

ACES ELECTRONICS CO., LTD.
Parent Company Only Financial
Statements
With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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, 2025 and 2024, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, 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(15) 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. Revenue recognized close to the balance sheet date carries a risk of not being recorded in the correct period. 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 understood the major revenue types, contract terms and transaction conditions, and assessed whether the timing of revenue recognition is appropriate.
- We examined contracts with major customers, and evaluated the internal controls over shipping operations and revenue recognition processes.
- We selected shipments from a certain period before and after the balance sheet date, and verified relevant supporting documents to determine whether sales revenue has been recognized in the appropriate period of the financial statements.

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, 2025 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 Chi, Meng-Chun and Yang, Shu-Chih.

KPMG

Financial Supervisory Commission

Approved-certified No.: Jin-Guan-Certificate -6 No.1140131922

Approved-certified No.: Jin-Guan-Certificate No.1040003949

Taipei, Taiwan (Republic of China)

March 11, 2026

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, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets :						Current liabilities :					
1100	Cash and cash equivalents (Note 6(1))	\$ 432,905	3	516,873	4	2100	Short-term borrowings (Note 6(10))	\$ 694,000	6	-	-
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (12))	274	-	1,818	-	2120	Financial liabilities at fair value through profit or loss - current (Note 6(2))	42	-	-	-
1150	Notes receivable, net (Note 6(3) and (19))	135	-	351	-	2150	Notes payable	202	-	167	-
1170	Accounts receivable, net (Note 6(3) and (19))	1,101,412	8	1,023,934	9	2170	Accounts payable	312,717	2	302,252	3
1180	Net trade receivable from related parties (Note 6(3), (19) and 7)	154,771	1	222,980	2	2180	Accounts payable to related parties (Note 7)	1,177,265	9	1,097,761	9
1200	Other receivables (Note 6(3))	84,706	1	83,471	1	2200	Other payables (Note 14)	588,744	4	370,265	3
1210	Other receivables from related parties (Note 6(3) and 7)	135,994	1	18,826	-	2220	Other payables to related parties (Note 7)	3,786	-	12,549	-
1310	Inventories (Note 6(4))	414,967	3	370,392	3	2230	Current tax liabilities (Note 6(15))	22,686	-	11,717	-
1470	Other current assets	21,623	-	28,681	-	2280	Lease liabilities - current (Note 6(13) and 7)	11,342	-	10,123	-
	Total current assets	<u>2,346,787</u>	<u>17</u>	<u>2,267,326</u>	<u>19</u>	2322	Current installments of long-term borrowings (Note 6(11))	112,267	1	224,891	2
Non-current assets :						2399	Other current liabilities - others	40,743	-	47,076	-
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	70,967	1	82,720	1		Total current liabilities	<u>2,963,794</u>	<u>22</u>	<u>2,076,801</u>	<u>17</u>
1550	Investments in equity-accounted investees (Note 6(5))	7,467,258	56	6,758,291	57	Non-current liabilities :					
1600	Property, plant and equipment (Note 6(6), 7 and 8)	2,643,774	20	2,454,682	21	2530	Bonds payable (Note 6(12))	131,678	1	952,248	8
1755	Right-of-use assets (Note 6(7) and 7)	14,182	-	21,243	-	2540	Long-term borrowings (Note 6(11))	1,757,000	13	2,018,310	17
1780	Intangible assets (Note 6(9))	69,699	1	66,469	-	2570	Deferred tax liabilities (Note 6(15))	374,242	3	310,661	3
1760	Investment properties, net (Note 6(8))	347,196	3	-	-	2580	Lease liabilities - non-current (Note 6(13) and 7)	3,083	-	11,341	-
1915	Prepayment for equipment	267,510	2	203,976	2	2600	Other non-current liabilities (Note 6(11) and (14))	106,753	1	58,789	1
1840	Deferred tax assets (Note 6(15))	14,890	-	10,470	-		Total non-current liabilities	<u>2,372,756</u>	<u>18</u>	<u>3,351,349</u>	<u>29</u>
1990	Other non-current assets – others (Note 6(7) and 7)	27,680	-	24,133	-		Total liabilities	<u>5,336,550</u>	<u>40</u>	<u>5,428,150</u>	<u>46</u>
	Total non-current assets	<u>10,923,156</u>	<u>83</u>	<u>9,621,984</u>	<u>81</u>	Equity (Note 6(16)):					
						3110	Common stock	1,623,531	12	1,418,757	12
						3140	Capital collected in advance	14,317	-	68,570	1
						3170	Share capital awaiting retirement	-	-	(210)	-
							Total share capital	<u>1,637,848</u>	<u>12</u>	<u>1,487,117</u>	<u>13</u>
						3200	Capital surplus (Note 6(12) and (16))	<u>2,200,744</u>	<u>17</u>	<u>1,586,415</u>	<u>13</u>
							Retained earnings :				
						3310	Legal Reserve	760,756	6	726,030	6
						3320	Special Reserve	16,810	-	116,887	1
						3350	Unappropriated earnings	3,140,721	24	2,529,233	21
							Total retained earnings	<u>3,918,287</u>	<u>30</u>	<u>3,372,150</u>	<u>28</u>
							Other equity:				
						3410	Exchange differences on translation of the Financial Statements foreign operations	35,894	-	26,323	-
						3460	Gain on property revaluation (Note 6(16))	243,632	2	33,219	-
						3490	Other equity - others	(103,012)	(1)	(44,064)	-
							Total equity	<u>7,933,393</u>	<u>60</u>	<u>6,461,160</u>	<u>54</u>
Total assets		<u>\$ 13,269,943</u>	<u>100</u>	<u>11,889,310</u>	<u>100</u>		Total liabilities and equity	<u>\$ 13,269,943</u>	<u>100</u>	<u>11,889,310</u>	<u>100</u>

ACES ELECTRONICS CO., LTD.
Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars, except for Earnings per share)

		2025		2024	
		Amount	%	Amount	%
Operating Revenue (Note 6(19) and 7):					
4100	Net sales revenue	\$ 4,150,854	92	3,592,237	96
4800	Other operating revenue	349,758	8	133,181	4
	Net revenue from operations	<u>4,500,612</u>	<u>100</u>	<u>3,725,418</u>	<u>100</u>
5000	Operating costs (Note 6(4), (13), (14), and 7)	<u>3,294,196</u>	<u>73</u>	<u>2,731,451</u>	<u>73</u>
	Gross profit	1,206,416	27	993,967	27
5910	Unrealized gains or losses from sales	488	-	(3,969)	-
	Gross profit, net	<u>1,206,904</u>	<u>27</u>	<u>989,998</u>	<u>27</u>
Operating expenses (Note 6(13), (14), (17), (20), and 7):					
6100	Selling expenses	230,766	5	172,643	5
6200	General and administrative expenses	467,108	11	343,573	9
6300	Research and development expenses	325,938	7	292,904	8
6450	Expected credit loss (gain) (Note 6(3))	337	-	(361)	-
	Total operating expenses	<u>1,024,149</u>	<u>23</u>	<u>808,759</u>	<u>22</u>
	Profit (loss) from operations	<u>182,755</u>	<u>4</u>	<u>181,239</u>	<u>5</u>
Non-operating income and expenses (Note 6(21)):					
7100	Interest income	3,993	-	7,057	-
7010	Other income	37,195	1	24,540	1
7020	Other gains and losses (Note 6(12))	(54,176)	(1)	24,277	1
7050	Finance costs (Note 6(12) and (13))	(70,348)	(2)	(85,530)	(2)
7070	Share of gains or losses from subsidiaries accounted for using equity method (Note 6(5))	595,894	13	187,014	5
	Total non-operating income and expenses	<u>512,558</u>	<u>11</u>	<u>157,358</u>	<u>5</u>
	Profit before income tax	695,313	15	338,597	10
7950	Less: income tax expenses (gains) (Note 6(15))	34,127	1	(5,463)	-
	Profit for the year	<u>661,186</u>	<u>14</u>	<u>344,060</u>	<u>10</u>
8300	Other comprehensive income:				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 6(14))	(3,515)	-	3,207	-
8312	Revaluation surplus on properties (Note 6(6)(8))	263,017	6	-	-
8349	Less: Income tax related to non-reclassified items (Note 6(15)(16))	52,604	1	-	-
	Total items that will never be reclassified to profit or loss	<u>206,898</u>	<u>5</u>	<u>3,207</u>	<u>-</u>
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation to the presentation currency	2,990	-	208,143	6
8399	Less: Income tax related to items that may be reclassified (Note 6(15))	(6,581)	-	41,030	(1)
	Total items that are or may be reclassified subsequently to profit or loss	<u>9,571</u>	<u>-</u>	<u>167,113</u>	<u>5</u>
8300	Total other comprehensive income (net of tax) for the year	<u>216,469</u>	<u>5</u>	<u>170,320</u>	<u>5</u>
8500	Total comprehensive income for the year	<u>\$ 877,655</u>	<u>19</u>	<u>514,380</u>	<u>15</u>
Earnings per share (NT\$, Note 6(18))					
9750	Basic earnings per share	<u>\$ 4.35</u>		<u>2.51</u>	
9850	Diluted earnings per share	<u>\$ 4.04</u>		<u>2.34</u>	

ACES ELECTRONICS CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(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		Treasury shares
Balance at January, 2024	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
Originated from recognition of equity components of issue of convertible bonds – stock options	-	-	-	54,866	-	-	-	-	-	-	-	54,866
Conversion of convertible bonds	57,100	68,570	-	470,318	-	-	-	-	-	-	-	595,988
Issuance of restricted shares to employees	17,480	-	-	66,074	-	-	-	-	-	(66,074)	-	17,480
Forfeiture of restricted shares	-	-	(210)	(794)	-	-	-	-	-	794	-	(210)
Changes in ownership of subsidiary equity	-	-	-	2,681	-	-	-	-	-	-	-	2,681
Compensation costs of share-based payments	-	-	-	-	-	-	-	-	-	21,216	-	21,216
Balance at December 31, 2024	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
Appropriation of earnings :												
Legal Reserve	-	-	-	-	34,726	-	(34,726)	-	-	-	-	-
Reversal of Special Reserve	-	-	-	-	-	(100,077)	100,077	-	-	-	-	-
Cash dividend distributed to shareholders	-	-	-	-	-	-	(111,534)	-	-	-	-	(111,534)
Profit for the year	-	-	-	-	-	-	661,186	-	-	-	-	661,186
Other comprehensive income, net of tax	-	-	-	-	-	-	(3,515)	9,571	210,413	-	-	216,469
Total comprehensive income for the year	-	-	-	-	-	-	657,671	9,571	210,413	-	-	877,655
Conversion of convertible bonds	224,392	(54,253)	-	662,012	-	-	-	-	-	-	-	832,151
Issuance of restricted shares to employees	22,520	-	-	121,608	-	-	-	-	-	(121,608)	-	22,520
Forfeiture of restricted shares	(638)	-	210	(1,482)	-	-	-	-	-	1,482	-	(428)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(213,286)	(213,286)
Cancellation of treasury shares	(41,500)	-	-	(171,786)	-	-	-	-	-	-	213,286	-
Changes in ownership of subsidiary equity	-	-	-	3,977	-	-	-	-	-	-	-	3,977
Compensation costs of share-based payments	-	-	-	-	-	-	-	-	-	61,178	-	61,178
Balance at December 31, 2025	\$ 1,623,531	14,317	-	2,200,744	760,756	16,810	3,140,721	35,894	243,632	(103,012)	-	7,933,393

