has resolved by the board of directors on July 23, 2024 to issue 1,850 thousand of restricted stock awards, and determined the base date to be August 30, 2024. The number of shares actually subscribed by employees is 1,748 thousand, with the subscription price of \$10 per share. The total amount is \$17,480 thousand. The fair value at the grant date is \$37.8.

Employees who were granted the aforementioned restricted stock awards may subscribe the granted shares at \$10 per share. Since the subscription date, serving for one year, and the consolidated operating revenue or consolidated net profit after tax growing by over 6% compared with the prior year; serving for two years, and the consolidated operating revenue or consolidated net profit after tax growing by over 10% compared with the prior year; serving for three years, and the consolidated operating revenue or consolidated net profit after tax growing by over 10% compared with the prior year, 40%, 30%, and 30% of granted shares will be vested, respectively. The new shares subscribed by employees shall be under the trust custody by the institution designated by the Company, and may not be sold, pledged, transferred, given or disposed by other ways. During the period under the trust custody, the voting rights of the shares are executed by the trust custody institution in accordance with relevant regulations. If employees granted the restricted stock awards fail to meet the vesting condition after subscription of new shares, the shares will be repurchased in full by the Company at the issue price with interest and cancelled.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

a. Relevant information on restricted stock awards (expressed in thousands of shares):

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Expenses arising from restricted employee awards	1,748	-
Number of shares repurchased to be canceled	(21)	-
Number of shares outstanding as of December 31	<b>\$ (1,727)</b>	<b>-</b>

b. Employees expenses

The expenses arising from share-based payments for the years ended December 31, 2024 and 2023 are as follows:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Expenses arising from restricted stock awards	<b>\$ 21,216</b>	<b>-</b>

(18) Earning per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
<b>Basic earnings per share</b>		
Current net profit (loss) attributable to the Company	<b>\$ 344,060</b>	<b>(266,543)</b>
Weighted average number of ordinary shares outstanding (shares in thousands)	136,924	134,418
<b>Basic earnings (losses) per share (dollar)</b>	<b>\$ 2.51</b>	<b>(1.98)</b>
<b>Diluted earnings per share</b>		
Profit (loss) attributable to ordinary shareholders of the Company (basic)	344,060	(266,543)
After tax effects of interest expenses of convertible bonds	20,555	-
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	<b>\$ 364,615</b>	<b>(266,543)</b>
Weighted average number of ordinary shares outstanding (basic)	136,924	134,418
Effect of dilutive ordinary shares	18,589	-
Weighted average number of ordinary shares outstanding (diluted)(shares in thousands)	<b>155,513</b>	<b>134,418</b>
<b>Diluted earnings (losses) per share(dollar) (Note)</b>	<b>\$ 2.34</b>	<b>(1.98)</b>

Note: As the result calculated by adding dilutive potential common stocks is anti-dilutive for the year ended December 31, 2023, diluted earnings (losses) per share were not calculated.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(19) Revenue from contracts with customers

a. Disaggregation of revenue

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Primary geographical markets:		
Taiwan	\$ 979,292	617,794
China	1,981,648	2,030,704
Other countries	764,478	441,820
Total	<b>\$ 3,725,418</b>	<b>3,090,318</b>
Major products/services lines:		
Connectors	\$ 2,960,849	2,531,562
Connector accessories	77,463	62,232
Others	687,106	496,524
	<b>\$ 3,725,418</b>	<b>3,090,318</b>

b. Contract balances

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Notes receivable	\$ 351	122
Account receivable (including related parties)	1,248,221	884,746
Less: Loss allowance	(1,307)	(1,668)
Total	<b>\$ 1,247,265</b>	<b>883,200</b>

For details on notes and accounts receivable (including related parties) and allowance for impairment, please refer to note 6(3).

(20) Remunerations to employees and directors

In accordance with the Articles of Incorporation, if there's any profit of the year, no less than 1% shall be appropriated to employees remuneration and no more than 3% to directors remuneration. However, if the Company has accumulated deficits, this profit shall be reserved for covering losses. The aforementioned employees remuneration must be controlled with conditions set forth by the Board of Directors or its proxy, or employees of subsidiaries.

The aforementioned employees compensation shall be distributed in the form of shares or cash. Those who received shares by the resolution of the board of directors can resolve in new share or purchase own shares. Compensation for the board of directors can only be distributed in the form of cash.

The employee compensation and directors' remuneration were estimated as the income before tax, excluding the amount of employee compensation and directors' remuneration, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses. If there is a difference between estimation and actual appropriated amounts, changes in accounting estimates shall be applied. Such effect on changes shall be recognized in profit and loss in the next year. As the Company incurred loss in the year ended December 31, 2023, the amounts were not estimated.

## ACES Electronics Co., Ltd.

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	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Employees remuneration	\$ 12,092	-
Directors remuneration	8,992	-
	<b>\$ 21,084</b>	<b>-</b>

The amount, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023 and 2022. Relevant information can be referred to on the “Market Observation Post System”.

(21) Non-operating income and expenses

a. Other gains and losses

Details of other gains and losses of the Company for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Foreign exchange gains	\$ 33,724	11,283
Gains (losses) on disposals of property, plant and equipment	404	(907)
Gains on disposals of intangible assets	68	-
Gains on lease modification	-	48
Losses on disposals of investments	-	(26,725)
Gains on financial assets at fair value through profit or loss	3,546	14,034
Other losses	(13,465)	(4,151)
	<b>\$ 24,277</b>	<b>(6,418)</b>

The dissolution and liquidation of the subsidiaries of the Company, ACES (HONG KONG) ELECTRONIC CO., LTD, have been resolved by the board of directors on October 2, 2023, and the relevant procedures have been completed on November 10, 2023. As of December 31, 2023, the Company has recovered distribution of liquidated remaining properties of \$14,860 thousand, and recognized losses on disposals of investments of \$26,725 thousand, which were presented in “other gains and losses.”

b. Finance costs

Details of finance costs of the Company for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Bank loan interest	\$ 59,382	46,563
Lease liabilities interest	454	330
Convertible company bond interest	25,694	22,296
	<b>\$ 85,530</b>	<b>69,189</b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(21) Financial instruments

a. Credit risk

(i) Credit risk exposure

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

(ii) Concentration to credit risk

The customers of the Company has a significant concentration on hi-tech industry. As of December 31, 2024 and 2023, the balance of accounts receivable had 31% and 55% from 3 and 7 customers respectively. This has presented high concentration of credit risk for the Company. In order to reduce accounts receivable credit risk, the Company continues to assess financial status of its customers.

b. b. Liquidity Risk

Below table specifies maturity dates of financial liabilities contracts, including estimated interest, but not including effects on net amount agreements.

	Carrying amount	contractual cash flows	Within 1 year	2-5 years	Over 5 years
<b>December 31, 2024</b>					
Non-derivative financial liabilities					
Notes payable	\$ 167	167	167	-	-
Account payable (including related parties)	1,400,013	1,400,013	1,400,013	-	-
Bonds payable (including current portion)	952,248	1,000,000	-	1,000,000	-
Other payable (including related parties)	382,814	382,814	382,814	-	-
Lease liabilities	21,464	21,926	10,452	11,474	-
Long-term (including current portion)	2,243,201	2,418,346	275,340	1,708,091	434,915
	<b>\$ 4,999,907</b>	<b>5,223,266</b>	<b>2,068,786</b>	<b>5,052,061</b>	<b>434,915</b>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,120,000	1,144,752	1,144,752	-	-
Notes payable	1,868	1,868	1,868	-	-
Account payable (including related parties)	1,008,631	1,008,631	1,008,631	-	-
Bonds payable (including current portion)	578,202	578,202	578,202	-	-
Other payable (including related parties)	382,918	382,918	382,918	-	-
Lease liabilities	9,987	10,223	4,314	5,909	-
Long-term borrowings (including current portion)	1,871,474	1,925,467	224,867	1,700,600	-
	<b>\$ 4,973,080</b>	<b>5,052,061</b>	<b>3,345,552</b>	<b>4,394,065</b>	<b>-</b>

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

c. Currency risk

(i) Exposure to foreign currency risk

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

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

Currency: expressed in thousands of dollars

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate (dollar)	NTD	Foreign currency	Exchange rate (dollar)	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 41,227	32.785	1,351,627	45,903	30.705	1,409,451
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	35,408	32.785	1,160,851	34,395	30.705	1,056,098

(ii) Sensitivity analysis

The foreign currency risk mainly arose from the translation of cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables.

As of December 31, 2024 and 2023, if the exchange rate had changed, given no changes in other factors, when NTD is depreciated or appreciated against USD by 5%, profit after tax would have increased or decreased by \$9,539 thousand and \$17,668 thousand for the years ended December 31, 2024 and 2023, respectively. The method of analysis remains the same for both periods.

