

# ACER SYNERGY TECH CORP.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 298,612	26	\$ 114,768	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	42	-	1,748	-
Notes receivable, net (Notes 4, 5 and 10)	2	-	88	-
Trade receivables, net (Notes 4, 5 and 10)	279,885	24	299,559	29
Trade receivables from related parties (Notes 4 and 29)	2,103	-	81,465	8
Other receivables from related parties (Note 29)	1,024	-	22,191	2
Current tax assets (Notes 4 and 22)	-	-	1,001	-
Inventories, net (Notes 4 and 11)	9,010	1	34,873	3
Prepayments (Note 29)	14,191	1	3,801	-
Total current assets	604,869	52	559,494	53
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	101,533	9	105,220	10
Financial assets at amortized cost - non-current (Notes 4 and 9)	1,090	-	1,084	-
Investments accounted for using the equity method (Notes 4 and 12)	269,462	23	201,784	19
Property, plant and equipment, net (Notes 4 and 13)	174,288	15	172,542	17
Right-of-use assets (Notes 4, 14 and 29)	4,159	-	-	-
Intangible assets (Notes 4, 15 and 29)	3,570	-	1,457	-
Deferred tax assets (Notes 4 and 22)	5,644	1	6,582	1
Refundable deposits (Note 29)	4,031	-	3,883	-
Total non-current assets	563,777	48	492,552	47
<b>TOTAL</b>	<b>\$ 1,168,646</b>	<b>100</b>	<b>\$ 1,052,046</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 4,881	1	\$ 5,021	1
Contract liabilities - current (Note 20)	30,817	3	25,776	2
Notes payable	-	-	600	-
Trade payables	143,721	12	225,191	21
Trade payables to related parties (Note 29)	32,982	3	17,975	2
Other payables (Note 16)	30,509	3	39,812	4
Other payables to related parties (Note 29)	2,129	-	278	-
Current tax liabilities (Notes 4 and 22)	3,981	-	8,391	1
Provisions - current (Notes 4 and 17)	2,945	-	7,945	1
Lease liabilities - current (Notes 4, 14 and 29)	935	-	-	-
Other current liabilities (Note 16)	3,806	-	1,845	-
Total current liabilities	256,706	22	332,834	32
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	4,850	1
Deferred tax liabilities (Notes 4 and 22)	6,896	1	4,359	-
Lease liabilities - non-current (Notes 4, 14 and 29)	3,373	-	-	-
Net defined benefit liabilities (Notes 4 and 18)	11,143	1	10,494	1
Total non-current liabilities	21,412	2	19,703	2
Total liabilities	278,118	24	352,537	34
<b>EQUITY</b>				
Share capital				
Ordinary shares	222,000	19	200,000	19
Capital surplus	598,646	51	417,514	40
Retained earnings				
Legal reserve	19,132	2	11,495	1
Special reserve	14,271	1	374	-
Unappropriated earnings	55,544	5	84,397	8
Total retained earnings	88,947	8	96,266	9
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(144)	-	963	-
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(18,921)	(2)	(15,234)	(2)
Total other equity	(19,065)	(2)	(14,271)	(2)
Total equity	890,528	76	699,509	66
<b>TOTAL</b>	<b>\$ 1,168,646</b>	<b>100</b>	<b>\$ 1,052,046</b>	<b>100</b>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

## ACER SYNERGY TECH CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 29)	\$ 757,971	100	\$ 1,088,713	100
OPERATING COSTS (Notes 4, 11, 21 and 29)	<u>635,875</u>	<u>84</u>	<u>940,553</u>	<u>87</u>
GROSS PROFIT	122,096	16	148,160	13
UNREALIZED GAIN (LOSS) ON TRANSACTIONS WITH SUBSIDIARIES	<u>3,305</u>	<u>1</u>	<u>(3,305)</u>	<u>-</u>
GROSS PROFIT, NET	<u>125,401</u>	<u>17</u>	<u>144,855</u>	<u>13</u>
OPERATING EXPENSES (Notes 4, 10, 21 and 29)				
Selling and marketing expenses	33,423	4	37,477	3
General and administrative expenses	45,663	6	44,139	4
Research and development expenses	16,586	2	30,843	3
Expected credit loss (gain)	<u>3,317</u>	<u>1</u>	<u>(625)</u>	<u>-</u>
Total operating expenses	<u>98,989</u>	<u>13</u>	<u>111,834</u>	<u>10</u>
PROFIT FROM OPERATIONS	<u>26,412</u>	<u>4</u>	<u>33,021</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4, 21 and 29)	1,025	-	175	-
Other income (Notes 4, 21 and 29)	4,388	1	4,862	-
Other gains and losses (Notes 4, 21 and 29)	1,499	-	8,179	1
Finance costs (Notes 4, 21 and 29)	(409)	-	(30)	-
Share of profit or loss of subsidiaries and associates	<u>39,100</u>	<u>5</u>	<u>40,417</u>	<u>4</u>
Total non-operating income and expenses	<u>45,603</u>	<u>6</u>	<u>53,603</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	72,015	10	86,624	8
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(7,803)</u>	<u>(1)</u>	<u>(10,722)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>64,212</u>	<u>9</u>	<u>75,902</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(1,676)	-	473	-

(Continued)

## ACER SYNERGY TECH CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 19)	(3,687)	(1)	(15,814)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 19)	<u>(1,107)</u>	<u>-</u>	<u>1,917</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(6,470)</u>	<u>(1)</u>	<u>(13,424)</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 57,742</u>	<u>8</u>	<u>\$ 62,478</u>	<u>6</u>
<b>EARNINGS PER SHARE (Note 23)</b>				
Basic	<u>\$ 3.07</u>		<u>\$ 4.05</u>	
Diluted	<u>\$ 3.06</u>		<u>\$ 4.00</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