ACES ELECTRONICS CO., LTD.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	2025	2024
Cash flows from operating activities:		
Profit before income tax	\$ 695,313	338,597
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	267,281	219,798
Amortization expense	31,578	36,885
Expected credit loss (reversal gain)	337	(361)
Net loss (gain) on financial assets at fair value through profit or loss	6,227	(3,546)
Interest expense	70,348	85,530
Interest income	(3,993)	(7,057)
Compensation costs of share-based payments	61,178	21,216
Share of loss (profit) of equity-account investees	(595,894)	(187,014)
Loss (gain) on disposals and scraps of property, plant and equipment	249	(404)
Gain on disposal of intangible assets	-	(68)
Gain on disposals of subsidiaries	(42)	-
Unrealized (realized) gain (loss) between affiliated companies	(488)	3,969
Total adjustments to reconcile profit (loss)	<u>(163,219)</u>	<u>168,948</u>
Changes in operating assets and liabilities :		
Net changes in operating assets :		
Notes receivable	216	(229)
Accounts receivable	(77,815)	(261,424)
Accounts receivable from related parties	68,209	(102,051)
Other receivables	(1,235)	162,777
Other receivables from related parties	(117,168)	(14,087)
Inventories	(44,575)	(56,023)
Other current assets	634	3,301
Total net changes in operating assets	<u>(171,734)</u>	<u>(267,736)</u>
Net changes in operating liabilities :		
Notes payable	35	(1,701)
Accounts payable	10,465	123,016
Accounts payable to related parties	79,504	268,366
Other payables	218,543	45,099
Other payables to related parties	(8,763)	(45,203)
Other current liabilities	(1,666)	11,998
Net defined benefit liabilities	(635)	(665)
Total net changes in operating liabilities	<u>297,483</u>	<u>400,910</u>
Total net changes in operating assets and liabilities	<u>125,749</u>	<u>133,174</u>
Total adjustments	<u>(37,470)</u>	<u>302,122</u>
Cash generated from operations	657,843	640,719
Interest received	3,993	7,057
Interest paid	(58,767)	(59,836)
Income tax (paid) refunded	(8,263)	34,606
Net cash provided by operating activities	<u>594,806</u>	<u>622,546</u>
Cash flows from investing activities :		
Acquisitions of financial assets at fair value through profit or loss	(7,500)	(21,400)
Disposals of financial assets at fair value through profit or loss	14,612	13,274
Disposal of subsidiaries	42	-
Acquisitions of property, plant, and equipment	(455,702)	(685,725)
Disposals of property, plant, and equipment	22,108	5,588
Acquisitions of intangible assets	(34,808)	(23,992)
Disposals of intangible assets	-	8,617
Decrease (increase) in other non-current assets	(3,547)	152,632
Increase in prepaid equipment payments	(159,911)	(261,173)
Dividends received	83,505	-
Net cash used in investing activities	<u>(541,201)</u>	<u>(812,179)</u>
Cash flows from financing activities :		
Increase in short-term borrowings	5,239,000	-
Decrease in short-term borrowings	(4,545,000)	(1,120,000)
Issue of corporate bonds	-	998,906
Repayment of corporate bonds	-	(700)
Proceeds from long-term borrowings	3,625,000	3,807,000
Repayment of long-term borrowings	(4,000,000)	(3,437,500)
Issue of restricted stock awards	22,520	17,480
Repurchase of restricted stock awards	(428)	(210)
Repayment of principal of lease liabilities	(10,808)	(9,987)
Increase (decrease) in other non-current liabilities	48,310	47,605
Cash dividends	(111,534)	-
Cost of treasury shares repurchased	(213,286)	-
Acquisitions of investments accounted for using equity method (capital increase of subsidiaries)	(191,347)	(68,119)
Net cash (used in) provided by financing activities	<u>(137,573)</u>	<u>234,475</u>
Decrease in cash and cash equivalents	<u>(83,968)</u>	<u>44,842</u>
Cash and cash equivalents at January 1	<u>516,873</u>	<u>472,031</u>
Cash and cash equivalents at December 31	<u>\$ 432,905</u>	<u>516,873</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, 2025 and 2024

(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 No. 530-6, Section 2, Guoling 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 11, 2026.

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, 2025. The adoption does not have a material impact on the Company’s parent company only financial statements.

•Amendments to IAS 21 “Lack of Exchangeability”

(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, 2026, would not have a material impact on its parent company only financial statements.

•IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

•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”

(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 enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all	January 1, 2027 Note: The FSC announced in a press release on September 25, 2025 that Taiwan will adopt IFRS 18 in the fiscal year

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

<u>New or amended standards</u>	<u>Major amendments</u>	<u>Effective date by IASB</u>
	<p>the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined “operating profit” subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (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. • 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. 	<p>2028.</p> <p>Companies that wish to adopt the standard early may do so upon approval by the FSC.</p>

The Company continues to evaluate the impact of the aforementioned standards and interpretations on the financial position and financial performance; the relevant impact will 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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 ”

·Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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) Investment property at fair value ; and
- (iii) 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.

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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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;

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

- 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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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) Treasury shares

When equity instruments already recognized by the Group are repurchased, the consideration paid (including directly attributable costs) is recognized as a deduction from equity. The repurchased shares are classified as treasury shares. When treasury shares are subsequently sold or reissued, the amounts received are recognized as an increase in equity, and any surplus or deficit arising from the transaction is recognized as capital surplus or retained earnings (if capital surplus is insufficient to offset).

(iv) 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.

(v) 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.

(vi) 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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(vii) 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.

(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) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured using the fair value model.

Any gain or loss (calculated by the difference between net disposal price and its carrying amount) on disposal of an investment property is recognized in profit or loss. If the sale of investment property was recorded under property, plant and equipment then the relevant 'other equities - property revaluation increments' shall be transferred to retained earnings.

Lease income from investment property is recognized as non-operating revenue on a straight-line basis during leased period.

(10) 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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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.

When a property held for own use is transferred to investment property, the property is reclassified as investment property at its fair value at the date of transfer. Any gain arising on remeasurement is recognized in profit or loss to the extent of any previously recognized cumulative impairment loss, with any remaining difference recognized in other comprehensive income and accumulated in "other equity - revaluation surplus on properties". Any loss is recognized in profit or loss, except that if the decrease is within the amount of the revaluation surplus, the decrease is recognized in other comprehensive income and deducted against the revaluation surplus in equity.

(11) 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;

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

- (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 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.

(12) 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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(13) 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.

(14) 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.

(15) 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,

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

the consolidated company does not adjust any of the transaction prices for the time value of money.

(16) 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.

(17) 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.

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.

(18) 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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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.

(19) 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

(20) 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.

(21) 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 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 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. Investment property was appraised by external appraiser.

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:

- 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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

For assumptions used in measuring fair value, please refer to Note 6(2) financial assets and liabilities, 6(8) investment property, and 6(22) financial instrument.

6. Description of Significant Accounts

(1) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 174	287
Cash in banks	432,731	516,586
	\$ 432,905	516,873

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

(2) Financial Assets and Liabilities

a. Financial Assets at Fair Value through Profit or Loss (“FVTPL”) – current and non-current

	December 31, 2025	December 31, 2024
Financial assets mandatorily measured at FVTPL:		
Funds	\$ 70,967	82,720
Convertible bonds of embedded derivatives	274	1,818
Total	\$ 71,241	84,538

b. Financial Liabilities at Fair Value through Profit or Loss (“FVTPL”) – current

	December 31, 2025	December 31, 2024
Forward exchange contracts	\$ 42	-

The Group enters into derivative financial instrument transactions to hedge foreign exchange risks arising from operating activities. As hedge accounting is not applied, the details of financial assets and liabilities mandatorily measured at fair value through profit or loss are as follows:

Forward exchange contracts

	2025.12.31		
	Contract Amount (thousands)	Currency	Maturity Period
Sell forward exchange contracts	USD 2,050 / TWD 63,334	USD/TWD	2025.12.31~2026.01.26

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, 2025 and 2024 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:

	December 31, 2025	December 31, 2024
Notes receivable	\$ 135	351
Accounts receivable	1,103,056	1,025,241
Accounts receivable – related parties	154,771	222,980
Other receivables	84,706	83,471
Other receivables – related parties	135,994	18,826
Less: Loss allowance	(1,644)	(1,307)
	\$ 1,477,018	1,349,562

- 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 2025 and 2024 was analyzed as follows:

	December 31, 2025		
	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	\$ 1,419,744	0%	-
Past due less than 60 days	56,559	0%	-
Past due 61~120 days	887	50%	444
Past due 121~180 days	906	70%	634
Past due over 181 days	566	100%	566
	\$ 1,478,662		1,644

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

	December 31, 2024		
	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
	\$ 1,350,869		1,307

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

	For the years ended December 31, 2025	For the years ended December 31, 2024
Balance at beginning of the year	\$ 1,307	1,668
Impairment losses (reversal of impairment losses)	337	(361)
Balance at end of the year	\$ 1,644	1,307

- 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, 2025					
Underwriting bank	Factoring amount	Acceptable advances	Amount collected in advance	Transfer to other receivable amount	Interest rate	Amount pledged (in thousands of USD)
Financial institutes	\$ 161,917	533,163	145,725	16,192	4.4587%~5.5074%	-

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

- d. None of notes and accounts receivables held by the Company were pledged as of December 31, 2025 and 2024.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(4) Inventories

a. Details as follows:

	December 31, 2025	December 31, 2024
Raw materials	\$ 28,256	36,061
Semi-finished goods	75,961	72,078
Work-in-progress	34,867	14,152
Finished goods	235,933	213,327
Merchandise	39,950	34,774
	\$ 414,967	370,392

b. Details of the Company's cost of inventories recorded as cost and expenses of goods sold for the years ended December 31 2025 and 2024 are as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Cost of goods sold	\$ 3,222,677	2,662,056
Loss on obsolescence write-off	16,347	7,367
Loss on inventory write-down	2,638	2,933
Unamortized manufacturing expenses	56,170	36,454
Failed quality costs	(2,487)	20,782
Others	(1,149)	1,859
	\$ 3,294,196	2,731,451

c. As at December 31, 2025 and 2024, none of the Company's inventories was pledged as collateral.

(5) Investments accounted for using equity method

The investments accounted for using equity method and the related investment income (loss) as of the reporting date are as follows:

	December 31, 2025	December 31, 2024
Investments accounted for using the equity method	\$ 7,467,258	6,758,291
Investment income (loss)	\$ 595,894	187,014

a. To continuously expand its business development in the automotive market, the Company invested in ACES ELECTRICS (HONG KONG) CO. LIMITED in February 2024.

b. Loss of control over subsidiaries

(i) In January 2025, the Group disposed of 100% equity interest in its subsidiary, JASON TECHNOLOGY LIMITED, to a third party, and lost control over it. The disposal proceeds amounted to NTD 42 thousand, and a gain on disposal of investments of NTD 42 thousand was recognized, which is presented under "other gains and losses."

