



Acer Gadget Inc.

Stock Symbol: 2432



2024 Annual Report

Publication Date: March 30, 2025

Website for Annual Reports: <https://mops.twse.com.tw>

Company Website: <https://www.acergadget.com>

I. Names, titles, contact numbers and emails of the Company's spokesperson and acting spokesperson:

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Job title: President

Contact number: 02-26960296

Email: IR.AGT@acergadget.com

Deputy spokesperson's name: Chia-Hao Cheng

Job title: Chief Financial Officer

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II. Addresses and phone numbers of the headquarters, branches and factories:

(I) Headquarters: 7F-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City 02-26960296

(II) Main business address: 24F, No. 110 and No. 112, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City

(III) Branches: None.

(IV) Factories: None.

III. Name, address, website, and phone number of the share registrar:

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Website: www.tssco.com.tw

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IV. Name, firm name, firm address, website, and phone number of the CPA for the most recent financial statements:

CPA's name: CPA Ching-Wen Kao and CPA Ken Tang

Firm name: KPMG Taiwan

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Website: www.kpmg.com.tw

Tel: (02)8101-6666

V. Names of overseas exchanges where the Company's marketable securities are traded, and methods for inquiring information about the overseas marketable securities:

Not applicable.

VI. Company website:

<https://www.acergadget.com>

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One. Report to Shareholders

I. Business policy and implementation overview

Acer Gadget Inc. (hereinafter referred to as "the Company") is committed to promoting ESG and corporate social responsibility, corporate governance, and facilitating the smart life. In 2024, we focused on developing micro mobility, ESG, energy conservation, carbon reduction, and environmental protection, continued to launch main products with relevant concepts, and expanded our business layout in the Pan American market.

(I) E-Mobility products continue to expand

The trend of global mobility methods is moving toward electric motion, intelligence, and sharing at present, which requires effective human-vehicle communication and sharing platforms. As such forward-looking trends with market potential exhibited limitless possibilities, the Company actively entered into the e-scooter market in Europe in 2022 and gained precious sales experience. In 2023, we launched e-Bikes that can accommodate various individual use scenarios. We combined mobility intelligence and planned for the full series of product lines with hardware and software and further expanded the sharing ecosystem. With the sales experience and R&D capacity accumulated above, the Company continued to actively develop and launch its e-Bikes, e-Scooters, and other micro mobility products in 2024. Combining energy efficiency with low-carbon designs and the use of sustainable materials, the Company realized its ESG targets and social responsibility. In terms of product optimization, it also actively included intelligence and Internet functions to achieve the empowerment of technology and improve customer experience, innovative products and services to expand from width to depth and bring stable development for the product layout related to the e-mobility field. Furthermore, the Company launched its products for promotion at the Taipei International Cycle Show and Smart City Summit and Expo to expand into more sales methods of e-commerce channels through online and offline channels so as to allow the flexibility of product sales and services, improve consumer experience, and expand the influence of the brand.

(II) Focus on the expansion in the American market

Coincided with the recovery of the PC industry, phone replacement trend, and other emerging trends in 2023, the Company successfully joined the American market as a qualified supplier in the large-scale retail channel to sell and supply mice, keyboards, and other computer peripherals with customers' self-owned brands. We created great sales performance and recorded a significant increase in revenue in 2024. This channel is also one of the top ten material sales customers of the year. In addition, we made arrangements for the development of online sales channels in the American market and successfully launched the official flagship store of Acer Gadget on Amazon in America in 2024, and recorded excellent sales performance for K2 e-gaming earphones and other computer peripherals under ACER's brand of hub/dock and Nitro For offline channels, we will continue to expand into new channels. Adopting the successful commercial model of B2B2C, our exclusive competitiveness in product foundry, logistics, warehousing, and other comprehensive service aspects serves as the opportunity to negotiate cooperation

with renowned retailers. For online channels, we will focus on the management of Acer Gadget's official flagship store to guide and support start-up brands (e10, Xplova, and Pawbo) with mature brands (ACER and Nitro) through the multi-brand and compounded operating strategy. We will continue to launch more diverse products to fulfill the diverse requirements of American consumers in the hope of improving the awareness of the consumer market in America regarding the Company and the brand recognition by focusing on the B2C commercial model.

II. Business plan implementation outcomes

In 2024, the Company realized its ESG (environment, society, and corporate governance) and corporate social responsibility while stably promoting the increase in its operations and adopting them as the core strategy for corporate development. Substantially, we focused on the micro mobility field, advocated smart living concepts of energy conservation, carbon reduction, and environmental protection, and continued to launch products with market competitiveness. In addition, we further expand our business layout in the North American market to strengthen our brand's influence in the international market.

(I) E-Mobility products continue to expand

One of the business plans of the year focused on micro mobility, ESG, energy conservation, carbon reduction, and environmental protection with the purpose of actively participating in the development of the global green mobility market through the launch of innovative and environmental electric mobility products and realizing sustainable business increase. The core contents of the plan include the design, R&D and sales of e-Bikes, e-Scooters, and other micro mobility products, and the implementation achievements are as follows:

- Successfully launched new products: The Company successfully launched three models of e-Bikes with brand-new designs and seven models of e-Scooters during the year. These products not only meet the ESG targets but also incorporate innovative, intelligent functions and energy-saving designs, meeting the needs of modern urban mobility.
- Expand market layout: Our sales layout was successfully expanded into the North American and European markets. Entering such new markets allowed our coverage scope in the international market to expand into dozens of countries and further increased the influence of our brand worldwide.
- Realization of environmental protection targets: According to the internal analysis, all micro mobility products newly launched have carbon emissions 70% lower than traditional fuel transportation, which successfully achieved our targets for ESG, energy conservation, and carbon reduction.
- Growth in sales: During the course of promoting such new products, global sales increased by 25% as compared to last year, and the contribution from the sales in the North American and European markets exceeded 30%.

In conclusion, the business plan of the year obtained significant achievements in terms of micro mobility products that align with the market demand and ESG targets. We have not

only successfully launched multiple innovative products but also successfully expanded our sales markets into North America and Europe and realized significant growth in sales. Facing the future, we will continue to focus on innovation and market expansion and strive to improve operational efficiency and customer service to lay a solid foundation for the sustainable development of the Company.

(II) Focus on the expansion in the North American market

The core target of another business plan is to expand the business layout of the Company in the North American market, especially focusing on the American market so as to develop new sales channels and improve brand awareness and sales performance. The plan covers cooperation with large-scale retail channels, expansion of online sales channels, and further improvement of product market share in the American market, and the implementation achievements are as follows:

- Successfully joined Walmart, a large-scale retail channel: In the course of actively expanding into the American market, we successfully became a qualified supplier for Walmart, a large-scale retail channel, and provided mice, keyboards, and computer peripherals under the brand of ONN. This important cooperation opened up the door of the American market for the Company and rapidly promoted our products to the extensive consumer group. We obtained excellent sales performance through this channel in 2023 and welcomed significant growth in revenue for 2024. The cooperation laid a solid foundation for the business development of the Company in the upcoming years.
- Setting up the Amazon official flagship store and sales achievements: In terms of expanding online sales channels, we successfully set up the official flagship store of “Acer Gadget” in the second half of 2024 and entered the Amazon platform in America. The flagship store sells a series of K2 e-gaming earphones and other computer peripherals under ACER’s brand. After the opening, we obtained significant sales performance and successfully attracted the attention and purchase of a large number of users on Amazon. This not only shows the potential of online sales but also further improves the market influence of Acer Gadget on the digital platform.

With the successful cooperation with the Walmart sales channel and the setting up of the Amazon flagship store, we successfully implemented crucial measures in the business plan and obtained significant business achievements. We will continue to strengthen the relationship with existing partners, expand market share, and actively explore new online sales platforms and market opportunities in order to continue to improve the competitiveness of the brand in the global market.

III. Financial income and expenses and profitability

Item	2024		2023		NTD thousand
	Amount	%	Amount	%	YoY
Operating revenue	\$2,605,483	100%	\$2,085,866	100%	25%
Operating cost	(2,261,066)	-87%	(1,760,547)	-84%	28%
Gross operating profit	344,417	13%	325,319	16%	6%
Operating expenses	(230,195)	-9%	(217,308)	-10%	6%
Operating profit	114,222	4%	108,011	5%	6%
Non-operating revenue and expenses	37,738	1%	23,068	1%	64%
Profit before tax	151,960	6%	131,079	6%	16%
Income tax benefits (expenses)	(35,931)	-1%	(9,816)	0%	266%
Profit of the period	\$116,029	4%	\$121,263	6%	-4%

IV. Profitability analysis

The Company's net revenue reached a record high of NTD 2,605,483 thousand in 2024, with an increase of NTD 519,617 thousand from NTD 2,085,866 thousand in 2023, and the revenue and gross operating profit grew by 25% and 28% YoY, respectively. For operating expenses, the expansion of the business scale and the growth in revenue of the Company resulted in annual operating expenses of NTD 230,195 thousand, with an increase of NTD 12,887 thousand from NTD 217,308 thousand in 2023. In 2024, the operating profit was NTD 114,222 thousand, showing an increase of NTD 6,211 thousand from NTD 108,011 thousand in 2023. An injection of NTD 37,738 thousand of exchange interest, interest revenue, and investment dividend revenue into the non-operating revenue had the profit before tax reach NTD 151,960 thousand. NTD 35,931 thousand of income tax expenses were recognized in the current period, resulting in a profit after tax of NTD 116,029 thousand, with a decrease of NTD 5,234 thousand from NTD 121,263 thousand in 2023.

V. Research and development status

Since its establishment, Acer Gadget Inc. has been committed to technology innovation and product R&D and the creation of diverse products with smart technologies through the collaborative development of its three major business divisions. Each business division focuses on different fields, integrates advanced technology and market demand, and continues to improve the Company's competitiveness.

The Smart Device Business Division focuses on the R&D of smart peripherals and launches innovative accessories and AI-integrated peripherals with a combination of software development and hardware designs. In the future, we will adopt AI, Big Data, and edge computing as our core technologies to allow smart life to enter the new era. We will emphasize the ESG concepts, develop smart devices that align with SDGs, and commit to providing better user experience and environmental designs.

The Fashion Business Division focuses on the combination of technology with fashion and the development of fashion products that align with market trends based on consumers' requirements and users' feedback. In the future, we will enhance the R&D of patents, focus on the

integration of mature technologies, application of new materials and environmental procedures, improve our market competitiveness, and continue to promote the brand mission of “combining technology with fashion” to expand into the market of smart wearables, bags, and luggage.

The Smart Mobility Business Division focuses on the improvement in the core technologies of batteries, electrical machinery, and electronic control, and the application of AI and intelligence technologies in mobility equipment. As technology continues to develop, the business division will deepen its cooperation with the industry and promote the innovation and market application of smart mobility products to improve the competitiveness of the Company in the mobility field.

Overall, Acer Gadget’s R&D strategy adopts innovation, technology integration, and forward-looking applications as the core. The three major business divisions exert their advantages in the respective fields to promote the long-term development of the Company in the field of smart devices, fashionable technology, and smart mobility. In the future, the Company will continue to follow the ESG concepts to guide the Company to realize the brand mission of "technology-empowered sustainable life" and fulfill the requirements of different consumer groups to improve market competitiveness.

Two. Corporate Governance Report

I. Information on directors, supervisors, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches

(I) Directors and supervisors

1. Name, gender, age, nationality or place of registration, experience (education), shares held, and nature of Directors and supervisors

March 30, 2025. Unit: shares

Title	Name	Gender/ Age	Nationality or registration	Date of Initial election	Date elected	Term	Shareholding at the time of election		Current shareholding		Shares currently held by spouse and underage children		Shares held in others' names		Main experience (education)	Positions In the Company and other companies	Chief officers, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Re- ma- rks
							Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio			Job title	Name	Rela- tion- ship	
Chairman	Acer Incorporated	Male 51~60 years old	R.O.C	09/30/2022	11/11/2022	3 years	39,308,288	65.51%	39,308,288	63.54%	0	0%	0	0%	Director of NB Product Business Group, Acer Incorporated Master of Business Administration, College of Law and Commerce, National Chung Hsing University Bachelor of Electrical Engineering, National Tsing Hua University	Note 1	None	None	None	
	Representative: Jerry Kao						0	0	600,000	0.97%	0	0%	0	0%						
Director	Acer Incorporated	Male Over 60 years old	R.O.C	09/30/2022	11/11/2022	3 years	39,308,288	65.51%	39,308,288	63.54%	0	0%	0	0%	Global President and CEO of Acer Incorporated Senior Vice President, Global Marketing Operations, Taiwan Semiconductor Manufacturing Co., Ltd. Global Vice President of Intel MBA, University of Missouri-Columbia, USA Bachelor of Transportation and Communication Management, National Cheng Kung University	Note 1	None	None	None	
	Representative: Jason Chen						0	0%	0	0%	0	0%	2,046,641	3.31%						
Director	Acer Incorporated	Female 51~60 years old	R.O.C	09/30/2022	11/11/2022	3 years	39,308,288	65.51%	39,308,288	63.54%	0	0%	0	0%	Regional CFO, Pan-Asia Pacific Operations, Acer Incorporated MBA, University of Pittsburgh, USA Bachelor of Economics, National Tsing Hua University	Note 1	None	None	None	
	Representative: Yu-Ling Chen						0	0	10,000	0.02%	0	0%	0	0%						
Independent Director	Ming-Hui Lin	Male Over 60 years old	R.O.C	11/11/2022	11/11/2022	3 years	0	0%	0	0%	0	0%	0	0%	Chairman of Jih Sun Futures Co., Ltd. President of Jih Sun Futures Co., Ltd. Master of Business Administration, National Chung Hsing University Bachelor of Transportation and Communication Management Science, National Cheng Kung University	None	None	None	None	
Independent Director	Chien-Kuang Wang	Male Over 60 years old	R.O.C	11/11/2022	11/11/2022	3 years	0	0%	0	0%	0	0%	0	0%	Senior Vice President of Corporate Planning Organization, Senior Vice President of Wafer Plant Operations, Vice President of Wafer Plant Operations, and Vice President of 12-inch Wafer Plants, Taiwan Semiconductor Manufacturing Co., Ltd. Bachelor and Master of Chemical Engineering, National Cheng Kung University	Note 1	None	None	None	

Title	Name	Gender/ Age	Nationality or registration	Date of Initial election	Date elected	Term	Shareholding at the time of election		Current shareholding		Shares currently held by spouse and underage children		Shares held in others' names		Main experience (education)	Positions In the Company and other companies	Chief officers, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Re- ma- rks
							Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio	Number of shares	Share- holding ratio			Job title	Name	Rela- tion- ship	
Independent Director	Ying-Chi Yu	Male Over 60 years old	R.O.C	11/11/2022	11/11/2022	3 years	1,740	0.00%	1,740	0.00%	0	0%	0	0%	Master of Management, College of Management, National Chiayi University Chief Human Resources Officer, Director, and Manager of Acer Incorporated Director, Supervisor, and Lecturer of Chinese Human Resource Management Association	Note 1	None	None	None	
Independent Director	Pi-Wei Chin	Female 51~60 years old	R.O.C	11/11/2022	11/11/2022	3 years	0	0%	0	0%	0	0%	0	0%	Bachelor of Transportation and Communication Management Science, National Cheng Kung University Executive Vice President of Li & Fung (Taiwan) Ltd.	Note 1	None	None	None	

Note 1: Directors holding concurrent positions:

[illegible]

2. Corporate shareholder's major shareholder

March 30, 2025

Name of corporate shareholder	Corporate shareholder's major shareholder	Shareholding ratio
Acer Incorporated	Yuanta/P-shares Taiwan Dividend Plus ETF	5.23%
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	3.65%
	Hung Rouan Investment Corp.	2.42%
	United Taiwan High Dividend Recovery 30 ETF	1.85%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.33%
	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	1.21%
	Stan Shih	1.15%
	Taiwan Cooperative Bank	1.15%
	Acer GDR	0.90%
	Rongxin Management Consulting Co., Ltd.	0.75%

3. Major shareholders of major corporate shareholders

March 30, 2025

Name of corporate shareholder	Corporate shareholder's major shareholder	Shareholding ratio
Hongrong Investment Co., Ltd.	Carolyn Yeh	20.13%
	StanShih Foundation	1.60%
	Shih Hsuen Rouan	17.25%
	Shih Hsuen Huei	26.09%
	Shih Hsuen Lin	17.16%
	Shih Fang Cheng	8.93%
	Yeh Ting Yu	8.84%
Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co.,Ltd.	100%
Rongxin Management Consulting Co., Ltd.	Shih Fang Cheng	22.71%
	Shih Yi Jia	22.71%
	Shih Hsuen Lin	54.57%
Rong An Management Consulting Co., Ltd.	Shih Hsuen Rouan	43.58%
	Shih Hsuen Lin	0.00%
	Yeh Ting Yu	18.81%
	Yeh Jia Xuan	18.81%
	Yeh Bing Xue	18.81%

4. Professional knowledge and independence of Directors and supervisors

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where he/she also serves as an independent director
Acer Incorporated Representative: Jerry Kao		<ol style="list-style-type: none"> 1. Jerry Kao joined Acer in 1995 and has served as President of Acer's Information Products Business since March 2016. He is responsible for the management of laptops, desktops, monitors, peripherals, virtual/augmented reality, and design and R&D, as well as product cycle management. In addition, he has been Acer's Co-Chief Operating Officer and President of Acer's IT Products Business since November 2018. 2. Jerry Kao holds a bachelor's degree in electrical engineering from National Tsing Hua University and a master's degree in business administration from National Chung Hsing University. 3. He specializes in the professional fields of information technology and management, and does not fall under any conditions set forth in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. He concurrently serves as a director of some group companies. Neither his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company. 2. He holds 600,000 shares (0.97%) in the Company; also, his spouse or relatives within the 2nd degree of kinship do not hold any shares in the Company. 3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company. 	None
Acer Incorporated Representative: Jason Chen		<ol style="list-style-type: none"> 1. Jason Chen served as the Global President and CEO of Acer from 2014, when he joined the Company, to 2017. He has been the Chairman and CEO of Acer since 2017, where he led the team in corporate transformation and actively expanded the Company into new business territories. 2. Jason Chen worked for TSMC from 2005 to 2013, where he held the highest position as Senior Vice President of TSMC's Global Marketing Business; from 1991 to 2005, he served Intel Corporation for 14 years, and then went to its U.S. headquarters to be in charge of sales and marketing, and assumed the position of Global Vice President. Thus, he is familiar with the global market environment. Before that, he worked for IBM Taiwan from 1988 to 1991. 3. He has expertise in the professional fields of information technology and finance, and does not fall under any conditions set forth in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. He concurrently serves as a director of some group companies. Neither his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company. 2. He does not hold any shares in the Company. The number of shares he holds in the name of Mushi Investment Co., Ltd. is 2,046,641 (3.41%). 3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company. 	1
Acer Incorporated Representative: Yu-Ling Chen		<ol style="list-style-type: none"> 1. In addition to being the corporate director representative of Acer, Yu-Ling Chen is currently the Chief Accounting Officer of Acer. 2. Yu-Ling Chen holds a master's degree in business administration from the University of Pittsburgh, USA. 3. She has expertise in the professional field of finance and accounting, and does not fall under any conditions set forth in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Neither she nor her spouse nor her relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company. 2. He holds 10,000 shares (0.02%) in the Company; also, his spouse or relatives within the 2nd degree of kinship do not hold any shares in the Company. 3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company. 	None
Ming-Hui Lin		<ol style="list-style-type: none"> 1. Ming-Hui Lin served as the Chairman and President of Jih Sun Futures Co., Ltd. 2. Ming-Hui Lin holds a master's degree in business administration from 	<ol style="list-style-type: none"> 1. Neither she nor her spouse nor her relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company. 	None

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where he/she also serves as an independent director
		<p>National Chung Hsing University.</p> <p>3. She has expertise in the professional field of finance and accounting, and does not fall under any conditions set forth in Article 30 of the Company Act.</p>	<p>2. Neither he nor his spouse nor his relatives within the 2nd degree of kinship hold shares in the Company.</p> <p>3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company.</p>	
Chien-Kuang Wang		<p>1. Chien-Kuang Wang is currently a director of TSMC Education & Culture Foundation.</p> <p>2. Chien-Kuang Wang served various positions in TSMC, including Senior Vice President of Corporate Planning Organization, Senior Vice President of Wafer Plant Operations, Vice President of Wafer Plant Operations, and Vice President of 12-inch Wafer Plants.</p> <p>3. Chien-Kuang Wang holds a master's degree in chemical engineering from National Cheng Kung University.</p> <p>4. He specializes in the professional field of semiconductors, and does not fall under any conditions set forth in Article 30 of the Company Act.</p>	<p>1. Neither she nor her spouse nor her relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company.</p> <p>2. Neither he nor his spouse nor his relatives within the 2nd degree of kinship hold shares in the Company.</p> <p>3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company.</p>	None
Ying-Chi Yu		<p>1. Ying-Chi Yu is currently an independent director of Lungyen Life Service Corporation, an independent director of E-life Mall Corporation, a director of ANTUNG CORPORATION, and supervisor of Kang Yan Liang Yao Health Management Consulting Co., Ltd.</p> <p>2. Ying-Chi Yu served as the Chief Human Resources Officer of Acer, and the director and lecturer of Chinese Human Resource Management Association.</p> <p>3. Ying-Chi Yu holds a master's degree in management from the College of Management, National Chiayi University.</p> <p>4. He specializes in the professional field of human resources, and does not fall under any conditions set forth in Article 30 of the Company Act.</p>	<p>1. Neither she nor her spouse nor her relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company.</p> <p>2. He holds 1,740 shares (0.00%) in the Company, which were subscribed by him as a former shareholder of Acer when participating in Acer Gadget's seasoned equity offering plan. In addition, neither his spouse nor his relatives within the 2nd degree of kinship hold shares in the Company.</p> <p>3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company.</p>	2

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where he/she also serves as an independent director
Pi-Wei Chin		<ol style="list-style-type: none"> 1. Pi-Wei Chin is currently the Chairman of Lim Chiu-Chung Culture and Arts Foundation. 2. Pi-Wei Chin was the Executive Vice President of Li & Fung (Taiwan) Ltd. 3. Pi-Wei Chin holds a bachelor's degree in transportation and communication management science from National Cheng Kung University. 4. She specializes in the professional fields of marketing and cultural education, and does not fall under any conditions set forth in Article 30 of the Company Act. 	<ol style="list-style-type: none"> 1. Neither she nor her spouse nor her relatives within the 2nd degree of kinship have served as a director, supervisor or employee of a group company. 2. Neither he nor his spouse nor his relatives within the 2nd degree of kinship hold shares in the Company. 3. Neither he nor his spouse nor his relatives within the 2nd degree of kinship have served as a director, supervisor or employee of companies having specific relationships with the Company, nor have they provided commercial, legal, financial or accounting services to any group company. 	None

5. Board diversity policy

The Company's Board of Directors shall provide guidance on the Company's strategies, supervise the management, and be accountable to the Company and shareholders. The operations and arrangements of the corporate governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with laws and regulations, the Company's Articles of Incorporation, or resolutions adopted by the shareholders' meetings.