(iii) Foreign exchange gains and losses on monetary items

The Company's information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years ended December 31, 2024 and 2023, foreign exchange gains (loss) (including realized and unrealized portions) amounted to \$33,724 thousands and \$11,283 thousands, respectively.

iv. Interest rate analysis

The Company's exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk part of this note.

The following sensitivity analysis is determined through the exposure to interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

If the interest rate increased or decreased by 1%, given no changes in other factors, the profit before tax will decrease or increase by \$22,432 thousand and \$29,915 thousand for the years ended December 31, 2024 and 2023 respectively. This is mainly because of the Company's floating rate loans.

v. Fair value

(i) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss are measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy are stated below:



## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(ii) Valuation techniques of financial instruments not measured at fair value

A. Non-derivative financial instruments

Financial instruments traded in active market are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies equity instrument and debt instrument of the quoted price in an active market. If a quoted price of a financial instrument can be obtained readily and regularly from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and regularly occurring in the market. Then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a nonactive market.

If the financial instrument held by the Company is of an active market, the fair value of it is determined in accordance with market price. If its of a nonactive market, the fair value is measured by net assets.

B. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models (Black-Scholes Model).

(iii) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include financial assets and liabilities measured at fair value through profit and loss.

Most of the Company's fair value were classified as Level 3 with only one significant unobservable input. Only liabilities instruments of nonactive market has more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follow:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit and loss - non-current	Net asset valuation method	Net asset valuation	Not applicable
Financial assets at fair value through profit and loss - current	Net asset valuation method	Illiquidity and market discount and credit risk adjustment (including risk of breach of contract) were 100%.	<ul style="list-style-type: none"> <li>● The higher the market illiquidity discount is, the lower the fair value.</li> <li>● The higher the credit risk is, the lower the fair value.</li> </ul>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (23) Financial risk management

##### a. Overview

The Company have exposures to the following risks from its financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

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

##### b. Structure of risk management

Detailed financial information on the Company's significant financial instruments were disclosed under notes of each listing. However, the Company is still exposed to financial risks posed by aforementioned financial instruments. Such risks include market risks (including exchange rate risks, interest rate risks and other pricing risks) credit risk and liquidity risk.

The Company has stipulated risk management policies or risk management procedure in writing which were in resolution with the board of directors in order to identify, measure, monitor and control credit risks, market risks and liquidity risks. Risk management of the Company is executed by the finance department in accordance with risk management polices approved by the board of directors. Risk management department works closely with other departments to identify, evaluate and avoid any kind of financial risks. The board of directors has stipulated written policies for risk management. Such policies included certain risk exposures such as exchange rate risks, interest rate risks, credit risks, derivatives and non-derivatives financial instrument risks and etc. Moreover, the internal audit department is also responsible for risk management and control of environment for independent audit.

##### c. Credit risk

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

##### (i) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered, thus set up individual credit limit in order to control credit risk.

##### (ii) Financial investments

The credit risk exposure in the bank deposits, fix income investments and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, the management believes that the Company does not have any compliance issues, and therefore, there is no significant credit risk.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### (iii) Guarantee

The Company only provide guarantee to parties listed under procedures for guarantee and endorsement. The Company did not provide guarantee to any third party not listed by the Company's policy as of December 31, 2024 and 2023.

#### d. Liquidity risk

The Company is supporting the operation and reducing effects caused by cash flow fluctuations by manage and maintain sufficient cash and cash equivalents. The management of the Company monitors financing credit limits from banks and makes sure contracts were adhered to.

Bank borrowing is an important source of liquidity for the Company. As of December 31, 2024 and 2023, the Company' s unused credit line were amounted to \$4,054,398 and \$3,646,482, respectively.

#### e. Market risk

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

##### (i) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company. The currencies used in these transactions are the US dollar (USD).

##### (ii) Interest rate risk

The Company borrows with both floating interest rate and fixed interest rate, thus change risk and cash flow risk were incurred for fair value. The Company can manage its interest risk through maintaining an appropriate portfolio of floating interest rate and fixed interest rate.

##### (iii) Other market price risk

The Company is exposed to equity price risk due to the investment in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

#### (24) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the business. The capital includes common stock, capital surplus, retained earnings and other equities. The board of directors are in control of common stocks' dividend value.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

The Company use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital is the total components of equity (i.e. share capital, capital surplus, retained earnings and other equities).

Debt-to-equity ratio for the years ended December 31, 2024 and 2023 as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total liabilities	\$ 5,428,150	5,290,727
Less: cash and cash equivalents	(516,873)	(472,031)
Net liabilities	<b>\$ 4,911,277</b>	<b>4,818,696</b>
Total equity	<b>\$ 6,461,160</b>	<b>5,254,759</b>
Debt-to-equity ratio	<b>76.01%</b>	<b>91.70%</b>

(25) Investing and financing activities not affecting the current cash flow

Details of investing and financing activities not affecting the current cash flow of the Company for the years ended December 31, 2024 and 2023 were as follows:

- a. Conversion of convertible bonds to common stocks, please refer to Note 6(16) for details.
- b. Reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2024</b>	<b>Cash flow</b>	<b>Conversion of convertible bonds</b>	<b>Non-Cash changes</b>	<b>December 31, 2024</b>
Long-term borrowings (including current portion)	\$ 1,871,474	369,500	-	2,227	2,243,201
Short-term borrowings	1,120,000	(1,120,000)	-	-	-
Lease liabilities	9,987	(9,987)	-	21,464	21,464
Bonds payable (including current portion)	578,202	944,340	(595,989)	25,695	952,248
Total liabilities from financing activities	<b>\$ 3,579,663</b>	<b>183,853</b>	<b>(595,989)</b>	<b>49,386</b>	<b>3,216,913</b>

	<b>January 1, 2023</b>	<b>Cash flow</b>	<b>Non-Cash changes</b>	<b>December 31, 2023</b>
Long-term borrowings (including current portion)	\$ 1,724,500	144,000	2,974	1,871,474
Short-term borrowings	650,000	470,000	-	1,120,000
Lease liabilities	10,060	(12,537)	12,464	9,987
Bonds payable (including current portion)	555,906	-	22,296	578,202
Total liabilities from financing activities	<b>\$ 2,940,466</b>	<b>601,463</b>	<b>37,734</b>	<b>3,579,663</b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### 7. Related-party transactions

##### (1) Names and relationship with related parties

<u>Name of related parties</u>	<u>Relationship with the Company</u>
ACECONN ELECTRONIC CO., LTD.	Subsidiary
ACES PRECISION INDUSTRY PTE LTD.	Subsidiary
ACESCONN HOLDINGS CO., LTD.	Subsidiary
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	Subsidiary
ACES ELECTRICS (HONG KONG) CO. LIMITED	Subsidiary
ACES JAPAN CO., LTD.	Subsidiary
MEC IMEX INC.	Subsidiary
ACES INTERCONNECT (USA), INC.	Subsidiary
ACES Precision Machinery Co., Ltd.	Subsidiary
KUNSHAN ACES TRADING CO., LTD.	Subsidiary
DONGGUAN ACES ELECTRONIC CO., LTD.	Subsidiary
KUNSHAN ACES ELECTRONIC CO., LTD.	Subsidiary
CHONGQING HONG GAO ELECTRONIC CO., LTD.	Subsidiary
KUANG YING COMPUTER EQUIPMENT CO., LTD.	Subsidiary
COMPUPACK TECHNOLOGY CO., LTD.	Subsidiary
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Subsidiary
ASIA CENTURY INVESTMENT LTD.	Subsidiary
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	Subsidiary
ACES ZHUHAI TECHNOLOGY LTD	Subsidiary
HONTAI ZHUTAI TRADING LTD	Subsidiary
ACES Surface Treatment Co., Ltd.	Subsidiary
MEC INTERNATIONAL COMPANY LTD.	Subsidiary
MEC ELECTRIC SOLUTIONS GMBH	Subsidiary
MEC ULTRAMAX (H.K.) COMPANY LIMITED	Subsidiary
MEC BEST KNOWN COMPANY LIMITED	Subsidiary
MEC ELECTRONICS (HK) COMPANY LIMITED	Subsidiary
MEC ELECTRONICS PHILIPPINES CORPORATION	Subsidiary
MEC ELECTRONICS (SUZHOU) CO., LTD. (Note 1)	Subsidiary
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	Subsidiary
HOMEPRIDE TECHNOLOGY LIMITED	Subsidiary
HOMEPRIDE ELECTRONICS (DONGGUAN)	Subsidiary