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

c. Changes in ownership of subsidiary equity

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.

d. Guarantees

As of December 31, 2025 and 2024, the investments accounted for using equity method are not pledged as collaterals.

(6) 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, 2025 and 2024 was as follows:

	Land	Buildings and structures	Machinery equipment	Mold equipment	Other equipment	Constructi ons in process	Total
Cost or deemed cost:							
Balance at January 1, 2025	\$ 728,743	481,677	945,792	688,723	227,042	1,000,469	4,072,446
Additions	-	65,066	165,346	41,289	70,066	113,935	455,702
Reclassification	-	17,982	29,008	38,683	10,704	-	96,377
Reclassified to investment properties	(54,010)	(61,265)	-	-	-	-	(115,275)
Disposals	-	(5)	(15,479)	(31,023)	(23,639)	-	(70,146)
Balance at December 31, 2025	\$ 674,733	503,455	1,124,667	737,672	284,173	1,114,404	4,439,104
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	\$ 728,743	481,677	945,792	688,723	227,042	1,000,469	4,072,446
Accumulated depreciation:							
Balance at January 1, 2025	\$ -	170,397	679,018	616,639	151,710	-	1,617,764
Depreciation of the year	-	48,883	101,191	78,763	27,614	-	256,451
Reclassified to investment properties	-	(31,096)	-	-	-	-	(31,096)
Disposals	-	(118)	(9,968)	(29,579)	(8,124)	-	(47,789)
Balance at December 31, 2025	\$ -	188,066	770,241	665,823	171,200	-	1,795,330
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	\$ -	170,397	679,018	616,639	151,710	-	1,617,764
Carrying value:							
Balance at December 31, 2025	\$ 674,733	315,389	354,426	71,849	112,973	1,114,404	2,643,774
Balance at January 1, 2024	\$ 203,393	312,537	248,393	86,474	71,835	837,290	1,759,922
Balance at December 31, 2024	\$ 728,743	311,280	266,774	72,084	75,332	1,000,469	2,454,682

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

a. Guarantee

As of December 31, 2025 and 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. The Company has paid the remaining amount of \$365,910 thousand in full and completed the transfer of ownership procedures in 2024.

c. As of December 31, 2025 and 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.

d. Reclassified to investment properties

On July 1, 2025, the Company decided to lease its land and office building on Dongyuan Road to a third party, and reclassified the property as investment property at its fair value at the date of change in use. The difference of NTD 263,017 thousand between the carrying amount and fair value of the property at the date of change in use was recognized under "Other comprehensive income - revaluation surplus."

(7) 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, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Transport equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 28,545	5,916	34,461
Additions	-	3,769	3,769
Reductions	-	(484)	(484)
Balance at December 31, 2025	<u>\$ 28,545</u>	<u>9,201</u>	<u>37,746</u>
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>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 12,020	1,198	13,218
Provision for depreciation	8,263	2,567	10,830
Reductions	-	(484)	(484)
Balance at December 31, 2025	<u>\$ 20,283</u>	<u>3,281</u>	<u>23,564</u>
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>
Carrying value:			
December 31, 2025	<u>\$ 8,262</u>	<u>5,920</u>	<u>14,182</u>
January 1, 2024	<u>\$ 7,705</u>	<u>2,196</u>	<u>9,901</u>
December 31, 2024	<u>\$ 16,525</u>	<u>4,718</u>	<u>21,243</u>

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

As the lease contracts of land and plants expired successively for the year ended December 31, 2024, the Company resigned lease contracts with lessors. Please refer to Note 7 for the transactions of leasing land and plants from related parties.

(8) Investment property

a Details of investment property as follows:

	Land	Buildings and structures	Total
Cost:			
Balance at January 1, 2025	\$ -	-	-
Transferred from property, plant and equipment	54,010	30,169	84,179
Revaluation adjustment	254,995	8,022	263,017
Balance at December 31, 2025	<u>\$ 309,005</u>	<u>38,191</u>	<u>347,196</u>
Gains on fair value adjustment			
Balance at December 31, 2025	<u>\$ 309,005</u>	<u>38,191</u>	<u>347,196</u>

a. In July 2025, the Company leased out part of its owner-occupied properties and transferred them to investment properties. The difference of NTD 263,017 thousand between the carrying amount and fair value at the date of change in use was recognized as a revaluation adjustment, presented under "Other comprehensive income - revaluation surplus on properties."

b Investment property fair value basis

The investment properties held by the consolidated company are located in the Nangang, Neihu and Chung-Li districts of Taipei City. Their fair values are determined based on the results of an independent appraisal by valuation experts, using the discounted cash flow analysis method under the income approach. The main assumptions and relevant explanations are as follows:

- (i) The expected future cash inflows from investment properties of the consolidated company include rental income, interest income from deposits, vacancy losses, and disposal value at the end of the period. The rental income is estimated based on local and comparable market rental rates, taking into consideration the estimated annual rental growth rate for the next ten years. The interest income from deposits is estimated based on the average deposit interest rate published by the central bank for the top five banks, ranging from 1.700% for a one-year term. The vacancy losses are calculated based on the vacancy situation of similar properties in the neighboring area. The disposal value at the end of the period is determined by capitalizing the projected operating income for the next year, after deducting normal operating expenses, using a direct capitalization approach. The future cash outflows include related taxes, insurance premiums, management fees, and repair costs that are directly related to the leases. The changing rates used to estimate future variations in these expenses are based on the current expenditure levels, taking into consideration adjustments to announced land prices and tax rates stipulated by housing tax regulations.
- (ii) The estimation of the discount rate is based on the regulations of the Financial Supervisory Commission, which stipulate that it shall not be lower than the interest rate for a two-year postal time deposit announced by Chunghwa Post Co., Ltd., plus three digits. However, considering the recent real estate market conditions, it is estimated to be 2.845%.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

- (iii) The decision on capitalizing end-of-period earnings is based on the reasonable capitalization rate of the subject and the future benefits of building improvements, estimated at 3.970%
- (iv) The monthly rent per ping for the investment property and comparable properties in the local area ranges around \$890.
- (v) Based on the discounted cash flow analysis, the fair value of the Chung-Li store subject to valuation is \$347,196 thousand.
- (vi) The real estate appraisal reports used by the consolidated company are signed and issued by Mr. Tsai Jia-ho, a certified appraiser from Cushman & Wakefield, with appraisal dates of September 10, 2025.

c No investment property of the Company has been pledged as collateral.

(9) Intangible assets

The movement in cost and accumulated amortization of intangible assets for the years ended December 31, 2025 and 2024 were as follows:

	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 118,423	56,240	174,663
Separately acquired	23,676	11,132	34,808
Balance at December 31, 2025	<u>\$ 142,099</u>	<u>67,372</u>	<u>209,471</u>
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>
Accumulated amortization and impairment:			
Balance at January 1, 2025	\$ 57,466	50,728	108,194
Current amortization	23,953	7,625	31,578
Balance at December 31, 2025	<u>\$ 81,419</u>	<u>58,353</u>	<u>139,772</u>
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	<u>\$ 57,466</u>	<u>50,728</u>	<u>108,194</u>
Carrying value:			
December 31, 2025	<u>\$ 60,680</u>	<u>9,019</u>	<u>69,699</u>
January 1, 2024	<u>\$ 9,211</u>	<u>28,882</u>	<u>38,093</u>
December 31, 2024	<u>\$ 60,957</u>	<u>5,512</u>	<u>66,469</u>

- a. The Company paid the expenses for SAP software for the years ended December 31, 2024 and 2023, and completed the inspection and started to use the software in 2024.
- b. As of December 31, 2025 and 2024, 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, 2025</u>	<u>December 31, 2024</u>
Unsecured bank loans	<u>\$ 694,000</u>	<u>-</u>
Unused credit lines	<u>\$ 1,120,290</u>	<u>2,104,398</u>
Interest rate	<u>1.90%-1.93%</u>	<u>1.86%-1.97%</u>

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(11) Long-term borrowings

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

December 31, 2025				
	Currency	Interest rate	Maturity year	Amount
Unsecured bank loans	NTD	1.5250%~1.7750%	2025~2026	\$ 112,267
Secured bank loans	NTD	2.3194%~2.4250%	2028~2039	1,757,000
Less: current maturity				(112,267)
Total				\$ 1,757,000
Unused credit facility				\$ 2,100,000
December 31, 2024				
	Currency	Interest rate	Maturity year	Amount
Unsecured bank loans	NTD	1.3500%~1.7550%	2025~2026	\$ 336,201
Credit loans	NTD	2.1142%~2.4250%	2028~2039	1,907,000
Less: current maturity				(224,891)
Total				\$ 2,018,310
Unused credit lines				\$ 1,950,000

- a. The Company has pledged certain assets as collateral for bank borrowings. For details, please refer to Note 8.
- b. 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, 2025 and 2024, there is no incident of the Company violating such financial ratios.
- c. 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, 2025 and 2024, deferred income were \$233 thousand and \$1,299 thousand respectively. These amounts were recorded under "other non-current liabilities."

(12) Bonds payable

- a. The details of the 2nd issuance of unsecured convertible bonds were as follows:

	December 31, 2025	December 31, 2024
Unsecured convertible corporate bonds issued	\$ -	600,000
Cumulative converted amount	-	(599,300)
Redeemed amount	-	(700)
Corporate bonds issued balance at year-end	\$ -	-

During 2024, holders of the Group's second domestic unsecured convertible corporate bonds exercised their conversion rights, and 12,567 thousand new shares were issued at par value. The remaining unconverted corporate bonds of NTD 700 thousand were redeemed upon maturity in November 2024.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

- b. The information on the 3rd issuance of unsecured corporate bonds of the Company is as follows:

	December 31, 2025	December 31, 2024
Unsecured convertible corporate bonds issued	\$ 1,000,000	1,000,000
Unamortized discount on corporate bonds payable	(4,022)	(47,752)
Cumulative converted amount	(864,300)	-
Corporate bonds issued balance at year-end	\$ 131,678	952,248
Embedded derivative — call option (presented under financial assets measured at fair value through profit or loss)	274	1,818
Equity component — conversion option (presented under capital surplus — stock warrants)	7,446	54,866

- c. The details of the third issuance of unsecured convertible bonds were as follows:
- (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.
 - 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).
- d. The bondholders of the Company's domestic third unsecured convertible bonds exercised their conversion rights during the year of 2025 and 17,014 thousand new shares were issued at par value.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(13) Lease liabilities

	December 31, 2025	December 31, 2024
Current	<u>\$ 11,342</u>	<u>10,123</u>
Non-current	<u>\$ 3,083</u>	<u>11,341</u>

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

	For the years ended December 31, 2025	For the years ended December 31, 2024
Interests on lease liabilities	<u>\$ 369</u>	<u>454</u>
Expenses relating to short-term leases	<u>\$ 3,919</u>	<u>4,234</u>

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

	For the years ended December 31, 2025	For the years ended December 31, 2024
Total cash outflow for leases	<u>\$ 15,096</u>	<u>14,675</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:

	December 31, 2025	December 31, 2024
Present value of defined obligation	\$ 36,400	32,821
Fair value of plan assets	<u>(29,946)</u>	<u>(27,023)</u>
Net defined benefit liabilities	<u>\$ 6,454</u>	<u>5,798</u>

The Company's employee benefit liability details as follows:

	December 31, 2025	December 31, 2024
Net defined benefit obligation liabilities	\$ 6,454	5,798
(under 'other non-current liabilities')		
Compensated absences liabilities (under 'other payables')	<u>12,877</u>	<u>12,877</u>
Total employee benefit liabilities	<u>\$ 19,331</u>	<u>18,675</u>

ACES Electronics Co., Ltd.