The structure of the Company's Board of Directors shall be based on the scale of the Company's business development and the shareholdings of major shareholders, and an appropriate number of directors shall be determined based on the needs of practical operations.

Diversity shall be taken into consideration when it comes to the composition of the Board of Directors. It is advisable that no more than one-third of the board seats are occupied by directors who concurrently serve as the Company's managers. An appropriate policy for diversity in terms of its own operation, business model, and development needs must be adopted. It is advisable to include but not limit the following standards for the two major aspects:

- (1) Basic criteria and values: gender, age, nationality, culture, etc.
- (2) Professional knowledge and skills: professional backgrounds (such as law, finance, accounting, industry, marketing, and technology), professional skills, and industry experience.

Board members shall generally possess the necessary knowledge, skills, and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall have the following capabilities:

- (1) The ability to make operational judgments.
- (2) Accounting and financial analysis.
- (3) Operation and management.
- (4) Crisis management.
- (5) Industry knowledge.

- (6) International market outlook.
- (7) Leadership.
- (8) Decision-making.

6. Specific management goals for Board diversity

Board diversity helps the Board function effectively. The election of the Company's board members is in accordance with the Company's Articles of Incorporation, and the candidate nomination system is adopted after the public offering to ensure the diversity and independence of board members.

The Company currently has two female directors. For the next election of directors, we hope to invite two or more female candidates and select directors with different professional knowledge and skills to provide with different perspectives and contributions to further strengthen the functions of the Board of Directors.

7. Board diversity implementation

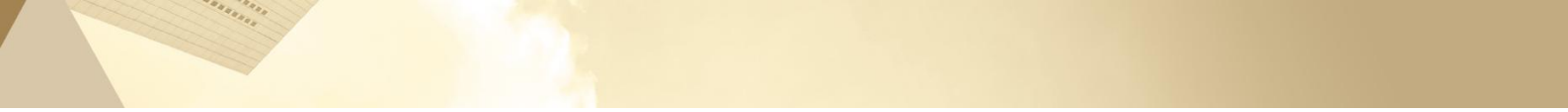
- (1) Expertise in the operation and marketing of global brand products and services: Mr. Jerry Kao, Mr. Jason Chen, Ms. Pi-Wei Chin.
- (2) Accounting and finance expertise: Ms. Yu-Ling Chen, Mr. Ming-Hui Lin.
- (3) Expertise in the semiconductor industry: Mr. Jason Chen and Mr. Chien-Kuang Wang.
- (4) Human resource expertise: Mr. Ying-Chi Yu.

Name	Gender	Nationality	Category	Age		Marketing	Semi-conductor	Culture and education	Human resources	Financial and accounting
				51~60	61~70					
Jerry Kao	Male	R.O.C	General Director	V		V				
Jason Chen	Male	R.O.C	General Director		V	V	V			
Yu-Ling Chen	Female	R.O.C	General Director	V						V
Ming-Hui Lin	Male	R.O.C	Independent Director		V					V
Chien-Kuang Wang	Male	R.O.C	Independent Director		V		V			
Ying-Chi Yu	Male	R.O.C	Independent Director		V				V	
Pi-Wei Chin	Female	R.O.C	Independent Director	V		V		V		

To promote and implement Board diversification, two female Directors currently participate in the operation of the Board, accounting for 28.57% of the Board. This is more favorable than the ratio of female Directors in all companies listed on TWSE in 2024, which is 17.98%, and the ratio of female Directors in all companies listed on TPEx, which is 18.65%. Professionalism and experience are the main considerations, and the Company refers to various diversification indicators. However, the ratio of a single gender accounting for one-third of the Board is a new indicator established during the year. Subsequently, the Company will seek appropriate Director candidates based on its overall management policy to achieve the indicator of gender diversification step by step.

8. Independence of the Board of Directors

The Company's Board of Directors consists of seven directors, including four



independent directors, accounting for 4/7 of the board seats. They are generally equipped with the necessary knowledge, skills and literacy to perform their duties. The Board of Directors is committed to continuously evaluating the independence of directors, which will take into account all relevant factors, including: whether relevant directors can continue to raise constructive questions for the management and other directors, and whether the opinions expressed are independent of the management or other directors. The above-mentioned board members are not in the circumstances described in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act, and none of the directors is related to each other as spouse or relative within the 2nd degree of kinship.

The Company established the Audit Committee in accordance with the law to replace supervisors. Hence, Article 26-3, Paragraph 4 of the Securities and Exchange Act does not apply.

(II) President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches

March 30, 2025. Unit: shares

Job title	Name	Gender	Nationality	Date of Taking office	Shareholding		Shares held by spouse and underage children		Shares held in others' names		Main experience (education)	Positions in other companies	Managers who are his/her spouse or relative within the 2nd degree of kinship			Managers' acquisition of employee stock warrants	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship		
President	Allen Jong	Male	R.O.C	09/30/2022	1,060,000	1.71%	0	0%	0	0%	Bachelor of Electrical Engineering, National Taiwan University Director of Gadget Product Business Group, Acer Incorporated	None	None	None	None	None	None
Vice President	Jen-Yang Chen	Male	R.O.C	09/30/2022	400,000	0.65%	0	0%	0	0%	MBA, University of Detroit Mercy Bachelor of Physics, Tamkang University Senior Director, Gadget Product Business Group, Acer Incorporated	None	None	None	None	None	None
Chief Operating Officer	Kuo-Hsien Chang	Male	R.O.C	09/30/2022	50,000	0.08%	0	0%	0	0%	Master of Electrical Engineering, University of Washington Bachelor of Electrical Engineering, Chung Yuan Christian University President of ETEN Information Systems Co., Ltd.	None	None	None	None	None	None
Chief Financial & Accounting Officer	Chia-Hao Cheng	Male	R.O.C	09/30/2022	200,000	0.32%	0	0%	0	0%	Master of Accounting, Tamkang University Bachelor of Finance and Cooperative Management, National Taipei University Finance Director of Vakos Holdings Limited Taiwan Branch (SAMOA)	None	None	None	None	None	None

(III) Where the Chairman and the President or any other person of an equivalent post (the top-level manager) are the same person, spouses or relatives within the 1st degree of kinship, the reasons, rationality, necessity, and measures to be taken in response thereto shall be explained.
(Table 1 and Table 1-1): Not applicable

II. Remuneration paid to Directors, supervisors, President, and Vice Presidents in the most recent year

(I) Remuneration paid to Directors, supervisors, President, and Vice Presidents in the most recent year (2024)

1. Remuneration to Directors

2024. Unit: NTD thousand

Job title	Name	Remuneration to directors								Sum of A, B, C, and D		Remuneration for concurrently serving as an employee								Sum of A, B, C, D, E, F and G		Remuneration received from invested businesses other than subsidiaries or the parent company (Note 1)
		Compensation (A)		Post-employment pension (B)		Director remuneration (C)		Business execution expenses (D)		as a percentage of profit after tax (%)		Salaries, bonuses, allowances, etc. (E)		Post-employment pension (F)		Employee remuneration (G)				as a percentage of profit after tax (%)		
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Corporate Director	Acer Incorporated	900	900	0	0	0	0	0	0	900 0.78%	900 0.78%	0	0	0	0	0	0	0	0	900 0.78%	900 0.78%	0
Chairman	Acer Incorporated Representative: Jerry Kao	0	0	0	0	0	0	20	20	20 0.02%	20 0.02%	0	0	0	0	0	0	0	0	20 0.02%	20 0.02%	29,593
Director	Acer Incorporated Representative: Jason Chen	0	0	0	0	0	0	10	10	10 0.01%	10 0.01%	0	0	0	0	0	0	0	0	10 0.01%	10 0.01%	5,056
Director	Acer Incorporated Representative: Yu-Ling Chen	0	0	0	0	0	0	20	20	20 0.02%	20 0.02%	0	0	0	0	0	0	0	0	20 0.02%	20 0.02%	9,497
Independent Director	Ming-Hui Lin	400	400	0	0	243	243	20	20	663 0.57%	663 0.57%	0	0	0	0	0	0	0	0	663 0.57%	663 0.57%	0
Independent Director	Chien-Kuang Wang	300	300	0	0	243	243	20	20	563 0.48%	563 0.48%	0	0	0	0	0	0	0	0	563 0.48%	563 0.48%	0
Independent Director	Ying-Chi Yu	400	400	0	0	243	243	20	20	663 0.57%	663 0.57%	0	0	0	0	0	0	0	0	663 0.57%	663 0.57%	0
Independent Director	Pi-Wei Chin	300	300	0	0	243	243	20	20	563 0.48%	563 0.48%	0	0	0	0	0	0	0	0	563 0.48%	563 0.48%	0
1. Please specify the policy, system, standard and structure for the payment of remuneration to independent directors and explain the correlation between the amount of remuneration and their responsibilities, risks, time invested and other factors: Not applicable.																						
2. Other than the disclosure in the above table, remuneration received by the Company's directors for providing services (such as serving as a non-employee consultant of the parent company/all companies listed in the financial statements/invested businesses, etc.) in the most recent year: None.																						

Note 1: "Remuneration received from invested businesses other than subsidiaries or the parent company" disclosed in the above table refers to the total amount of remuneration paid by the parent company, Acer Incorporated.

Remuneration Range Table

Range of remuneration paid to the Company's directors	Director's name			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	Parent company and all invested businesses
Less than NTD 1,000,000	Acer Incorporated, Jason Chen, Yu-Ling Chen, Jerry Kao, Ming-Hui Lin, Chien-Kuang Wang, Ying-Chi Yu, Pi-Wei Chin	Acer Incorporated, Jason Chen, Yu-Ling Chen, Jerry Kao, Ming-Hui Lin, Chien-Kuang Wang, Ying-Chi Yu, Pi-Wei Chin	Acer Incorporated, Jason Chen, Yu-Ling Chen, Jerry Kao, Ming-Hui Lin, Chien-Kuang Wang, Ying-Chi Yu, Pi-Wei Chin	Acer Incorporated, Ming-Hui Lin, Chien-Kuang Wang, Ying-Chi Yu, Pi-Wei Chin
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	-	-	-	-
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	-	-	-	-
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	-	-	-	Jason Chen, Yu-Ling Chen
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-	-	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-	-	Jerry Kao
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-	-	-
More than NTD 100,000,000	-	-	-	-
Total	8 people in total	8 people in total	8 people in total	8 people in total

2. Remuneration to supervisors: Not applicable

3. Remuneration to the President and Vice Presidents

2024, Unit: NTD thousand

2024. Unit: NT\$ thousand

Job title	Name	Salary (A)		Post-employment pension (B)		Bonuses, allowances, etc. (C)		Employee remuneration (D)				Sum of A, B, C, and D as a percentage of profit after tax		Remuneration received from invested businesses other than subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Allen Jong	3,754	3,754	108	108	2,603	2,603	1,360	0	1,360	0	7,825 6.74%	7,825 6.74%	0
Vice President	Jen-Yang Chen	2,386	2,386	108	108	1,212	1,212	800	0	800	0	4,506 3.88%	4,506 3.88%	0
Chief Operating Officer	Kuo-Hsien Chang	2,536	2,536	108	108	1,238	1,238	320	0	320	0	4,202 3.62%	4,202 3.62%	0
Chief Financial & Accounting Officer	Chia-Hao Cheng	1,226	1,226	71	71	683	683	300	0	320	0	2,280 1.97%	2,280 1.97%	0

Remuneration Range Table

Range of remuneration paid to the Company's President and Vice Presidents	President and Vice Presidents' names	
	The Company	All companies included in the financial statements
Less than NTD 1,000,000	-	-
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Chia-Hao Cheng	Chia-Hao Cheng
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Jen-Yang Chen, Kuo-Hsien Chang	Jen-Yang Chen, Kuo-Hsien Chang
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Allen Jong	Allen Jong
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-
More than NTD 100,000,000	-	-
Total	4 people in total	4 people in total

4. Names of managers receiving employee remuneration in the most recent year (2024) and the distribution of the remuneration:

Manager	Job title	Name	Amount in shares	Amount in cash	Total	Total as a percentage of profit after tax (%)
	President	Allen Jong	0	2,780	2,780	2.40%
	Vice President	Jen-Yang Chen				
	Chief Operating Officer	Kuo-Hsien Chang				
	Chief Financial Officer	Chia-Hao Cheng				

(II) Analysis of the total amount of remuneration paid to the Company's Directors, supervisors, President, and Vice Presidents in the most recent two years by the Company and all companies included in the consolidated financial statements as a percentage of the profit after tax in the parent company only or individual financial statements, and a description of the policy, standard, and package for the payment of remuneration, the procedure for determining remuneration, and their correlation with operating performance and future risks

1. Analysis of the total amount of remuneration paid to the Company's directors, supervisors, President, and Vice Presidents in the most recent two years as a percentage of profit after tax

Unit: NTD thousand

Analysis item Remuneration recipient	2023				2024			
	The Company		All companies included in the financial statements		The Company		All companies included in the financial statements	
	Total remuneration	As a percentage of profit (loss) after tax	Total remuneration	As a percentage of profit (loss) after tax	Total remuneration	As a percentage of profit (loss) after tax	Total remuneration	As a percentage of profit (loss) after tax
Director	3,395	2.80%	3,395	2.80%	3,400	2.93%	3,400	2.93%
President and Vice Presidents	17,765	14.65%	17,765	14.65%	18,813	16.21%	18,813	16.21%

2. The policy, standard, and package for the payment of remuneration, the procedure for determining remuneration, and their correlation with operating performance and future risks

(1) The policy, standard and package for remuneration payment:

Remuneration structure:

The decision for remuneration paid to Directors is subject to the Articles of Incorporation and the "Principles for Payments of Remuneration of Directors" approved by the Remuneration Committee and submitted to, resolved, and approved by the Board. Except for the fixed compensation and business execution fees (including traffic allowances), the Company's business achievements are partially considered for the remuneration of Directors with reference to the level of participation in the Company's operations and the value of contributions of Directors, as well as the standards among peers. After the remuneration is discussed and approved by the Remuneration Committee, it is resolved by the Board and reported to the annual shareholders' meeting according to the law.

In addition, the "Principles for Payments of Remuneration of Directors"

stated that Directors who are concurrently employees may only collect the remuneration of employees. Apart from business execution fees, they do not collect other remuneration of Directors to avoid the difficulties of determining and managing the performance and contributions while being Directors and employees at the same time and prevent repeated rewards.

The remuneration to the Company's managers is paid in accordance with the "Principles for the Payment of Fixed Salaries and Variable Bonuses for Managers" approved by the Remuneration Committee and the Board of Directors. The remuneration includes fixed salaries, variable bonuses, and employee remuneration. The remuneration is paid based on the general level in the industry. In addition to ensuring a competitive remuneration level in the industry to attract outstanding talent and considering incentive effects and agency costs, we link part of the reward to the Company's operating performance to maximize the benefits of professional management.

(2) Procedures for determining remuneration:

According to the Articles of Incorporation, if the Company records a profit in a fiscal year, the Company shall reserve a certain amount in advance to offset accumulated losses and then appropriate no more than 8‰ as the remuneration of Directors and no less than 2‰ as the remuneration of employees; remuneration of employees may be distributed in cash or stock, and the targets of distribution and conditions shall be established by the Board. The number of distributions, the date of distribution, and the content of distribution shall be handled in accordance with the arrangement and process proposed during reporting to the annual Remuneration Committee/Board meeting and shall be reported at the shareholders' meeting.

(3) Linkages between performance evaluation and remuneration:

The "Regulations for Performance Evaluation of the Board" are adopted as the evaluation basis for the remuneration of Directors, with reference to the level of participation in the Company's operations and the value of contributions of Directors (including but not limited to the efforts invested in the Company's affairs, attendance rate for meetings, and continuing education). The results of the overall evaluation of the Board's performance are reported to the Board in Q1 in the following year and subsequently discussed at the same Board meeting to resolve the remuneration of Directors for the year. Furthermore, according to the Remuneration Committee Charter of the company, the duties of the Remuneration Committee include the regular examination and evaluation of the performance of Directors and managers and the policy, system, standard, and structure of remuneration.

The positions, responsibilities assumed, and performance contributions are adopted as the evaluation basis for the remuneration of managers, and the distribution is made based on the achievements of the performance indicators, which are highly correlated to the business performance of the Company. The performance indicators include corporate targets, personal targets, and ESG and CSR indicators.

Corporate targets include financial (i.e., operating income, net profit achievement rate, and growth rate of the Company) and non-financial indicators (i.e., the level of participation in the operations of subsidiaries, promotion of new businesses and assistance, and inventory optimization); personal targets include the performance of responsible departments, innovative management capabilities, and new product development; ESG and CSR targets include the promotion progress of CSR plans, improvements in internal control and risk management, public welfare participation rate, and the improvements in the ESG awareness of employees.

- (4) Correlation between performance evaluation and future risks
Except for referring to the standards among relevant peers and the performance payments of the Company in the past, the distribution standard, structure, and system for the remuneration paid to Directors and managers of the Company will also be examined and adjusted in due course based on the operating status and changes in relevant laws and regulations. The performance evaluation does not induce Directors or managers to engage in behaviors that surpass corporate risks for the pursuit of remuneration. In addition, the Remuneration Committee regularly evaluates the remuneration of Directors and managers and submits their recommendations to the Board for discussion to seek the balance between the sustainable management and risk control of the Company.

III. Operation of corporate governance

(I) Information on the operation of the Board of Directors

1. The Company's Board of Directors convened 4 times (A) in the most recent year (2024). The attendance of directors (as non-voting participants) is as follows:

Job title	Name	Number of attendances in person (as non-voting participants) B	Number of attendances by proxy	In-person attendance rate (as non-voting participants) (%) (%) 【B/A】	Remarks
Chairman	Acer Incorporated Representative: Jerry Kao	4	0	100%	The required number of meetings attended by the current Board of Directors members as of December 31, 2024 is 4 (A).
Director	Acer Incorporated Representative: Jason Chen	2	2	50%	
Director	Acer Incorporated Representative: Yu-Ling Chen	4	0	100%	
Independent Director	Ming-Hui Lin	4	0	100%	
Independent Director	Chien-Kuang Wang	4	0	100%	
Independent Director	Ying-Chi Yu	4	0	100%	
Independent Director	Pi-Wei Chin	4	0	100%	

2. Other information to be disclosed:

- (1) If any of the following circumstances exists with respect to the operation of the Board of Directors, the date and session of the Board meeting, the content of the proposal, the opinions of all Independent Directors, and the Company's handling of the opinions shall be specified:

- A. Items listed under Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee in accordance with the Securities and Exchange Act; therefore, Article 14-3 of the Securities and Exchange Act is not applicable. For details on the items listed under Article 14-5 of the Securities and Exchange Act, please refer to the Operation of the Audit Committee in the annual report.
- B. Board meeting resolutions to which Independent Directors raised objections or qualified opinions recorded or stated in writing, other than those aforementioned:

(2) Implementation of directors' recusal from proposals having conflicts of interest

Date and term of the Board meeting	Proposal content	Implementation of directors' recusal from proposals having conflicts of interest
March 12, 2024 1st Board meeting in 2024	1. Distribution of remuneration to employees and Directors in 2023	Independent Directors Chien-Kuang Wang, Ming-Hui Lin, Pi-Wei Chin, and Ying-Chi Yu recused themselves in accordance with Article 16, Paragraph 1 of the Company's Board of Directors' Meeting Rules as their personal interests were involved. The proposal was passed as proposed by unanimous consent obtained by the chairperson asking if the remaining present directors had any objection.
	2. Acquisition of the right-of-use assets of real estate from related parties	Directors Jerry Kao, Jason Chen, and Yu-Ling Chen as corporate representatives recused themselves in accordance with Article 16, Paragraph 1 of Company's Board of Directors' Meeting Rules as the interests of the corporates they represent were involved. The proposal was passed as proposed by unanimous consent obtained by the chairperson asking if the remaining present directors had any objection.

- (3) TWSE/TPEx listed companies shall disclose the cycle, period, scope, method, and items of the self-evaluation (or peer evaluation) of the Board of Directors:

The implementation of the Board of Directors' evaluation is as follows:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation item
Once a year	Evaluation of the performance from January 1, 2024 to December 31, 2024	Board performance evaluation, performance evaluation of individual Board members, and performance of functional committees	Self-evaluation of the Board of Directors and Board members' self-evaluation	Board of Directors' self-evaluation <ol style="list-style-type: none"> 1. Participation in the Company's management 2. Improvement of the Board's decision-making quality 3. Composition and structure of the Board 4. Election and continuing education of directors 5. Internal control Board members' self-evaluation <ol style="list-style-type: none"> 6. Alignment with the Company's goals and missions 7. Awareness of the duties of a director 8. Participation in the Company's operation 9. Internal relationship management and communication 10. Election and continuing education of directors 11. Internal control Functional committees' self-evaluation <ol style="list-style-type: none"> 12. Participation in the Company's operation 13. Awareness of the duties of functional committees 14. Improvement of functional committees' decision-making quality

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation item
				15. Composition of functional committees and election of their members
				16. Internal control

On October 4, 2022, the Board of Directors approved the "Procedures for the Board of Directors' Performance Evaluation," which stipulate that the Board of Directors shall conduct a performance evaluation for the Board of Directors, its members, the Remuneration Committee, and the Audit Committee at least once a year.

The 2024 evaluation results are as follows and were reported to the Board of Directors on March 11, 2025.

Evaluation category	Evaluation item	Evaluation result
Board of Directors' performance evaluation	1. Participation in the Company's management 2. Improvement of the Board's decision-making quality 3. Composition and structure of the Board 4. Election and continuing education of directors 5. Internal control	Overall operation rating: Good
Board members' performance evaluation	1. Alignment with the Company's goals and missions 2. Awareness of the duties of a director 3. Participation in the Company's operation 4. Internal relationship management and communication 5. Directors' professionalism and continuing education 6. Internal control	Overall rating: Good
Audit Committee's performance evaluation	1. Alignment with the Company's goals and missions 2. Awareness of the duties of a director 3. Participation in the Company's operation 4. Internal relationship management and communication 5. Directors' professionalism and continuing education 6. Internal control	Overall operation rating: Good
Remuneration Committee's performance evaluation	1. Alignment with the Company's goals and missions 2. Awareness of the duties of a director 3. Participation in the Company's operation 4. Internal relationship management and communication 5. Directors' professionalism and continuing education 6. Internal control	Overall operation rating: Good

- (4) Enhancement of the functionality of the Board of Directors in the current year and the most recent year and the evaluation thereof
- The Company has established the "Regulations Governing the Procedure for Board of Directors' Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and announced important resolutions on the Market Observation Post System immediately after board meetings to ensure full disclosure of information and protect the rights and interests of shareholders.
 - The Company has established the Audit Committee and the Remuneration Committee to assist the Board of Directors in fulfilling its supervisory duties, actively strengthen the functions of the Board of Directors, and implement corporate governance. We are also committed to complying with the best practice principles for TWSE/TPEX listed companies. In addition, to improve information transparency, the Company's website has an investor section to keep the Company's information updated. Moreover, all of the current board members have participated in corporate governance-related courses.
 - In order to implement corporate governance and improve the functions of the Board of Directors, the Company conducts a performance evaluation for the Board of Directors and functional

committees every year. The performance evaluation in 2024 was completed by board members performing a self-evaluation.