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

COMPANY LIMITED.	
MEC IMEX (USA), INC.	Subsidiary
MEC SUZHOU ELECTRONICS CO., LTD.	Subsidiary
MICON PRECISE CORP. (Note 2)	Subsidiary
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD.	Subsidiary
Aces Precision Corporation	Subsidiary
INFOMIGHT INVESTMENTS LIMITED	Subsidiary
BELTA INTERNATIONAL LIMITED	Subsidiary
CERTILINK INTERNATIONAL LIMITED	Subsidiary
ACCURATE GROUP LIMITED	Subsidiary
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD..	Subsidiary
SUZHOU KUANG YING ELECTRIC CO., LTD.	Subsidiary
GENESIS ELECTROMECHANICAL LIMITED	Subsidiary
GENESIS INNOVATION GROUP LIMITED	Subsidiary
GENESIS HOLDING COMPANY	Subsidiary
GENESIS TECHNOLOGY USA, INC.	Subsidiary
JASON TECHNOLOGY LIMITED.	Subsidiary
GENESIS TECHNOLOGY(NINGBO) INC.	Subsidiary
DONGGUAN POLIXIN ELECTRIC CO., LTD.	Subsidiary
Wei Chi Investment Co., Ltd.	Legal persons as corporate director
Yuan Wan-Ting	Chairman
Hsu Chang-Fei	Director
Nantong Dadi Electric Co., Ltd.	Affiliated company
Kung Shan Ching Zhi Electric Co., Ltd.	Affiliated company

Note 1: The company completed liquidation during the year of 2024.

Note 1: Subsidiary of the Company, COMPUPACK TECHNOLOGY CO., LTD. (COMPUPACK TECHNOLOGY) and MICON PRECISE CORP. (MICON PRECISE) conducted a short-form merge in December 2024. COMPUPACK TECHNOLOGY is the surviving company. MICON PRECISE is the dissolved the company.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(2) Significant related party transactions

- a. The amounts of significant sales, services provide, and balance due from the Company to related parties were as follows:

	Sales and services provided		Receivables from related parties	
	For the year ended December 31, 2024	For the year ended December 31, 2023	December 31, 2024	December 31, 2023
	KUNSHAN ACES ELECTRONIC CO., LTD.	\$ 113,640	82,576	71,878
DONGGUAN ACES ELECTRONIC CO., LTD.	49,743	92,338	44,486	34,415
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	84,211	-	48,172	-
KUNSHAN ACES TRADING CO., LTD.	31,061	23,978	16,341	6,518
MEC ELECTRONICS PHILIPPINES CORP.	24,096	28,468	22,492	16,687
Other subsidiaries	48,847	44,368	19,611	13,795
	<b><u>\$ 351,598</u></b>	<b><u>271,728</u></b>	<b><u>222,980</u></b>	<b><u>120,929</u></b>

Selling price and sales term to subsidiaries is not significantly different from general sales. . The terms for receivables from related parties were O/A 90 to 120 days while it's 90 to 150 day to ordinary customers.

No collaterals were pledged from the receivables of the related parties and it was deemed not necessary to be recorded as impairment loss after assessment.

- b. Purchase amount and balance due from the Company to related parties as follows:

	Purchase		Payables to Related Parties	
	For the year ended December 31, 2024	For the year ended December 31, 2023	December 31, 2024	December 31, 2023
KUNSHAN ACES ELECTRONIC CO., LTD.	\$ 560,575	953,332	448,143	485,752
DONGGUAN ACES ELECTRONIC CO., LTD.	194,686	530,026	137,489	301,777
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	847,706	-	435,007	-
Other subsidiaries	182,760	102,283	77,122	41,866
	<b><u>\$ 1,785,727</u></b>	<b><u>1,585,641</u></b>	<b><u>1,097,761</u></b>	<b><u>829,395</u></b>

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

The Company did not purchase the same type of products from other supplier; therefore there is no comparison. The terms for payables to related parties were 90 to 120 days while it's 90 to 150 days to ordinary suppliers.

c. Service provided by related parties and balance due as follows:

	Transaction amount		Other payable - related parties	
	For the year ended December 31, 2024	For the year ended December 31, 2023	December 31, 2024	December 31, 2023
	Subsidiaries	<u>\$ 10,593</u>	<u>14,016</u>	<u>1,047</u>

d. Property transactions

(i) The disposals of equipment to related parties and balance due are summarized as follows:

	Transaction amount		Gain (loss) on disposal		Other receivables – related parties	
	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2024	For the year ended December 31, 2023	December 31, 2024	December 31, 2023
	Subsidiaries	<u>\$ 14,193</u>	<u>421</u>	<u>466</u>	<u>67</u>	<u>14,230</u>

(ii) The Company acquired the land in MIRDC in Taoyuan, with area of 2,686 ping, from related parties with total transaction amount of \$522,729 thousand in September, 2023. The acquisition price of the land referred to the appraisal report from CPAC and Cushman & Wakefield Real Estate Appraiser Firm. As of December 31, 2024, the amount has been paid in full and the transfer procedures have been completed .

e. Endorsement

The Company has endorsed its subsidiaries for taking out loans from banks for the years of 2024 and 2023, and the actual amount used as guarantee were \$20,000 thousand and \$15,000 thousand respectively.

f. Leases

The Company has rented buildings and land from related parties, and signed 4 years lease contracts with reference of neighboring rental market price and land market price in the total contract amount of \$19,538 thousand and \$31,258 thousand for the year of 2024 and 2023 respectively. The lease payments were \$10,589 thousand and \$12,938 for the year of 2024 and 2023 respectively. And as of the end of December 31, 2024 and 2023, the balances of lease liabilities were \$16,732 thousand and \$7,762 thousand, respectively.

g. Cash capital increase

The Company has resolved by the board of directors to execute cash capital increase to ACECONN ELECTRONIC CO., LTD.(USD3,500 thousand) on November 7, 2023, and injected capital amounting to \$6,244 thousand (USD200 thousand).

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

h. Others

As of December 31, 2024 and 2023, other receivables from collection and payment on behalf of another party, various expenses and other expenditures between the Company and related parties were \$4,596 thousand and \$4,325 thousand respectively. Other payables were \$11,502 thousand and \$56,131 thousand, respectively.

(3) Key management personnel transactions

Key management personnel compensation comprised:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term employee benefits	\$ 45,410	36,662
Post-employment benefits	960	1,107
Share-based payments	2,088	-
	<b>\$ 48,458</b>	<b>37,769</b>

**8. Assets pledged as security:**

Asset name	Pledge or Mortgage underlying subject	December 31, 2024	December 31, 2023
Property, plant and equipment			
Land	Long-term bank loan and credit limit guarantee	\$ 673,689	148,338
Buildings and structures	"	126,917	134,798
		<b>\$ 800,606</b>	<b>283,136</b>

**9. Significant Commitments and contingencies:**

(1) Unrecognized commitments of the Company:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	\$ 132,198	672,009
Acquisition of intangible assets	2,988	16,147
Total	<b>\$ 135,186</b>	<b>688,156</b>

For the purpose of sales development and future operational needs, the board of directors approved to use own land to build buildings on August 12, 2021. A building contract was signed with not-related parties in the first quarter of 2021 in the amount of \$1,098,800 thousand. As of December 31, 2024, \$1,056,985 thousand of the contracted price had been paid.

(2) Promissory note issued by the Company for credit limit:

	December 31, 2024	December 31, 2023
	<b>\$ 6,431,355</b>	<b>6,429,525</b>

(3) Amounts paid in as customs duties guarantee for imported goods:

	December 31, 2024	December 31, 2023
	<b>\$ 4,000</b>	<b>4,000</b>

**10. Due to Major Disasters: None.**

**11. Significant Subsequent Events: None.**

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

#### 12. Other

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

By item	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	182,803	377,564	560,367	167,671	339,937	507,608
Labor and health insurance	20,778	31,111	51,889	19,191	32,743	51,934
Pension	7,749	17,006	24,755	7,627	17,255	24,882
Remuneration of directors	-	9,724	9,724	-	8,248	8,248
Other employee benefits	26,728	22,957	49,685	15,983	20,879	36,862
Depreciation	179,264	40,534	219,798	164,277	42,246	206,523
Amortization	11	36,874	36,885	63	25,841	25,904

b. The additional information of number of employees and employee benefits in the year 2024 and 2023 was as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Number of employees	<u>716</u>	<u>671</u>
Number of non-employee directors	<u>7</u>	<u>7</u>
Average employee benefits	<u>\$ 969</u>	<u>\$ 936</u>
Average employee salary	<u>\$ 790</u>	<u>\$ 764</u>
Adjustment of average employee salary	<u>3.40%</u>	<u>0.53%</u>

c. The Company's remuneration policy including directors, supervisors, managers, and employees is stated below:

The remuneration for the Company's directors and supervisors are mainly consisted of travel allowance and remuneration. Travel allowance is in accordance with market related amount and remuneration is in accordance with Articles of Incorporation of the Company. It shall not be higher than 3% of the current annual revenue and it has to in resolution of the board of directors and reported in the shareholders' meeting. The remuneration is determined by the performance of directors of the Company, taken into consideration of the overall operating result, future industry operating risks and development.