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 \$29,946 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, 2025 and 2024 were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Defined benefit obligation on January 1	\$ 32,821	32,283
Current service cost and interest	721	524
Remeasurements of net defined benefit liabilities (assets)	3,030	14
Benefits expected to be paid	(172)	-
Defined benefit obligation on December 31	\$ 36,400	32,821

(iii) Movements on fair value of plan assets

The changes on current value of defined benefit asset plan for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Fair value of plan assets on January 1	\$ 27,023	23,835
Interest revenue	545	393
Remeasurements of net defined benefit liabilities (assets)	1,739	1,999
Amount appropriated to plan	811	796
Benefits expected to be paid	(172)	-
Fair value of plan assets on December 31	\$ 29,946	27,023

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, 2025 and 2024 were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Net interest of net defined benefit liabilities (assets)	\$ 176	131
Operating costs and expenses	\$ 176	131

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

As of at December 31, 2025 and 2024, details of the Company's remeasurements of net defined benefit liabilities under other comprehensive profit and loss was as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Accumulated balance on January 1	\$ 11,741	14,948
Current recognition		
The Company	1,291	(1,985)
Subsidiaries	2,224	(1,222)
Accumulated balance on December 31	\$ 15,256	11,741

(vi) Actuarial assumptions

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

	December 31, 2025	December 31, 2024
Discount rate	1.750%	2.000%
Increase on future payroll	3.000%	3.000%

The Company has planned to appropriate in the amount of \$824thousand for defined benefit plan within 1 year after the reporting date of the year ended December 31, 2025.

The weighted average duration for defined benefit plan is 11.05 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, 2025 and 2024 was as follows:

	Impact to defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2025		
Discount rate	\$ (760)	785
Increase on future payroll	755	(734)
December 31, 2024		
Discount rate	\$ (715)	738
Increase on future payroll	713	(694)

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

Reasonably possible changes to one of the relevant actuarial assumptions, holding other 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 \$27,810 thousand and \$24,624 thousand for the years ended December 31, 2025 and 2024, 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 2025 and 2024 were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Current tax expense		
Current period	\$ 23,062	15,680
Prior period over-estimation	(2,073)	(35,287)
Deferred income tax expenses	13,138	14,144
Income tax expense (benefits)	\$ 34,127	(5,463)

- (ii) Details of the amount of income tax expenses (benefits) recognized in other comprehensive income for the years ended December 31, 2025 and 2024 was as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Items that will not be reclassified subsequently to profit or loss:		
Revaluation surplus on properties	\$ 52,604	-
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ (6,581)	41,030

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

- (iii) Reconciliation of income tax expenses and profit before tax for 2025 and 2024 were as follows:

	For the years ended December 31, 2025	For the years ended December 31, 2024
Profit before income tax	<u>\$ 695,313</u>	<u>338,597</u>
Income tax using the Company's domestic tax rate	\$ 139,063	67,719
Domestic investment benefit recognized under equity method	(8,910)	(17,141)
Permanent difference	(11,979)	4,258
Unrecognized temporary difference	(81,974)	(25,024)
Prior period over-estimation	(2,073)	(35,287)
Others	-	12
	<u>\$ 34,127</u>	<u>(5,463)</u>

Deferred tax assets and liabilities

- (i) Unrecognized deferred tax liabilities

As of the years ended December 31, 2025 and 2024, 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:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 1,601,945</u>	<u>1,192,073</u>
Unrecognized amount of deferred tax liabilities	<u>\$ 320,389</u>	<u>238,415</u>

- (ii) Recognized deferred tax assets and liabilities

The changes on deferred income tax assets and liabilities for the years ended December 31, 2025 and 2024 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
Deferred income tax assets:				
January 1, 2025	\$ 9,299	1,171	-	10,470
(Debit) credit in profit or loss	528	(98)	3,990	4,420
December 31, 2025	<u>\$ 9,827</u>	<u>1,073</u>	<u>3,990</u>	<u>14,890</u>
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	<u>\$ 9,299</u>	<u>1,171</u>	<u>-</u>	<u>10,470</u>

	Share of profit or loss of subsidiaries accounted for using equity method	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax liabilities:				
January 1, 2025	\$ 294,139	6,581	9,941	310,661
Credit (debit) in profit or loss	-	-	17,558	17,558
Credit in other comprehensive income	-	(6,581)	52,604	46,023
December 31, 2025	<u>\$ 294,139</u>	<u>-</u>	<u>80,103</u>	<u>374,242</u>
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	<u>\$ 294,139</u>	<u>6,581</u>	<u>9,941</u>	<u>310,661</u>

b. Assessment of tax

The Company's tax returns for the years through 2023 were assessed by the tax authority.

(16) Capital and other equity

a. Share capital

As of December 31, 2025 and 2024, 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 162,353 thousand shares and 141,876 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." As of December 31, 2025, the aforementioned legal registration procedures have been completed.

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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

amount is \$17,480 thousand. The legal registration procedures of the issue of the aforementioned capital have been completed. As of December 31, 2024, the Company retrieved and cancelled a total of 21 thousand restricted stock awards, amounting to \$210 thousand, and the relevant legal registration procedures have been completed.

The Company has issued \$17,014 thousand of new shares for the execution of conversion right by the convertible bondholders for the year ended December 31, 2025. The new shares were issued at par, with the total amount of \$170,139 thousand. Among the new shares, as the legal registration procedures of \$1,432 thousand of shares haven't been completed, they are recognized under "capital collected in advance."

The Company has resolved by the board of directors on August 8, 2025 to issue the 2nd restricted stock awards (Please refer to Note 6(18) for details.), and determined the base date to be October 13, 2025. The number of shares actually subscribed by employees is 2,252 thousand, with the subscription price of \$10 per share. The total amount is \$22,520 thousand. The legal registration procedures of the issue of the aforementioned capital have been completed. As of December 31, 2025, the Company retrieved and cancelled a total of 42.8 thousand restricted stock awards, amounting to \$428 thousand, and the relevant legal registration procedures have been completed.

(b) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Additional paid-in capital	\$ 1,860,661	1,297,455
Consolidation excess	3,831	3,831
Changes in net value of equity investment in affiliated companies accounted for using equity method	111,855	107,878
Employee stock options	13,978	13,978
Restricted stock awards	159,846	65,280
Expired employee stock options	30,461	30,461
Stock option for conversion of convertible bonds	7,446	54,866
Others	12,666	12,666
	\$ 2,200,744	1,586,415

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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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.

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, 2024 has been resolved by the board of directors on March 14, 2025. The amounts of dividends distributed to shareholders are as follows:

	For the year ended December 31, 2024	
	Dividend (dollar)	Amount
Dividends distributed to ordinary shareholders:		
Cash	0.75	111,534

The Company has resolved by the board of directors on March 11, 2026 the amount of cash dividends in the earnings distribution proposal for the year ended December 31, 2025. The amounts of dividends distributed to shareholders are as follows:

	For the year ended December 31, 2025	
	Dividend (dollar)	Amount
Cash dividends	\$ 1.68	276,000

d. Treasury shares

From January 1 to December 31, 2025, the Company repurchased a total of 4,150 thousand treasury shares in accordance with Article 28-2 of the Securities and Exchange Act, for the purpose of maintaining the Company's credit and protecting shareholders' interests. As of December 31, 2025, a total of 4,150 thousand shares have been cancelled.

Treasury shares held by the Company may not be pledged in accordance with the Securities and Exchange Act, and shall not enjoy shareholders' rights prior to transfer.

e. Other equity

	Exchange differences on translation of foreign financial statements	Subsidiary property revaluation increments	Unearned employees' remunerations	Total
Balance at January 1, 2025	\$ 26,323	33,219	(44,064)	15,478
Exchange differences on foreign operations	9,571	-	-	9,571
Revaluation surplus on properties	-	210,413	-	210,413
Restricted stock awards	-	-	(58,948)	(58,948)
Balance at December 31, 2025	\$ 35,894	243,632	(103,012)	176,514
Balance at January 1, 2024	\$ (140,790)	33,219	-	(107,571)
Exchange differences on	167,113	-	-	167,113

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

foreign operations					
Restricted stock awards	-	-	(44,064)	(44,064)	
Balance at December 31, 2024	<u>\$ 26,323</u>	<u>33,219</u>	<u>(44,064)</u>	<u>15,478</u>	

(17) Share-based payments

The Company has resolved by the shareholders meeting on June 25, 2025 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. The fair value at the grant date is \$37.8. In addition, the Company has resolved by the board of directors on August 8, 2025 to issue 2,252 thousand of restricted stock awards, and determined the base date to be October 13, 2025. The fair value at the grant date is \$54.

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):

	For the year ended December 31, 2025	For the year ended December 31, 2024
Number of shares outstanding as of January 1	\$ 1,727	-
Shares issued during the period	2,252	1,748
Number of shares repurchased to be canceled	(43)	(21)
Number of shares outstanding as of December 31	3,936	1,727

b. Employees expenses

The expenses arising from share-based payments for the years ended December 31, 2025 and 2024 are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Expenses arising from restricted stock awards	\$ 61,178	21,216

(18) Earning per share

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

	For the year ended December 31, 2025	For the year ended December 31, 2024
Basic earnings per share		
Current net profit attributable to the Company	\$ 661,186	344,060
Weighted average number of ordinary shares outstanding (shares in thousands)	151,844	136,924
Basic earnings per share (dollar)	\$ 4.35	2.51
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company (basic)	\$ 661,186	344,060
After tax effects of interest expenses of convertible bonds	9,264	20,555
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 670,450	364,615
Weighted average number of ordinary shares outstanding (basic)	151,844	136,924
Effect of dilutive ordinary shares	14,084	18,589
Weighted average number of ordinary shares outstanding (diluted)(shares in thousands)	165,928	155,513
Diluted earnings per share(dollar)	\$ 4.04	2.34

Note 1: In accordance with the consolidated company's employee restricted shares issuance regulations for fiscal year 2023, employees who have held the restricted shares for more than one year and remain employed, and who meet the vesting conditions set forth in Article 5 of the Company's employee restricted shares issuance regulations, are entitled to vest 40%. Accordingly, 676 thousand restricted shares were released on July 23, 2025, and included in the outstanding ordinary shares.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(19) Revenue from contracts with customers

a. Disaggregation of revenue

	For the year ended December 31, 2025	For the year ended December 31, 2024
Primary geographical markets:		
Taiwan	\$ 1,545,245	979,292
China	1,953,070	1,981,648
Other countries	1,002,297	764,478
Total	\$ 4,500,612	3,725,418
Major products/services lines:		
Connectors	\$ 3,213,453	2,960,849
Connector accessories	72,122	77,463
Others	1,215,037	687,106
	\$ 4,500,612	3,725,418

b. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	\$ 135	351	122
Account receivable (including related parties)	1,257,827	1,248,221	884,746
Less: Loss allowance	(1,644)	(1,307)	(1,668)
Total	\$ 1,256,318	1,247,265	883,200

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

The Company amended its Articles of Incorporation pursuant to a resolution passed at the shareholders' meeting on June 25, 2025. In accordance with the Articles of Incorporation, if there's any profit of the year, no less than 3% shall be appropriated to employees remuneration (of which no less than 0.5% shall be appropriated as compensation for general employees) 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' compensation may include employees of controlled or subsidiary companies who meet the conditions set forth by the Board of Directors or its authorized personnel. In accordance with the Articles of Incorporation prior to the amendment, if there is any profit for the year, no less than 1% shall be appropriated as employees' compensation and no more than 3% as directors' remuneration. However, if the Company has accumulated deficits, this profit shall be reserved for covering losses. The aforementioned employees' compensation may include employees of controlled or subsidiary companies who meet the conditions set forth by the Board of Directors or its authorized personnel.