- D. To protect directors from the risks they bear in fulfilling their duties, the Company takes out directors' liability insurance for them every year to ensure sufficient insurance indemnity and coverage requirements and makes a report to the Board of Directors on a regular basis.

(II) Operation of the Audit Committee

The Audit Committee aims to reinforce the supervisory function of the Board of Directors, strengthen its management mechanism, and assist its in improving corporate governance performance. The main functions and powers of the Audit Committee include assisting the Board of Directors in supervising the quality and integrity of the Company's implementation of accounting, auditing, financial reporting processes, and financial control.

The functions and powers of the Audit Committee are as follows:

- Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- Evaluate the effectiveness of the internal control system.
- Establish or amend the procedures for material financial business activities such as the acquisition or disposal of assets, engagement in derivative transactions, loaning of funds to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
- Matters involving the interests of directors.
- Material asset or derivative transactions.
- Material loans, endorsements, or guarantees.
- Offer, issue or conduct private placement of marketable equity securities.
- Appoint or dismiss CPAs or determine their remuneration (including reviewing their qualifications, independence and performance).
- Appoint the Chief Financial Officer, Chief Accounting Officer or Chief Internal Auditor.
- Financial statements.
- Regulatory compliance.
- Supervise the Company's risk appetite and strategies.
- Review the fulfillment of duties by the Audit Committee.
- Complete the Audit Committee's self-evaluation questionnaire.
- Other important matters specified by the Company or the competent authority.

According to the laws of the Republic of China, the Audit Committee shall consist of all independent directors. The Company's Audit Committee complies with the above provision.

In order to perform its duties, the Audit Committee has the right to conduct any appropriate review and investigation in accordance with its Articles of Association, and has direct communication channels with the Company's internal auditors, CPAs and all employees. The Audit Committee is also entitled to hire and supervise lawyers, accountants or other consultants to assist in performing its duties.

The Audit Committee shall convene a regular meeting at least once per quarter. Please refer to the annual reports of the Company for details of the Committee's meetings and the attendance rate of each Committee member.

Operation of the Audit Committee:

The number of Audit Committee meetings convened in the most recent year (2024) was 4
(A). The attendance of independent directors (as non-voting participants) is as follows:

Job title	Name	Number of attendances in person (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Ming-Hui Lin	4	0	100%	The Company held a special shareholders' meeting on November 11, 2022 for a full re-election, and the Audit Committee was established to replace supervisors.
Member	Chien-Kuang Wang	4	0	100%	
Member	Ying-Chi Yu	4	0	100%	
Member	Pi-Wei Chin	4	0	100%	

Other information to be disclosed (Audit Committee):

1. If any of the following circumstances exists with respect to the operation of the Audit Committee, the date and session of the Committee meeting, the content of the proposal, the objections, qualified opinions, or material suggestions from Independent Directors, the resolutions of the Audit Committee, and the Company's handling of the opinions of Committee members shall be specified:

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act: as shown in the table below.
- (2) Resolutions not passed by the Audit Committee but approved by two-thirds or more of all Directors, other than those aforementioned: As shown in the table below.

Audit Committee meeting date and session	Proposal content	Matters listed in Article 14-5 of the Securities and Exchange Act	Resolutions not passed by the Audit Committee but approved by two-thirds or more of all directors
March 12, 2024 1st Audit Committee meeting in 2024	1. Proposal for approval of the Company's business report and financial statements for 2023	V	None
	2. Proposal for discussion on earnings distribution in 2023	V	None
	3. Proposal for approval for the 2023 "Statement on Internal Control"	V	None
	4. Proposal to appoint CPAs for reviewing and auditing the financial statements and evaluate the independence of the CPAs	V	None
	5. Acquisition of the right-of-use assets of real estate from related parties	V	None
	Audit Committee's resolution: Passed by all members of the Audit Committee.		
	The Company's handling of the opinions of the Audit Committee: Approved by all attending directors		
May 7, 2024 2nd Audit Committee meeting in 2024	1. Proposal for approval of the CPA-reviewed consolidated financial statements for the first quarter of 2024.	V	None
	2. Proposal for approval of the 2023 "Statement on the Internal Control System"	V	None
	3. Appointment of the Chief Auditor of the Company	V	None
	Audit Committee's resolution: Passed by all members of the Audit Committee.		
August 6, 2024 3rd Audit Committee meeting in 2024	The Company's handling of the opinions of the Audit Committee: Approved by all attending directors		
	1. Proposal for approval of the CPA-reviewed consolidated financial statements for the second quarter of 2024.	V	None
	2. Proposal to amend the Company's internal regulations	V	None
	The Company's handling of independent directors' objections or qualified opinions: None.		
November 5, 2024 4th Audit Committee meeting in 2024	Resolution: Passed as proposed by all present directors unanimously		
	1. Proposal for approval of the CPA-reviewed consolidated financial statements for the third quarter of 2024.	V	None
	2. Proposal for approval of the audit plan for 2025	V	None
	3. Amendments to the general principles for the pre-approval of non-assurance services	V	None

4. Proposal to (add) amend the Company's internal regulations	V	None
The Company's handling of independent directors' objections or qualified opinions: None.		
Resolution: Passed as proposed by all present directors unanimously		

2. For the recusal of an Independent Director from a proposal due to a conflict of interest, the name of the Independent Director, the content of the proposal, the reason for recusal, and his/her participation in voting shall be disclosed: None.
3. Communication between Independent Directors and the Chief Internal Auditor and CPAs:

- (1) The Chief Internal Auditor of the Company reports to the Independent Directors monthly regarding the implementation status of internal audits, regularly reports at the quarterly Audit Committee meeting regarding internal audits, and communicates with members in terms of audit results and the improvement status of deficiencies in internal control. If there are any special circumstances, it also reports to the Audit Committee members immediately. Furthermore, the Chief Internal Auditor had a separate meeting with Independent Directors at the Audit Committee meeting for the third quarter of 2024, and the main communication is summarized as follows:

Date	Communication meeting	Communication focus	Communication results
March 12, 2024	Audit Committee	1. Internal audit follow-up report for the fourth quarter of 2023 2. 2023 "Statement on the Internal Control System"	After the Independent Directors further inquired about the relevant contents and details of the report and obtained the answers and explanation from the substitute of the Chief Internal Auditor, the Independent Directors had no further opinions
May 7, 2024	Audit Committee	1. Internal audit follow-up report for the first quarter of 2024	After the Independent Directors further inquired about the relevant contents and details of the report and obtained the answers and explanation from the substitute of the Chief Internal Auditor, the Independent Directors had no further opinions
August 6, 2024	Audit Committee	1. Internal audit follow-up report for the second quarter of 2024 2. Proposal to amend the Company's internal regulations	After the Independent Directors further inquired about the relevant contents and details of the report and obtained the answers and explanation from the Chief Internal Auditor, the Independent Directors had no further opinions
November 5, 2024	Audit Committee	1. Internal audit follow-up report for the third quarter of 2024 2. Proposal to amend the Company's internal regulations 3. 2025 "annual audit plan"	After the Independent Directors further inquired about the relevant contents and details of the report and obtained the answers and explanation from the Chief Internal Auditor, the Independent Directors had no further opinions

- (2) The Company's CPAs regularly report the audit or review results of the financial statements and other communication matters required by relevant laws and regulations at the Audit Committee meeting every biannually. If there are any special circumstances, they also report to the Audit Committee immediately. Furthermore, the CPAs had a separate meeting with Independent Directors at the Audit Committee meeting for the first quarter of 2024, and the main communication is summarized as follows:

Date	Communication meeting	Communication focus	Communication results
March 12, 2024	Audit Committee	1. Audit results for the 2023 financial statements 2. Update report of relevant laws and regulations	After the Independent Directors further inquired about the relevant contents and details of the report and obtained the answers and explanation from the CPAs, the Independent Directors had no further opinions

(III) The operation of corporate governance, any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Has the company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Board approved the amendment to the "Corporate Governance Best Practice Principles" on March 11, 2025, and the Company disclosed its "Corporate Governance Best Practice Principles" on the corporate website and MOPS.	No significant deviation
II. Company's shareholding structure and shareholders' rights and interests				
(I) Does the company establish internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and implement the procedures?	V		(I) In order to protect the rights and interests of shareholders, the Company has appointed a spokesperson and acting spokesperson to handle shareholders' suggestions.	No significant deviation
(II) Does the company keep track of major shareholders who actually control the Company and their ultimate controllers?	V		(II) Through the reporting of insider shareholding changes and the roster of shareholders provided by the share registration agent, the Company keeps proper track of major shareholders that actually control the Company and their ultimate controllers.	No significant deviation
(III) Does the company establish and implement risk control and firewall mechanisms with its affiliates?	V		(III) The Company has established the "Regulations Governing Transactions with Related Parties," "Operating Procedures for Endorsements and Guarantees," "Operating Procedures for the Loaning of Funds to Others," and "Procedures for the Acquisition or Disposal of Assets" in accordance with relevant laws and regulations to establish a risk control mechanism.	No significant deviation
(IV) Does the company establish internal regulations to prohibit insiders from trading marketable securities using undisclosed information in the market?	V		(IV) The Company has the "Regulations Governing the Prevention of Insider Trading" in place to prohibit insiders from trading marketable securities using undisclosed information in the market.	No significant deviation
III. Board of directors' composition and duties				
(I) Does the board of directors formulate and implement any diversity policies, set specific management goals, and implement the goals?	V		(I) The Company has established the "Procedures for the Election of Directors." Diversity is a factor that is valued in the composition of the Board of Directors. Currently, the Company has seven directors, including four independent directors. They generally have the necessary knowledge, skills and literacy to perform their duties. With their expertise, they can provide sound suggestions to the Board of Directors on the implementation of the Company's internal control system and related proposals.	No significant deviation
(II) In addition to establishing a remuneration committee and an audit committee as required by law, does the company set up other functional committees voluntarily?		V	(II) The Company has set up the Remuneration Committee and the Audit Committee. In the future, other functional committees will be established in accordance with laws and actual needs.	Establishment will be made subject to laws and regulations and the requirements in the future.
(III) Does the company establish procedures and methods for evaluating the performance of the board of directors, conduct annual performance evaluations regularly, report the results of the performance evaluations to the board of directors, and use them as a reference	V		(III) The Board of Directors has passed the "Procedures for the Board of Directors' Performance Evaluation" on October 4, 2022. The performance of directors is evaluated every year, and the evaluation results will be used as a reference for individual directors' remuneration and nomination for reappointment. The 2024 evaluation results were reported to the Board of Directors on March 11, 2025.	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
<p>for individual directors' remuneration and nomination for reappointment?</p> <p>(IV) Does the company regularly evaluate the independence of CPAs?</p>	V		<p>(IV) Assessing the qualifications and independence of CPAs is one of the main duties of the Company's Audit Committee. The Committee regularly evaluates the independence of CPAs every year and submits a report to the Audit Committee and the Board of Directors for approval. After the latest evaluation was approved by the Audit Committee on March 11, 2025, it was submitted to the Board of Directors for approval on March 11, 2025. The Audit Committee conducted a comprehensive evaluation based on the statement of independence issued by the CPAs and in accordance with related regulations. Important evaluation items are as follows:</p> <ol style="list-style-type: none"> 1. Does the Company's management respect the objective and challenging audit process put forward by CPAs? 2. Whether the non-audit services provided by CPAs may impair the independence of the audit. 3. Whether the accounting firm has established independence regulations, requiring the firm, its personnel and other personnel subject to independence requirements to maintain independence in accordance with the code of professional ethics for certified public accountants, and has prohibited any personnel from engaging in insider trading and misusing inside information or any misleading act in the securities or capital market. 4. Whether the lead auditor and concurring auditors are rotated on a regular basis when their tenure has reached the prescribed term. 5. Obtaining information on the 13 Audit Quality Indicators (AQIs) provided by the CPA firm and evaluating the audit quality of the CPA firm and the audit team in accordance with the "Guide to the Audit Committee's Interpretation of Audit Quality Indicators (AQI)" issued by the competent authority. The evaluation results are as follows: The independence between the CPAs and the Company complies with the Republic of China's Certified Public Accountant Act, the code of professional ethics for certified public accountants, and the SEC and PCAOB of the United States. The CPAs appointed by the Company have been rotated regularly within the prescribed time frames. There has been no significant deviation between the AQIs of the CPA firm and those of industry peers. 	No significant deviation
<p>IV. Whether the TWSE/TPEX listed company appoints an appropriate number of competent corporate governance personnel and designates a Chief Corporate Governance Officer to be in charge of corporate governance-related matters (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting them in compliance with laws and regulations, handling matters related to Board of Directors' meetings and shareholders' meetings in accordance with the law, and preparing minutes of Board of Directors' meetings and shareholders' meetings).</p>	V		<p>On December 8, 2022, the Board of Directors resolved to appoint the Company's Chief Financial Officer Chia-Hao Cheng as the Chief Corporate Governance Officer of the Company. He is responsible for providing directors with the information required to perform their duties, assisting them in complying with laws and regulations, handling matters related to board meetings and shareholders' meetings, preparing minutes of board meetings and shareholders' meetings, and overseeing other corporate governance affairs.</p> <p>The business execution in 2024 includes the following:</p> <ol style="list-style-type: none"> 1. Assisting independent directors and general directors in performing their duties, providing required information, and arranging continuing education for directors: <ol style="list-style-type: none"> (1) Informing board members on the revision and development of laws and regulations related to corporate governance. (2) Compiling and providing sufficient meeting materials to meeting members, and offering appropriate and timely information and administrative assistance. (3) Arranging meetings of independent directors and CPAs to understand the Company's financial and business status; when necessary, assisting directors (including independent directors) in discussing with the Chief Internal Auditor internal control-related matters. 2. Assisting in ensuring the compliance of the procedures and resolutions of board meetings and 	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
			shareholders' meetings with laws and regulations: (1) Reporting the implementation of corporate governance-related items to the Board of Directors, independent directors and Audit Committee. (2) Making sure that the Company's shareholders' meetings and board meetings are in compliance with relevant laws and corporate governance practices. (3) Assisting and reminding directors to comply with laws and regulations when performing their duties or adopting formal resolutions at board meetings. (4) Reviewing important resolutions of the Board of Directors to be published to ensure their legality and correctness as well as the synchronization of trading information for investors. 3. Assembling board meeting proposals and issuing a notice of the agenda with the information required for the meeting seven days before the meeting. If it is necessary to avoid a conflict of interest, a reminder shall be given in advance, and the minutes of the Board of Directors' meeting shall be prepared within 20 days after the meeting. 4. Supervising the pre-registration of the date of the shareholders' meeting, and preparing a meeting notice, meeting handbook, meeting minutes and carrying out registration of amendments to the Articles of Incorporation prior to the statutory deadline.	
V. Does the company create channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and appropriately respond to important corporate social responsibility issues of stakeholders' concern?	V		The Company has established a spokesperson system to regularly publish important financial/business and other relevant information on the Market Observation Post System, and set up a stakeholder section on the Company's website as a channel for external communication with stakeholders, enabling them to quickly understand the Company's operations in order to protect their rights and interests.	No significant deviation
VI. Does the company commission a professional shareholder services agent to handle shareholders' meeting affairs?	V		The Company commissions the Transfer Agency Department of Taishin Securities Co., Ltd. to handle shareholders' meeting affairs.	No significant deviation
VII. Information Disclosure				
(I) Does the company set up a website to disclose its financial, business, and corporate governance information?	V		(I) An investor section is in place on the Company's website to regularly disclose the Company's financial, business, and corporate governance information.	No significant deviation
(II) Does the company adopt other means of information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the company, implementing a spokesperson system, posting the proceedings of investor conferences on the company's website)?	V		(II) The Company has established a spokesperson system, and has designated a person to collect and disclose material matters. We disclose relevant information on the "Market Observation Post System" in accordance with regulations.	No significant deviation
(III) Does the company announce and report its annual financial statements within two months after the end of each fiscal year, and announce and report its financial statements for the first, second, and third quarters and the operations of each month prior to the prescribed deadline?		V	(III) The Company announced and reported the financial statements for the first, second and third quarters and the operations of each month in advance of the prescribed deadline. However, although it was difficult for the Company to announce and report the annual financial statements within two months after the end of the fiscal year, Also, the Company still made public announcements and reports within the time limit specified in Article 36 of the Securities and Exchange Act.	The announcement and filing time of the annual financial statements are slightly different, and the remaining has no signification deviation from the Corporate Governance Best Practice Principles.

Evaluation item	Operation (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
VIII. Does the company have other important information that is helpful in understanding the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the purchase of liability insurance for directors and supervisors)?	V		(I) The Company has always protected the rights and interests of employees. In addition to basic statutory protections, the Company also provides good welfare measures. (II) The Company fully discloses relevant information through the Market Observation Post System and the Company's website so that investors can understand the Company's operations. (III) The Company's Board members and supervisors have participated in continuing education courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility. These courses covering corporate governance topics were organized by designated institutions under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." (IV) The Company has clearly stipulated in the Board of Directors' Meeting Rules that directors shall recuse themselves from the discussion and voting of proposals related to their interests. (V) The Company has taken out liability insurance for directors and managers.	No significant deviation
IX. Please describe the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose prioritized enhancements and measures for deficiencies that have not yet been corrected: None.				

(IV) If the Company has established a Remuneration Committee or Nomination Committee, the composition and operation of the Committee shall be disclosed

1. Information on Remuneration Committee members

Criteria		Professional qualifications and experience	Independence	Number of other public companies where he/she also serves as a Remuneration Committee member
Identity	Name			
Independent Director	Ying-Chi Yu	<ol style="list-style-type: none"> 1. Ying-Chi Yu is currently an independent director of the Company, an independent director of Lungyen Life Service Corporation, an independent director of E-life Mall Corporation, a director of ANTUNG CORPORATION, and a supervisor of Kang Yan Liang Yao Health Management Consulting Co., Ltd. He also served as the Chief Human Resources Officer of Acer Incorporated, and the director and lecturer of Chinese Human Resource Management Association. 2. Ying-Chi Yu holds a master's degree in management from the College of Management, National Chiayi University. 3. He specializes in the professional field of human resources, and does not fall under any conditions set forth in Article 30 of the Company Act. 	None of the four independent directors of the Company is an employee, manager, director, supervisor of the Company or any of the affiliates thereof; or is the spouse, a relative within the 2nd degree of kinship, or a lineal relative within the 3rd degree of kinship of the aforesaid persons; or is a natural-person shareholder who holds 1% or more of the Company's total issued shares or holds shares as one of the top ten shareholders, by himself/herself or in the name of his/her spouse, underage children, or others; or is a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the Company's total issued shares, or that ranks among the top five shareholders, or that designates its representative to serve as a director or supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act; or is a director, supervisor, or employee of another company whose majority of director seats or voting shares is controlled by the same person who controls those of the Company; or is a director, supervisor, or employee of another company or institution who is the Chairman or President of the Company, holds an equivalent position in the Company, or is the spouse thereof; or is a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company; or is a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides audit services to the Company or any affiliate thereof, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate thereof for which the cumulative compensation received in the most recent two years has not exceeded NTD 500,000, or the spouse thereof; and none of them is the spouse or a relative within the 2nd degree of kinship of any other directors.	2
Independent Director	Ming-Hui Lin	<ol style="list-style-type: none"> 1. Ming-Hui Lin currently serves as an independent director of the Company, and was the Chairman and President of Jih Sun Futures Co., Ltd. 2. Ming-Hui Lin holds a master's degree in business administration from National Chung Hsing University. 3. He specializes in the professional field of finance and accounting, and does not fall under any conditions set forth in Article 30 of the Company Act. 		0
Independent Director	Chien-Kuang Wang	<ol style="list-style-type: none"> 1. Chien-Kuang Wang is currently an independent director of the Company and a director of TSMC Education & Culture Foundation. He served various positions in TSMC, including Senior Vice President of Corporate Planning Organization, Senior Vice President of Wafer Plant Operations, Vice President of Wafer Plant Operations, and Vice President of 12-inch Wafer Plants. 2. Chien-Kuang Wang holds a master's degree in chemical engineering from National Cheng Kung University. 3. He specializes in the professional field of semiconductors, and does not fall under any conditions set forth in Article 30 of the Company Act. 		0
Independent Director	Pi-Wei Chin	<ol style="list-style-type: none"> 1. Pi-Wei Chin is currently an independent director of the Company and the Chairman of Lim Chiu-Chung Culture and Arts Foundation. She was the Executive Vice President of Li & Fung (Taiwan) Ltd. 2. Pi-Wei Chin holds a bachelor's degree in transportation and communication management science from National Cheng Kung University. 3. She specializes in the professional fields of marketing and cultural education, and does not fall under any conditions set forth in Article 30 of the Company Act. 		0

2. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 4 members
- (2) Current members' term of office: The Company established the Remuneration Committee on November 11, 2022. The term of the members of the 1st Remuneration Committee is from November 11, 2022 to November 10, 2025. The Remuneration Committee met a total of 3 times (A) in the most recent year (2024). Members' qualifications and attendance are as follows:

and attendances are as follows:

Job title	Name	Number of attendances in person (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Ying-Chi Yu	3	0	100.00	Required number of attendances from 2024 until now: 3.
Member	Chien-Kuang Wang	3	0	100.00	
Member	Ming-Hui Lin	3	0	100.00	
Member	Pi-Wei Chin	3	0	100.00	
Other information to be disclosed:					
I. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, the date and session of the board meeting, the content of the proposal, the resolutions of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions shall be disclosed (If the salary/remuneration passed by the Board of Director is higher than that suggested by the Remuneration Committee, the difference and the reasons therefor shall be specified): None.					
II. If a member has a dissenting or qualified opinion on a resolution of the Remuneration Committee and it is on record or stated in writing, the date and session of the Remuneration Committee meeting, the content of the proposal, the opinions of all members, and the handling of the opinions shall be specified: None.					

(3) Major resolutions of the Remuneration Committee during the year:

Date	Meeting title	Important resolution	Resolution results	The Company's handling of the Remuneration Committee's opinions
March 12, 2024	5th meeting of the 1st session of the Audit Committee in 2024	Discussion of adjustments to food allowance of managers	The proposal was unanimously approved by all attending members upon the chairperson's inquiry and was submitted to the Board for discussion.	The proposal was unanimously approved by all attending Directors at the Board meeting (personnel with personal interests involved have recused from participation in discussion and voting).
		Proposal for the remuneration to employees and Directors in 2023	For the remuneration to employees, the proposal was unanimously approved by all attending members upon the chairperson's inquiry and was submitted to the Board for discussion. As the remuneration to Directors involves the personal interests of all Independent Directors, all attending members unanimously agreed not to review the proposal upon the chairperson's inquiry and directly submitted it to the Board for review and discussion.	
		Discussion of remuneration to managers	The proposal was unanimously approved by all attending members upon the chairperson's inquiry and was submitted to the Board for discussion.	
May 7, 2024	6th meeting of the 1st session of the Audit Committee in 2024	Proposal for the distribution of remuneration to employees for 2023	The proposal was unanimously approved by all attending members upon the chairperson's inquiry and was submitted to the Board for discussion.	The proposal was unanimously approved by all attending Directors at the Board meeting (personnel with personal interests involved have recused from participation in discussion and voting).
November 5, 2024	7th meeting of the 1st session of the Audit Committee in 2024	Proposal on recommended indicators for the managers' target bonuses in 2025	The proposal was unanimously approved by all attending members upon the chairperson's inquiry and was submitted to the Board for discussion.	The proposal was unanimously approved by all attending Directors at the Board meeting (personnel with personal interests involved have recused from participation in discussion and voting).

