

ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 449,344	24	\$ 657,925	36
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	42	-
Financial assets at amortized cost - current (Notes 4, 9 and 33)	6,090	-	6,090	-
Contract assets - current (Notes 4, 5, 23 and 32)	159,879	9	137,235	7
Notes receivable, net (Notes 4, 5 and 10)	61,860	3	15,130	1
Trade receivables, net (Notes 4, 5 and 10)	448,797	24	414,381	23
Trade receivables from related parties (Notes 4 and 32)	33,387	2	5,555	-
Other receivables (Notes 4, 5 and 10)	3,187	-	2	-
Current tax assets (Notes 4 and 25)	2,423	-	4	-
Inventories, net (Notes 4 and 11)	86,835	5	9,332	1
Prepayments (Note 32)	28,433	2	23,396	1
Other current assets	5,489	-	13,818	1
Total current assets	<u>1,285,724</u>	<u>69</u>	<u>1,282,910</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	103,014	6	101,533	6
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	7,060	-	6,892	-
Property, plant and equipment, net (Notes 4 and 13)	175,954	10	181,544	10
Right-of-use assets (Notes 4 and 14)	8,485	-	3,089	-
Net investment properties (Notes 4, 15 and 33)	26,228	1	26,452	1
Goodwill (Notes 4, 5 and 16)	83,685	5	83,685	5
Other intangible assets (Notes 4 and 17)	115,016	6	125,317	7
Deferred tax assets (Notes 4 and 25)	29,070	2	7,236	-
Other non-current assets	24,072	1	15,914	1
Total non-current assets	<u>572,584</u>	<u>31</u>	<u>551,662</u>	<u>30</u>
TOTAL	<u>\$ 1,858,308</u>	<u>100</u>	<u>\$ 1,834,572</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 18)	\$ 30,000	2	\$ 100	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	4,881	-
Contract liabilities - current (Notes 4 and 23)	91,643	5	136,926	8
Notes payables	1,689	-	247	-
Trade payables	314,669	17	274,068	15
Trade payables to related parties (Note 32)	6,649	-	7,170	-
Other payables (Note 19)	125,019	7	113,681	6
Other payables to related parties (Note 32)	2,923	-	1,765	-
Current tax liabilities (Notes 4 and 25)	16,887	1	13,543	1
Provisions - current (Notes 4 and 20)	14,340	1	6,200	-
Lease liabilities - current (Notes 4 and 14)	3,510	-	2,073	-
Current portion of long-term borrowings and bonds payable (Notes 4, 18 and 33)	4,375	-	-	-
Other current liabilities (Note 19)	12,050	1	7,971	1
Total current liabilities	<u>623,754</u>	<u>34</u>	<u>568,625</u>	<u>31</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 18 and 33)	30,625	2	-	-
Deferred tax liabilities (Notes 4 and 25)	6,572	-	7,131	-
Lease liabilities - non-current (Notes 4 and 14)	5,031	-	1,051	-
Net defined benefit liabilities (Notes 4 and 21)	13,933	1	13,006	1
Other non-current liabilities (Note 19)	193	-	193	-
Total non-current liabilities	<u>56,354</u>	<u>3</u>	<u>21,381</u>	<u>1</u>
Total liabilities	<u>680,108</u>	<u>37</u>	<u>590,006</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	<u>222,000</u>	<u>12</u>	<u>222,000</u>	<u>12</u>
Capital surplus	<u>598,772</u>	<u>32</u>	<u>598,646</u>	<u>33</u>
Retained earnings				
Legal reserve	24,400	2	19,132	1
Special reserve	19,065	1	14,271	1
Unappropriated earnings	19,274	1	55,544	3
Total retained earnings	<u>62,739</u>	<u>4</u>	<u>88,947</u>	<u>5</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	3,735	-	(144)	-
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(17,440)	(1)	(18,921)	(1)
Total other equity	<u>(13,705)</u>	<u>(1)</u>	<u>(19,065)</u>	<u>(1)</u>
Total equity attributable to owners of the Company	869,806	47	890,528	49
NON-CONTROLLING INTERESTS	<u>308,394</u>	<u>16</u>	<u>354,038</u>	<u>19</u>
Total equity	<u>1,178,200</u>	<u>63</u>	<u>1,244,566</u>	<u>68</u>
TOTAL	<u>\$ 1,858,308</u>	<u>100</u>	<u>\$ 1,834,572</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 11, 2025)

ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 23 and 32)	\$ 1,804,648	100	\$ 1,738,519	100
OPERATING COSTS (Notes 4, 11, 21, 24 and 32)	<u>1,571,385</u>	<u>87</u>	<u>1,411,662</u>	<u>81</u>
GROSS PROFIT	<u>233,263</u>	<u>13</u>	<u>326,857</u>	<u>19</u>
OPERATING EXPENSES (Notes 4, 10, 24 and 32)				
Selling and marketing expenses	50,346	3	50,445	3
General and administrative expenses	147,228	8	119,347	7
Research and development expenses	23,192	1	23,000	1
Expected credit loss	<u>6,327</u>	<u>1</u>	<u>3,317</u>	<u>-</u>
Total operating expenses	<u>227,093</u>	<u>13</u>	<u>196,109</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>6,170</u>	<u>-</u>	<u>130,748</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 24)	5,017	-	3,012	-
Other income (Notes 4 and 24)	5,520	1	4,878	-
Other gains and losses (Notes 4, 24 and 32)	14,702	1	1,500	-
Finance costs (Notes 4 and 24)	<u>(585)</u>	<u>-</u>	<u>(855)</u>	<u>-</u>
Total non-operating income and expenses	<u>24,654</u>	<u>2</u>	<u>8,535</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	30,824	2	139,283	8
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(7,557)</u>	<u>(1)</u>	<u>(30,798)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>23,267</u>	<u>1</u>	<u>108,485</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(417)	-	(1,676)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 22)	1,481	-	(3,687)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 22)	<u>4,287</u>	<u>1</u>	<u>(1,260)</u>	<u>-</u>

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ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Other comprehensive loss for the year, net of income tax	\$ 5,351	1	\$ (6,623)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 28,618	2	\$ 101,862	6
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 18,493	1	\$ 64,212	4
Non-controlling interests	4,774	-	44,273	2
	\$ 23,267	1	\$ 108,485	6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 23,552	2	\$ 57,742	3
Non-controlling interests	5,066	-	44,120	3
	\$ 28,618	2	\$ 101,862	6
EARNINGS PER SHARE (Note 26)				
Basic	\$ 0.83		\$ 3.07	
Diluted	\$ 0.83		\$ 3.06	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 11, 2025)

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ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company							Other Equity (Note 22)			Non-Controlling Interests	Total Equity	
	Share Capital (Note 22)		Capital Surplus (Note 22)	Retained Earnings (Note 22)				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	Total Other Equity			
	Shares	Amount		Legal Reserve	Special Reserve	Earnings	Total						
	(In Thousands)												
BALANCE, JANUARY 1, 2023	20,000	\$ 200,000	\$ 417,514	\$ 11,495	\$ 374	\$ 84,397	\$ 96,266	\$ 963	\$ (15,234)	\$ (14,271)	\$ 699,509	\$ -	\$ 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)	-	(60,000)
Issuance of ordinary shares for cash	2,200	22,000	175,505	-	-	-	-	-	-	-	197,505	-	197,505
Net profit for the year ended December 31, 2023	-	-	-	-	-	64,212	64,212	-	-	-	64,212	44,273	108,485
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)	(153)	(6,623)
Actual disposal or acquisition of interests in subsidiaries	-	-	5,626	-	-	-	-	-	-	-	5,626	227,415	233,041
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(9,855)	(9,855)	-	-	-	(9,855)	76,562	66,707
Share-based payment arrangements	-	-	1	-	-	-	-	-	-	-	1	5,941	5,942
BALANCE AT DECEMBER 31, 2023	22,200	222,000	598,646	19,132	14,271	55,544	88,947	(144)	(18,921)	(19,065)	890,528	354,038	1,244,566
Appropriation of 2023 earnings													
Legal reserve	-	-	-	5,268	-	(5,268)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	4,794	(4,794)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(44,400)	(44,400)	-	-	-	(44,400)	-	(44,400)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(50,740)	(50,740)
Net profit for the year ended December 31, 2024	-	-	-	-	-	18,493	18,493	-	-	-	18,493	4,774	23,267
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	(301)	(301)	3,879	1,481	5,360	5,059	292	5,351
Changes in percentage of ownership interests in subsidiaries	-	-	48	-	-	-	-	-	-	-	48	30	78
Share-based payment transactions	-	-	78	-	-	-	-	-	-	-	78	-	78
BALANCE AT DECEMBER 31, 2024	22,200	\$ 222,000	\$ 598,772	\$ 24,400	\$ 19,065	\$ 19,274	\$ 62,739	\$ 3,735	\$ (17,440)	\$ (13,705)	\$ 869,806	\$ 308,394	\$ 1,178,200