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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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.

The estimated amounts of employees' compensation and directors' and supervisors' remuneration are as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Employees remuneration	\$ 38,156	12,092
Directors remuneration	18,807	8,992
	\$ 56,963	21,084

The amount, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2025 and 2024. 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, 2025 and 2024 were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Foreign exchange gains	\$ 8,121	33,724
Gains (losses) on disposals of property, plant and equipment	(249)	404
Gains (losses) on disposals of intangible assets	-	68
Gains on disposals of investments	42	-
Gains on financial assets at fair value through profit or loss	(6,227)	3,546
Other losses	(55,863)	(13,465)
	\$ (54,176)	24,277

b. Finance costs

Details of finance costs of the Company for the years ended December 31, 2025 and 2024 were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Bank loan interest	\$ 58,398	59,382
Lease liabilities interest	369	454
Convertible company bond interest	11,581	25,694
	\$ 70,348	85,530

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(22) 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, 2025 and 2024, the balance of accounts receivable had 61% and 31% from 6 and 3 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
December 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 694,000	707,394	707,394	-	-
Financial liabilities measured at fair value through profit or loss	42	42	42	-	-
Notes payable	202	202	202	-	-
Account payable (including related parties)	1,489,982	1,489,982	1,489,982	-	-
Bonds payable (including current portion)	131,678	135,700	-	135,700	-
Other payable (including related parties)	592,530	592,530	592,530	-	-
Lease liabilities	14,425	14,637	11,516	3,121	-
Long-term borrowings (including current portion)	1,869,267	2,092,483	155,235	1,506,662	430,586
	\$ 4,792,126	5,032,970	2,956,901	1,645,483	430,586
December 31, 2024					
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	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
	\$ 4,999,907	5,223,266	2,068,786	2,719,565	434,915

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, 2025			December 31, 2024		
	Foreign currency	Exchange rate (dollar)	NTD	Foreign currency	Exchange rate (dollar)	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 44,893	31.430	1,410,987	41,227	32.785	1,351,627
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	39,137	31.430	1,230,076	35,408	32.785	1,160,851

(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, 2025 and 2024, 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 \$9,045 thousand and \$9,539 thousand for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, foreign exchange gains (loss) (including realized and unrealized portions) amounted to \$8,121 thousands and \$33,724 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 \$25,633 thousand and \$22,432 thousand for the years ended December 31, 2025 and 2024 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"> ● The higher the market illiquidity discount is, the lower the fair value. ● The higher the credit risk is, the lower the fair value.

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, 2025 and 2024.

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, 2025 and 2024, the Company' s unused credit line were amounted to \$3,216,290 and \$4,054,398, 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, 2025 and 2024 as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 5,336,550	5,428,150
Less: cash and cash equivalents	(432,905)	(516,873)
Net liabilities	\$ 4,903,645	4,911,277
Total equity	\$ 7,933,393	6,461,160
Debt-to-equity ratio	38.20%	43.19%

(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, 2025 and 2024 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:

	January 1, 2025	Cash flow	Conversion of convertible bonds	Non-Cash changes	December 31, 2025
Long-term borrowings (including current portion)	\$ 2,243,201	(375,000)	-	1,066	1,869,267
Short-term borrowings	-	694,000	-	-	694,000
Lease liabilities	21,464	(10,808)	-	3,769	14,425
Bonds payable	952,248	-	(832,150)	11,580	131,678
Total liabilities from financing activities	\$ 3,216,913	308,192	(832,150)	16,415	2,709,370

	January 1, 2024	Cash flow	Non-Cash changes	December 31, 2024	December 31, 2024
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	578,202	998,906	(595,989)	(28,871)	952,248
Total liabilities from financing activities	\$ 3,579,663	238,419	(595,989)	(5,180)	3,216,913

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. (Note 4)	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(Note 1)	Subsidiary
MEC ULTRAMAX (H.K.) COMPANY LIMITED (Note 2)	Subsidiary
MEC BEST KNOWN COMPANY LIMITED	Subsidiary
MEC ELECTRONICS (HK) COMPANY LIMITED	Subsidiary
MEC ELECTRONICS PHILIPPINES CORPORATION	Subsidiary
MEC ELECTRONICS (SUZHOU) CO., LTD. (Note 3)	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 4)	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 Technology USA, Inc.	Subsidiary
GENESIS ELECTROMECHANICAL LIMITED	Subsidiary
GENESIS INNOVATION GROUP LIMITED	Subsidiary
GENESIS HOLDING COMPANY	Subsidiary
GENESIS TECHNOLOGY USA, INC.	Subsidiary
JASON TECHNOLOGY LIMITED.(Note 5)	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 the dissolution and liquidation procedures in August 2025.	
Note 2: The company completed the dissolution and liquidation procedures in June 2025.	
Note 3: The company completed the dissolution and liquidation procedures in June 2024	
Note 4: Subsidiary of the Company, COMPUPACK TECHNOLOGY CO., LTD. (COMPUPACK TECHNOLOGY) and MICON PRECISE CORP. (MICON PRECISE) conducted a short-form merge in December 2025. COMPUPACK TECHNOLOGY is the surviving company. MICON PRECISE is the dissolved the company.	
Note 5: Jason Technology Co., Ltd. was sold to a non-related party in January 2025.	

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		Related party receivables and other related party receivables	
	For the year ended December 31, 2025	For the year ended December 31, 2024	December 31, 2025	December 31, 2024
		\$		
KUNSHAN ACES ELECTRONIC CO., LTD.	150,558	113,640	59,240	71,878
DONGGUAN ACES ELECTRONIC CO., LTD.	57,252	49,743	31,542	44,486
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	117,285	84,211	17,601	48,172
KUNSHAN ACES TRADING CO., LTD.	24,178	31,061	9,398	16,341
MEC ELECTRONICS PHILIPPINES CORP.	15,292	24,096	4,976	22,492
GENESIS TECHNOLOGY USA, INC.	34,839	-	14,089	2,803
KUANG YING COMPUTER EQUIPMENT CO., LTD.	113,495	883	60,468	620
Other subsidiaries	39,871	47,964	15,674	16,188
	\$ 552,770	351,598	212,988	222,980

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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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

	<u>Purchase</u>		<u>Payables to Related Parties</u>	
	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
KUNSHAN ACES ELECTRONIC CO., LTD.	\$ 480,970	560,575	328,852	448,143
DONGGUAN ACES ELECTRONIC CO., LTD.	198,527	194,686	145,583	137,489
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	1,193,055	847,706	568,152	435,007
Other subsidiaries	<u>243,781</u>	<u>182,760</u>	<u>134,678</u>	<u>77,122</u>
	<u>\$ 2,116,333</u>	<u>1,785,727</u>	<u>1,177,265</u>	<u>1,097,761</u>

The Company did not purchase the same type of products from other supplier; therefore there is no comparison. The payment terms for ordinary suppliers are net 90 to 150 days, while the payment terms for related parties are net 120 days.

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

	<u>Transaction amount</u>		<u>Other payable - related parties</u>	
	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries	<u>\$ 5,769</u>	<u>10,593</u>	<u>262</u>	<u>1,047</u>

d. Property transactions

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

	<u>Transaction amount</u>		<u>Gain (loss) on disposal</u>		<u>Other receivables – related parties</u>	
	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>	<u>For the year ended December 31, 2025</u>	<u>For the year ended December 31, 2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Subsidiaries	<u>\$ 21,322</u>	<u>14,193</u>	<u>704</u>	<u>466</u>	<u>18,875</u>	<u>14,230</u>

e. Endorsement

The Company has endorsed its subsidiaries for taking out loans from banks for the years of 2025 and 2024, and the actual amount used as guarantee were \$0 thousand and \$20,000 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 \$0 thousand and \$19,538 thousand for the year of 2025 and 2024 respectively. The lease payments were \$8,530 thousand and \$10,589 for the year of 2025 and 2024 respectively. And as of the end of December 31, 2025 and 2024, the balances of lease liabilities were \$8,451 thousand and \$16,732 thousand, respectively.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

g. Others

As of December 31, 2025 and 2024, other receivables from collection and payment on behalf of. another party, various expenses and other expenditures between the Company and related parties were \$58,902 thousand and \$4,596 thousand respectively. Other payables were \$3,524 thousand and \$11,502 thousand, respectively.

(3) Key management personnel transactions

Key management personnel compensation comprised:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Short-term employee benefits	\$ 56,186	45,410
Post-employment benefits	692	960
Share-based payments	9,127	2,088
	\$ 66,005	48,458

8. Assets pledged as security:

Asset name	Pledge or Mortgage underlying subject	December 31, 2025	December 31, 2024
Property, plant and equipment			
Land	Bank loan and credit limit guarantee	\$ 673,689	673,689
Buildings and structures	"	1,233,540	126,917
		\$ 1,907,229	800,606

9. Significant Commitments and contingencies:

(1) Unrecognized commitments of the Company:

	December 31, 2025	December 31, 2024
Acquisition of property, plant and equipment	\$ 48,935	132,198
Acquisition of intangible assets	-	2,988
Total	\$ 48,935	135,186

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, 2025, \$1,059,649 thousand of the contracted price had been paid. The acceptance inspection was completed and the remaining balance was paid in full in February 2026.

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

	December 31, 2025	December 31, 2024
	\$ 5,371,290	6,431,355

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

	December 31, 2025	December 31, 2024
	\$ 4,000	4,000

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

10. Due to Major Disasters: None.

11. Significant Subsequent Events

The consolidated company's Board of Directors resolved on December 22, 2025 to issue ordinary shares for cash in the amount of NT\$110,000 thousand, with a par value of NT\$10 per share, totaling 11,000 thousand shares, at an issue price of NT\$58 per share. In addition, the consolidated company resolved on the same date to issue the 4th domestic unsecured convertible bonds, with a total face value not exceeding NT\$1 billion, an issue price of 100.5% to 102% of face value, a tenor of three years, and a coupon rate of 0%.

Due to significant volatility in the domestic securities market, the consolidated company announced on March 9, 2026 that it has applied to the Financial Supervisory Commission for an extension of the aforementioned cash capital increase and unsecured convertible bond fundraising period by three months.