(4) Duties of the Remuneration Committee:

Duties of the Remuneration Committee include the regular examination

of the performance evaluation of Directors and managers and the policy, system, standard, and structure of remuneration and the regular evaluation of the remuneration of the abovementioned personnel.

When exercising the powers in the preceding paragraph, the Remuneration Committee shall comply with the following principles:

- For the performance evaluation and remuneration of Directors and managers, refer to the general payment standards among peers and consider the reasonableness of the correlations with personal performance, business performance of the Company, and future risks.
- It shall not induce Directors or managers to engage in behaviors that surpass the corporate risk appetite of the Company for the pursuit of remuneration.
- The ratio of the bonus distribution for short-term performance and the payment time of partial variable remuneration of Directors and senior managers shall be determined by taking into account the industry features and the nature of the Company's business.

Comply with relevant laws and regulations.

3. Information on the Nomination Committee members and operation: None.

(V) Implementation of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Does the company establish a governance structure for the promotion of sustainable development, and set up a full-time (or part-time) unit to promote sustainable development, with the senior management authorized by the board of directors to manage the unit? How the board of directors supervise the unit?	V		The Company has established its "Sustainable Development Best Practice Principles" and "Procedures for Sustainable Information Management" and established the ESG workforce, with the President as the convener, to report the trend, impact and implementation performance of the sustainability-related issues to the Board. In addition, the President appointed responsible persons to play a role in communication and integration between workforces.	No significant deviation
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	V		<p>The Company has established the "Sustainable Development Best Practice Principles," "Regulations Governing the Prevention of Insider Trading," "Code of Ethical Conduct," and "Internal Control Self-Assessment Procedures and Methods" to control and respond to risks to the operating environment, employee safety, customers, suppliers, and other stakeholders through the continuous implementation of various management procedures. The relevant risk management policies or strategies established are as follows:</p> <p>(I) Environment The Company is not a manufacturing business. However, to implement environmental protection and reduce the Company's overall carbon emissions, we are committed to energy conservation, waste sorting, waste recycling, and paperless operations. We also control indoor air-conditioning temperatures in offices and comply with environmental protection laws and regulations to achieve energy conservation and carbon reduction.</p> <p>(II) Society A. Regularly promote or organize employee information security training to enhance employees' awareness of information security and avoid the risk of company and customer data leakage. B. Internal important websites and application systems are separated from the external Internet by firewalls to enhance network security and avoid the risk of external malicious intrusions and attacks. C. Convene Employee Welfare Committee and labor-management meetings on a quarterly basis to communicate with employees, and communicate laws and regulations in a timely manner to avoid labor disputes. Employees can make suggestions through meetings or through the suggestion box. The Company works with employees to create harmonious labor-management relations.</p> <p>(III) Corporate governance A. Arrange continuing education courses for directors every year and inform them of the latest laws and policies. B. Take out director liability insurance for directors to protect them from litigation or claims. C. Every year, each department regularly conducts internal control self-assessment to review their implementation of internal control and legal compliance in the previous year. D. Establish communication channels for active communication to reduce conflicts and misunderstandings. An e-mail address is set up for investors to provide their opinions which are handled and responded to by the spokesperson.</p>	No significant deviation
III. Environmental Issues (I) Does the company establish an appropriate	V		(I) The Company is not a manufacturing business. However, to reduce our impact on the environment, we do	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary	
environmental management system based on the characteristics of its industry?			not use prohibited substances and raw materials, and save energy and prevent environmental pollution.	
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		(II) The Company encourages employees to ensure waste sorting, further implement recycling, and reduce the use of resources.	No significant deviation
(III) Does the company evaluate the potential risks and opportunities posed by climate change to the company at present and in the future, and take countermeasures in response to climate-related issues?	V		(III) The Company has established the "Sustainable Development Best Practice Principles" which requires the Company not only to consider the impact of operations on ecological benefits, but also to implement and promote the importance of environmental protection and the potential impact assessment of climate change, in order to achieve the goal of enhanced environmental protection.	No significant deviation
(IV) Does the company gather statistics on its greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water consumption reduction, or waste management?	V		<p>(IV) Acer Group continues to collect electricity, water, and waste information through its online system in accordance with the GRI Sustainability Reporting Standards (GRI Standards) and the GHG Protocol and in line with the Group's consolidated financial reporting boundaries, and commissions a third-party verification agency to conduct verification. Since 2022, the Company has been included in Acer's greenhouse gas inventory, collection of electricity, water, and waste information, and third-party verification.</p> <p>The following is a description of relevant management practices:</p> <ol style="list-style-type: none"> 1. GHGs: We have formulated an integrated energy and climate change strategy and established a long-term carbon reduction target in accordance with the methodology recommended by the Science-Based Target (SBT) and set up specific reduction targets aligned with the carbon neutrality target of the Acer Group by 2030 and 2050 to reduce the carbon emissions of Scope 1 and Scope 2 by 30% by 2030 and achieve carbon neutrality by 2050. For the GHG information, the Company passed third-party verification and obtained an ISO14064-1 certificate in 2023 and 2024. 2. Water consumption: The Company complies with the environmental management policy of Acer Group and ensures the effective management and continuous improvement of water resources through the ISO 14001 environmental management system. As the Company has no self-operated plants, the main source of water consumption is from daily use in offices, including A/C cooling, cleaning and maintenance, and domestic water consumption of employees. The water sources are mostly from the tap water system, which has limited effects on water resources. To improve water consumption efficiency, we simultaneously monitor the water resource consumption with Acer Group through the office lease management system to grasp the changes in trends and adopt corresponding water conservation measures. For instance, 1) promote water conservation among employees, encourage the reduction in unnecessary water consumption, and improve employees' water conservation awareness; 2) implement water resource monitoring and management to track water resource consumption through the IT system each year and set the target of 2024 as a reduction of 1% in the total water intake as compared to 2023 and the mid-to-long-term target by 2030 as the reduction of 7% in the total water intake as compared to 2023 with reference to the parent company's setting. 3. Waste: The Company has no manufacturing plant, and the main sources of waste are general domestic waste. To reduce waste production, we encourage our employees to reduce the use of disposable plastics, cutlery, and paper cups and promote the reuse of waste through various recycling measures and regular business waste recycling and management through recycling, reuse, and reduction so as to reinforce the reuse of waste. For waste treatment, we adhere to laws, 	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																	
	Yes	No	Summary																		
			<p>regulations, and the environmental management policy of the Company. General domestic garbage is transported to local incinerators by the suppliers of buildings or local sanitation teams. Recycled objects are classified and collected and then delivered to recycling companies or local recycling trucks. Waste batteries, waste light tubes, waste chassis, hardware waste, and other business wastes are collected and delivered to qualified contractors for handling to ensure that the course of clearance and treatment will not harm the environment and ecology. To effectively carry out target management, we collect data on global waste and the changing trends through the office lease management system and the IT system of Acer Group, conduct examinations of anomalies and clarify the reasons thereof quarterly, and examine the achievement of targets each year. We refer to the mid-to-long-term waste production target set by the parent company to reduce 10% by 2030 as compared to the base year (2022).</p> <p>4. Information on water, waste, and greenhouse gases has been verified by a third-party verification body, SGS, and disclosed in the sustainability report:</p> <table><tr><th rowspan="2">Year</th><th colspan="2">Direct GHG emissions (tCO2e)</th><th rowspan="2">Water consumption (m3)</th><th rowspan="2">Total weight of waste (tons)</th></tr><tr><th>Scope 1</th><th>Scope 2 (market-based)</th></tr><tr><td>2023</td><td>2,339.30</td><td>8,793.92</td><td>179,741</td><td>1,839</td></tr><tr><td>2024</td><td>Note</td><td>Note</td><td>Note</td><td>Note</td></tr></table> <p>Note: The Company continues to keep track of the GHG emissions, water consumption and the total weight of waste. As of 2024, the information is still under verification as of the publication date of the annual report. For the latest information, please refer to the ESG information summary in the sustainability report on the Company's website.</p> <p>* The Company does not produce any hazardous waste.</p> <p>* The scope of inventory includes Acer Gadget and its subsidiaries in its consolidated financial statements.</p>	Year	Direct GHG emissions (tCO2e)		Water consumption (m3)	Total weight of waste (tons)	Scope 1	Scope 2 (market-based)	2023	2,339.30	8,793.92	179,741	1,839	2024	Note	Note	Note	Note	
Year	Direct GHG emissions (tCO2e)		Water consumption (m3)		Total weight of waste (tons)																
	Scope 1	Scope 2 (market-based)																			
2023	2,339.30	8,793.92	179,741	1,839																	
2024	Note	Note	Note	Note																	
IV. Social Issues (I) Does the company establish relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	V		<p>(I) The Company recognizes and voluntarily follows internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," and "United Nations International Labor Organization." We abide by relevant labor laws and regulations, and establish personnel management rules and related work rules to ensure that all working conditions ranging from employee recruitment, employment, related benefits, to retirement are in compliance with applicable laws and regulations.</p> <p>In addition, we regularly review our operations and internal regulations by paying attention to major social issues and regulatory amendments every year, and continue to formulate and implement improvement plans. The Company's human rights management policies and specific plans are summarized as follows:</p> <table><tr><th>Human rights management policy</th><th>Specific plan</th></tr><tr><td>Providing a safe and healthy work environment to help employees maintain physical and mental health and work-life balance</td><td>The Company provides employees with a comfortable work environment and builds a happy and healthy workplace; organizes sports competitions, family days, art seminars, club activities, and health promotion programs</td></tr></table>	Human rights management policy	Specific plan	Providing a safe and healthy work environment to help employees maintain physical and mental health and work-life balance	The Company provides employees with a comfortable work environment and builds a happy and healthy workplace; organizes sports competitions, family days, art seminars, club activities, and health promotion programs	No significant deviation													
Human rights management policy	Specific plan																				
Providing a safe and healthy work environment to help employees maintain physical and mental health and work-life balance	The Company provides employees with a comfortable work environment and builds a happy and healthy workplace; organizes sports competitions, family days, art seminars, club activities, and health promotion programs																				

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor	
	Yes	No	Summary		
(II) Does the company establish and implement reasonable employee welfare measures (including remuneration, leave, and other benefits) and have employee remuneration appropriately reflect the company's business results or performance?	V			to enrich the life of employees and enhance the relationship among them. The Company works with external professional bodies to provide "Employee Assistance Programs" in order to offer professional consulting services on personal and work problems for employees. Moreover, we provide an employee health check program every year and hire visually impaired massage therapists to provide massage services for employees to relax. Employees can also make donations at will, and the donation money will be donated to social welfare organizations.	No significant deviation
			Prohibiting forced labor and abiding by the labor laws and regulations of the local government	A leave system is implemented to encourage employees to value work-life balance.	
			Diversity and respect in the workplace	We ensure inclusion of talent of different races, skin colors, genders, languages, religions, political views, and nationalities to establish a work environment where employees feel respected.	
			(II) Employee rewards and benefits, and workplace diversity and equality		
			(1) Employee remuneration: The Company participates in market remuneration surveys every year and adjusts salaries based on the general salary level in the market, economic trends, and individual performance to maintain overall salary competitiveness. In 2024, the Company granted three festival bonuses to both managerial and non-managerial employees in Taiwan, adjusted their salary and gave performance bonuses and employee rewards based on the Company's operations and individual performance, motivating all employees to work together for the Company's goals. We also offered attractive remuneration, salary adjustment, and promotion packages.		
(2) Employee welfare measures The Company has set up the Employee Welfare Committee to plan and provide various high-quality benefits for employees, such as: employee travel subsidies, cash gifts for three festivals and birthdays, marriage allowance, maternity allowance, funeral allowance, etc.; organize sports competitions, family days, art seminars, club activities, and health promotion programs to enrich the life of employees and enhance the relationship among them. An employee health check program is provided annually, and visually impaired massage therapists are hired to provide massage services for employees to relax. For the leave system, employees are provided with annual leave for new employees, sick leave with full pay, volunteer leave, and Lohas leave, which are better than the leave system under the Labor Standards Act. Also, we offer group medical insurance, cash gifts for weddings, funerals, and giving birth,, festival gifts and bonuses, birthday cash gifts, flexible benefit points, and so on to share profits with every employee.					
(3) Workplace diversity and equality A. We strive to realize equal pay and equal promotion opportunities for men and women for equal					

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment and give them safety and health education on a regular basis?	V		<p>work and keep the percentage of female executive positions at higher than 50% to promote sustainable and inclusive economic growth. This year, female employees accounted for an average of 53%, and female chief officers accounted for an average of 20%.</p> <p>B. The Company implements a plan for the adjustment of work location of employees for parental requirements. One month before the expected day of delivery, female employees may apply for work from home. Employees with children less than three years old may apply for working from home for up to two days each week to further optimize the balance between work, life, and family.</p> <p>C. The Company endeavors to create gender equality in the workplace, regardless of gender, and respect employees with different gender identities, sexual orientations, and gender temperaments. By promoting gender equality-related mechanisms and providing maternity-friendly measures, we introduce the concept of equality into the workplace and create a gender-friendly workplace that respects diversity.</p> <p>(III) All office areas of the Company have obtained the ISO14001 and ISO45001 verification and established the Code of Safety and Health. Regarding the work environment and personal safety of employees, the Company strengthens the maintenance of the company environment and employee safety management at work through the implementation of a management system. We regularly conduct operating environment inspections, annual employee health examinations, etc., as required by law, and organize various courses to raise employees' awareness of hazards, reduce hazard occurrences, and ensure the safety and health of employees.</p> <p>Occupational health and safety policies:</p> <ol style="list-style-type: none"> (1) Complying with relevant laws and regulations and committing ourselves to surpassing industry norms. (2) Committed to pollution prevention, energy efficiency improvement, and waste reduction to enhance resource productivity. (3) Implementing green design and carefully selecting raw materials and suppliers to provide safe products with low environmental impact. (4) Providing a healthy and safe work environment to maintain the physical and mental health of workers and reduce occupational safety and health risks. (5) Having all employees receive consultation and continuously improving performance in terms of environment, health, and safety. (6) There was no fire or material occupational disaster that occurred in the Company in 2024. 	No significant deviation
(IV) Does the company develop an effective career development training program for employees?	V		<p>(IV) As a people-oriented company, we value talent cultivation, arrange internal and external training courses from time to time based on our strategic development plan and the needs of each department, and pay attention to the development of both generalists and specialists, so that each employee can develop their own career path based on their interests and goals. Relevant measures are as follows:</p> <ol style="list-style-type: none"> (1) The Company formulates comprehensive competency training plans for managers and employees at all levels, including for the professional skills of different positions, general knowledge courses such as office computer application training, and training courses for managers at all levels, forming a complete education and training system for employees to ensure both personal growth and company development. (2) Orientation, personal mentors, and a new employee training plan are arranged for new employees immediately after they join the Company, so that they can quickly get familiar with the team's 	No significant deviation

Promotion item	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary	
(V) Does the company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures for the protection of consumer rights?	V		operations. (V) The marketing and labeling of all the products and services provided by the Company comply with the laws and regulations of Taiwan and marketing regions, as well as international standards. The Company maintains good communication channels with customers and provides transparent and effective procedures for handling customer complaints about products and services. Any complaints are provided for relevant internal units to formulate effective countermeasures.	No significant deviation
(VI) Does the company have a supplier management policy in place to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? How is the policy implemented?	V		(VI) The Company has established a supplier management mechanism and thoroughly implemented it. The Company assesses the corporate social responsibility records of suppliers during collaboration before making a purchase or signing a contract. Although the Company's contracts signed with suppliers do not include a corporate social responsibility policy, we will further sign with suppliers to make sure the fulfillment of both parties' corporate social responsibilities.	No significant deviation
V. Does the company prepare reports disclosing the company's non-financial information, such as a Sustainability Report, in accordance with international reporting standards or guidelines? Do the said reports obtain assurance from a third-party verification body?		V	The Company is not yet required to prepare a CSR report. In the future, we will prepare a CSR report according to the "New Corporate Governance Roadmap."	The Company has established the "Sustainable Development Best Practice Principles" and will implement them based on the Company's needs or according to laws and regulations.
VI. If the company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any deviation between its current practices and its sustainable development principles: The Company has established the "Sustainable Development Best Practice Principles" in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies," with the Company's practical operations taken into consideration. We have duly implemented ethical management pursuant to the relevant laws and regulations to specify what the Company's personnel shall keep an eye on when performing their duties.				
VII. Other important information that is helpful in understanding the implementation of sustainable development: None				

VIII. Companies meeting certain requirements shall disclose climate-related information

(I) Climate-related implementation

Item	Implementation
(1) Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>The Company continues to keep abreast of policies and regulations related to climate change while grasping opportunities brought by climate change to continue to integrate the existing operating departments and formulate its development strategy of low carbon and sustainability. In addition, it established its ESG workforce, with the President as the convener, to be responsible for guiding and promoting various ESG work and reporting to the Board.</p> <p>Since 2008, the Sustainable Development Office (renamed the ESG Office in 2011) of the parent company, Acer Incorporated, has been assigned to take charge of the greenhouse gas inventory of Acer Group's global operations. External greenhouse gas verification has been introduced since 2022, and the Company has been certified to ISO 10464. The Group's greenhouse gas emission data are disclosed in the sustainability report on a yearly basis. The Company and its subsidiaries have participated in and included the greenhouse gas inventory and verification plan of the Group since 2022, and completed the 2023 Acer Group greenhouse gas inventory in June 2024. The 2023 Acer Group greenhouse gas inventory started in January 2025. Data collection, internal and external inspections and certifications have been executed sequentially.</p>
(2) Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	<p>Climate risks and opportunities affect the Company in terms of business operations, strategy adjustments, and financial status. The scope of possible impacts is described below:</p> <p>Short-term impact: Unexpected climate events such as floods, typhoons or fires may cause serious disruptions to the supply chain, resulting in shortages of raw materials, delays in production, and reduced operating efficiency of business units. For logistics or technical units, it may be necessary to adjust the corresponding work mode immediately, including emergency preparedness such as remote work and video conferencing. In addition, these events may also generate additional costs, including increased shipping and transportation costs, the establishment of remote execution systems or related network security mechanisms, and emergency repairs.</p> <p>Medium-term impact: Climate change may affect the stability of the supply chain and delay the delivery of goods, thereby affecting the Company's operating revenue recognition and cash flow. Therefore, we may need to adjust our product lines and develop more innovative green products to maintain our competitive edge in the highly competitive market. In response to the recent rise in climate awareness, the demand for environmentally friendly products and services has increased, and more companies have joined the ranks of responding to climate change. It is necessary to find a more diversified and flexible supply chain to reduce the dependence on specific regions or resources in order to satisfy market demand.</p> <p>Long-term impact: Climate change is likely to have a profound impact on the industrial structure and market demand. The Company needs to adapt to the dynamic changes in policies, technologies, consumer preferences, and the global market, including by adjusting the business model, reducing carbon emissions, participating in climate risk management and mitigation plans, and complying with the climate policy developed by the government. In addition, long-term climate change may result in major capital expenditures by the Company or the government's introduction of new carbon tax, an emissions trading system, or other regulations.</p>
(3) Describe the financial impact of extreme climate events and transition actions.	<p>The financial impact of extreme climate events is on all aspects of the Company. For example, typhoons, floods or droughts may damage the Company's fixed assets and inventory, resulting in forced business interruption. In addition, frequent climate events may also cause the Company's related insurance costs, such as property insurance and commercial interruption insurance, to rise. However, in recent years, society has paid more attention to ESG. The Company is committed to establishing response strategies for corporate operations and products and services to reduce the financial impact of these risks. For example, we have further introduced various green and sustainable materials as our product lines and for packaging and released smart bicycles and scooters integrated with the concept of eco-friendly living.</p>
(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Integrating the processes of climate risk identification, assessment and management into the overall risk management system is required for the Company to maintain long-term stable operations, and helps the Company better respond to the potential threats posed by climate change, so as to improve the Company's adaptability and competitiveness. The general steps of the integration process are as follows:</p> <ul style="list-style-type: none"> ● Identification of climate risks: Through the relevant information released by government departments, we can identify climate-related risks that may affect the Company, such as extreme climate events and climate change trends. ● Assessment of the impact and likelihood of risks: We use data analysis to assess the potential impacts of climate risks, including financial and operational impacts. We also consider the probability of occurrence, degree of impact, and timeline of climate risks in order to formulate corresponding response strategies. ● Integration into the risk management framework: We incorporate climate risks into the corporate risk management framework to identify relevant risk owners and risk managers and clarify risk management processes and procedures. ● Formulation of response strategies: Based on the risk assessment results, we formulate strategies and plans to cope with climate risks, including for risk mitigation, transfer, acceptance or avoidance. We also take long-term climate trends into account and adopt adaptive

		<p>measures in response to the long-term impacts of climate change on the business.</p> <p>Implementation and monitoring: We implement the formulated strategies and plans in actual business operations to ensure that the corresponding risk management measures are executed. We monitor the changes and development of climate risks on a regular basis, and adjust response strategies to deal with new situations and challenges and make continuous improvements.</p>	
(5)	If scenario analysis is used to assess resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>The following is a description of the scenario analysis for assessment and its impact:</p> <p>Scenario analysis:</p> <ul style="list-style-type: none"> ● Scenario judgment: Describe the climate pattern in the region where the Company is located and the expected impact of climate change. ● List the parameters: Include climate change forecast models, related policies and regulations, and market trends. ● Set out the assumptions: Make the forecast of possible scenarios of future climate change risks based on scientific models and regional data sources. ● Analysis factors: Business impacts, supply chain stability, technology and innovation capabilities, customer requirements, human resources, and others. ● Major financial impact: Assess the possible major impact on the financial position of the Company under the above scenarios, parameters, assumptions and analysis factors (i.e., the decrease in income, the increase in cost, and asset impairment). <p>Conclusion: Establish a scenario analysis through the above steps to assess the Company's resilience in the face of climate change risks.</p>	
(6)	If there is a transition plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has not yet formulated a transition plan. In the future, it will make planning subject to strategic planning and operating requirements.	
(7)	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company has not yet adopted internal carbon pricing. In the future, it will make planning subject to strategic planning and operating requirements.	
(8)	If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and amount of the carbon offsets or the amount of the RECs shall be described.	<p>Activities covered by the targets:</p> <ul style="list-style-type: none"> ● Reduction of greenhouse gas emissions: Including direct emissions (e.g. factory emissions, vehicle emissions) and indirect emissions (e.g. supply chain emissions). ● Energy efficiency improvement: Reduce energy consumption through energy-saving measures and technology upgrades. ● Increase of renewable energy use: Increase the proportion of renewable energy in the energy structure, such as solar power and wind power. ● Resource recycling: Promote the effective recycling of resources and reduce waste generation and emissions. ● Climate risk management: Strengthen risk management against climate change and extreme climate events. <p>Scope of greenhouse gas emissions:</p> <ul style="list-style-type: none"> ● Scope 1: Direct emissions, such as carbon dioxide and methane emissions from the Company's internal production activities. ● Scope 2: Indirect energy emissions, such as carbon dioxide emissions from the use of electricity and heat. ● Scope 3: Other indirect emissions, including emissions from the supply chain and the use of products, such as the production, transportation, and manufacturing of raw materials. <p>Planned schedule:</p> <ul style="list-style-type: none"> ● Short-term targets: Usually set for one to five years, used to identify fast and feasible measures to achieve immediate benefits and progress. ● Medium-term targets: Set for five to ten years, used to implement broader changes, such as energy structure adjustments and technology upgrades. ● Long-term targets: Usually set for more than ten years, used to achieve more challenging targets. <p>The Company will establish a monitoring and reporting mechanism to determine the annual progress and achievement status, perform regular measurement and assessment, and adjust the action plan based on the actual progress. This information will help the Company determine climate-related targets and formulate corresponding action plans to achieve the climate targets and the goal of sustainable development.</p>	

(II) Greenhouse gas inventory and assurance in the most recent two years

(1) Greenhouse gas inventory information

Implementation

The information on greenhouse gas emissions in 2023 and 2024 is as follows:

Year	Greenhouse gas emissions (tons of carbon dioxide equivalent)		Intensity (tons CO2e/NTD million)
	Scope 1	Scope 2 (market-based)	
2023	0.2535	36.0865	0.0174
2024	(Note 2)	(Note 2)	(Note 2)

Note 1: The scope of greenhouse gas emission inventory is consistent with the boundary of the Group's consolidated financial statements

Note 2: The information for 2024 is still in the process of verification as of the publication date of the annual report. For the latest information, please visit the MOPS<https://mops.twse.com.tw/mops/web/t214sb01>

(2) Greenhouse gas assurance information

The Company commissioned the greenhouse gas emission assurance agency SGS Taiwan to conduct greenhouse gas emission verification for direct and indirect categories (Scope 1, Scope 2, and Scope 3) and obtained an ISO 14064-1: 2018 greenhouse gas audit statement. In 2023, an unqualified opinion was issued. The information for 2024 is still in the process of verification as of the publication date of the annual report.