Actual absence in board meetings, individual performance and contribution to the company's performance were taken into consideration for determining reasonable remuneration.

The remuneration of the Company's managers includes salary, bonus, special disbursement, and employees remuneration. The Article of Incorporation stipulated that more than 1% of the year's profit shall be allocated to employees remuneration. Manager's remuneration is determined based on his or her position and contribution to the Company and with reference to the industry standard. The reasonableness of relevant remuneration has been approved by the Committee of Salary Remuneration in order to make sure balance of continuous business and risk control.

Salary policy of the employees is following the rules set forth by salary management procedures. Employees grade, promotion and salary all have procedures to follow with. Salary is mainly consist of fixed salary, various allowance and overtime payment. Bonus systems such as performance bonus, year-end bonus and remuneration distribute operating profits to employees according to individual performance. Hence the salary of employees

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

will grow with the Company.

#### 13. Other disclosures

##### (1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the years ended December 31, 2024.

##### a. Lending to other parties:

No.	Loan amount	Name of borrower	Account name	Related party	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Interest rate	Maximum limit of fund financing	Business	Reason for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
					Amount	Balance at end of the year	Amount	Interest rate	Name of borrower (Note 11)				Amount	Unusual transaction details			
1	KUNSHAN ACES ELECTRONIC CO., LTD.	GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	Other receivables	Yes	134,610	67,170	26,868	0.90%	2	-	Operation requirements	-	None	-	2,759,721	2,759,721	Note 1, 2
2	ASIA CENTURY INVESTMENT LTD	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	21,343	21,310	21,310	2.95%	2	-	Operation requirements	-	None	-	166,611	166,611	"
3	ACES PRECISION INDUSTRY PTE LTD	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	32,4835	-	-	-	2	-	Operation requirements	-	None	-	57,666	57,666	"
4	WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	ACES Surface Treatment Co., Ltd.	Other receivables	Yes	2,500	2,500	2,500	1.69%	2	-	Operation requirements	-	None	-	11,118	11,118	Note 2, 3
5	MEC IMEX INC.	MEC ELECTRONICS (SUZHOU) CO., LTD.	Other receivables	Yes	195,270	98,355	98,355	3.05%	2	-	Operation requirements	-	None	-	243,111	243,111	"
6	MEC ELECTRONICS (HK) COMPANY LTD.	HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED.	Other receivables	Yes	18,180	17,912	17,912	1.30%	2	-	Operation requirements	-	None	-	131,140	131,140	Note 5
6	MEC ELECTRONICS (HK) COMPANY LTD.	HOMEPRIDE TECHNOLOGY LIMITED	Other receivables	Yes	45,893	18,032	18,032	1.15%	2	-	Operation requirements	-	None	-	131,140	131,140	"
6	MEC ELECTRONICS (H.K.) CO., LTD.	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	6,567	6,557	6,557	3.05%	2	-	Operation requirements	-	None	-	131,140	131,140	"
7	MEC ELECTRONICS (SUZHOU) CO., LTD.	SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	Other receivables	Yes	26,280	-	-	-	2	-	Operation requirements	-	None	-	134,340	134,340	Note 4
8	ACCURATE GROUP LIMITED	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	37,760	6,557	6,557	2.95%	2	-	Operation requirements	-	None	-	179,932	179,932	Note 7
9	KUANG YING COMPUTER EQUIPMENT CO., LTD.	MEC IMEX INC.	Other receivables	Yes	100,000	100,000	100,000	1.23%	2	-	Operation requirements	-	None	-	162,726	162,726	Note 2, 3
10	COMPUPACK TECHNOLOGY CO., LTD.	Aces Precision Industry Pte Ltd.	Other receivables	Yes	45,969	36,064	36,064	2.42%	2	-	Operation requirements	-	None	-	43,455	43,455	"
11	GENESIS ELECTRO-MECHANICAL LIMITED	GENESIS TECHNOLOGY USA, INC.	Other receivables	Yes	49,253	49,178	49,178	1.20%	2	-	Operation requirements	-	None	-	668,917	668,917	Note 6
11	GENESIS ELECTRO-MECHANICAL LIMITED	MEC ELECTRONICS PHILIPPINES CORP.	Other receivables	Yes	32,835	32,785	32,785	3.85%	2	-	Operation requirements	-	None	-	668,917	668,917	"

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

11	GENESIS ELECTRO-MECHANICAL LIMITED	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	16,418	-	-	3.85-%	2	-	Operation requirements	-	None	-	668,917	668,917	"
11	GENESIS ELECTRO-MECHANICAL LIMITED	Aces Precision Industry Pte Ltd.	Other receivables	Yes	32,835	32,785	32,785	3.85%	2	-	Operation requirements	-	None	-	668,917	668,917	Note 6
11	GENESIS ELECTRO-MECHANICAL LIMITED	MEC IMEX INC.	Other receivables	Yes	97,410	32,785	32,785	2.80%	2	-	Operation requirements	-	None	-	133,783	133,783	"
12	GENESIS INNOVATION GROUP LIMITED	DONGGUAN POLIXIN ELECTRIC CO., LTD.	Other receivables	Yes	65,090	42,621	42,621	3.85%	2	-	Operation requirements	-	None	-	812,594	812,594	"
12	GENESIS INNOVATION GROUP LIMITED	Aces Precision Industry Pte Ltd.	Other receivables	Yes	98,505	98,355	98,355	3.85%	2	-	Operation requirements	-	None	-	812,594	812,594	"
12	GENESIS INNOVATION GROUP LIMITED	MEC IMEX INC.	Other receivables	Yes	150,000	130,000	130,000	1.705%	2	-	Operation requirements	-	None	-	162,519	162,519	"

Note 1: According to 'Procedures for Lending Funds to Others' of subsidiaries, KUNSHAN ACES ELECTRONIC CO., LTD., ASIA CENTURY INVESTMENT LTD, and ACES PRECISION INDUSTRY PTE LTD, when lending funds to companies or firms that are in need of short-term working capital, the individual loan amount shall not exceed 10% of the company's net worth. However, if the borrowing company and its parent company directly or indirectly hold 100% of the voting shares of the foreign company, the individual loan amount shall not exceed 100% of the net worth of that subsidiary.

Note 2: According to 'Procedures for Lending Funds to Others' of subsidiaries, KUNSHAN ACES ELECTRONIC CO., LTD., MEC IMEX INC., COMPUPACK TECHNOLOGY CO., LTD., ASIA CENTURY INVESTMENT LTD, and ACES PRECISION INDUSTRY PTE LTD, when lending funds to companies or firms that are in need of short-term working capital, the individual loan amount shall not exceed 40% of company's net worth. However, if the borrowing company and its parent company directly or indirectly hold 100% of the voting shares of the foreign company, the total loan amount shall not exceed 100% of the net worth of that subsidiary.

Note 3: According to 'Procedures for Lending Funds to Others' of subsidiary MEC IMEX INC. and COMPUPACK TECHNOLOGY CO., LTD., when lending funds to companies or firms that are in need of short-term working capital, the individual loan amount shall not exceed 40% of each lending company. However, if the borrowing company and its parent company directly or indirectly hold 100% of the voting shares of the foreign company, the individual loan amount shall not exceed 100% of the net value of that subsidiary.

Note 4: The total amount of funds lent to others and the limit for individual loans for an individual enterprise by MEC ELECTRONICS (SUZHOU) CO., LTD., a subsidiary of the Company, was fixed at CNY30,000 thousand.

Note 5: The total amount of funds lent to others and the limit for individual loans for an individual enterprise by MEC ELECTRONICS (HK) COMPANY LTD., a subsidiary of the Company, was fixed at USD4,000 thousand.

Note 6: According to 'Procedures for Lending Funds to Others' of subsidiaries GENESIS ELECTRO-MECHANICAL LIMITED and GENESIS INNOVATION GROUP LIMITED., when lending funds to companies or firms that are in need of short-term working capital, the individual loan amount shall not exceed 40% of each lending company. However, if the borrowing company and its parent company directly or indirectly hold 100% of the voting shares of the foreign company, the individual loan amount shall not exceed 200% of the net value of that subsidiary.