**ACER SYNERGY TECH CORP.**

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Share Capital (Note 19)		Capital Surplus (Notes 19)	Retained Earnings (Note 19)				Other Equity (Note 19)		Total	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2022	13,030	\$ 130,300	\$ 174,348	\$ 8,385	\$ 734	\$ 52,772	\$ 61,891	\$ (954)	\$ 580	\$ (374)	\$ 366,165
Appropriation of 2021 earnings											
Legal reserve	-	-	-	3,110	-	(3,110)	-	-	-	-	-
Special reserve	-	-	-	-	(360)	360	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(42,000)	(42,000)	-	-	-	(42,000)
Issuance of ordinary shares for cash	6,970	69,700	243,166	-	-	-	-	-	-	-	312,866
Net profit for the year ended December 31, 2022	-	-	-	-	-	75,902	75,902	-	-	-	75,902
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	473	473	1,917	(15,814)	(13,897)	(13,424)
BALANCE AT DECEMBER 31, 2022	20,000	200,000	417,514	11,495	374	84,397	96,266	963	(15,234)	(14,271)	699,509
Appropriation of 2022 earnings											
Legal reserve	-	-	-	7,637	-	(7,637)	-	-	-	-	-
Special reserve	-	-	-	-	13,897	(13,897)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(60,000)	(60,000)	-	-	-	(60,000)
Issuance of ordinary shares for cash	2,200	22,000	175,505	-	-	-	-	-	-	-	197,505
Net profit for the year ended December 31, 2023	-	-	-	-	-	64,212	64,212	-	-	-	64,212
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(1,676)	(1,676)	(1,107)	(3,687)	(4,794)	(6,470)
Actual disposal or acquisition of interests in subsidiaries	-	-	5,626	-	-	-	-	-	-	-	5,626
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(9,855)	(9,855)	-	-	-	(9,855)
Share-based payment arrangements	-	-	1	-	-	-	-	-	-	-	1
BALANCE AT DECEMBER 31, 2023	<u>22,200</u>	<u>\$ 222,000</u>	<u>\$ 598,646</u>	<u>\$ 19,132</u>	<u>\$ 14,271</u>	<u>\$ 55,544</u>	<u>\$ 88,947</u>	<u>\$ (144)</u>	<u>\$ (18,921)</u>	<u>\$ (19,065)</u>	<u>\$ 890,528</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audit report dated March 12, 2024)

## ACER SYNERGY TECH CORP.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 72,015	\$ 86,624
Adjustments for:		
Depreciation expense	5,069	4,231
Amortization expense	497	257
Expected credit loss recognized (reversed) on trade receivables	3,317	(625)
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	1,716	(1,519)
Finance costs	409	30
Interest income	(1,025)	(175)
Dividend income	(3,249)	(4,208)
Share-based compensation	1	-
Share of profit of subsidiaries and associates	(39,100)	(40,417)
Gain on disposal of property, plant and equipment	(220)	-
Write-down of inventories	-	5,594
Reversal of write-down of inventories	(2,313)	-
Unrealized gain on the transactions with subsidiaries	-	3,305
Realized gain on the transactions with subsidiaries	(3,305)	-
Changes in operating assets and liabilities		
Notes receivable	86	(88)
Trade receivables	16,357	2,799
Trade receivables from related parties	79,362	(77,514)
Other receivables from related parties	(329)	10,263
Inventories	26,239	(4,870)
Prepayments	(10,390)	(2,023)
Contract liabilities	5,041	17,120
Notes payable	(600)	600
Trade payables	(81,470)	37,558
Trade payables to related parties	15,007	(13,234)
Other payables	(9,303)	13,500
Other payables to related parties	1,851	178
Provisions	(5,000)	4,000
Other current liabilities	253	(606)
Net defined benefit liabilities	395	(5,029)
Net cash generated from operations	<u>71,311</u>	<u>35,751</u>
Interest received	1,025	150
Interest paid	(409)	(30)
Income tax paid	<u>(7,318)</u>	<u>(848)</u>
Net cash generated from operating activities	<u>64,609</u>	<u>35,023</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(75,754)
Purchase of financial assets at amortized cost	(6)	(1,084)
Acquisition of associate	-	(90,000)
Payments for property, plant and equipment	(6,964)	(169,493)

(Continued)

## ACER SYNERGY TECH CORP.

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of property, plant and equipment	352	-
Increase in refundable deposits	(148)	(804)
Other receivables from related parties	21,496	(21,496)
Payments for intangible assets	-	(1,714)
Dividends received	<u>19,351</u>	<u>19,876</u>
Net cash generated from (used in) investing activities	<u>34,081</u>	<u>(340,469)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	(507)	(604)
Repayments of other financial liabilities	(5,000)	-
Dividends paid to owners of the Company	(60,000)	(42,000)
Issuance of ordinary shares for cash	197,505	312,866
Acquisition of additional interests in subsidiary	(59,331)	-
Partial disposal of interests in subsidiary without a loss of control	<u>12,487</u>	<u>-</u>
Net cash generated from financing activities	<u>85,154</u>	<u>270,262</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	183,844	(35,184)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>114,768</u>	<u>149,952</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 298,612</u>	<u>\$ 114,768</u>

The accompanying notes are an integral part of parent company only the financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)