(3) Greenhouse gas reduction targets, strategies, and concrete action plans

As a member of Acer Group, the Company has launched nine strategies in three major aspects in response to the Group's policy to achieve Acer's goal of net zero carbon emission by 2050. We are committed to focusing on the three aspects of corporate sustainable operations, products and services, and value chain and executing the nine strategies of energy consumption reduction, use of renewable energy, negative carbon offsetting, low-carbon products and services, use of renewable materials, investment in smart and green energy applications, carbon reduction targets and commitments, green manufacturing and logistics, and practice of low-carbon circular economy, in order to seek a balance between product management and environmental performance, comprehensively reducing carbon footprints.

Concrete action plans:

- Energy structure transition: Promote the development of renewable energy (e.g. wind power, solar power) and other low-carbon energy sources to reduce dependence on fossil fuels.
- Energy efficiency improvement: Improve energy efficiency and reduce greenhouse gas emissions through technological innovation and policy support.
- Energy conservation and emission reduction policies: Formulate and implement energy conservation and emission reduction policies to encourage the application and promotion of energy-saving and emission reduction technologies.

(VI) Implementation of ethical management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor

Evaluation item	Operation (Note)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
I. Establishment of Ethical Management Policies and Plans				
(I) Does the company establish an ethical management policy, have it approved by the board of directors, and explicitly specify the Company's policies and practices on ethical management, as well as the commitment of the board of directors and senior management to actively implement management policies in its regulations or external documents?	V		(I) The Board of Directors established the "Operating Procedures for Ethical Management and Behavioral Guidelines" on December 8, 2022, and has duly implemented them.	No significant deviation
(II) Does the company develop an assessment mechanism for the risk of unethical conduct, analyze and assess the business activities with higher risk of unethical conduct within the business scope on a regular basis, and establish a program for the prevention of unethical conduct accordingly, which at least cover preventive measures against the acts set forth in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) The Company has the "Ethical Management Best Practice Principles," "Operating Procedures for Ethical Management and Behavioral Guidelines," and "Code of Ethical Conduct" in place. We also communicate our policies on ethical management to employees when they join the Company.	No significant deviation
(III) Does the company have operating procedures, behavioral guidelines, punishment and complaint systems specified in the program for the prevention of unethical conduct? Are they thoroughly implemented? Is the said program regularly reviewed and amended?	V		(III) The Company has developed an effective internal control system and accounting system, which are reviewed from time to time to ensure continuous effectiveness in their design and implementation and to prevent business activities involving unethical conduct.	No significant deviation
II. Implementation of Ethical Management				
(I) Does the company evaluate the record of integrity of its counterparts and specify ethical conduct clauses in the contracts signed with the counterparts?	V		(I) For the Company's commercial activities, the Finance Department reviews and rates customers, and asks the Legal Department for opinions on the terms of contracts signed with counterparts in order to avoid trading with those with a record of unethical conduct.	No significant deviation
(II) Does the company set up a dedicated unit subordinate to the board of directors to promote corporate ethical management, and have the unit report the Company's ethical management policies and programs for the prevention of unethical conduct as well as their supervision and implementation to the board of directors (at least once a year)?	V		(II) Under the supervision of the Board of Directors, the Company's Finance, Human Resources, and Audit Departments work together to promote ethical corporate management. All employees and stakeholders are required to comply with relevant regulations and make a report to the Board of Directors to concretely implement corporate integrity management. The implementation status in 2024 has been reported to the Board of Directors in Q2 2025. The implementation highlights are as follows: 1. Integrate integrity and ethical values into the Company's business strategy and formulate relevant measures to ensure ethical corporate management in compliance with laws and regulations. 2. Continue to promote the "Corporate Ethical Policy" to employees and raise employees' awareness of and alert to the Company's ethical policy. 3. Formulate the "Honesty and Corporate Social Responsibility Commitment of Suppliers" and urge the cooperating companies of the Company to execute the commitment.	No significant deviation
(III) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for communication,	V		(III) The Company's "Ethical Management Best Practice Principles" and "Operating Procedures for Ethical Management and Behavioral Guidelines" have clearly specified the policy for	No significant deviation

Evaluation item	Operation (Note)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary	
and implement them thoroughly?			preventing conflicts of interest, and smooth channels are in place for employees to express their opinions.	
(IV) Does the company establish an effective accounting system and internal control system to implement ethical management, and has the internal audit unit draw up relevant audit plans based on the assessment results for the risk of unethical conduct, and audit compliance with the program for the prevention of unethical conduct accordingly, or commission a CPA to do so?	V		(IV) The Company's internal auditors audit the implementation of the accounting system and internal control system established by the Company according to a certain plan, and external CPAs are also commissioned for the audit.	No significant deviation
(V) Does the company organize internal and external training on ethical management on a regular basis?	V		(V) The Company has established the "Ethical Management Best Practice Principles," "Operating Procedures for Ethical Management and Behavioral Guidelines" and "Code of Ethical Conduct" as the highest codes of conduct for all employees to follow when performing business activities. Education and training are provided to new employees to require their compliance.	No significant deviation
III. Operation of the Company's Whistleblowing System				
(I) Does the company establish specific whistleblowing and reward systems, create a convenient channel for whistleblowing, and assign appropriate dedicated personnel to reported subjects?	V		(I) The Company has specific whistleblowing and reward systems in the "Ethical Management Best Practice Principles," "Operating Procedures for Ethical Management and Behavioral Guidelines" and "Code of Ethical Conduct," and the dedicated unit designates appropriate personnel to be in charge based on the nature of reports.	No significant deviation
(II) Does the company establish standard operating procedures for the investigation of reported matters, specify follow-up measures to be taken after the investigation is completed, and develop relevant confidentiality mechanisms?	V		(II) The Company has standard operating procedures for the investigation of reports and relevant confidentiality mechanisms.	No significant deviation
(III) Does the company take measures to protect whistleblowers from improper treatment due to whistleblowing?	V		(III) The Company takes measures to protect whistleblowers from improper treatment as a result of whistleblowing.	No significant deviation
IV. Enhancement of Information Disclosure Does the company disclose its ethical management principles and the effectiveness of their implementation on its website and the Market Observation Post System?	V		The Company has established a website to disclose the "Ethical Management Best Practice Principles" and the "Operating Procedures for Ethical Management and Behavioral Guidelines," and makes timely announcements and updates on the Market Observation Post System.	No significant deviation
V. If the company has established its own ethical management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any deviation between its current practices and its ethical management principles: The Company has established the "Ethical Management Best Practice Principles" and "Operating Procedures for Ethical Management and Behavioral Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," with the Company's practical operations taken into consideration. We have duly implemented ethical management pursuant to the relevant laws and regulations to specify what the Company's personnel shall keep an eye on when performing their duties.				
VI. Other important information that is helpful in understanding the implementation of the Company's ethical management: We comply with relevant laws and regulations and our internal control system and strictly prohibit unethical conduct or violations of laws and regulations.				

(VII) Other important information that allows for a better understanding of the implementation of the Company's corporate governance:

Directors' continuing education:

Job title	Name	Date of taking office	Date of arrival at post	Course date		Organizer	Course name	Continuing education hours	Total continuing education hours of the year
				From	To				
Independent Director	Chien-Kuang Wang	November 11, 2022	November 11, 2022	August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Introduction to IFRS Sustainability Disclosure Standards and Domestic and Overseas Carbon Emissions and Net Zero Trends	3.0	9.0
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Global Trends of Digital Innovative Technologies and AI Development and Risk Management	2.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Legal Compliance with Labor Laws	1.0	
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	
Independent Director	Pi-Wei Chin	November 11, 2022	November 11, 2022	August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Global Trends of Digital Innovative Technologies and AI Development and Risk Management	2.0	6.0
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Legal Compliance with Labor Laws	1.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Introduction to IFRS Sustainability Disclosure Standards and Domestic and Overseas Carbon Emissions and Net Zero Trends	3.0	
Independent Director	Ying-Chi Yu	November 11, 2022	November 11, 2022	August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Legal Compliance with Labor Laws	1.0	9.0
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Introduction to IFRS Sustainability Disclosure Standards and Domestic and Overseas Carbon Emissions and Net Zero Trends	3.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Global Trends of Digital Innovative Technologies and AI Development and Risk Management	2.0	
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	
Independent Director	Ming-Hui Lin	November 11, 2022	November 11, 2022	October 4, 2024	October 4, 2024	Securities & Futures Institute of the Republic of China	Insider Trading Prevention Meeting for 2024	3.0	6.0
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	
Director	Jerry Kao	November 11, 2022	August 26, 2021	August 22, 2024	August 22, 2024	Taiwan Corporate Governance Association	Securities Laws and Corporate Governance	3.0	9.0
				August 8, 2024	August 8, 2024	Taiwan Corporate Governance Association	Updates to Taxation Governance and Securities Supervisory Laws and Regulations under the New Taxation Environment	1.5	
				May 9, 2024	May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5	
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	
Director	Jason Chen	November 11, 2022	November 23, 2015	September 24, 2024	September 24, 2024	Securities & Futures Institute of the Republic of China	Ethical Corporate Management, Corporate Governance, and Sustainable Development Best Practice Principles and Cases (including Gender Equality)	3.0	18.0
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Legal Compliance with Labor Laws	1.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Global Trends of Digital Innovative Technologies and AI Development and Risk Management	2.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Introduction to IFRS Sustainability Disclosure Standards and Domestic and Overseas Carbon Emissions and Net Zero Trends	3.0	
				August 22, 2024	August 22, 2024	Taiwan Corporate Governance Association	Securities Laws and Corporate Governance	3.0	
				August 8, 2024	August 8, 2024	Taiwan Corporate Governance Association	Updates to Taxation Governance and Securities Supervisory Laws and Regulations under the New Taxation Environment	1.5	
				May 9, 2024	May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5	
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	
Director	Yu-Ling Chen	November 11, 2022	August 1, 2022	August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Legal Compliance with Labor Laws	1.0	15.0
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Introduction to IFRS Sustainability Disclosure Standards and Domestic and Overseas Carbon Emissions and Net Zero Trends	3.0	
				August 23, 2024	August 23, 2024	Taiwan Corporate Governance Association	Global Trends of Digital Innovative Technologies and AI Development and Risk Management	2.0	
				August 22, 2024	August 22, 2024	Taiwan Corporate Governance Association	Securities Laws and Corporate Governance	3.0	
				August 8, 2024	August 8, 2024	Taiwan Corporate Governance Association	Updates to Taxation Governance and Securities Supervisory Laws and Regulations under the New Taxation Environment	1.5	

Job title	Name	Date of taking office	Date of arrival at post	Course date		Organizer	Course name	Continuing education hours	Total continuing education hours of the year
				From	To				
				May 9, 2024	May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5	
				March 29, 2024	March 29, 2024	Taiwan Corporate Governance Association	Relationship between America, Mainland China, and Taiwan and Future International Situation - Political Risks of Investments in Mainland China	3.0	

Chief Corporate Governance Officer's business execution and continuing education:

1. The business execution in 2024 is as follows:

- (1) Assisting Independent Directors and general Directors in performing their duties, providing required information, and arranging continuing education for Directors:
 - A. Informing Board members on the revision and development of laws and regulations related to corporate governance.
 - B. Compiling and providing sufficient meeting materials to meeting members, and offering appropriate and timely information and administrative assistance.
 - C. Arranging meetings of Independent Directors and CPAs to understand the Company's financial and business status; when necessary, assisting directors (including independent directors) in discussing with the Chief Internal Auditor internal control-related matters.
- (2) Assisting in ensuring the compliance of the procedures and resolutions of Board meetings and shareholders' meetings with laws and regulations:
 - A. Reporting the implementation of corporate governance-related items to the Board of Directors, Independent Directors and Audit Committee.
 - B. Making sure that the Company's shareholders' meetings and Board meetings are in compliance with relevant laws and corporate governance practices.
 - C. Assisting and reminding Directors to comply with laws and regulations when performing their duties or adopting formal resolutions at Board meetings.
 - D. Reviewing important resolutions of the Board of Directors to be published to ensure their legality and correctness, as well as the synchronization of trading information for investors.
- (3) Assembling Board meeting proposals and issuing a notice of the agenda with the information required for the meeting seven days before the meeting. If it is necessary to avoid a conflict of interest, a reminder shall be given in advance, and the minutes of the Board meeting shall be prepared within 20 days after the meeting.
- (4) Supervising the pre-registration of the date of the shareholders' meeting, and preparing a meeting notice, meeting handbook, meeting minutes and carrying out registration of amendments to the Articles of Incorporation

prior to the statutory deadline.

2. The continuing education in 2024 is as follows:

Organizer	Course name	Continuing education duration	Continuing education hours
Securities & Futures Institute of the Republic of China	Sustainability Disclosure Practice Seminar	May 2, 2024 - May 3, 2024	9.0
Securities & Futures Institute of the Republic of China	Insider Trading Prevention Meeting for 2024	October 4, 2024	3.0

(VIII) Matters to be disclosed regarding the implementation of the internal control system:

1. Statement on Internal Control: Please refer to the MOPS [Website: <https://mops.twse.com.tw> > Single company > Corporate governance > Company regulations > Internal control/Declaration of internal control] and enter the year and company code to inquire about the announcement of the statement of internal control.
2. CPA Review Report from the CPAs commissioned to review the internal control system: Please refer to the MOPS [Website: <https://mops.twse.com.tw> > Single company > Corporate governance > Company regulations > Internal control/Declaration of internal control] and enter the year and company code to inquire about the announcement of the statement of internal control.

(IX) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of this annual report

1. Important resolutions of the Board meeting

Date	Meeting title	Important resolution
March 12, 2024	1st Board meeting in 2024	<ul style="list-style-type: none"> ● Approved the proposal for the remuneration to employees and Directors in 2023 ● Agreed on the proposal for approval of the Company's business report and financial statements for 2023 ● Approved the proposal for earnings distribution in 2023 ● Approved the 2023 "Statement on the Internal Control System" ● Approved the amendment to the Articles of Incorporation ● Approved matters related to the convening of the Company's annual general meeting in 2024 ● Proposal to appoint CPAs for reviewing and auditing the financial statements and evaluate the independence of the CPAs ● Approved the acquisition of the right-of-use assets of real estate from related parties ● Approved the discussion of adjustments to the food allowance of managers ● Approved the discussion of remuneration to managers
May 7, 2024	2nd Board meeting in 2024	<ul style="list-style-type: none"> ● Agreed on the CPA-reviewed consolidated financial statements for the first quarter of 2024. ● Approved the 2023 "Statement on the Internal Control System" ● Approved the appointment of the Chief Auditor of the Company ● Approved the renewal of contracts with financial institutions ● Approved the proposal for the distribution of remuneration to employees for 2023
August 6, 2024	3rd Board meeting in 2024	<ul style="list-style-type: none"> ● Agreed on the proposal for approval of the CPA-reviewed consolidated financial statements for the second quarter of 2024. ● Approved the proposal to amend the Company's internal regulations ● Approved the renewal of contracts with financial institutions
November 5, 2024	4th Board meeting in 2024	<ul style="list-style-type: none"> ● Agreed on the CPA-reviewed consolidated financial statements for the third quarter of 2024. ● Approved the business plan and budget for 2025 ● Approved the audit plan for 2025 ● Approved the amendments to the general principles for the pre-approval of non-assurance services ● Approved the proposal to amend the Company's internal regulations ● Approved the application for credit facilities with financial institutions ● Approved the proposal on recommended indicators for the managers' target bonuses in 2025

2. Resolutions of shareholders' meetings and their implementation

Date	Meeting title	Resolution	Implementation
May 29, 2024	Annual general meeting	Ratification of the business report and financial statements for 2023	Passed as proposed at the meeting
		Ratification of earnings distribution in 2023	June 24, 2024 was set as the ex-dividend date, July 23, 2024 as the distribution date, and a cash dividend of NTD 1.65 per share was distributed.
		Discussion of amendment to the Articles of Incorporation	Passed as proposed at the meeting

- (X) The main content of any dissenting opinion from a director or supervisor with respect to a material resolution adopted by the Board of Directors which has been on record or stated in writing in the most recent year and up to the publication date of this annual report: None.

IV. Information on CPA fees

(I) Information on CPA fees

Unit: NTD thousand

CPA firm's name	CPA's name	Audit period	Audit fee	Non-audit fee	Total	Remarks
KPMG Taiwan	CPA Ching-Wen Kao	2024	2,945	1,120	4,065	None
	CPA Ken Tang					

Note: Fees for specialized an internal control review and tax compliance audit after listing on the Taiwan Innovation Board in May 2023.

- (II) If the CPA firm is changed and the audit fees paid in the year of change are lower than those paid in the previous year, the amount of audit fees before and after the change and the reason therefor shall be disclosed: None.
- (III) If audit fees have been reduced by 10% or more from the previous year, the amount, percentage and reason for the reduction shall be disclosed: None.

V. Change of CPAs: None.

VI. Any of the Company's Chairman, President, or managers in charge of financial or accounting affairs being employed by the CPA firm or any of its affiliates in the most recent year: None.

VII. Transfer of equity and changes in equity pledge by a Director, supervisor, manager, or shareholder with a stake of more than 10% in the most recent year and up to the publication date of this annual report:

- (I) Changes in the shareholding and equity pledges of Directors, supervisors, managers, and major shareholders:

Please refer to the MOPS [Website: <https://mops.twse.com.tw> > Summary of statements > Changes in equity/securities issuance > Shareholding/pledges/transfers of directors, supervisors, and major shareholders > Shareholding balance of directors, supervisors, managers, and major shareholders > Summary of the shareholding balance of directors, supervisors, managers and major shareholder]

- (II) Information on Directors, supervisors, managers, and major shareholders whose counterparts in equity transfer are related parties: None.

(III) Information on equity pledges: None.

VIII. Information on the top ten shareholders who are related parties, spouses, or relatives within the 2nd degree of kinship:

March 30, 2025. Unit: shares. %

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		NAMES AND RELATIONSHIPS OF TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE 2ND DEGREE OF KINSHIP		REMARKS
	NUMBER OF SHARES	SHAREHOLDING RATIO	NUMBER OF SHARES	SHAREHOLDING RATIO	NUMBER OF SHARES	SHAREHOLDING RATIO	NAME	RELATIONSHIP	
Acer Incorporated Representative: Jason Chen	39,308,288	63.54	0	0	0	0	MUSHI INVESTMENT CO., LTD.	THE CHAIRMAN OF THE COMPANY	-
Hongrong Investment Co., Ltd. Company representative: Carolyn Yeh	2,669,964	4.32	0	0	0	0	ACER INCORPORATED	CORPORATE DIRECTOR OF THE COMPANY	-
Mushi Investment Co., Ltd. REPRESENTATIVE: JASON CHEN	2,046,641	3.31	0	0	-	-	ACER INCORPORATED	THE CHAIRMAN IS THE SAME PERSON	-
Allen Jong	1,060,000	1.71	0	0	0	0	-	-	-
Jerry Kao	600,000	0.97	0	0	0	0	-	-	-
George Huang	547,470	0.89	0	0	0	0	-	-	-
Wei-Jen Chen	546,000	0.88	0	0	0	0	-	-	-
Jack Lan	405,000	0.65	0	0	0	0	-	-	-
Jen-Yang Chen	400,000	0.65	0	0	0	0	-	-	-
Chih-Ning Chen	381,000	0.62	0	0	0	0	-	-	-

IX. The number of shares held by the Company, the Directors, supervisors, and managers thereof, and the companies directly or indirectly controlled thereby in the same invested business, and the consolidated shareholding ratio:

December 31, 2024. Unit: shares

Invested business	The Company's investment		Investment of directors, supervisors, managers, and directly or indirectly controlled businesses		Consolidated investment	
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)
GadgeTek (Shanghai) Limited	Note	100%	0	0	Note	100%
Acer Gadget America	500	100%	0	0	500	100%

Note: Since it is a limited company, no shares were issued

Three. Capital Overview

I. Capital and Shares

(I) Source of share capital

1. Formation of shares

Unit: NTD/shares

Year/Month	Issue price (NTD)	Authorized share capital		Paid-in share capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash for share payment	Others
2008.9	10	220,000,000	2,200,000,000	179,930,000	1,799,300,000	A stock swap with Acer to become its 100%-owned subsidiary	None	Note 1
2008.9	10	120,000,000	1,200,000,000	79,930,000	799,300,000	Refund of NTD 1,000,000,000 due to capital reduction	None	Note 2
2009.8	10	120,000,000	1,200,000,000	69,930,000	699,300,000	Refund of NTD 10,000,000 due to capital reduction	None	Note 3
2010.8	10	120,000,000	1,200,000,000	50,000,000	500,000,000	Capitalization of a capital surplus NTD 300,700,000 Refund of NTD 500,000,000 due to capital reduction	None	Note 4
2014.8	10	120,000,000	1,200,000,000	20,000,000	200,000,000	Refund of NTD 300,000,000 due to capital reduction	None	Note 5
2019.12	10	120,000,000	1,200,000,000	16,000,000	160,000,000	Capital reduction for offsetting a loss of NTD 40,000,000	None	Note 6
2020.12	10	120,000,000	1,200,000,000	10,000,000	100,000,000	Capital reduction for offsetting a loss of NTD 60,000,000	None	Note 7
2021.7	10	120,000,000	1,200,000,000	12,539,736	125,397,360	Stock swap worth NTD 25,397,360	None	Note 8
2022.6	10	120,000,000	1,200,000,000	30,000,000	300,000,000	Capitalization of a capital surplus NTD 174,602,640	None	Note 9
2022.8	18	120,000,000	1,200,000,000	60,000,000	600,000,000	Cash capital increase of NTD 300,000,000	None	Note 10
2023.7	26	120,000,000	1,200,000,000	61,860,000	618,600,000	Cash capital increase of NTD 18,600,000	None	Note 11

Note 1: The Company carried out a stock swap with Acer in September 2008. After the swap, the Company became a subsidiary 100% owned by Acer.