Note 7: According to 'Procedures for Lending Funds to Others' of subsidiary, ACCURATE GROUP LIMITED, when lending funds to companies or firms that are in need of short-term working capital, the individual loan amount shall not exceed 40% of company's net worth. However, if the borrowing company and its parent company directly or indirectly hold 100% of the voting shares of the company, the total loan amount and the individual loan amount shall not exceed 400% of the net worth of that subsidiary.

Note 8: Nature of the loan as filled out below:

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- (i) Fill in '1' for companies with business relationship.  
(ii) Fill in '2' for companies with short-term financing demands.

**b. Endorsement for others:**

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for an enterprise individual (Note 1, 3, 4, )	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net equity of the latest financial statements	Maximum amount allowed for endorsement	Endorsements/guarantees by parent company	Subsidiary endorsements/guarantees by a subsidiary	Endorsements/guarantees to a subsidiary in Mainland China
		Name	Relationship (Note 5)										
0	The Company	Aces Precision Industry Pte Ltd.	2	6,461,160	328,350	163,925	-	-	2.54%	6,461,160	Y	N	Y
0	The Company	ACES Precision Machinery Co., Ltd.	2	6,461,160	100,000	50,000	20,000	-	0.77%	6,461,160	Y	N	N
1	MEC IMEX INC.	MEC INTERNATIONAL COMPANY LTD.	2	607,778	194,820	196,710	-	-	32.37%	607,778	N	N	N
2	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANGYING COMPUTER EQUIPMENT CO., LTD.	3	137,369	4,925	4,918	2,275	-	2.62%	137,369	N	N	N
2	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUNSHAN ACES ELECTRONIC CO., LTD.	2	137,369	4,925	4,918	2,275	-	2.62%	137,369	N	N	Y
3	SUZHOU KUANGYING ELECTRIC CO., LTD.	KUANGYING COMPUTER EQUIPMENT CO., LTD.	3	106,551	4,925	4,918	190	-	133.29%	106,551	N	N	N
3	SUZHOU KUANGYING ELECTRIC CO., LTD.	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	2	106,551	4,925	4,918	190	-	133.29%	106,551	N	N	Y
4	KUANGYING COMPUTER EQUIPMENT CO., LTD.	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	2	259,946	2,298	2,295	164	-	0.56%	259,946	N	N	Y

Note 1: According to 'Endorsement Guarantee Procedure' of the Company, the guarantees and endorsements for an individual enterprise shall not exceed 20% of the Company's net value. However, if it holds more than 50% of the Company's direct or indirect voting rights, then guarantees and endorsements shall not exceed 100% of the Company's net value.

Note 2: According to 'Endorsement Guarantee Procedure' of the Company, the guarantees and endorsements shall not exceed 100% of the Company's net value.

Note 3: According to 'Endorsement Guarantee Procedure' of subsidiary MEC IMEX INC., the guarantees and endorsements for an individual enterprise shall not exceed 20% of the Company's net value. However, if it holds more than 20% of the Company's direct or indirect voting rights, then guarantees and endorsements shall not exceed 100% of the Company's net value. The guarantees and endorsements shall not exceed 100% of the Company's net value.

Note 4: The Company and its subsidiaries provide customs guarantee for themselves in accordance with rules and regulations for guarantees and endorsements for an individual enterprise from 'Endorsement Guarantee Procedure'.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

Note 5: Relationship between the Company and counter-party of guarantee and endorsement as follows:

- (i) Companies with business relationship.
- (ii) The Company holds over 50% voting rights over the counter-party directly or indirectly.
- (iii) The counter-party holds over 50% voting rights of the Company directly or indirectly.
- (iv) Companies that hold over 90% voting rights directly or indirectly.
- (v) Companies for which the endorsement guarantee was provided by all shareholders based on shareholding ratio due to joint investment venture.
- (vi) Companies mutually providing guarantee according to contract requirements for engineering contracts or joint ventures.
- (vii) Joint and several guarantees for performance guarantees under pre-sale housing sales contracts among peers in accordance with the Consumer Protection Act.

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

(Shares in thousands)

Name of Holder	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	December 31				Note
				Shares	Carrying amount	Percentage of ownership	Fair value	
The Company	Fund- CDIB-Innolux II Limited Partnership	-	Financial assets at FVTPL – non-current	-	61,084	1.54%	61,084	
The Company	Fund: China Development Advantage Venture Capital Limited Partnership.	-	Financial assets at FVTPL – non-current	-	21,636	1.41%	21,636	
The Company	Fund - SPECTRA SPC POWERFUND	-	Financial assets at FVTPL – current	380	-	-	-	Note 1
The Company	Convertible bonds – redemption right	-	Financial assets at FVTPL – current	-	1,818	-	1,818	
KUNSHAN ACES ELECTRONIC CO., LTD.	Fund - Kung Shan Hua Cheng Yi Da Equity Investment Company (limited partnership company)	-	Financial assets at FVTPL – non-current	-	94,963	2.49 %	94,963	
Genesis Holding Company	Investments in non-listed company – PRIME RICH	-	Financial assets at FVOCI – non-current	210	24,097	2.10 %	24,097	

Note 1: The Company has evaluated the fair value by net value of assets method, and the result of the fair value is 0.

d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

e. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(in thousands of NTD)

Company acquired the real estate	Property name	Date of occurrence	Transaction amount	Payment condition	Counterparty	Relationship	For transactions with related parties, the information on prior transfers and the relationship				Reference of price determination	Acquisition purpose and usage	Other agreement
							Owner	Relationship with the issuer	Date of transfer	Amount			
							ACES ELECTRONICS CO., LTD.	Unfinished constructions	2022/3/18	1,098,800			
ACES ELECTRONICS CO., LTD.	Land with No. 0638 0000 on Shangling section, Zhongli District	2023/9/8	522,729	522,729 has been paid	Hsu, Chang-Fei	Director of the Company	N/A	N/A	N/A	-	The result of appraisal report	For future business development	-
ACES ZHUHAI TECHNOLOGY LTD	Unfinished constructions	2024/7/11	845,258	84,256 has been paid	Nantong Sijian Construction Group Co., Ltd.	None.	N/A	N/A	N/A	-	N/A (Note 1)	For future business development	Note 2

Note 1: As this is the engaging others to build on the company's own land project, appraisal report is not necessary.

Note 2: Please refer to Note 9 for the explanations about the contract amount.

- f. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- g. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Counter-party of sales/purchase	Name of counter-party	Relationship	Transaction details				Unusual transaction details		Notes and accounts receivables (payables)		Note
			Sales/purchase	Amount	% in total purchase (sales)	Credit terms	Unit price	Credit terms	Balance amount	Percentage in total notes and accounts receivable (payable)	
KUNSHAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	Sales	551,879	22.99 %	OA 120 days	-	-	432,859	29.52%	
KUNSHAN ACES ELECTRONIC CO., LTD.	DONGGUAN ACES ELECTRONIC CO., LTD.	Affiliates	Sales	227,944	9.50 %	OA 90 days	-	-	144,037	9.82%	
DONGGUAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliates	Sales	408,338	24.61 %	OA 120 days	-	-	226,025	30.52%	
DONGGUAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	Sales	191,286	11.53 %	OA 120 days	-	-	133,813	18.07%	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	The Company	Sub-subsidiary	Sales	836,115	60.89 %	OA 120 days	-	-	423,448	57.83%	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	KUNSHAN ACES ELECTRONIC CO., LTD.	Affiliates	Sales	365,297	26.60 %	OA 30 days	-	-	203,269	27.76%	
KUNSHAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliates	Sales	480,855	20.03 %	OA 120 days	-	-	337,848	23.04%	
GALIS ACCURATE SMITHCRAFT	KUNSHAN ACES ELECTRONIC CO., LTD.	Affiliates	Sales	378,145	97.46 %	OA 120 days	-	-	49,264	96.06%	

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

PRODUCTS CO., LTD. OF SUZHOU Genesis Innovation Group Limited, Taiwan Branch	GENESIS TECHNOLOGY USA, INC.	Affiliates	Sales	113,200	22.06 %	OA 120 days	-	40,536	23.84%
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Affiliates	Sales	436,954	77.41 %	OA 120 days	-	219,504	79.01%
MEC IMEX INC.	MEC SUZHOU ELECTRONICS CO., LTD.	Affiliates	Sales	377,576	51.32 %	OA 90 days	-	4,528	3.55%
MEC INTERNATIONAL COMPANY LTD	DONGGUAN ACES ELECTRONIC CO., LTD.	Affiliates	Sales	149,799	27.81 %	OA 120 days	-	19,454	12.70%

Note 1: Only information pertaining to purchase was disclosed, relevant sales information will not be reiterated.