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche audit report dated March 11, 2025)

ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 30,824	\$ 139,283
Adjustments for:		
Depreciation expense	10,564	7,506
Amortization expense	12,696	10,662
Expected credit loss recognized (reversed) on trade receivables	6,327	3,317
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	161	1,716
Finance costs	585	855
Interest income	(5,017)	(3,012)
Dividend income	(3,395)	(3,249)
Share-based compensation	156	5,942
Gain on disposal of property, plant and equipment	-	(220)
Impairment loss recognized on assets	97,750	-
Reversal of write-down of inventories	363	(2,313)
Changes in operating assets and liabilities		
Contract assets	(22,644)	(107,494)
Notes receivables	(46,730)	(15,042)
Trade receivables	(34,588)	130,330
Trade receivables from related parties	(27,832)	6,217
Other receivables	(8,562)	1,398
Inventories	(77,063)	30,094
Prepayments	(102,180)	(16,593)
Other current assets	7,722	(12,638)
Contract liabilities	(45,283)	32,363
Notes payable	1,442	(487)
Trade payables	40,601	(66,586)
Trade payables to related parties	(521)	(585)
Other payables	11,338	16,291
Other payables to related parties	1,158	(252)
Provisions	8,140	(4,564)
Other current liabilities	4,079	2,239
Net defined benefit liabilities	407	417
Net cash generated from operations	(139,502)	155,595
Interest received	5,017	3,012
Interest paid	(585)	(855)
Income tax paid	(28,922)	(47,630)
Net cash generated from operating activities	<u>(163,992)</u>	<u>110,122</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(168)	(9,095)
Payments for property, plant and equipment	(2,452)	(11,914)
Proceeds from disposal of property, plant and equipment	-	352
Payments for intangible assets	(2,395)	(3,828)

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ACER SYNERGY TECH CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Net cash inflow generated from business combination	\$ -	\$ 209,244
Increase in other non-current assets	(8,936)	(7,986)
Dividends received	<u>3,395</u>	<u>3,249</u>
Net cash generated from (used in) investing activities	<u>(10,556)</u>	<u>180,022</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	29,900	-
Repayments of short-term borrowings	-	(36,900)
Proceeds from long-term borrowings	35,000	-
Repayments of long-term borrowings	-	(10,003)
Repayment of the principal portion of lease liabilities	(3,080)	(2,037)
Repayments of other financial liabilities	(5,000)	(5,000)
Dividends paid to owners of the Company	(44,400)	(60,000)
Issuance of ordinary shares for cash	-	197,505
Partial disposal of interests in subsidiary without a loss of control	-	12,487
Changes in non-controlling interests	<u>(50,740)</u>	<u>66,707</u>
Net cash generated from financing activities	<u>(38,320)</u>	<u>162,759</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>4,287</u>	<u>(1,260)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(208,581)	451,643
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>657,925</u>	<u>206,282</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 449,344</u>	<u>\$ 657,925</u>

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(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)