Note 2: Approved by Letter Jing-Shou-Shang-Zi No. 09701245260 dated September 30, 2008.

Note 3: Approved by Letter Jing-Shou-Shang-Zi No. 09801181530 dated August 19, 2009.

Note 4: Approved by Letter Jing-Shou-Shang-Zi No. 09901183100 dated August 12, 2010.

Note 5: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10387032300 dated August 25, 2014.

Note 6: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10857507600 dated December 27, 2019.

Note 7: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 10957592600 dated December 25, 2020.

Note 8: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11050296410 dated July 12, 2021.

Note 9: Approved by Letter Fu-Chan-Ye-Shang-Zi No. 11149492810 dated June 7, 2022.

Note 10: Approved by Letter Jing-Shou-Shang-Zi No. 11101144460 dated August 16, 2022.

Note 11: Approved by Letter Jing-Shou-Shang-Zi No. 11230105650 dated July 13, 2023.

2. Types of shares

March 30, 2025. Unit: people; shares: %

Type of share capital	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	61,860,000 shares	58,140,000 shares	120,000,000 shares	

3. Information on the offering and issuance of securities by the issuer approved under the shelf registration system: None.

(II) List of major shareholders

March 30, 2025. Unit: shares

Shareholding	Number of shares held	Shareholding ratio (%)
Name of major shareholder		
Acer Incorporated	39,308,288	63.54%
Hongrong Investment Co., Ltd.	2,669,964	4.32%
Mushi Investment Co., Ltd.	2,046,641	3.31%
Allen Jong	1,060,000	1.71%
Jerry Kao	600,000	0.97%
George Huang	547,470	0.89%
Wei-Jen Chen	546,000	0.88%
Jack Lan	405,000	0.65%
Jen-Yang Chen	400,000	0.65%
Chih-Ning Chen	381,000	0.62%

(III) The Company's dividend policy and its implementation

1. Articles 20 and 21 of the Company's Articles of Incorporation regarding the distribution of dividends stipulate that:

"If the Company has earnings after year-end closing, the earnings shall be used to pay taxes and make up past losses first, and then 10% thereof shall be set aside as legal reserve unless the accumulated legal reserve has equaled or exceeded the Company's paid-in capital. A certain portion of the earnings shall be set aside or reversed as special reserve as required by law or the competent authority. Any surplus together with any accumulated undistributed earnings may be used to distribute a shareholder dividend. The Board of Directors shall make a proposal on earnings distribution and submit it to the shareholders' meeting for resolution of distribution of the shareholder dividend."

The distribution of the Company's dividends, bonuses, capital reserve, or legal reserve shall be entirely or partially made in cash, and the Board is authorized to do so through the resolution approved by over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors, which shall be reported to the shareholders' meeting.

The Company's dividend policy is to appropriate no less than 10% of distributable earnings to distribute a shareholder dividend according to current and future development plans, taking into account the investment environment, fund requirements, domestic and international competition, and the interests of shareholders. The dividend may be paid in cash or shares. However, the dividend may not be distributed if the Board of Directors resolves not to do so and the resolution is passed by the shareholders' meeting. Unless the Board of Directors resolves not to distribute a dividend in cash and the resolution is passed by the shareholders' meeting, the percentage of cash dividends shall not be less than 10% of the total dividends in dividend distribution in order to ensure a balanced and stable dividend policy.

2. Proposed (completed) dividend distribution for the current year

(1) According to the authorization of the Articles of Incorporation, the Board

resolved the dividends distribution for 2024 as follows:

The undistributed earnings of the Company at the beginning of 2024 were NT\$7,068,910; after adding net profit after tax in 2024 and appropriating the legal reserve and special reserve, earnings distributable for the period were NT\$116,029,042. The Company intends to distribute cash dividends of NT\$105,162,000; the undistributed earnings at the end of the period after the distribution in the amount of NT\$5,371,326 are preserved for distribution in the following years.

Shareholders' dividends are fully distributed to shareholders in cash by calculating based on the shareholding ratio of shareholders set out in the shareholders' register on the ex-dividend base day. A tentative distribution of cash dividends of NT\$1.7 per share is determined, and the distribution to each shareholder shall be rounded to NT\$1, with any amount less than NT\$1 disposed of and included in other income of the Company.

- (2) Shareholders' dividends are fully distributed to shareholders in cash by calculating based on the shareholding ratio of shareholders set out in the shareholders' register on the ex-dividend base day. A tentative distribution of cash dividends of NT\$1.7 per share is determined, and the distribution to each shareholder shall be rounded to NT\$1, with any amount less than NT\$1 disposed of and included in other income of the Company.
 - (3) The ex-dividend base day for the earning distribution above is tentatively set on July 10, 2025, and the distribution date is set on July 29, 2025. If the abovementioned timetable is required to be changed due to changes in laws and regulations or the exercises of powers or requirements for amendments of the competent authority, the Chairman is authorized to make adjustments at his/her full discretion.
- (IV) Effect of the proposed bonus stock dividends for the current year on the Company's operating performance and earnings per share: Not applicable.
- (V) Remuneration to employees, directors, and supervisors

1. Percentages or ranges of remuneration to employees, Directors, and supervisors set forth in the Company's Articles of Incorporation

If the Company records a profit in a fiscal year, the Company shall reserve a certain amount in advance to offset accumulated losses, and then appropriate no less than 2% as the remuneration of employees (based on the balance, no less than 1% shall be appropriated as the remuneration of non-executive employees) and no more than 8% as the remuneration of Directors and supervisors.

The recipients of the remuneration of employees which may be distributed in shares or cash may include the employees of any controlled company or subsidiary who have met certain requirements set by the Board of Directors. The remuneration of directors and supervisors is distributed in cash.

2. The basis for estimating the amount of remuneration to employees, Directors,

and supervisors, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimate:

The Company calculates estimates by multiplying the profit before tax without deduction of the remuneration of employees, directors, and supervisors by the distribution percentages for employee remuneration and the remuneration of directors and supervisors as specified in the Articles of Incorporation of the Company. If there is a significant change in the distribution amount resolved by the Board of Directors prior to the publication date of annual financial statements, the originally recognized annual expense is adjusted. If there is still a change in the amount after the publication date of annual financial statements, it will be treated as an accounting estimate change and accounted for in the following year.

3. Remuneration distribution approved by the Board of Directors:
 - (1) If there is any difference between the amounts of employees' remuneration and the remuneration of directors and supervisors distributed in cash or shares and the estimates recognized as expenses, the difference, the reason therefor, and the treatment thereof shall be disclosed: On March 11, 2025, the Board of Directors resolved to distribute NTD 11,949 thousand as employee remuneration and NTD 970 thousand as Director remuneration in cash for 2024, and there was no difference between the estimates and the actual distributed amounts.
 - (2) The amount of employee remuneration distributed in shares as a percentage of the sum of the current profit after tax and total employee remuneration: The Company paid employee remuneration for 2024 fully in cash, and no employee remuneration was distributed in shares.
4. The actual distribution of remuneration to employees, Directors, and supervisors in the previous year (including the number of shares, amount, and stock price), and any difference from the recognized remuneration to employees, Directors, and supervisors, the reason therefor, and the treatment thereof shall be specified: Not applicable as no remuneration was distributed to employees, Directors, and supervisors due to accumulated losses from the previous year.

(VI) Shares repurchased by the Company: None.

- II. Issuance of Corporate Bonds (including overseas corporate bonds): None.
- III. Issuance of Preferred Stock: None.
- IV. Issuance of Global Depositary Receipts: None.
- V. Issuance of Employee Stock Warrants: None.
- VI. Issuance of Restricted Stock Awards: None.
- VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares with Other Companies: None.

VIII. Implementation of the Capital Utilization Plan: None.

Four. Operational Overview

I. Business Activities

(I) Business scope

1. Main business activities

Smart Device Business Division

This division specializes in the development of computer peripherals (e.g., Multitasking Extension, Mobile Office, and Gaming Peripheral series), innovative accessories and AI-integrated peripherals (e.g., Wearable Payment Devices, Smart Translation Earphones and ESG & Eco-friendly series), and sustainable green energy products (e.g., Acer Power Bar series), and relevant services. It focuses on the implementation of creativity and technology and takes realizing smart life as its mission.

Fashion Business Division

This business division focuses on combining technology with fashion and sustainability and engages in the design, procurement, distribution, and marketing of luggage, bags, accessories, and smart wearables. Adopting “innovation, freedom, and sustainability” as the core value, it adopts environmental materials and high-performance designs to create functional and stylish products. Smart wearables cover health monitoring devices that combine AI with fashionable design to provide personalized health follow-up and entertainment and interactions. Through emotion marketing and cross-sector cooperation, it focuses on the global market. It integrates the supply chain and technical resources of the Group and is committed to becoming a leading technology and fashion brand to bring unrestrained, free, and worry-free living experiences.

Smart Mobility Business Division

This division focuses on the development, marketing, and sale of smart mobility products, and relevant services. It has rolled out smart mobility products such as electric-assist bicycles and electric scooters in the global market. It provides efficient power-assisted mobility products, enhances personal riding experience with AI, and uses multiple information and communication technologies to ensure cycling safety to realize the vision of green mobility and urban sustainability.

2. Proportion of main products

Unit: NTD thousand; %

Commodity value Item	2023		2024	
	Turnover	Proportion	Turnover	Proportion
Smart device products	1,335,344	64.02	1,789,729	68.69
Fashionable products	345,882	16.58	515,639	19.79
Smart mobility products	329,013	15.77	239,214	9.18
Others	75,627	3.63	60,901	2.34
Total	2,085,866	100.00	2,605,483	100.00

3. The Company's current main products (services)

Smart Device Business Division

- (1) Computer peripherals: Multitasking Extension, Mobile Office, and Gaming Peripheral series
- (2) Innovative accessories and AI-integrated peripherals: Wearable Payment Devices, Smart Translation Earphones and ESG & Eco-friendly series
- (3) Sustainable green energy products: The Acer Power Bar series and its accessories, etc.

Fashion Business Division

This division engages in the design, purchase, distribution, and marketing of luggage, bags, smart wearables, and relevant accessories.

- (1) Bags: Cover back bags, handbags, totes, crossbody bags, fanny packs, and laptop protection bags, combining practicability and fashionable designs.
- (2) Luggage: Provide various solid luggage from 19.5 to 28 inches made with rPET, PC, and ABS that is light and durable, satisfying diversified travel requirements.
- (3) Smart wearables: Focus on health monitoring, AI applications, and personalized services.

Smart Mobility Business Division

This division focuses on the development, marketing, and sale of smart mobility products and relevant services and has launched Acer ebii and Predator eNomad-R (electric-assist bicycles), eKinekt, and Acer ES7, and Acer ES 1 (high-end and entry e-Scooters).

4. New products (services) to be developed

Smart Device Business Division

With the rapid development of AI technology and the expansion of application fields, the Company officially launched a project in the third quarter of 2024, aiming to integrate in-depth AI technology into computer peripherals so as to create better smart user experiences. The research direction of the project includes but is not limited to:

- Smart working environment: Develop keyboards, mice, and displays that can actively learn user behaviors and provide personalized recommendations.
- Improving living convenience: Design multi-use devices with an audio assistant function to assist users in carrying out daily mission management.
- High-performance computing support: Combine with AI algorithm and optimize the performance of hardware to support more complicated

computing requirements.

Fashion Business Division

This business division plans to focus on gaining an in-depth understanding of consumers' pain points in the future through continuous market surveys and user insight analysis to combine feedback with innovative technologies so as to promote the product development of bags, luggage, apparel, and smart wearables.

For bags and luggage, we will combine mature technologies with innovative applications to satisfy the digital living requirements of consumers. Meanwhile, product materials will become more environmentally friendly. A high portion of recycled or low-carbon materials will be adopted to further realize the sustainability commitments.

In the smart wearable equipment, we plan to develop new products that can integrate health monitoring, AI analysis, and fashionable designs, provide personalized health management and scenario services, explore opportunities in the new market, and exhibit the value generated from the combination of technologies with humanization and emotions.

In addition, we will work with our internal and external partners to strengthen the sustainability of the supply chain. From material selection to procedures and to after-sales services, we will fully implement the environmental protection concepts, build a more responsible value chain, and bring unrestrained, free, and worry-free product experience to consumers.

Smart Mobility Business Division

With the attention attached to ESG (environment, society, and corporate governance) concepts worldwide, energy conservation, carbon reduction, environmental protection, and healthy lifestyle have become the material directions of the development of modern society. Short-distance smart mobility vehicles rose rapidly due to such trends and became the emerging trend for personal mobility. Under such backgrounds, we combined the advantages of our Group in terms of technology and manufacturing and continued to invest in the R&D of smart IoT technologies with the purpose of creating high-performance mobility products that comply with environmental concepts and satisfy consumers' requirements.

- Technology integration and innovative application: Based on the self-developed ebii structure, we integrated our products with AI, anti-theft tracking, traffic safety, and multiple advanced technologies, and applied them in the product line of mid-to-high-end electric-assist bicycles and e-Scooters. This not only improves the use safety but also provides personalized traffic recommendations and real-time traffic information to users through data analysis and smart monitoring, which, in turn, reduces the occurrence of accidents and improves the overall riding experience.
- Balance and optimization of product designs: Adopting innovative

product structures, we are committed to achieving the optimal balance between mass production efficiency, product repair convenience, and consumers' requirements. First, we pursue minimalism in the design of appearance that is in line with modern aesthetics to allow our products to not only have practical functions but also become representative of the fashion trend. Secondly, in terms of mass production procedures, we adopted modularized designs. This not only simplified the production procedures and reduced production costs but also provided convenience for product repair and part replacement, effectively shortening the cycle of after-sales services and improving customer satisfaction.

- Integration of smart cities and ecosystems: Short-distance smart mobility products are more than independent transportation tools but also an important part of constituting smart cities. Our product designs fully consider traffic and safety regulations of countries worldwide to promote flexible structures to accommodate requirements in different markets. Through the seamless combination of the city sharing systems and enterprise sharing platforms, we actively participate in and promote the construction of the infrastructures of smart cities so as to form a consolidated mobility ecosystem that covers individuals, enterprises, and public services. This not only helps to relieve the traffic congestion in cities but also provides data support for city management and facilitates public safety and the optimization of resource allocation.

Looking to the future, we will continue to focus on the innovative applications of smart IoT technologies and keep abreast of the changes in global environmental policies and market requirements. With in-depth cooperation with technology enterprises, city management departments, and user communities, we wish to promote a green travel revolution worldwide to create a safe, convenient, and eco-friendly mobility lifestyle. Meanwhile, we will continue to optimize the systems of product R&D, mass production, and after-sales services to provide comprehensive mobility solutions to consumers and, in turn, maintain our leading advantages under the intensive market competition.

(II) Industry overview

1. Current state and development of the industry

Smart Device Business Division

- (1) Computer peripherals: Evolved from a department of Acer Group's IT Products Business Group to one of Acer Group's Golden Tigers, we have been growing slowly but surely with our peripheral accessories series as our foundation. Even though there has been intense competition in peripheral accessories, we uphold our original aspiration of innovation, and always maintain differentiation and originality in the competitive market. By applying for design, form, and technology patents for items as small as a connecting wire and as large as a gaming cockpit, the Company has developed short-term, medium-term, and long-term pathways for products while introducing innovative development technologies to stay resilient against the current changing world. The following is a description of computer peripherals:

A. Peripheral accessories series

In the post-pandemic era, remote office and mixed working models have become the new norm. According to market surveys, approximately 70% of enterprises worldwide have adopted or planned to adopt a mixed work model. This trend has created new requirements for computer peripherals, including:

- High-performance equipment to support the handling of multiple missions.
- Provide easily portable and flexible mobility solutions.
- Support safe and stable remote connection technologies.

This department initiated a project in 2025 to focus on developing computer peripherals that are suitable for mobile office and remote office scenarios with objectives including the following:

- Improve work efficiency: Design smart equipment such as AI-enabled keyboards and mice that can learn users' habits automatically and optimize the operation.
- Improve the convenience of use: Promote light and easily portable displays and accessories to satisfy mobile office requirements.
- Enhance security: Integrate with high-end encryption technologies and biometric functions to ensure the data safety of remote work.

B. Gaming product series

Acer Gadget is committed to becoming the leading brand of global gaming peripherals and providing the ultimate gaming experience through innovative technologies and outstanding designs. Our mission is to promote the development of the gaming industry and to satisfy the constant pursuit of performance and immersion of the users.

According to the latest market research, the global gaming industry is developing rapidly at a compound annual growth rate (CAGR) of 20%. It is expected that the production value will reach USD 10.9 billion by 2032, and the Asian market share is the highest at 13%. In addition, it is expected that 2025 will be a turning point for the combination of AI PC and gaming technology, and the upgrade of display cards, heat dissipation modules and high-performance hardware will give rise to a new wave of phone replacement trend 13.

The crucial trends include:

- AI technology integration: AI will optimize the gaming experience, such as generating game content, and improving hardware performance and personalized settings.
- High-performance hardware requirements: With the popularization of RTX 50 series display cards and the water-

cooling heat dissipation system, gaming peripherals are required to support higher power consumption and heat dissipation requirements.

- Multi-function application scenarios: The requirements of players for peripherals have expanded from pure games to multi-scenario applications that take into account work and learning.

In response to the market demand, Acer Gadget will focus on the following directions in the future:

- Smart peripherals:
 - Develop keyboards and mice with AI learning functions that can automatically adjust the button responses and lighting effects based on the operating habits of players.
 - Launch voice control earphones and microphones that combine with AI noise-canceling technologies to improve communication quality.
 - High-performance heat dissipation solutions
 - Adopt VCs (vapor chambers) or water cooling system technologies to ensure the stable performance of equipment under high-load operations.
 - Develop light heat dissipation accessories with highly heat conductive materials to satisfy the requirements for notebooks and PCs.
 - Multi-platform compatibility and portability
 - Design controllers, displays, supporting PCs, mainframes, and mobile games that are compatible with different platforms.
 - Launch light and easily portable gaming equipment (i.e., foldable screens and wireless charging sockets.)
 - Environmental and sustainable design
 - Adopt recycled materials to manufacture peripherals to reduce impacts on the environment.
 - Provide modularized designs to extend products' life and reduce the replacement costs of players.
- (2) Innovative accessories: With profound industrial design know-how and years of technology experience, we have used our exclusive, lightest 3D contactless payment technology to make e-tickets wearable and extend the convenience of smart life to more groups and usage scenarios. In addition, responding to ESG has become a global trend and a development trend for enterprises. Enterprises are required to maintain their leading positions in the international competition. By leveraging on the advantage of a wide range of products and raw material suppliers' experience in eco-friendly materials (i.e., PCR and OBP), the Company has experimented with various eco-friendly and recycled materials in the production of computer peripherals (keyboards, mice) and apparel, and developed sustainable, eco-friendly, and competitive products. With insights into market changes and in response to the emerging action figure culture, Acer Gadget successfully launched the virtual

action figure for an important gaming competition in Southeast Asia in 2025 and is convinced that it can create new business opportunities in the popular culture subsequently.

- (3) Green energy and sustainable products: With the increasing attention attached to climate change and energy crises worldwide, the requirements for green energy products have grown rapidly. According to market forecasts, energy storage products and renewable energy technology will become the core of the global energy transition in the following decade. The Company is optimistic about the following trends:
- Increase in the requirements for energy storage technologies: Family and industrial energy storage systems will become material components of energy management in the future.
 - Increase in the acceptance level of consumers regarding environmental products: The younger era is more inclined to support sustainable products.
 - Regulatory promotion: Governments in different countries are rolling out policies and subsidy plans that encourage green energy products.

In the future, Acer Gadget will focus on the following green energy product fields:

- Energy storage solutions
 - Launch multiple energy storage battery products that are applicable to different scenarios, including home, commercial, and industrial versions.
 - Design three types of energy storage batteries with different watt specifications in compliance with local regulations 134 based on the requirements in the European market,
 - Integrate the smart energy management system (EMS) to optimize energy consumption efficiency.
- High-performance and low-power consumption designs
 - Adopt modularized designs to extend products' life and reduce repair costs.
 - Adopt multiple-charging/discharging modules to improve performance and utilization rate.
- Smart mobility and energy-saving equipment
 - In response to the education market, we launched EVs with a smart charging and allocation system that automatically monitors and appoints the charging procedures, improving the overall energy management of schools.
 - Launch multitasking ports with the latest high-speed transmission protocol that allows smart charging management and multitasking operations.

Fashion Business Division

(1) Bags and luggage

According to Euromonitor International's 2023 report, the global sales of

bags and luggage in 2023 reached USD 161.1 billion, representing a significant growth as compared to USD 149.8 billion in 2022 and approximating USD 155.2 billion in 2019 before the pandemic. It is expected that the global demand for bags and luggage will exceed that in 2023, with a growth of sales of approximately 8%, reaching US\$ 174 billion in 2024. For the luggage market, the sales in 2023 were USD 21.2 billion, representing a growth from USD 18.6 billion in 2022. Despite the difference from USD 21.9 billion in 2019, with the acceleration of the recovery of the tourism industry worldwide, the demand for luggage in the upcoming years will grow stably. It is forecasted that the sales from 2024 to 2028 will reach USD 23.5 billion, USD 25.5 billion, USD 27.4 billion, USD 29.2 billion, and USD 31.1 billion, with a CAGR of 8.0%. The CAGR of the overall bag and luggage market from 2023 to 2028 is expected to be 6.9%.

(2) Smart wearables

The smart wearables market continues to record booming development, covering health monitoring devices (i.e., smart bracelets and smart rings), AR/VR equipment, smart glasses, and smart earphones. Its application field is extensive, including health management, sports and fitness, entertainment and interactions, and corporate applications. According to the report of Research Nester, the market scale of smart wearables will reach USD 528.7 billion by the end of 2036, and the CAGR is 19.7% during the forecast period. The global smart wearables market will grow by 8% to 12% in the following five years, and high growth will be recorded, especially in North America, Europe and Asia Pacific.

The market demand for smart wearables continues to grow, especially for health monitoring and personalized services. However, market competition will be intensified. Companies will be required to make constant innovations to maintain their competitive strength.