#### h. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Recorded as other receivables Name of Holder	Name of counter-party Name of investee	Relationship	Receivables from related parties (Note 1)	Turnover rate	Overdue receivables from related parties		Receivables from related parties Ending Balance	Allowance for bad debt Amount
					Amount	Action taken		
KUNSHAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	432,859	1.20	-		92,847	-
KUNSHAN ACES ELECTRONIC CO., LTD	DONGGUAN ACES ELECTRONIC CO., LTD.	Affiliate	144,037	2.12			51,138	-
DONGGUAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliate	226,025	3.61			42,275	-
DONGGUAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	133,813	0.87	-		51,960	-
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	The Company	Sub-subsidiary	423,448	3.95			165,984	-
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	KUNSHAN ACES ELECTRONIC CO., LTD.	Affiliate	203,269	3.59			35,013	-
KUNSHAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliate	337,848	2.85			56,716	-
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Affiliate	219,504	2.11	-		69,724	-
GENESIS INNOVATION GROUP LIMITED	MEC IMEX INC.	Affiliates	130,310 (Note 1)	-	-		-	-

Note 1: Loan and interest receivables.

#### i. Trading in derivative instruments: None.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(2) Information on investments:

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

Investor Company	Investee Company	Location	Main Activities	Original investment amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying amount		
The Company	ACECONN ELECTRONIC CO., LTD.	SAMOA	Investment holding	777,909	771,665	25,000	100.00 %	4,212,246	57,008	38,736
The Company	ACES (HONG KONG) ELECTRONIC CO., LTD.	SAMOA	Connectors sales	-	-	10	100.00 %	-	10	10
The Company	ACES PRECISION INDUSTRY PTE LTD.	Singapore	Connectors sales business	208,410	208,410	8,162	100.00 %	57,666	788	788
The Company	ACESCONN HOLDINGS CO., LTD.	SAMOA	Investment holding	351,112	351,112	12,000	100.00 %	166,611	(543)	(543)
The Company	WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	Taiwan	Investment business	25,000	25,000	2,500	100.00 %	27,794	9	9
The Company	MEC IMEX INC.	Taiwan	Connector cable set sales business	928,939	928,939	47,582	99.86 %	577,699	44,592	44,790
The Company	ACES JAPAN CO., LTD.	Japan	Connector development business	15,137	15,137	5	100.00 %	14,533	845	845
The Company	ACES INTERCONNECT (USA), INC.	USA	Connectors sales industry	9,711	9,711	300	100.00 %	10,186	23	23
The Company	COMPUPACK TECHNOLOGY CO., LTD.	Taiwan	Electronic component sales business	287,237	287,237	21,500	100.00 %	191,878	(33,051)	(31,403)
The Company	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Taiwan	Electronic component manufacturing and sales business	198,697	198,697	25,995	100.00 %	387,085	83,602	83,317
The Company	ACES Precision Machinery Co., Ltd.	Taiwan	Mold part manufacturing and sales business	130,000	130,000	13,000	100.00 %	64,371	(11,006)	(11,006)
The Company	GENESIS HOLDING COMPANY	Cayman	Investment holding	649,215	589,118	27,778	100.00 %	854,344	78,521	54,652
The Company	GENESIS TECHNOLOGY USA, INC.	USA	Electronic component sales business	20,104	20,104	2	100.00 %	185,615	7,886	7,886
The Company	JASON TECHNOLOGY LIMITED.	Hong Kong	Electronic component sales	1,857	1,857	5,000	100.00 %	8,263	(24)	(1,090)

## ACES Electronics Co., Ltd.

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Investor Company	Investee Company	Location	Main Activities	Original investment amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee	
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying amount			
ACESCONN HOLDINGS CO., LTD.	ASIA CENTURY INVESTMENT LTD.	SAMOA	business Investment holding	351,112	351,112	9,150	100.00 %	166,611	(542)	(542)	
ACES Precision Machinery Co., Ltd.	ACES Surface Treatment Co., Ltd.	Taiwan	Manufacture and sales of mold	8,000	8,000	700	100.00 %	1,605	(2,724)	(4,692)	
MEC IMEX INC.	MEC INTERNATIONAL COMPANY LTD.	British Virgin Islands	Investment holding	1,295,195	1,295,195	33	100.00 %	355,721	18,685	18,685	
MEC IMEX INC.	MEC ELECTRIC SOLUTIONS GMBH	Germany	Connector cable set sales business	3,179	3,179	1	100.00 %	2,967	107	107	
MEC INTERNATIONAL COMPANY LTD.	MEC BEST KNOWN COMPANY LIMITED	Hong Kong	Investment holding	473,201	473,201	118,250	100.00 %	8,803	(722)	(722)	
MEC INTERNATIONAL COMPANY LTD.	MEC ULTRAMAX (HK) COMPANY LIMITED	Hong Kong	Investment holding	-	122,400	-	100.00 %	-	17,066	17,066	Note 2
MEC INTERNATIONAL COMPANY LTD.	MEC ELECTRONICS (HK) COMPANY LIMITED	Hong Kong	Connector cable set sales business	205,445	205,445	510	100.00 %	149,926	34,442	34,442	
MEC INTERNATIONAL COMPANY LTD.	MEC ELECTRONICS PHILIPPINES CORPORATION	Philippines	Connector cable set manufacturing and sales business	54,085	54,085	8,000	100.00 %	310,987	26,571	26,571	
MEC ELECTRONICS PHILIPPINES CORPORATION	MEC IMEX (USA), INC.	USA	Connector cable set sales business	12,544	12,544	4	100.00 %	17,924	(817)	(817)	
MEC ELECTRONICS (HK) COMPANY LIMITED	HOMEPRIDE TECHNOLOGY LIMITED	Hong Kong	Investment holding	230,261	230,261	56,750	100.00 %	84,842	34,652	34,652	
COMPUPACK TECHNOLOGY CO., LTD.	MICON PRECISE CORP.	Taiwan	Electronic component sales business	-	130,000	-	- %	-	(13,823)	(13,769)	Note 3
MICON PRECISE CORP.	Aces Precision Industry Pte Ltd.	Vietnam	Electronic component manufacturing and sales business	-	336,292	-	- %	-	(29,577)	(29,577)	Note 3

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

Investor Company	Investee Company	Location	Main Activities	Original investment amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee	
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying amount			
COMPUPACK TECHNOLOGY CO., LTD.	Aces Precision Industry Pte Ltd.	Vietnam	Electronic component manufacturing and sales business	336,292	-	-	100.00 %	(36,164)	-	-	Note 3
KUANG YING COMPUTER EQUIPMENT CO., LTD.	INFOMIGHT INVESTMENTS LIMITED	SAMOA	Investment holding	285,904	285,904	7,980	100.00 %	237,403	37,316	36,030	
INFOMIGHT INVESTMENTS LIMITED	BELTA INTERNATIONAL LIMITED	British Virgin Islands	Investment holding	52,349	52,349	41	100.00 %	189,492	31,421	31,421	
INFOMIGHT INVESTMENTS LIMITED	CERTILINK INTERNATIONAL LIMITED	British Virgin Islands	Sales business	1,605	1,605	50	100.00 %	140	4,715	4,715	
INFOMIGHT INVESTMENTS LIMITED	ACCURATE GROUP LIMITED	SAMOA	Investment holding	131,588	131,588	4,100	100.00 %	44,983	955	955	
GENESIS HOLDING COMPANY	GENESIS INNOVATION GROUP LIMITED	Hong Kong	Investment holding	228,280	228,280	8,000	100.00 %	406,297	86,304	86,304	
GENESIS HOLDING COMPANY	GENESIS ELECTRO-MECHANICAL LIMITED	Hong Kong	Investment holding	268,229	268,229	9,400	100.00 %	334,458	(15,088)	(15,088)	

Note 1: The Company established ACES (HONG KONG) ELECTRONIC CO., LTD. in 2024, and included it into the Group since that day.

Note 2: The subsidiary of the Company, MEC ULTRAMAX (H.K.) COMPANY LIMITED, conducted the dissolution and liquidation procedures in 2024, and remitted the residual payments for share to the investment company in the third region, MEC INTERNATIONAL COMPANY LTD. As of December 31, 2024, the liquidation procedures haven't been completed.

Note 3: COMPUPACK TECHNOLOGY CO., LTD. and MICON PRECISE CORP. conducted a short-form merge in December 2024. After the merge, COMPUPACK TECHNOLOGY CO., LTD. directly holds MICON PRECISE CORP.