12. Other

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

By item	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	246,688	430,650	677,338	182,803	377,564	560,367
Labor and health insurance	26,797	35,014	61,811	20,778	31,111	51,889
Pension	9,421	18,565	27,986	7,749	17,006	24,755
Remuneration of directors	-	18,925	18,925	-	9,724	9,724
Other employee benefits	42,411	62,673	105,084	26,728	22,957	49,685
Depreciation	206,006	61,275	267,281	179,264	40,534	219,798
Amortization	380	31,198	31,578	11	36,874	36,885

b. The additional information of number of employees and employee benefits in the year 2025 and 2024 was as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Number of employees	<u>835</u>	<u>716</u>
Number of non-employee directors	<u>7</u>	<u>7</u>
Average employee benefits	<u>\$ 1,053</u>	<u>\$ 969</u>
Average employee salary	<u>\$ 818</u>	<u>\$ 790</u>
Adjustment of average employee salary	<u>3.54%</u>	<u>3.40%</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.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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 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, 2025.

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
													Item	Value			
	Name of Holder	Underwriting bank	Financial Statement Account	Name of related parties	Amount	Balance at end of the year	Amount	Interest rate	Nature (Note 11)	Amount	Unusual transaction details	Amount			Total Amount	Note	
1	KUNSHAN ACES ELECTRONIC CO., LTD.	GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	Other receivables	Yes	68,595	-	-	- %	2	-	Operation requirements	-	3,149,288	3,149,288	-	3,149,288	Note 1, 2
1	KUNSHAN ACES ELECTRONIC CO., LTD.	MEC SUZHOU ELECTRONICS CO., LTD.	Other receivables	Yes	202,320	202,320	89,920	0.90%	2	-	Operation requirements	-	3,149,288	3,149,288	-	3,149,288	"
2	ASIA CENTURY INVESTMENT LTD	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	21,583	20,430	20,430	2.95%	2	-	Operation requirements	-	178,495	178,495	-	178,495	"
3	WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	ACES Surface Treatment Co., Ltd.	Other receivables	Yes	5,000	2,500	-	- %	2	-	Operation requirements	-	None	-	41,136	41,136	Note 2, 3
4	MEC IMEX INC.	MEC ELECTRONICS (SUZHOU) CO., LTD.	Other receivables	Yes	199,230	94,290	-	2.45%	2	-	Operation requirements	-	None	-	249,781	249,781	"
5	MEC ELECTRONICS (HK) COMPANY LTD.	HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED.	Other receivables	Yes	18,292	17,984	17,984	1.30%	2	-	Operation requirements	-	None	-	125,720	125,720	Note 4
5	MEC ELECTRONICS (HK) COMPANY LTD.	HOMEPRIDE TECHNOLOGY LIMITED	Other receivables	Yes	18,263	17,287	17,287	1.15%	2	-	Operation requirements	-	None	-	125,720	125,720	"
5	MEC ELECTRONICS (H.K.) CO., LTD.	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	6,641	6,286	6,286	3.05%	2	-	Operation requirements	-	None	-	125,720	125,720	"
6	ACCURATE GROUP LIMITED	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	6,641	6,286	6,286	2.95%	2	-	Operation requirements	-	None	-	178,997	178,997	Note 6

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

7	KUANG YING COMPUTER EQUIPMENT CO., LTD.	MEC IMEX INC.	Other receivables	Yes	163,000	110,000	108,715	1.225%-2.5%	2	-	Operation requirements	-	None	-	146,927	146,927	Note 2, 3
8	COMPUPACK TECHNOLOGY CO., LTD.	Aces Precision Industry Pte Ltd.	Other receivables	Yes	36,526	-	-	- %	2	-	Operation requirements	-	None	-	61,216	61,216	"
9	GENESIS ELECTRO-MECHANICAL LIMITED	GENESIS TECHNOLOGY USA, INC.	Other receivables	Yes	49,808	47,145	47,145	1.20%	2	-	Operation requirements	-	None	-	659,164	659,164	Note 5
9	GENESIS ELECTRO-MECHANICAL LIMITED	MEC ELECTRONICS PHILIPPINES CORP.	Other receivables	Yes	33,205	31,430	31,430	3.85%	2	-	Operation requirements	-	None	-	659,164	659,164	"
9	GENESIS ELECTRO-MECHANICAL LIMITED	MEC INTERNATIONAL COMPANY LTD	Other receivables	Yes	62,800	31,430	31,430	2.55%	2	-	Operation requirements	-	None	-	131,833	131,833	"
9	GENESIS ELECTRO-MECHANICAL LIMITED	Aces Precision Industry Pte Ltd.	Other receivables	Yes	63,980	62,860	62,860	2.55%-3.85%	2	-	Operation requirements	-	None	-	659,164	659,164	"
10	GENESIS INNOVATION GROUP LIMITED	DONGGUAN POLIXIN ELECTRIC CO., LTD.	Other receivables	Yes	43,167	-	-	- %	2	-	Operation requirements	-	None	-	899,465	899,465	"
10	GENESIS INNOVATION GROUP LIMITED	Aces Precision Industry Pte Ltd.	Other receivables	Yes	99,615	94,290	94,290	3.85%	2	-	Operation requirements	-	None	-	899,465	899,465	"
10	GENESIS INNOVATION GROUP LIMITED	MEC IMEX INC.	Other receivables	Yes	150,000	20,000	20,000	1.710%	2	-	Operation requirements	-	None	-	179,893	179,893	"

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 (HK) COMPANY LTD., a subsidiary of the Company, was fixed at USD4,000 thousand.

Note 5: 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 6: 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 7: Nature of the loan as filled out below:

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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

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	7,933,393	166,025	-	-	-	%	7,933,393	Y	N	N
0	The Company	ACES Precision Machinery Co., Ltd.	2	7,933,393	100,000	50,000	-	-	0.63%	7,933,393	Y	N	N
1	ACECON ELECTRONIC CO., LTD.	ACES ZHUHAI TECHNOLOGY LTD	2	4,763,356	594,490	584,480	292,109	-	12.27%	4,763,356	N	N	Y
1	DONGGUAN ACES ELECTRONIC CO., LTD.	ACES ZHUHAI TECHNOLOGY LTD	2	1,680,703	594,490	584,480	292,109	-	104.33%	1,680,703	N	N	Y
2	MEC IMEX INC.	MEC INTERNATIONAL COMPANY LTD.	2	624,453	199,230	78,575	-	-	12.58%	624,453	N	N	N
3	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANGYING COMPUTER EQUIPMENT CO., LTD.	3	131,692	4,981	4,715	2,649	-	2.82%	131,692	N	N	N
3	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUNSHAN ACES ELECTRONIC CO., LTD.	2	131,692	4,981	4,715	2,649	-	2.82%	131,692	N	N	Y
4	SUZHOU KUANGYING ELECTRIC CO., LTD.	KUANGYING COMPUTER EQUIPMENT CO., LTD.	3	102,148	4,981	4,715	250	-	131.23%	102,148	N	N	N
4	SUZHOU KUANGYING ELECTRIC CO., LTD.	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	2	102,148	4,981	4,715	250	-	131.23%	102,148	N	N	Y
5	KUANGYING COMPUTER EQUIPMENT CO., LTD.	DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	2	259,946	2,324	2,200	157	-	0.60%	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 KUANG YING COMPUTER EQUIPMENT CO., LTD., DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD., and SUZHOU KUANG YING ELECTRONICS CO., LTD., the guarantees and endorsements for an individual enterprise shall not exceed the paid-in capital of the Company. However, if the Company and its parent company directly or indirectly hold 100% of the voting rights of such company, then guarantees and endorsements shall not exceed the paid-in capital of the Company..

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

Note 4: According to the 'Endorsement Guarantee Procedure' of subsidiary ACECONN ELECTRONIC CO., LTD., the guarantees and endorsements for an individual enterprise shall not exceed 100% of the Company's net value. However, if the Company and its parent company directly or indirectly hold 100% of the voting rights of such company, then guarantees and endorsements shall not exceed 100% of the Company's net value. The total amount of guarantees and endorsements shall not exceed 100% of the Company's net value.

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, 2025 (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	-	40,032	1.54%	40,032	
The Company	Fund: China Development Advantage Venture Capital Limited Partnership.	-	Financial assets at FVTPL – non-current	-	30,935	1.36%	30,935	
The Company	SPECTRA SPC POWERFUND	-	Financial assets at FVTPL – current	380	-	-	-	Note 1
KUNSHAN ACES ELECTRONIC CO., LTD.	Fund - Kung Shan Hua Cheng Yi Da Equity Investment Company (limited partnership company)	-	Financial assets at FVTPL – non-current	-	96,341	2.48	96,341	
Genesis Electro Mechanical Limited	Fund - MS USD LIQUID QUALIF ACC FUND LVNAV	-	Financial assets at FVOCI – current	17	68,456	-	68,456	
Genesis Holding Company	Investments in non-listed company – PRIME RICH	-	Financial assets at FVOCI – non-current	390	33,284	3.84%	33,284	

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

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(in thousands of NTD)

d. 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)	
The Company	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Sub-subsidiary	Sales	117,285	2.83%	OA 120 days	-		17,389	1.38%	
The Company	KUNSHAN ACES ELECTRONIC CO.,LTD.	Sub-subsidiary	Sales	150,558	3.63%	OA 120 days	-		59,240	4.72%	
The Company	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Sub-subsidiary	Sales	113,495	2.74%	OA 120 days	-		2,251	0.18%	
KUNSHAN ACES ELECTRONIC CO.,LTD.	The Company	Sub-subsidiary	Sales	458,881	1682%	OA 120 days	-		347,109	23.46%	
KUNSHAN ACES ELECTRONIC CO.,LTD.	DONGGUAN ACES ELECTRONIC CO.,LTD.	Affiliates	Sales	254,162	9.31%	OA 90 days	-		160,533	10.85%	
DONGGUAN ACES ELECTRONIC CO.,LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliates	Sales	493,082	23.03%	OA 120 days	-		196,401	23.57%	
DONGGUAN ACES ELECTRONIC CO.,LTD.	The Company	Sub-subsidiary	Sales	196,768	9.19%	OA 120 days	-		153,693	18.45%	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	The Company	Sub-subsidiary	Sales	1,127,148	65.99%	OA 120 days	-		603,148	69.36%	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	KUNSHAN ACES ELECTRONIC CO.,LTD.	Affiliates	Sales	366,892	21.48%	OA 30 days	-		175,907	20.23%	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	DONGGUAN ACES ELECTRONIC CO.,LTD.	Affiliates	Sales	112,752	6.60%	OA 120 days	-		51,108	5.88%	
KUNSHAN ACES ELECTRONIC CO.,LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliates	Sales	669,782	24.55%	OA 120 days	-		445,810	30.13%	
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	KUNSHAN ACES ELECTRONIC CO.,LTD.	Affiliates	Sales	457,097	96.41%	OA 120 days	-		63,908	95.04%	
KUNSHAN ACES ELECTRONIC CO.,LTD.	GENESIS TECHNOLOGY USA,INC.	Affiliates	Sales	171,815	6.30%	OA 120 days	-		66,089	4.47%	
Genesis Innovation Group Limited,Taiwan Branch	GENESIS TECHNOLOGY USA,INC.	Affiliates	Sales	121,233	22.37%	OA 120 days	-		62,557	33.12%	