The global smart glasses market will show significant growth, and the shipping volume is expected to reach 1.8 million units in 2025, representing a growth of 73% from the last year. This growth is mainly due to the advancement of technology and the expansion of application scenarios, including entertainment, education and commercial applications. Smart rings have also become an emerging product in the consumer electronics market. The wholesale income of the smartwatch market in America is expected to reach USD 190 million in 2025. Other wearable technologies driven by AI are changing the intersection of humanity and technology, playing the role of a digital partner to provide health tracking, audio assistance, and emotional companionship.

(3) AI application

AI technologies are comprehensively reforming the fashion industry; they inject innovation dynamics into design, manufacturing, and sales while promoting SDGs at the same time. In terms of design, generative AI assists designers in generating product concepts and material simulation

rapidly, shortening the design cycle and improving the efficiency of creativity. Meanwhile, AI can conduct real-time analysis of market trends and consumers' preferences to help brands in the precise positioning of their design directors and optimize inventory management. In terms of marketing, AI technologies improve the efficiency of the generation of advertising materials and personalized recommendations and increase the conversion rate of consumers and the return on advertising.

The application of AI is embodied in the realization of sustainability. Through the identification of environmental protection materials and the optimization of production procedures, AI reduces waste of resources and improves manufacturing efficiency to help brands achieve the green manufacturing objective. With AI technologies, brands are able to more effectively integrate parts in the supply chain, from material selection to logistics management, so as to comprehensively realize environmental concepts. Meanwhile, data technologies also assist brands in gaining an in-depth understanding of the requirements of consumers for sustainable products and further promote the acceptance of the market to eco-friendly products. In the future, the in-depth combination of AI and sustainability philosophy will become the core driver for the transformation and upgrades of the fashion industry.

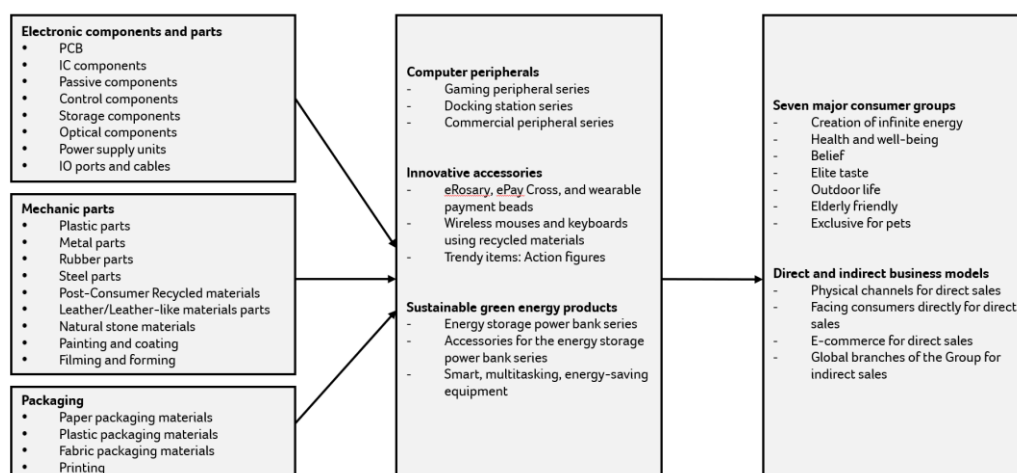
Smart Mobility Business Division

According to the report of Statista, a market research institution, in 2022, the market scale of electric-assist bicycles will grow from USD 20.5 billion in 2018 to USD 62.3 billion by 2030. According to the market survey report of Vantage Market Research in 2024, it is also estimated that the annual production value of the electric-assist bicycle market will grow from USD 33.3 billion in 2023 to USD 68.5 billion by 2032. Regarding data from different market survey institutions before and after the pandemic, the forecast of positive high growth is maintained for the prospect of electric-assist bicycles.

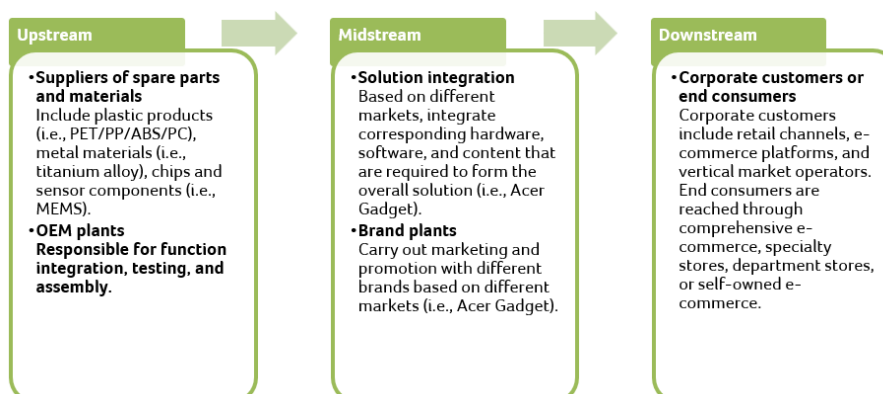
In addition, according to the forecast of IMARC Group, a market research institution, the market scale of e-Scooters in 2024 was USD 3.8 billion, and it will grow to USD 8.5 billion by 2033, with a CAGR of 9.3%. Grand View Research, a market survey institution, positively estimates that the market of e-Scooters will grow from a market scale of USD 7 billion in 2025 to USD 12.3 billion by 2030, with a CAGR of 11.9%.

2. The correlation between the upstream, midstream and downstream segments of the industry

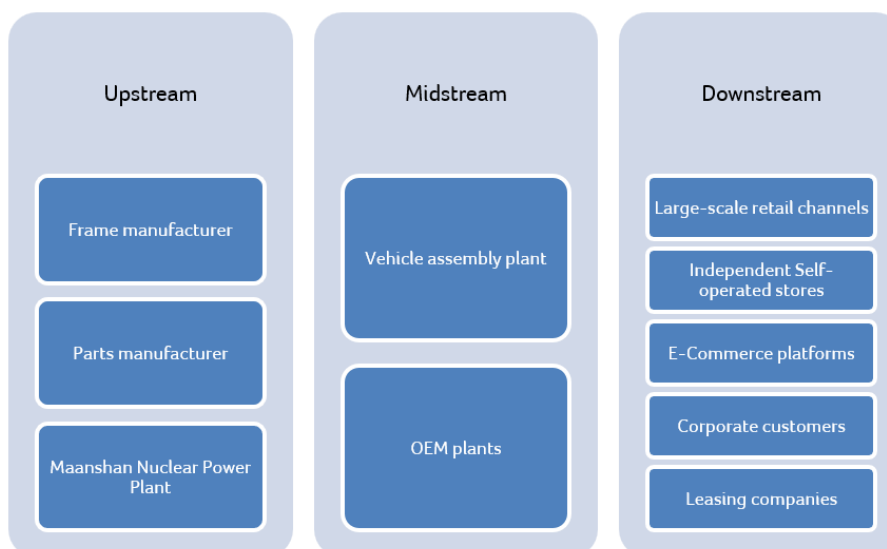
Smart Device Business Division



Fashion Business Division



Smart Mobility Business Division



3. Development trends of products

Smart Device Business Division

(1) Computer peripherals

Portable electronic devices such as smart phones, laptops, and tablets are widely used for personal and commercial use. As users seek easy connection to devices for power supply, the demand for docking stations has become higher. The rising trend of Bring Your Own Device (BYOD) is also driving market growth. The increase in office space and rapid urbanization in developed and developing countries further drive the market to grow. The global docking station market is expected to grow steadily in the next five years. For docking stations and ports, we used to focus on high-end multitasking product planning. Now, our goal is to connect different levels of consumer groups and adjust functions. We also increase strategic partners and plan to develop products that can meet both simple and high-level requirements, with the simultaneous development of technical depth and product breadth.

The slowdown of COVID-19 and the lifting of lockdowns around the world have resulted in frequent business transactions. How to inject patented technologies that seek differences from similarities into the business peripherals market to provide a series of business peripherals that enables multitasking and precision has also become a future product development focus. Moreover, with the advantage of our team's years of experience in software development and integration, we are able to break the barriers between consumers and technology, extend the breadth and depth of product planning, and deploy exclusive software in a timely manner. A combination of a solid foundation and soft power allows Acer Gadget to roll out more competitive and unique computer peripherals continuously.

In the past decade, the lifecycle of products has been shortened due to the emergence of rapid consumer products worldwide, and, in turn, generates a large number of post-consumer waste. According to statistics, 68% to 85%, on average, of ocean waste worldwide is various plastic products, and how to effectively utilize such waste has become one of the mid-to-long-term missions of enterprises and brands. Particularly, in the field of electronic products, the recycling rate of electronic waste is merely 15% to 30%. However, the global market scale of the electronic waste management market has reached USD 63.4 billion in 2022, and it is expected to grow to USD 132.5 billion by 2028, with a CAGR of 12.84%, exhibiting huge business opportunities and challenges.

Adhering to the sustainability philosophy of Acer Group, Acer Gadgets actively promotes environmental innovations. We transformed PCR and OBP into recycled materials and promoted the Vero series environmental products in combination with innovative design concepts, including keyboards, mice, bags, and other peripherals. These products not only reduce the amount of waste buried but also achieve low carbon emissions

with sustainable designs.

In addition, we called upon consumers to jointly participate in environmental actions through diverse marketing activities (i.e., Earth Day initiative and community interactions). In the future, we will continue to increase the ratio of products in the eco-friendly series and realize the mission of the Group: “Saving the earth is not easy, but it is not impossible with joint forces.” Acer Gadgets believes that the green future will no longer be far away with the joint implementation of technology and sustainability. This version emphasizes the current market data, environmental protection mission, and specific actions of Acer Gadget and responds to the core value of sustainable corporate development.

(2) Innovative accessories

Acer Gadget has risen to the leading position of the “perfect cross-sector combination between technology, humanities and cultures, and belief.” How does smart wearables break new ground and become accessories? How does the design of smart wearables reflect users’ lifestyle? How does smart wearable technology convey comfort? How does smart wearable technology work with health management tools? How does smart wearable technology expand application fields and timing? Since 2018, we have adopted a blue ocean strategy for the differentiation of our smart wearables. The Company has gained the capability to develop a variety of innovative smart wearables that have been co-branded with other companies and won bids. We are always prepared for product iteration.

(3) Sustainable green energy products

In 2016, over 170 countries executed the “Paris Agreement” worldwide to jointly commit to the prohibition of global warming and the reduction of carbon emissions. Subsequently, energy conservation and carbon reduction have become the joint mission of countries worldwide, industries, and all human beings. It also brought about various development opportunities and industry trends (i.e., micro mobility technology, ESG value management, and net zero and carbon reduction).

Adhering to the sustainability commitment of Acer Group, Acer Gadgets actively invests in R&D and product development in relevant fields. After the launch of the eMobility product line (i.e., Acer ebii and eKinekt), Acer Gadget further focused on the fast emergence of the energy storage market. According to the market forecast, the global energy storage market scale has reached USD 7.8 billion in 2021, and it is expected to undergo a high-speed growth period in the following five to ten years. As such, we formally launched the energy storage power bank series (i.e., Acer Power Bar) to satisfy the requirements of families, businesses, and outdoor users for a stable energy supply.

The energy storage products of Acer Gadget adopt LPF batteries with high safety and have built-in AI smart battery management systems that improve energy consumption efficiency and ensure the stable operation

of equipment. In addition, our products support multiple charging methods, including solar charging, to further reduce the reliance on fossil energy. These innovative designs not only exhibit our commitment to energy conservation and carbon reduction but also provide users with smart and sustainable energy solutions.

Looking to the future, Acer Gadgets will continue to deepen its planning for product lines and promote green energy innovations in combination with the resources of Acer Group to realize its ESG targets. We believe that the dual implementation of technology and sustainability will realize corporate growth and make contributions to the sustainable development of Earth. This version emphasizes the specific actions and future planning in the fields of energy conservation, carbon reduction, and energy storage while responding to the prevailing market trends and corporate missions.

Fashion Business Division

The development of the bag and luggage market is moving toward sustainability and multiple functions. However, the true innovation shall have solving the pain points of consumers as the core instead of purely apply technologies for technologies' sake. The Fashion Business Division will focus on the following three aspects:

(1) Combine mature technologies to improve user experience

During the design process, introduce mature technologies to improve user experience to solve the pain points of inconvenient portability or insufficient safety for the convenience of travelers and daily users. Meanwhile, ensure that such functions are easy to use visually, avoid affecting user experience due to complicated operations, and ensure the true value of technology applications.

(2) Introduce eco-friendly materials and procedures

With the increase in the attention attached by consumers to sustainable products, increase the consumption ratio of eco-friendly materials, including PCR, OBP, and other recycled materials. In addition, we adopted production technologies with low carbon emissions and waste reduction strategy through the optimization of procedures to reduce the environmental burden throughout the product lifecycle to realize the SDGs.

(3) Improve product quality and extend products' useful life

The reduce the requirements of consumers for frequently replacing bags due to damages to products or poor quality, we focus on the durability of products and the improvement in quality. By strengthening the structure designs and adopting high-quality materials and stringent quality control, we reduced the so-called consumption frequency, reduced the waste of resources, and improved the long-term value of the brands.

As important carriers of the combination between modern technologies and humanities and cultures, the development trends of smart wearables focus on the following points:

- (1) Combine technology with emotion and enhance product designs with humanity.

Smart wearables not only provide health monitoring and data analysis functions but also offer emotional care to allow the equipment to be closer to the living requirements of users and become important tools for daily support. Meanwhile, we improved the usability and happiness of products through designs to create functional and warm products.

- (2) Cross-section cooperation and standardization

To satisfy the requirements of different groups, we will continue to enhance the co-branding cooperation with other brands, cultural institutions or activities for smart wearables. In addition, customized services will become an important trend. We will provide personalized appearance designs or exclusive functions to improve the user experience and the sense of belonging of consumers.

- (3) Adopt fashionable designs to expand consumer groups

Smart wearables are no longer just technological products, but have become important carriers for consumers to express personal tastes and styles. We will continue to enhance the fashion design element of products to attract consumer groups with higher requirements for designs so as to further expand our market scale.

The application of AI technologies in fashion and technology products has been increasing, including the following two major aspects:

- (1) Personalized consumer experience

Utilize AI technologies to analyze market trends and consumer behaviors to realize product designs and recommendations with higher precision. Otherwise, utilize AI in optimizing digital marketing elements to improve the conversion rate of advertisements. Such personalized experiences not only improve consumer satisfaction but also improve their loyalty to brands.

- (2) Support sustainable implementation and optimize the entire industry chain

AI technologies can be used in the optimization and resource allocation of the supply chain to reduce energy consumption and the generation of waste from production to logistics. For example, Use AI models to simulate the production efficiency to reduce the waste of materials or precisely predict the requirements through data analysis to reduce excessive inventories. In addition, AI can assist in developing sustainable

materials and product designs to drive brands toward ESG targets.

Smart Mobility Business Division

We also use our advantages as a group enterprise to collect and utilize development information to think about what we are going focus in terms of R&D in the next stage. In the future, through AI combined with the technology of the Internet of Things, mobile vehicles can not only monitor personal health conditions while riding a bicycle or scooter and provide an early warning of physical danger, but also check real-time road conditions and sense the air quality of the riding environment, truly realizing smart cycling. In addition, mobile vehicles integrated with a cloud system can record and upload the internal and external conditions of the ride, and confirm them through the mobile app. Finally, the system will perform big data calculations to analyze appropriate suggestions and provides related reference materials. This enables the smart mobility industry to get closer to the experiential needs of end customers. The ebii electric-assist bicycle is an ultimate product that integrates various resources within the Group in the vision of smart mobility.

Our e-Scooter has recently become a favorite vehicle among young people. It can be easily placed in the trunk of a car and provides users with last-mile convenience. Our accumulated experience in the sale of e-Scooter in Europe since 2020 allows us to better grasp the needs of users right away and plan a full range of product series with market competitiveness. For example, we equip the app with intelligent control, and offer a beginner version with a minimalist design and an advanced version for extreme sports to allow more different level of users to easily shuttle in cities.

In addition, the Company will maximize the influence of our e-Mobility items for the long-term common good. We have formed a B2B alliance with our upstream and downstream partners and homogeneous enterprises at home and abroad that are also pursuing sustainability and green energy to spread the design concepts and sustainability features of ebii and eKinect to the business or office spaces of other enterprises. Through the app, it is possible to record the contribution of carbon reduction and energy saving or the conversion of kinetic energy into electricity, thereby enabling smart pushing on social media and healthy competition. In this regard, Acer Gadget continues to implement the mission of "developing products with technology and creativity, realizing a smart lifestyle, and breaking down barriers between people and technology" and make the vision of sustainable ESG a reality.

4. Competition

Smart Device Business Division

Looking at the overall market of computer peripherals, it is common to see homogeneous products (from competing brands: ASUS, MSI, Logitech, Razer, Corsair, etc.), not to mention the white label products that are dumped at low prices from China. Despite that, the Company still maintains differentiation and originality in the competitive market by not only possessing the

development experience of hardware peripherals over the years but also having a team dedicated to key segments, such as grasping market trends and creating innovative designs.

Also, we are not worried about intensifying competition in non-gaming peripherals. In addition to the above-mentioned first-tier brands, there are also other up-and-coming brands (such as J5 Create, Targus). In response to the trend of lightweight laptops and the impact of the pandemic that have changed the using habits of consumers, we use the Group's resources to get an insight into trend changes in advance. By gaining an understanding of the key trends in laptop ICs, we can carry out the planning of products of different levels for the Multitasking Extension series to maintain a certain market share.

Since 1999, when CSR started to be promoted, all large and small companies around the world have advocated and supported the idea. However, when it comes to the introduction of ESG measurements in practice, they are not as active as they claim. Acer Gadget adheres to the ESG governance and strategies advocated by Acer Group and uses the sustainability of the environment, society, and company management as measurement indicators. We will continue to break the barriers between human beings and technology with our entrepreneurial spirit and strive to develop the ESG & Eco-friendly series.

Fashion Business Division

The bag and luggage market is a pyramid in terms of price. Famous and conspicuous brands such as Tumi in business bags and Rimowa in luggage make up the top part. At the middle are brands that focus on functionality or materials and have relatively lower prices, such as Samsonite with travel bags, Thule with sports bags, or Port Design with urban bags with emphasis on design. The bottom is white labels with sharp prices and concerning quality. The Company's products currently are mid-priced in this market, hoping to win the trust of the target audience with our image featuring reliable quality, key functions, and classic design.

The smart wearables market is mainly led by global leading brands (i.e., Apple, Fitbit, and Garmin), and high-end health monitoring and sports tracking functions occupy the mainstream market, attracting the core group that values health data. Meanwhile, certain small-to-medium brands entered through the market segment strategy (i.e., fashion wearables or emotion management functions) to provide diverse options. The Company's smart wearables focus on the combination of fashionable design and emotional technology and attract target groups through cross-sector cooperation. In a market with intensive competition, we will adopt personalized services and humanity experience as our core competitiveness to strengthen the influence of our brands.

Smart Mobility Business Division

Smart mobility products including electric-assist bicycles and e-scooters are

rapidly emerging in the European and American markets, which have become battlefields for companies. How to increase future growth momentum through vertical integration and expansion into other industries has become a major challenge. Based on the hardware experience accumulated through trainers in the past, Acer Gadget will maintain the advantages of traditional bicycles, create innovative exterior and patented electromechanical designs, and combine bicycles with intelligent control to create a niche for market differentiation.

(III) Technology and R&D overview

1. Technical level of business activities and R&D

Since its establishment, Acer Gadget Inc. has been committed to technology innovation and product R&D and the creation of diverse products with smart technologies through the collaborative development of its three major business divisions. Each business division focuses on different fields, integrates advanced technology and market demand, and continues to improve the Company's competitiveness:

Smart Device Business Division

From one department under the information product business group of Acer Group to the formal separation as GadgeTek in 2018, Acer Gadget successfully stood still in the computer peripherals and accessories market, covering the R&D, design, production, and sales from connecting wires to gaming cockpits. During the period, the Company obtained multiple patented technologies and design achievements and became the pioneer in the electronic stored value card market in making electronic stored value cards wearable and accessories to promote contactless payment and its popularization through cross-sector cooperation.

After E-TEN Information Systems and GadgeTek were combined and became Acer Gadget Inc. in June 2021, the Company further combined the long-term advantages of E-TEN Information Systems in terms of software development and integration and strived to break down the wall between consumers and technologies. The Smart Device Business Department launched diverse smart peripherals that are designed by adopting consumers' requirements as the core, emphasizing innovation, convenience, and the optimization of use scenarios. Such products not only satisfy the requirements of general consumers and commercial groups, but we also actively reach out to the elderly group, outdoor enthusiasts, religious groups, and pet-related market to realize a smart lifestyle with technologies and creativity.

With the rapid development of AI technology, Acer Gadget adopts AI as one of the core drivers for its future product planning. In 2025, the Company will focus on the AI application field and combine edge computing and Big Data analysis technology to not only improve user experience but also allow smart life to enter a new era. For example, Acer ebii, the AI-driven smart bicycle launched by the Company, provides personalized riding experiences through machine learning technologies and has won multiple international design

awards.

Looking forward, ESG concepts will be incorporated into product development and technical innovation to create smart devices that comply with the targets of net zero carbon reduction by adopting sustainable materials and environmental designs as the basis. The Company has gradually established a stable layout of ESG-related products through patent applications and market analysis. Leveraging the cross-sector integration capability and innovative business models, Acer Gadget will continue to expand the application scenarios of smart devices to satisfy the requirements of different groups from width to depth so as to realize the brand mission of "technology-empowered sustainable life." This version combines AI technology application, ESG prospects, and the innovation strategy of Acer Gadget, fully exhibiting the long-term planning and future directions of the enterprise in the smart device field.

Fashion Business Division

The Fashion Division focuses on combining technology and fashion and has built user-friendly products with stable quality by collecting data on consumers' feedback and user experience. We work closely with internal and external groups that are familiarized with user experience, conduct in-depth analysis of the latest design, material, and user scenario trends, and formulate product directions. After the product manager and designer have the idea of the blueprint, the plants are responsible for the manufacturing to ensure that product design and consumers' requirements are highly aligned.

In terms of R&D of patents, the Fashion Business Division will increase its investments and focus on the integration with mature technologies, application of new materials, environmental procedures, and other fields to build its patent barrier step by step so as to improve its market competitiveness. We cooperate with external associations and laboratories to regularly exchange industrial knowledge and technology trends and encourage employees to participate in professional continuing education to continue enhancing the technical R&D capacity. In addition, we prioritize partners in the supply chain with development strength to jointly formulate the technology application blueprint for one to two years through the exchange of both parties in terms of market trends, technology advancement, and material supply.

In the future, the Fashion Business Division will adopt patent deployment as its core, deepen technology innovation and material application, realize the brand mission of "combination between technology and fashion," and secure a place in the bag, luggage, and smart wearables market.

Smart Mobility Business Division

As industrial technologies and trends change rapidly, in addition to cementing cooperation with existing industries, we continue to improve our technical capabilities related to batteries, motors, and electronic control, and

integrate intelligence, artificial intelligence, and various information and communication technologies to increase the depth and breadth of our core product portfolio.