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(3) Information on investment in mainland China:

a. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main Activities	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated remittance from Taiwan as of January 1, 2024	Investment flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investor's Share of Profit (Loss) of Investee	Carrying amount of Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Note
					Outflow	Inflow							
DONGGUAN ACES ELECTRONIC CO., LTD.	Connector manufacturing and sales business	115,301	(2)	115,301	-	-	115,301	18,416	100.00%	18,416	486,156	451,444	
KUNSHAN ACES ELECTRONIC CO., LTD.	Connector manufacturing and sales business	629,475	(2)	163,447	-	-	163,447	(5,339)	100.00%	3,175	2,759,721	452,925	
KUNSHAN ACES TRADING CO., LTD.	Connectors sales business	9,087	(2)	9,087	-	-	9,087	12,059	100.00%	12,059	60,839	-	
CHONGQING HONG GAO ELECTRONIC CO., LTD.	Connectors sales business	173,985	(2)	188,086	-	-	188,086	1,468	100.00%	1,468	2,889	-	
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	Surface treatment and sales business	256,682	(2)	351,112	-	-	351,112	(1,154)	100.00%	(1,154)	143,344	-	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Connector manufacturing and sales business	593,671	(2)	-	-	-	-	27,129	100.00%	27,129	619,271	-	Note 6
ACES ZHUHAI TECHNOLOGY LTD	Connector manufacturing and sales business	313,140	(2)	150,350	-	-	150,350	(2,966)	100.00%	(2,966)	311,639	-	Note 10
HONGTAI ZHUHAI TRADING LTD	Connector manufacturing and sales business	6,268	(2)	-	6,268	-	6,268	(773)	100.00%	(773)	5,544	-	Note 11
Nantong Dadi Electric Co., Ltd.	Automobile cable bundle manufacturing and sales business	410,404	(3)	-	-	-	-	(52,859)	19.31 %	(10,207)	415,690	-	Note 2
Kung Shan Ching Zhi Electric Co., Ltd.	Electronic component sales business	-	(3)	-	-	-	-	8,600	30.00 %	2,580	23,756	-	Note 9
MEC ELECTRONICS (SUZHOU) CO., LTD.	Connector cable set manufacturing and sales business	-	(2)	301,403	-	-	301,403	93	100.00%	93	-	-	Note 12
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	Connector cable set manufacturing and sales business	519,336	(2)	369,705	-	-	369,705	(545)	100.00%	(545)	8,667	-	Note 3
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED.	Connector cable set manufacturing and sales business	214,991	(2)	121,258	-	-	121,258	34,846	100.00%	34,846	101,352	-	"
MEC SUZHOU ELECTRONIC	Connector cable set	272,030	(2)	272,030	-	-	272,030	(40,478)	100.00%	(40,478)	(37,303)	-	"

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

Name of investee	Main Activities	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated remittance from Taiwan as of January 1, 2024	Investment flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of Investee	% Ownership through Direct or Indirect Investment	Investor's Share of Profit (Loss) of Investee	Carrying amount of Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Note
					Outflow	Inflow							
S CO., LTD.	manufacturing and sales business												
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD.	Electronic component sales business	10,477	(1)	10,477	-	-	10,477	(3,359)	100.00%	(3,359)	10,116	-	Note 4
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	Electronic component manufacturing and sales	128,110	(2)	129,711	-	-	129,711	31,459	100.00%	31,459	187,594	-	Note 5
SUZHOU KUANG YING ELECTRIC CO., LTD.	Electronic component manufacturing and sales	104,307	(2)	153,819	-	-	153,819	(114)	100.00%	(114)	3,690	-	"
DONGGUAN POLIXIN ELECTRIC CO., LTD.	Electronic component sales business	65,150	(3)	-	-	-	-	19,127	100.00%	19,127	26,381	-	Note 7
GENESIS TECHNOLOGY(NINGBO) INC.	Electronic component sales business	21,720	(2)	228,805	-	-	-	6,557	100.00%	6,557	52,804	-	Note 8

(Note 1): There are 3 types of investment:

- (1) Direct investment from Mainland China.
- (2) Investment through a company located at a third party area.
- (3) Other methods.

(Note 2): Direct investment of KUNSHAN ACES ELECTRONIC CO., LTD. in the amount of RMB43,397 thousand.

(Note 3): Indirect investment of MEC IMEX INC.

(Note 4): Direct investment of COMPUPACK TECHNOLOGY CO., LTD. in the amount of USD350 thousand.

(Note 5): Indirect investment of KUANG YING COMPUTER EQUIPMENT CO., LTD.

(Note 6): Direct investment of ACECONN ELECTRONIC CO., LTD. In the amount of RMB125,206 thousand.

(Note 7): Indirect investment of GENESIS INNOVATION GROUP LIMITED.

(Note 8): Indirect investment of GENESIS ELECTRO-MACHANICAL LIMITED.

(Note 9): Direct investment of KUNSHAN ACES ELECTRONIC CO., LTD. in the amount of RMB3,750 thousand.

(Note 10): The Company set up ACES ZHUHAI TECHNOLOGY LTD on February 1, 2023, which is included into the Group since that day.

(Note 11): The subsidiary of the Company injected capital to set up HONGTAI ZHUHAI TRADING LTD in 2024, which is included into the Group since that day.

(Note 12): Dissolution and liquidation procedures of the subsidiary of the Company, MEC ELECTRONICS (SUZHOU) CO., LTD. have been completed in 2024, and the residual payments for share have been remitted to the investment company in the third region, MEC INTERNATIONAL COMPANY LTD.

**b. Limitation on investment in Mainland China:**

Accumulated remittance from Taiwan to China as of December 31, 2023 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on investment in Mainland China set by Investment Commission, Ministry of Economic Affairs
1,212,456 (USD 28,892 thousand)	3,382,887 (USD 103,184 thousand) (Note 2)	3,876,696

## ACES Electronics Co., Ltd.

### Notes to the Parent Company Only Financial Statements

(Note 1) Accumulated remittance amount from Taiwan to China as of December 31, 2023 was estimated by historical exchange rates.

(Note 2) Inclusive on the amount of USD40,245 thousand authorized by Investment Commission as capital reserve to increase.

#### c. Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China for the year ended December 31, 2024 are disclosed in “Information on significant transactions” in the consolidated financial statements.

#### (4) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Wan Ding Yuan		8,863,487	5.95%

Note: (1)The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total nonphysical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered nonphysical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(2) If the aforementioned data contained shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor's separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares, as well as the shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

#### 14. Segment information:

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

**ACES Electronics Co., Ltd.**  
**Statement of cash and cash equivalents**  
**December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand		\$ 287
Current and cheque deposits	NTD	374,732
	USD: 4,162 thousand	136,463
	Others (less than 5%)	5,391
	Subtotal	516,586
		<b>\$ 516,873</b>

Note: Foreign currency was exchanges based on the spot rate on December 31, 2024.  
 USD:NTD=32.785:1

**Statement of account receivables**

Item	Amount
S-I	\$ 116,164
S-T	108,050
S-V	95,612
Others (less than 5%)	705,415
Less: Loss allowance	(1,307)
Total	<b>\$ 1,023,934</b>

**ACES Electronics Co., Ltd.**

**Statement of inventories**

**December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

Item	Amount		Note
	Cost:	Net realizable value	
Raw materials	\$ 44,948	56,782	
Semi-finished goods	81,768	111,319	
Work-in-progress	16,167	-	Note
Finished goods	233,875	292,485	Current value as net realizable value
Merchandise	40,131	53,981	
Subtotal	416,889		
Less: allowance to reduce inventory to market and loss on obsolescence	(46,497)		
Total	<b>\$ 370,392</b>		

Note: The purpose of work-in-progress is for manufacturing finished goods. Due to the fact that the net realizable value of finished goods is higher than cost, therefore the net realizable value of work-in-progress shall be higher than cost as well.