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Affiliates	Sales	445,214	80.88%	OA 120 days	-		224,570	87.37%
MEC SUZHOU ELECTRONICS CO., LTD.	MEC IMEX INC.	Affiliates	Sales	379,351	51.32%	OA 90 days	-		107,895	49.85%
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED.	DONGGUAN ACES ELECTRONIC CO.,LTD.	Affiliates	Sales	241,059	37.29%	OA 120 days	-		23,621	13.48%

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

e. 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		
DONGGUAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	153,693	1.37	-	-	24,040	-
KUNSHAN ACES ELECTRONIC CO., LTD.	The Company	Sub-subsidiary	347,109	1.18	-	-	46,680	-
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	The Company	Sub-subsidiary	603,148	2.20	-	-	-	-
KUNSHAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliate	445,810	1.71	-	-	-	-
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	KUNSHAN ACES ELECTRONIC CO., LTD.	Affiliate	175,907	1.94	-	-	120,091	-
KUNSHAN ACES ELECTRONIC CO., LTD.	DONGGUAN ACES ELECTRONIC CO., LTD.	Affiliate	160,533	1.67	-	-	54,957	-
DONGGUAN ACES ELECTRONIC CO., LTD.	KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Affiliate	196,401	2.33	-	-	80,689	-
DONGGUAN KUANGYING HARDWARE PLASTIC PRODUCT CO., LTD.	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Affiliate	224,570	2.01	-	-	90,385	-
MEC SUZHOU ELECTRONICS CO., LTD.	MEC IMEX INC.	Affiliate	107,895	6.75	-	-	54,137	-
KUANG YING COMPUTER EQUIPMENT CO., LTD.	MEC IMEX INC.	Affiliate	109,543 (Note1)	-	-	-	13,123	-

Note 1: Loan and interest receivables.

i. Trading in derivative instruments: None.

(2) Information on investments:

The following is the information on investees for the years ended December 31, 2025

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

(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	797,667	777,909	25,060	100.00%	4,747,805	447,356	475,155	
The Company	ACES (HONG KONG) ELECTRONIC CO., LTD.	Hong Kong	Electronic component sales business	6,589	-	1,548	100.00%	3,701	(2,531)	(2,531)	Note 1
The Company	ACES PRECISION INDUSTRY PTE LTD.	Singapore	Connectors sales business	208,410	208,410	8,162	100.00%	55,478	(103)	(103)	
The Company	ACESCONN HOLDINGS CO., LTD.	SAMOA	Investment holding	351,112	351,112	12,000	100.00%	178,495	11,672	11,672	
The Company	WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	Taiwan	Investment business	100,000	25,000	10,000	100.00%	102,840	46	46	
The Company	MEC IMEX INC.	Taiwan	Connector cable set sales business	928,939	928,939	47,582	99.86%	594,610	27,559	27,780	
The Company	ACES JAPAN CO., LTD.	Japan	Connector development business	15,137	15,137	5	100.00%	14,536	706	706	
The Company	ACES INTERCONNECT (USA), INC.	USA	Connectors sales industry	9,711	9,711	300	100.00%	9,831	13	13	
The Company	COMPUPACK TECHNOLOGY CO., LTD.	Taiwan	Electronic component sales business	337,237	287,237	21,500	100.00%	237,931	(17,552)	(15,904)	
The Company	KUANG YING COMPUTER EQUIPMENT CO., LTD.	Taiwan	Electronic component manufacturing and sales business	225,391	225,391	25,995	100.00%	347,588	38,036	38,036	
The Company	ACES Precision Machinery Co., Ltd.	Taiwan	Mold part manufacturing and sales business	170,000	130,000	17,000	100.00%	98,963	(5,408)	(5,408)	
The Company	GENESIS HOLDING COMPANY	Cayman	Investment holding	649,215	649,215	27,778	100.00%	876,242	59,464	45,307	
The Company	GENESIS TECHNOLOGY USA, INC.	USA	Electronic component sales business	20,104	20,104	2	100.00%	199,238	21,125	21,125	
The Company	JASON TECHNOLOGY LIMITED.	Hong Kong	Electronic component sales business	-	1,857	-	- %	-	-	-	Note 2
ACESCONN HOLDINGS CO., LTD.	ASIA CENTURY INVESTMENT LTD.	SAMOA	Investment holding	351,112	351,112	9,150	100.00%	178,495	11,672	11,672	

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			
ACES Precision Machinery Co., Ltd.	ACES Surface Treatment Co., Ltd.	Taiwan	Manufacture and sales of mold	13,000	8,000	1,200	100.00%	3,364	(2,586)	(3,242)	
MEC IMEX INC.	MEC INTERNATIONAL COMPANY LTD.	British Virgin Islands	Investment holding	1,324,615	1,295,195	34	100.00%	404,501	29,915	29,915	
MEC IMEX INC.	MEC ELECTRIC SOLUTIONS GMBH	Germany	Connector cable set sales business	-	3,179	-	- %	-	-	-	Note 3
MEC INTERNATIONAL COMPANY LTD.	MEC BEST KNOWN COMPANY LIMITED	Hong Kong	Investment holding	473,201	473,201	118,250	100.00%	8,379	(436)	(436)	
MEC INTERNATIONAL COMPANY LTD.	MEC ULTRAMAX (HK) COMPANY LIMITED	Hong Kong	Investment holding	-	122,400	-	- %	-	-	-	Note 1
MEC INTERNATIONAL COMPANY LTD.	MEC ELECTRONICS (HK) COMPANY LIMITED	Hong Kong	Connector cable set sales business	205,445	205,445	510	100.00 %	173,382	24,496	24,496	
MEC INTERNATIONAL COMPANY LTD.	MEC ELECTRONICS PHILIPPINES CORPORATION	Philippines	Connector cable set manufacturing and sales business	54,085	54,085	8,000	100.00 %	324,479	25,799	25,799	
MEC ELECTRONICS PHILIPPINES CORPORATION	MEC IMEX (USA), INC.	USA	Connector cable set sales business	12,544	12,544	4	100.00 %	16,677	(497)	(497)	
MEC ELECTRONICS (HK) COMPANY LIMITED	HOMEPRIDE TECHNOLOGY LIMITED	Hong Kong	Investment holding	230,261	230,261	56,750	100.00%	102,450	16,005	16,005	
COMPUPACK TECHNOLOGY CO., LTD.	Aces Precision Industry Pte Ltd.	Vietnam	Electronic component manufacturing and sales business	365,222	336,292	-	100.00%	(9,916)	(7,829)	(7,829)	
KUANG YING COMPUTER EQUIPMENT CO., LTD.	INFOMIGHT INVESTMENTS LIMITED	SAMOA	Investment holding	285,904	285,904	7,980	100.00%	217,865	(18,723)	(17,247)	
INFOMIGHT INVESTMENTS LIMITED	BELTA INTERNATIONAL LIMITED	British Virgin Islands	Investment holding	52,349	52,349	4	100.00%	168,866	(20,236)	(20,236)	

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		
INFOMIGHT INVESTMENTS LIMITED	CERTILINK INTERNATIONAL LIMITED	British Virgin Islands	Sales business	1,605	1,605	50	100.00%	46	(86)	(86)
INFOMIGHT INVESTMENTS LIMITED	ACCURATE GROUP LIMITED	SAMOA	Investment holding	131,588	131,588	4,100	100.00%	44,749	1,425	1,425
GENESIS HOLDING COMPANY	GENESIS INNOVATION GROUP LIMITED	Hong Kong	Investment holding	228,280	228,280	8,000	100.00%	449,733	49,844	49,844
GENESIS HOLDING COMPANY	GENESIS ELECTRO-MECHANICAL LIMITED	Hong Kong	Investment holding	268,229	268,229	9,400	100.00%	329,582	7,720	7,720

Note 1: The subsidiary of the Company, MEC ULTRAMAX (H.K.) COMPANY LIMITED, conducted the dissolution and liquidation procedures in June 2024, and remitted the residual payments for share to the investment company in the third region, MEC INTERNATIONAL COMPANY LTD.

Note 2: The subsidiary of the Company, JASON TECHNOLOGY LIMITED., was sold to a non-related party in January 2025.

Note 3: The subsidiary of the Company, MEC ELECTRIC SOLUTIONS GMBH, completed the dissolution and liquidation procedures in August 2025, and remitted the residual payments for shares to MEC IMEX INC.

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	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	68,318	100.00%	68,318	560,234	451,444	
KUNSHAN ACES ELECTRONIC CO., LTD.	Connector manufacturing and sales business	629,475	(2)	163,447	-	-	163,447	356,298	100.00%	364,582	3,149,288	452,925	
KUNSHAN ACES TRADING CO., LTD.	Connectors sales business	9,087	(2)	9,087	-	-	9,087	1,488	100.00%	1,488	62,667	-	
CHONGQING HONG GAO ELECTRONIC CO., LTD.	Connectors sales business	173,985	(2)	188,086	-	-	188,086	1,421	100.00%	1,421	4,479	-	
GALIS ACCURATE SMITHCRAFT PRODUCTS CO., LTD. OF SUZHOU	Surface treatment and sales business	256,682	(2)	351,112	-	-	351,112	11,113	100.00%	11,113	155,628	-	
KUNSHAN CHENGGANG ELECTRONIC TECHNOLOGY CO., LTD.	Connector manufacturing and sales business	593,671	(2)	-	-	-	-	14,357	100.00%	14,357	637,774	-	Note 6
ACES ZHUHAI TECHNOLOGY LTD	Connector manufacturing and sales business	349,246	(2)	150,350	19,668	-	170,018	(798)	100.00%	(798)	348,019	-	
HONGTAI ZHUHAI TRADING LTD	Connector manufacturing and sales business	6,268	(2)	6,268	-	-	6,268	(522)	100.00%	(522)	5,029	-	Note 10
Nantong Dadi Electric Co., Ltd.	Automobile cable bundle manufacturing and sales business	410,404	(3)	-	-	-	-	(263,529)	15.31%	(40,346)	301,030	-	Note 2
Kung Shan Ching Zhi Electric Co., Ltd.	Electronic component sales business	-	(3)	-	-	-	-	10,770	30.00%	3,231	27,224	-	Note 9
MEC ELECTRONICS (SUZHOU) CO., LTD.	Connector cable set manufacturing and sales business	-	(2)	301,403	-	-	301,403	-	100.00%	-	-	-	Note 11
SUZHOU HANTENG ELECTRONICS TECHNOLOGY CO., LTD.	Connector cable set manufacturing and sales business	519,336	(2)	369,705	-	-	369,705	(272)	100.00%	(272)	8,414	-	Note 3
HOMEPRIDE ELECTRONICS (DONGGUAN) COMPANY LIMITED.	Connector cable set manufacturing and sales business	214,991	(2)	121,258	-	-	121,258	16,350	100.00%	16,350	118,592	-	"
MEC SUZHOU ELECTRONICS CO., LTD.	Connector cable set manufacturing and sales business	301,450	(2)	272,030	29,420	-	301,450	(18,973)	100.00%	(18,973)	(24,654)	-	"
DONGGUAN COMPUPACK TECHNOLOGY CO., LTD.	Electronic component sales business	10,477	(1)	10,477	-	-	10,477	(469)	100.00%	(469)	9,681	-	Note 4
DONGGUAN KUANGYING PLASTIC PRODUCT CO., LTD.	Electronic component manufacturing and sales	128,110	(2)	129,711	-	-	129,711	(20,205)	100.00%	(20,205)	167,078	-	Note 5

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							
SUZHOU KUANG YING ELECTRIC CO., LTD.	Electronic component manufacturing and sales	104,307	(2)	153,819	-	-	153,819	(108)	100.00%	(108)	3,593	-	"
DONGGUAN POLIXIN ELECTRIC CO., LTD.	Electronic component sales business	65,150	(2)	-	-	-	-	1,943	100.00%	1,943	27,837	-	Note 7
GENESIS TECHNOLOGY(NINGBO) INC.	Electronic component sales business	21,720	(2)	228,805	-	-	228,805	(283)	100.00%	(283)	51,480	-	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 subsidiary of the Company injected capital to set up HONGTAI ZHUHAI TRADING LTD in January 2024, which is included into the Group since that day.