**ACES Electronics Co., Ltd.**  
**Statement of changes in investments accounted for using the equity method**  
**January 1 to December 31, 2024**

(Expressed in thousands of New Taiwan dollars)/thousand shares

Name of investee	Beginning Balance		Addition (Note 1)		Decrease		Share of profit (loss) of subsidiaries/associates and joint ventures accounted for using equity method	Adjusted by equity method	Ending Balance			Market Value or Net Assets Value		Collateral	
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage	Amount	Unit Price	Total Amount		
Long-term equity investments accounted for using equity method:															
ACECONN ELECTRONIC CO., LTD. (Note 1)	24,800	\$ 4,026,481	200	6,244	-	-	38,736	140,785	25,000	100.00%	4,212,246	169.40	4,235,122	None	
ACES ELECTRICS (HONG KONG) CO. LIMITED	-	-	-	-	-	-	10	(10)	-	100.00%	-	-	-	"	
ACES PRECISION INDUSTRY PTE LTD.	8,162	53,309	-	-	-	-	788	3,569	8,162	100.00%	57,666	7.07	57,666	"	
ACESCONN HOLDINGS CO., LTD.	12,000	160,905	-	-	-	-	(543)	6,249	12,000	100.00%	166,611	13.88	166,611	"	
ACES INTERCONNECT (USA), INC.	300	9,542	-	-	-	-	23	621	300	100.00%	10,186	33.95	10,186	"	
ACES JAPAN CO., LTD.	4.5	14,177	-	-	-	-	845	(489)	4.5	100.00%	14,533	3,229.33	14,533	"	
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	2,500	27,785	-	-	-	-	9	-	2,500	100.00%	27,794	11.12	27,794	"	
JASON TECHNOLOGY LIMITED.	5,000	8,732	-	-	-	-	(1,090)	621	5,000	100.00%	8,263	1.65	8,263	"	
MEC IMEX INC.	47,582	530,853	-	-	-	-	44,790	2,056	47,582	99.86%	577,699	12.76	606,927	"	
COMPUPACK TECHNOLOGY CO., LTD.	21,500	223,655	-	-	-	-	(31,403)	(374)	21,500	100.00%	191,878	5.05	108,636	"	
KUANG YING COMPUTER EQUIPMENT CO., LTD.	25,906	294,027	89	1,778	-	-	83,317	7,963	25,995	100.00%	387,085	15.65	406,815	"	
GENESIS HOLDING COMPANY	27,778	703,939	-	60,097	-	-	54,652	35,656	27,778	100.00%	854,344	27.96	776,681	"	
GENESIS TECHNOLOGY USA, INC.	1.5	166,298	-	-	-	-	7,886	11,431	1.5	100.00%	185,615	123,743.33	185,615	"	
ACES Precision Machinery Co., Ltd.	13,000	75,377	-	-	-	-	(11,006)	-	13,000	100.00%	64,371	4.95	64,371	"	
		<u>\$ 6,295,080</u>		<u>68,119</u>		<u>-</u>	<u>187,014</u>	<u>208,078</u>			<u>6,758,291</u>			"	

(Note 1) The increase in the current period was from cash paid-in investment.

**ACES Electronics Co., Ltd.**  
**Statement of short-term borrowings**  
**December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

<u>Type</u>	<u>Creditor</u>	<u>Balance at end of the year</u>	<u>Interest rate</u>	<u>Credit Limit</u>	<u>Collateral</u>
Unsecured Loan	E.SUN BANK	\$ -	1.8600%~1.9100%	320,000	None
Unsecured Loan	Yuanta Bank	-	1.9300%	400,000	"
Unsecured Loan	Bank SinoPac	-	-	200,000	"
Unsecured Loan	HSBC Bank	-	-	98,355	"
Unsecured Loan	MEGA INTERNATIO NAL COMMERCIA L BANK	-	-	200,000	"
Unsecured Loan	Huan Nan Commercial Bank	-	1.8600%~1.8700%	300,000	"
Unsecured Loan	KGI Bank	-	-	300,000	
Unsecured Loan	Taishin International Bank	<u>-</u>	1.9700%	<u>300,000</u>	"
		<u>\$ -</u>		<u><u>2,118,355</u></u>	

**Statement of account payables**

<u>Item</u>	<u>Amount</u>
P— AS	\$ 17,201
P— AR	23,667
P— AV	18,791
P— AQ	39,246
P— AN	38,013
Others (less than 5%)	<u>165,334</u>
Total	<u><u>\$ 302,252</u></u>

**ACES Electronics Co., Ltd.**  
**Statement of long-term borrowings**  
**December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

Type	Creditor	Due within 1 year	Due over 1 year	Contract period	Interest rate	Credit Limit	Collateral
Unsecured Loan	E.SUN BANK	\$ -	263,043	2023/08/04-2028/08/04	2.1142%-2.3586%	584,050	Yes
Unsecured Loan	Yuanta Bank	-	133,780	"	"	322,086	"
Unsecured Loan	MEGA INTERNATIONAL COMMERCIAL BANK	-	188,131	"	"	423,006	"
Unsecured Loan	CHANG HWA COMMERCIAL BANK, LTD.	-	155,000	"	"	350,000	"
Unsecured Loan	The Shanghai Commercial & Savings Bank	-	155,000	"	"	350,000	"
Unsecured Loan	Taishin International Bank	-	92,928	"	"	208,282	"
Unsecured Loan	Cathay United Bank	-	92,928	"	"	208,282	"
Unsecured Loan	Huan Nan Commercial Bank	-	188,131	"	"	423,006	"
Unsecured Loan	Agricultural Bank of Taiwan	-	188,131	"	"	423,006	"
Unsecured Loan	Taiwan Cooperative Bank	-	92,928	"	"	208,282	"
Unsecured Loan	E.SUN BANK	150,000	111,310	2021/09/27-2026/09/15	1.6500%~1.7750%	300,000	None
Unsecured Loan	MEGA INTERNATIONAL COMMERCIAL BANK	74,891	-	2020/06/10-2025/07/12	1.3500%-1.5250%	300,000	"
Unsecured Loan	MEGA INTERNATIONAL COMMERCIAL BANK	-	357,000	2024/01/15-2039/01/15	2.3000%-2.4250%	357,000	Yes
		<b>\$ 224,891</b>	<b>2,018,310</b>			<b>4,457,000</b>	

**ACES Electronics Co., Ltd.**  
**Statement of Operating Cost**  
**January 1 to December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

Item	Amount
Merchandise	
Merchandise, January 1	\$ 34,850
Add: Purchase	1,074,810
Transfer into operating expenses	(597)
Less: Merchandise, December 31	(40,131)
Transfer into other operating costs	(11)
Transfer into write-off loss	(434)
Others	(291)
	1,068,196
Cost of merchandise sold	
Raw materials	
Raw materials, January 1	109,493
Add: Purchase	188,285
Transfer into other operating costs	8,629
Others	(42,132)
Less: Raw materials, December 31	(44,948)
Transfer into operating expenses	(43)
Transfer into write-off loss	(290)
Raw materials consumed during current period	218,994
Direct labor	115,745
Manufacturing expenses	303,664
Processing expenses	131,388
Manufacturing costs	769,791
Add: Semi-finished goods and work-in-progress, January 1	47,698
Semi-finished goods purchased in current period	223,109
Others	42,265
Less: Semi-finished goods and work-in-progress, December 31	(97,935)
Transfer into other operating costs	(165,229)
Transfer into operating expenses	(52)
Transfer into write-off loss	(4,556)
	815,091
Cost of finished goods	
Add: Finished goods, January 1	165,894
Purchase of finished goods in current period	804,928
Others	157
Less: finished goods, December 31	(233,876)
Transfer into other operating costs	(3,698)
Transfer into operating expenses	(2,835)
Transfer into write-off loss	(2,088)
	1,543,573
Cost of goods sold - finished products	2,611,769
Total cost of goods sold	
Other operating costs	33,980
Inventory related expenses	85,702
Operating costs	\$ 2,731,451

**ACES Electronics Co., Ltd.**  
**Statement of Operating Expenses**  
**January 1 to December 31, 2024**

(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Marketing expenses</u>	<u>Administrative expenses</u>	<u>Research and Development expenses</u>	<u>Total</u>
Salary and wages expenses	\$ 52,164	177,120	137,936	367,220
Transportation expenses	55,042	59	139	55,240
Depreciation	1,329	25,537	13,668	40,534
Service expenses	649	20,551	8,127	29,327
Insurance expenses	5,663	16,205	14,254	36,122
Royalty	12,750	-	-	12,750
Sample expenses	4,275	8	22,459	26,742
Various amortizations	79	19,631	17,165	36,875
Others (less than 5%)	40,692	84,462	79,156	204,310
	<b>\$ 172,643</b>	<b>343,573</b>	<b>292,904</b>	<b>809,120</b>

Please refer to Note 6(7) of the consolidated financial statements for statement of changes for property, plant and equipment.

Please refer to Note 6(7) of the consolidated financial statements for statement of accumulated depreciation for property, plant and equipment.

Please refer to Note 6(9) of the consolidated financial statements for statement of changes for intangible assets.

Please refer to Note 6(8) for statement of changes for right-of-use asset.

Please refer to Note 6(8) for statement of accumulated depreciation for right-of-use asset.

Please refer to Note 6(15) for statement of deferred income tax assets.

Please refer to Note 6(15) for statement of deferred income tax liabilities.

Please refer to Note 6(19) for statement of operating revenue.

Please refer to Note 6(21) for statement of non-operating revenue and expenses.