(Note 11): Dissolution and liquidation procedures of the subsidiary of the Company, MEC ELECTRONICS (SUZHOU) CO., LTD. have been completed in June 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, 2025 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on investment in Mainland China set by Investment Commission, Ministry of Economic Affairs
1,232,124 (USD 28,892 thousand)	3,279,218 (USD 104,334 thousand) (Note 2)	4,760,035

(Note 1) Accumulated remittance amount from Taiwan to China as of December 31, 2025 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, 2025 are disclosed in "Information on significant transactions" in the consolidated financial statements.

ACES Electronics Co., Ltd.

Notes to the Parent Company Only Financial Statements

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2025.

ACES Electronics Co., Ltd.
Statement of cash and cash equivalents
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand		\$ <u>174</u>
Current and cheque deposits	NTD	312,747
	USD: 3,705 thousand	112,263
	Others (less than 5%)	<u>7,721</u>
	Subtotal	<u>432,731</u>
		<u>\$ 432,905</u>

Note: Foreign currency was exchanges based on the spot rate on December 31, 2025.
 USD:NTD=31.43 : 1

Statement of account receivables

Item	Amount
S—U	\$ 142,573
S—I	121,367
S—H	63,074
S—T	167,972
S—V	90,791
S—W	85,649
Others (less than 5%)	<u>431,630</u>
Less: Loss allowance	<u>(1,644)</u>
Total	<u>\$ 1,101,412</u>

ACES Electronics Co., Ltd.

Statement of inventories

December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Item	Amount		Note
	Cost:	Net realizable value	
Raw materials	\$ 40,286	38,649	
Semi-finished goods	92,108	112,083	
Work-in-progress	35,607	-	Note
Finished goods	251,404	154,971	Current value as net realizable value
Merchandise	44,389	15,081	
Goods dispatched	309	392	
Subtotal	464,103		
Less: allowance to reduce inventory to market and loss on obsolescence	(49,136)		
Total	\$ 414,967		

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, 2025

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

	<u>Beginning Balance</u>		<u>Addition (Note 1)</u>		<u>Decrease</u>		Share of profit (loss) of subsidiaries/ass ociates and joint ventures accounted for using equity method	<u>Adjusted by equity method</u>	<u>Ending Balance</u>			<u>Market Value or Net Assets Value</u>		Collateral	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			<u>Shares</u>	<u>Percentage</u>	<u>Amount</u>	<u>Unit Price</u>	<u>Total Amount</u>		
Long-term equity investments accounted for using equity method:															
ACECONN ELECTRONIC CO., LTD. (Note 1)	25,000	\$ 4,212,246	60	19,758	-	-	475,155	40,646	25,060	100.00%	4,747,805	188.91	4,734,112	None	
ACES ELECTRICS (HONG KONG) CO. LIMITED	-	-	1,548	6,589	-	-	(2,531)	(357)	1,548	100.00%	3,701	2.39	3,701	"	
ACES PRECISION INDUSTRY PTE LTD.	8,162	57,666	-	-	-	-	(103)	(2,085)	8,162	100.00%	55,478	6.80	55,478	"	
ACESCONN HOLDINGS CO., LTD.	12,000	166,611	-	-	-	-	11,672	212	12,000	100.00%	178,495	14.87	178,495	"	
ACES INTERCONNECT (USA), INC.	300	10,186	-	-	-	-	13	(368)	300	100.00%	9,831	32.77	9,831	"	
ACES JAPAN CO., LTD.	4.5	14,533	-	-	-	-	706	(703)	4.5	100.00%	14,536	3,230.22	14,536	"	
WEI HONG INTERNATIONAL INVESTMENT CO., LTD.	2,500	27,794	7,500	75,000	-	-	46	-	10,000	100.00%	102,840	10.28	102,840	"	
JASON TECHNOLOGY LIMITED.	5,000	8,263	-	-	5,000	(8,263)	-	-	-	100.00%	-	-	-	"	
MEC IMEX INC.	47,582	577,699	-	-	-	-	27,780	(10,869)	47,582	99.86%	594,610	13.11	623,579	"	
COMPUPACK TECHNOLOGY CO., LTD.	21,500	191,878	-	50,000	-	-	(15,904)	11,957	21,500	100.00%	237,931	7.12	153,041	"	
KUANG YING COMPUTER EQUIPMENT CO., LTD.	25,995	387,085	-	-	-	(75,242)	38,036	(2,291)	25,995	100.00%	347,588	14.13	367,318	"	
GENESIS HOLDING COMPANY	27,778	854,344	-	-	-	-	45,307	(23,409)	27,778	100.00%	876,242	29.38	816,097	"	
GENESIS TECHNOLOGY USA, INC.	1.5	185,615	-	-	-	-	21,125	(7,502)	1.5	100.00%	199,238	132,825.33	199,238	"	
ACES Precision Machinery Co., Ltd.	13,000	64,371	4,000	40,000	-	-	(5,408)	-	17,000	100.00%	98,963	5.82	98,963	"	
		<u>\$ 6,758,291</u>		<u>191,347</u>		<u>(83,505)</u>	<u>595,894</u>	<u>5,231</u>			<u>7,467,258</u>			"	

(Note 1) The increase during the current period represents additional cash investment in subsidiaries.

(Note 2) The Company's subsidiary, Jason Technology Co., Ltd., sold 100% of its equity interests to a non-related party in January 2025.

ACES Electronics Co., Ltd.
Statement of short-term borrowings
December 31, 2025

(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	\$ 295,000	1.900%~1.9300%	320,000	None
Unsecured Loan	Yuanta Bank	399,000	1.9300%	400,000	"
Unsecured Loan	Bank SinoPac	-	-	200,000	"
Unsecured Loan	HSBC Bank	-	-	94,290	"
Unsecured Loan	MEGA INTERNATIO NAL COMMERCIA L BANK	-	-	200,000	"
Unsecured Loan	Huan Nan Commercial Bank	-	-	300,000	"
Unsecured Loan	Taishin International Bank	-	-	300,000	
		<u>\$ 694,000</u>		<u>1,814,290</u>	

Statement of account payables

<u>Item</u>	<u>Amount</u>
P—AQ	\$ 68,920
P—AN	37,797
P—AV	28,234
P—AM	21,628
P—BN	13,959
Others (less than 5%)	142,179
Total	<u>\$ 312,717</u>

ACES Electronics Co., Ltd.
Statement of long-term borrowings
December 31, 2025

(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	\$ -	237,134	2023/08/04~2028/08/04	2.3192%~2.3763%	584,050	Yes
Unsecured Loan	Yuanta Bank	-	121,748	"	"	322,086	"
Unsecured Loan	MEGA INTERNATIONAL COMMERCIAL BANK	-	169,842	"	"	423,006	"
Unsecured Loan	CHANG HWA COMMERCIAL BANK, LTD.	-	140,000	"	"	350,000	"
Unsecured Loan	The Shanghai Commercial & Savings Bank	-	140,000	"	"	350,000	"
Unsecured Loan	Taishin International Bank	-	83,864	"	"	208,282	"
Unsecured Loan	Cathay United Bank	-	83,864	"	"	208,282	"
Unsecured Loan	Huan Nan Commercial Bank	-	169,842	"	"	423,006	"
Unsecured Loan	Agricultural Bank of Taiwan	-	169,842	"	"	423,006	"
Unsecured Loan	Taiwan Cooperative Bank	-	83,864	"	"	208,282	"
Unsecured Loan	E.SUN BANK	112,267	-	2021/09/27-2026/09/15	1.6500%~1.7750%	300,000	None
Unsecured Loan	MEGA INTERNATIONAL COMMERCIAL BANK	-	<u>357,000</u>	2024/01/15-2039/01/15	2.4250%	<u>357,000</u>	Yes
		<u>\$ 112,267</u>	<u>1,757,000</u>			<u>4,157,000</u>	

ACES Electronics Co., Ltd.
Statement of Operating Cost
January 1 to December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Item	Amount
Merchandise	
Merchandise, January 1	\$ 40,131
Add: Purchase	555,496
Transfer into operating expenses	(871)
Less: Merchandise, December 31	(44,698)
Transfer into other operating costs	5
Transfer into write-off loss	(1,275)
Cost of merchandise sold	548,788
Raw materials	
Raw materials, January 1	44,948
Add: Purchase	245,799
Transfer into other operating costs	20,092
Less: Raw materials, December 31	(40,286)
Transfer into operating expenses	(8)
Transfer into write-off loss	(2,663)
Raw materials consumed during current period	267,882
Direct labor	168,678
Manufacturing expenses	377,134
Processing expenses	212,270
Manufacturing costs	1,025,964
Add: Semi-finished goods and work-in-progress, January 1	97,935
Semi-finished goods purchased in current period	350,538
Less: Semi-finished goods and work-in-progress, December 31	(127,715)
Transfer into other operating costs	(225,387)
Transfer into operating expenses	(36)
Transfer into write-off loss	(7,932)
Cost of finished goods	1,113,367
Add: Finished goods, January 1	233,876
Purchase of finished goods in current period	1,608,286
Less: finished goods, December 31	(251,404)
Transfer into other operating costs	205
Transfer into operating expenses	(2,349)
Transfer into write-off loss	(4,477)
Cost of goods sold - finished products	2,697,504
Total cost of goods sold	3,246,292
Other operating costs	(79,880)
Inventory related expenses	127,784
Operating costs	\$ 3,294,196

ACES Electronics Co., Ltd.
Statement of Operating Expenses
January 1 to December 31, 2025

(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	\$ 69,236	242,088	157,822	469,146
Transportation expenses	68,423	881	258	69,562
Depreciation	2,064	42,171	17,040	61,275
Service expenses	445	25,277	8,413	34,135
Insurance expenses	7,576	19,429	15,795	42,800
Royalty	27,492	-	-	27,492
Sample expenses	4,208	-	24,898	29,106
Various amortizations	-	19,772	11,426	31,198
Others (less than 5%)	51,322	117,490	90,286	259,098
	<u>\$ 230,766</u>	<u>467,108</u>	<u>325,938</u>	<u>1,023,812</u>

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

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

Please refer to Note 6(7) of the financial statements for the details of changes in right-of-use assets.

Please refer to Note 6(7) of the financial statements for the details of changes in accumulated depreciation of right-of-use assets.

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

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.