Apart from the three major business divisions above exerting their advantages in their respective fields and promoting the long-term development of the Company in the fields of smart devices, fashionable technology, and smart mobility, the Company established an R&D department to focus on the research of the extensive application of AI and R&D technologies and make good use to the software capabilities as a former IT company to combine AI learning, Big Data analysis, and other analysis to expand new application models in terms of products. With the differentiation of software, commercialize our concepts based on consumers' requirements. At present, we have explored the following achievements and commenced the patent applications:

(1) Medical care services

A smart medical care solution with the purpose of improving the precision and convenience of home health management through generative AI and smart wearables. The core technologies include medical-grade AI models, medical center collaboration mechanisms, home care robots, and the integration between smart wearables and APP integration, providing comprehensive, personalized health management solutions. With the set of AI smart medical care services, users will be able to enjoy convenient, professional, and smart health management experiences and, in turn, improve their overall living quality.

- Professional medical AI model: The professional medical AI model utilizes generative AI technology to establish the professional medical AI model with high precision. Through in-depth learning and Big Data analysis, AI can provide personalized care suggestions based on user's health conditions, living habits and medical data. This not only improves the accuracy of health monitoring but also effectively reduces the waste of medical resources.
- Cooperate with medical centers to enhance professional information. To ensure the accuracy and reliability of the AI models, we are currently cooperating with medical centers for them to provide authoritative medical data and opinions of experts, and we continue to update the AI training data to allow it to comply with the latest medical standards. In addition, physicians and professional nursing practitioners can also provide real-time health suggestions or remote treatment through the system.
- Popularization and application of home care robots: The integrated home care robots allow the AI model to combine with smart hardware to further improve the efficiency of health management. For example, robots can monitor the home environment, remind about the taking of medicines, provide exercise and health suggestions, and even help elders or those

with mobility disabilities to perform basic activities on a daily basis, improving the quality of life and safety.

- Integration of smart wearables and APPs: Integrate with smart wearables (i.e., smart bracelets, smart patches, or smart apparel) to collect physiological data from users (i.e., heartbeats, blood pressure, and sleep quality). These data will be uploaded to the APP simultaneously and analyzed by AI to provide real-time health reports, anomaly alerts and personalized health suggestions and help users manage their own health effectively.

(2) Smart information equipment

Utilize the Edge AI technology to develop the new generation computer peripherals to provide high-performance and personalized smart experiences to users through audio identification, video analysis, and real-time data processing. Our products cover three major categories (audio application, image application, and data analysis), and they are extensively used in office, entertainment, and safety monitoring fields to improve convenience and production capacity. The Company is committed to creating high-performance, safe, and personalized smart peripherals with Edge AI technology, bringing global users a smarter digital experience.

- Audio application - real-time translation and voice recognition: Carry out voice identification and translation rapidly by using the built-in high-performance chip of the product to allow users to immediately realize audio interactions with low latency and high precision without relying on cloud processing. For example, smart earphones and microphones can support real-time translation and audio assistant orders, which is suitable for international meetings and environments with multiple languages, improving communication efficiency.
- Image application - real-time image identification and safety management: The Edge AI image processing technology can immediately analyze the filing screen and provide fast and accurate image identification feedback so as to improve safety and monitoring efficacy. When applied to cameras, it can provide safety monitoring to immediately identify human facts and abnormal behaviors to improve corporate and home safety management.
- Data analysis - optimized user experience: Carry out real-time analysis of user behaviors and preferences and automatically adjust equipment parameters to provide a smooth and intuitive user experience. It can be applied to keyboard and mouse products to automatically adjust the input efficiency and feedback strength so as to provide the optimal user experience and production strength.

(3) Traffic safety control

The application of integrated AI technology to micro mobility devices allows products to have high-performance energy management and improve user satisfaction while reinforcing active safety maintenance to reduce riding risks.

- Smart assist: Adjust the personalized power assist model through AI learning. After riding for a period of time, the system will adjust the power assistance volume based on the assistance level based on users to allow more comfortable riding of users so as to provide stable output and riding feelings.
- Mission control: Extending from the abovementioned power assist model, as the prevailing battery and electromechanical system account for the considerable weight of the mobility carriers, how the remaining battery can allow users to reach the destination within limited power assist time based on the distance available has become the issue of concern of companies and electric carrier users. Utilize the AI technology and the past use habits of users to calculate the power consumption and the time consumption before departure for the convenience of users to carry out schedule planning. When the power is low, AI is able to do its best in allocating the remaining power to the sections that consume more physical power to allow users to arrive at the destination comfortably.
- Real-time traffic analysis: The automobile camera records the traffic to serve as the driving record and performs real-time analysis of road conditions through image identification (i.e., floods, holes, or barriers on roads). It can remind users to reduce the speed in advance or directly adjust the output of the controller of the motor to reduce speed to achieve the function of active protection.

(4) Popular and fashionable accessories

Different from wearables launched by traditional IT companies, with functions being the main consideration instead of appearance, those who wear such products are considered to be wearing them for special purposes (i.e., requirements for health management), and products cannot be generalized. The integration of bio-chip and sensor technology with popular fashionable accessories can maintain popular designs and achieve the function of health management and sports recording.

- Smart glasses: We adopted the modularized designs to integrate the electronic elements of smart modules and batteries with temples and allow the frame and chip with different usages to have smart functions through the unified connection interface that is combined with frame. In addition, the Company cooperates with well-known frame design companies to provide diversified frame styles to satisfy different application requirements, possess smart functions, and comply with fashion trends.
- Smart jewelry: Sensor chips are embedded in rings, necklaces, bracelets, and other jewelry. Such jewelry possesses beauty and health management functions. Such jewelry collects the real-time physical information (i.e., heartbeat, blood oxygen, and other data) of wearers, compiles and uploads the information to the APP of mobile phones, and provides basic health management services through AI analysis while reducing risks of diseases.

(5) Application of R&D technology

In terms of product R&D, we will mainly focus on AI applications and combine the achievements of the company in software development to focus on the analysis of the behavioral model of users. We will reflect the analysis results on product designs to provide better user experiences to users. Our product appeal is the integrated function of lifestyle and the increase in production strength. We will launch new technologies and services that comply with the requirements of customers and end users in due course to expand the operating scale and market share of the Company. We will incorporate our ESG blueprint that is gradually taking shape into the Company's innovative product planning and unique technology design. Through various patent applications and forward market analysis, innovation, design and technology are connected. From breadth to depth, we will create a stable pathway in the field of ESG-related products.

- Modularized development and designs: We adopted the modularized designs to integrate the electronic elements of smart modules and batteries to temples and allow the frame and chip with different usages to have smart functions through the unified connection interface that is combined with frame. In addition, the Company cooperates with well-known frame design companies to provide diversified frame styles to satisfy different application requirements, possess smart functions, and comply with fashion trends.
- Integrated applications of software and hardware plus services: During the stage of hardware design, we consider software applications to allow a seamless connection, which effectively reduces the risk of repeated designs. For example, when developing smart wearables, we design the chip structure that is compatible with the AI algorithm, which can avoid the hardware revision resulting from compatibility issues subsequently. In addition, the concurrent optimization of software and hardware can improve the overall efficacy of the system (i.e., reducing latency, improving computing efficiency, and reducing unnecessary waste of resources), ensure the operating smoothness and stability, and further improve user experience.
- Introduction of environmental and sustainable materials: For computer peripherals (keyboards and mice) and apparel wearables, we tried to adopt environmental and recycled materials for production. We adopted Econyl, ocean recycled yarns, and recycled yarns for bag products to manufacture and develop products that are eco-friendly with competitiveness while complying with the safety requirements of products and the requirements of consumers for functions and beauty and complying with the production cost efficiency so as to achieve the ultimate target of sustainability and respond to the joint concepts of Acer, the parent company, in "RE100."
- Adopt parts with low power consumption and low carbon emissions: Low power consumption and low carbon emissions are the material trends for the development of modern electronic products. The adoption of parts with low power

consumption can reduce the power consumption of equipment and improve the durability of batteries, and such parts are particularly suitable for portable devices that operate for a long time. In addition, we prioritize the procurement of parts from the supply chain with low carbon emissions to reduce the environmental burden during the course of production and promote the development of green technology. For example, we adopt chips with energy-saving technology and mechanical parts using recyclable materials in smart equipment to reduce carbon footprint and assist the enterprise in achieving the ESG (environment, society, and corporate governance) targets, improving brand competitiveness and market recognition.

2. R&D personnel and their academic background and work experience

Unit: Person

Academic background	2023	2024
Doctor's degree	-	-
Master's degree	6	6
College/university	-	-
Below high school	-	-
Total	6	6
Seniority	19.5	20.5

3. R&D expenses in each of the most recent five years

Unit: NTD thousand

Item	2020	2021 (After restatement)	2022	2023	2024
R&D expenses	80,158	58,466	45,630	62,109	46,471
Operating revenue	1,030,737	1,445,713	1,662,340	2,085,866	2,605,483
As a percentage of total revenue	7.78%	4.04%	4.54%	2.98%	1.78%

4. Technologies or products successfully developed in the most recent five years

Smart Device Business Division

Year	Technology	Product
2019	Electronic system and human-machine interaction method	eRosary
2019	Headset (Through a new design technology, the built-in electrodes in the earmuffs can detect the physiological information of the user)	Predator Galea500 True Harmony™ 3D Soundscape Headset
2020	Wearable electronic device	ePay Cross launched together with the Pontifical Mission Societies and iPASS
2021	Gaming cockpit (including a base, a stand, and support components. It uses a new patented technology where the stand is placed over the base and the support components are installed on the stand)	Predator Thronos Full-featured Gaming Cockpit
2022	We combined new visual elements, complied with ergonomics, and introduced the design of light bars behind the table board.	Full series gaming tables and chairs
2023	Multi-platform support the integration system and self-produced paper and plastics	Packaging of game controllers and mice
2024	Smart electricity distribution management and multi-protocol integrated system	Portable charging station and active stylus

Fashion Business Division

Year	Technology	Developed product
2024	<ul style="list-style-type: none"> ● Power-generating wheelsets of luggage ● Smart anti-breach device for handles of luggage ● Balance detection device for wheelsets of luggage 	Luggage
2024	Smartwatch with physical information monitoring	Smart wearables

Smart Mobility Business Division

Year	Technology	Developed product
2022	Connection and intelligence	eScooter series
2023	Kinetic energy-electricity conversion device	eKinect
2023	<ul style="list-style-type: none"> ● The structural design of the replaceable rear warning signals and collision avoidance radar modules ● Design of programmable warning signals 	ebii Electric-assist Bicycle
2024	Hardware and software integration and adjustment to optimize user experience	Predator eNomad-R
2024	Smart vehicle tracking technology	Predator eNomad-R

(IV) Long-term and short-term business development plans

1. Short-term business development plan

Smart Device Business Division

In addition to consolidating the existing PC sales channels, the Company will also focus more on the development of innovative accessories other than computer peripherals to develop different sales areas. For example:

- Smart Prayers Beads launched for the Dajia Matsu Pilgrimage event.
- eRosary and ePay Cross designed specifically for Catholic users.
- Had cross-industry cooperation with NKUST for iPASS bracelets.
- Portable charging station equipped with smart power management technology.
- Launched smart EVs suitable for the education market.
- The action figure of the virtual character of the Southeast Asian gaming competition in 2025.

For gaming products, our business development plan is as follows:

- Continue the research and development of new technologies and unique products so that gamers can associate the Company's innovative products with the gaming industry. For example, the Predator Thronos Full-featured Gaming Cockpit has been marketed in many countries and participated in many large-scale gaming or shopping mall events.
- Developed a full series of gaming tables and chairs concurrently and introduced brand-new vision and exclusive value-added designs to allow the full series of products to stand out. In combination with the relatively mature and comprehensive product lines of gaming keyboards, mice, and earphones, we

cater to the market demand from different countries and customer groups.

- Actively participate in international awards such as Red Dot, Good Design, Computex, Taiwan Excellence Award, and CES Innovation Award to improve product visibility.
- Collaborate with schools with e-sports classrooms to train e-sports players. For example, Shu-De Home-Economics & Commercial High School in Kaohsiung uses our gaming laptops bundled with desktops in its e-sports classroom.

For sustainable green energy products, our business development plan is as follows:

- In response to the international trends, we entered the European market with relatively tight energy to allow individuals and households to easily store energy and conserve energy. Meanwhile, we provided EVs for the education market to allow schools to have effective equipment and charging management.
- The broad scene of sustainability includes the user scenario that one product has multiple functions. Acer Gadget carried out in-depth research on transmission efficiency and launched the multitasking ports equipped with USB4.0, the latest high-speed transmission protocol. Except for smart charging management, the built-in high-speed transmission chips allow users to feel the efficacy of high-speed multitasking.

Fashion Business Division

Product line optimization and market promotion: Focusing on bags, luggage, and smart wearables, launch medium-priced products that combine with environmental materials and smart functions to satisfy the requirements of consumers for sustainability and technology. Reinforce the exposure of our brand in the target market and improve the recognition and preference of our brand through digital marketing, social media, and cross-sector cooperation.

Patent deployment and technology R&D: Increase patent applications and create competition barriers, particularly for the integration of smart functions, new materials, and content. Meanwhile, cooperate with suppliers and external laboratories to optimize product designs and production procedures.

Improve the efficiency of the supply chain: Strengthen the technical exchange with partners, ensure the supply is stable, and shorten the cycle of products from design to launch.

Smart Mobility Business Division

Use the technology combined with the IoT and AI to monitor personal health conditions while riding a bicycle or scooter, provide an early warning of physical crisis, check real-time road conditions, and sense the air quality of

the riding environment, truly realizing smart cycling. In addition, mobile vehicles integrated with a cloud system can record and upload the internal and external conditions of the ride, and confirm them through the mobile app. Finally, the system will perform big data calculations to analyze appropriate suggestions and provides related reference materials. This enables the smart mobility industry to get closer to the experiential needs of end customers.

Business development:

- Market eScooter in the American and Asian markets in addition to Europe.
- Develop B2B channels for eKinect and bring in more corporate customers.
- Develop e-bikes other than the flagship model ebii to meet the needs of different customer groups, and open distribution and direct sales channels around the world.

2. Long-term business development plan

Smart Device Business Division

Move on in two directions in the long run: running self-owned brands and acting as an OEM for other brands. As a part of Acer, we are fully aware of the importance of branding. Only by owning its own brand can an enterprise ensure long-term management. We do not position our products only as computer peripherals. As a diversification strategy, our products are combined with life, humanities, environment, religion, technology, etc. to expand the smart lifestyle field.

Our biggest advantage is that we are familiar with many industrial manufacturers and have full control of upstream and downstream supply chains. We can reliably track the source of materials, production and manufacturing, and logistics deployment, and help brand distributors with the planning of high-quality products with high cost performance.

In addition, we developed the core new business model in 2024. We are committed to developing new customers and promoting cross-border e-commerce. In particular, Amazon, a cross-boarder e-commerce, recorded outstanding performance. With the continuous high demand in the market, the monthly sales volume and capacity were driven constantly, bringing a brand-new business layout for Acer Gadget.

Fashion Business Division

Market expansion and brand upgrade: Work with internal and external partners to strengthen market deployment in various regions. Gradually promote high-end product lines to improve brand image.

Combination of intelligence and sustainability: Explore advanced smart technology applications (i.e., personalized health management and

recommendation functions), include ESG concepts in all product lines, and increase the use of recycled materials and procedures with low carbon emissions.

Data-driven decision-making: Adopt AI to perform market analysis and consumer behavior research and realize more precise product designs and marketing strategies to continue to increase the momentum for business growth.

The Fashion Business Division will adopt innovation and sustainability as the core, steadily move toward its short-term and long-term targets, and expand its market influence and competitiveness.

Smart Mobility Business Division

Create industrial modules, accumulate development experience to establish professional system modules, reduce learning time and errors during the establishment of new systems, create an expert system through AI technology, quickly launch products that can meet customer needs, and reduce development time and costs. Continue to deepen the integration of cybersecurity technology functions and build competitive strength against traditional smart mobility product brands.

II. Overview of the Market, Production and Sales

(I) Market analysis

1. Regions where main products (services) are marketed

Unit: NTD thousand; %

Marketing region \ Year	2023		2024	
	Sales	Proportion (%)	Sales	Proportion (%)
Domestic sales	1,165,307	55.87	1,190,101	45.67
Export sales	920,559	44.13	1,415,382	54.32
Total	2,085,866	100.00	2,605,483	100.00

2. Market share

Smart Device Business Division

At present, the Company's smart devices are marketed through retail channels and bundled with laptops. The Company's main products include mice, headsets, styluses, adaptors, and other small accessories. In 2024, the global laptop shipment reached 600 million units, of which Acer's laptops accounted for about 7%. 5-10% of the Company's products are bundled with laptops, with an annual shipment volume of 900K-1800K. If the retail shipment volume and the capacity of the cross-border e-commerce are counted, the market share would be about 5-6%.

Fashion Business Division

According to Euromonitor International's data in 2023, the demand in the global bag and luggage market grew stably. In 2023, the sales reached USD 161.1 billion, and the estimated CAGR from 2024 to 2028 reached 8.0%. The market share of the Company in such market is approximately 1.85%

Smart Mobility Business Division

Due to the scale and the resources invested, we focus on long-term collaboration with customers, and we mainly work with customers to achieve mutual benefits. In the short term, we will keep our focus on industrial applications and customer support, so we do not plan to estimate market share.

3. Future supply, demand, and growth of the market

Smart Device Business Division

After an explosive growth due to the pandemic, the demand for PCs will gradually weaken, and this will be the case for computer peripherals. Fortunately, Acer Gadget has already developed other non-computer peripheral products, such as the Innovative Accessories and Sustainable Green Energy series, which are products developed in response to trends.

By the end of 2022, the global e-sports industry generated nearly USD 1.38 billion in revenue. In addition, according to the statistics of a survey organization, the growth trend of the gaming industry is considerably clear. The scale of the gaming market in 2024 was USD 2.11 billion, and it is estimated that it will reach USD 5.27 billion by 2029, with a CAGR that is likely to exceed 20%. For gaming products, we not only increase the number and types of products, but also work with schools with e-sports classrooms to sponsor product promotion and e-sports events, exposing our brand to students.

Fashion Business Division

According to Euromonitor International's 2023 report, the scale of the global bag and luggage market reached USD 143 billion in 2022, and it is estimated to break through USD 200 billion by 2027, with a CAGR of 8.1%. The demand for backpacks and business bags had significant growth of 9.5% and 12.3%, respectively, and the CAGR of luggage reached 7.8% due to the recovery of traveling. The demand for laptop sleeves also continued to grow. The CAGR from 2022 to 2028 is 6.8% and 6.1%, respectively, showing that the increase in outdoor activities and commuting requirements brought positive impacts on relevant markets.

The smart wearables market is expected to reach USD 120 billion by 2028, with a CAGR of 11.2%. The demand for health monitoring devices (i.e., smart rings and bracelets) continued to grow, and the emerging functions (i.e., emotional companionship and personalized designs) have also become the highlight in the market. The application of AR/VR equipment and smart glasses has been expanded into education, entertainment, and commercial

fields with a huge growing potential.

With the increase in the demand of consumers for sustainable products, recycled materials and eco-friendly technologies have become material trends. The Fashion Business Division will combine technology and fashion, promote smart functions and the application of sustainable materials, and respond to the opportunities for market growth with innovative designs to realize long-term stable development.

Smart Mobility Business Division

According to the report of Statista, a market research institution, in 2022, the market scale of electric-assist bicycles will grow from USD 20.5 billion in 2018 to USD 62.3 billion by 2030. According to the market survey report of Vantage Market Research in 2024, it is also estimated that the annual production value of the electric-assist bicycle market will grow from USD 33.3 billion in 2023 to USD 68.5 billion by 2032. Regarding data from different market survey institutions before and after the pandemic, the forecast of positive high growth is maintained for the prospect of electric-assist bicycles.

In addition, according to the forecast of IMARC Group, a market research institution, the market scale of e-Scooters in 2024 was USD 3.8 billion, and it will grow to USD 8.5 billion by 2033, with a CAGR of 9.3%. Grand View Research, a market survey institution, positively estimates that the market of e-Scooters will grow from a market scale of USD 7 billion in 2025 to USD 12.3 billion by 2030, with a CAGR of 11.9%.

Smart mobility products can satisfy the requirements of consumers for exhibiting lifestyle, seeking personal health, implementing environmental concepts, and flexible commuting; therefore, based on the estimations of different market survey institutions, smart mobility products will exhibit a trend of high growth. Furthermore, the combination of sharing platforms and IoT is an opportunity for expanding smart mobility in the future.

4. Competitive niche

Smart Device Business Division

Leveraging the in-depth capabilities in the design of gaming peripherals, Acer Gadget successfully launched multiple popular products, including keyboards with special designs (i.e., Aethon700), mice, and earphones to create niche products of the high-performance gaming brand exclusively designed for players. In addition, the full series of multi-function docking stations of the Company became the top choice of consumers with its excellent price-performance ratio and extensive compatibility.

In recent years, Acer Gadget made active deployment in the “living technology” and “green energy and sustainability” fields and combined with AI technology to continue promoting product innovations. The “Wearable Payment Device” exhibited the outstanding capacity of the Company in hardware design and software integration, and the ESG & Eco-friendly series

made with environmental elements further consolidated the Company's leading position in sustainable development. These innovations not only attract the attention of consumers who value environmental protection but also significantly enhance the brand image.

In 2025, Acer Gadget will incorporate AI technology into multiple product lines, including:

- Smart home: Launch smart electronic door locks and real-time audio translation earphones to improve convenience in home and commercial application scenarios.
- AI translation: Launch real-time audio translation earphones for the requirements of business, travel, and immigrant worker markets to secure business opportunities in the AI translation market.
- Smart micro mobility: Adopt the core AI technology to upgrade the Acer ebii series, including ebii elite and other new products, and strengthen the acceleration performance and climbing capacity to satisfy riding requirements for different topographies.

In terms of green energy and sustainability, the Company extended the energy storage power bank series launched in 2023 and further extended them to home and business application scenarios in 2024. These products adopt high-performance LPF batteries and solar power charging technology, which not only reduce carbon emissions but also provide stable and sustainable energy solutions for customers. Meanwhile, the Company extensively used environmental materials (i.e., PCR and OBP) in product designs to realize the low carbon and eco-friendly targets.

In the future, the Company will continue to invest a certain percentage of its revenue as R&D funding to support the innovative development of AI and green energy technology. Through patent applications, forward-looking market analysis and cross-section cooperation, Acer Gadget will launch new technologies and services that comply with the market demand in due course and constantly expand its business scale and market share.

Adopting “technology empowered smart life” as the mission, Acer Gadget continued to innovate in AI and green energy fields, realized corporate growth, and strived to promote global sustainable development to jointly welcome the new eco-friendly era with smart technologies. This version combined AI applications, green energy and sustainability planning in 2024, and market trends, fully exhibiting Acer Gadget's innovative strategies and future directions.

Fashion Business Division

- (1) In-depth understanding of the technology industry and the bag and luggage industry: bags and luggage are one of our main products at this stage. Our cross-sector knowledge and supply chain network for such industries are helpful for our product development, marketing, and

- competitiveness enhancement in this field.
- (2) Multi-brand roadmap: Acer Group has Acer, Predator, Nitro, ConceptD, and other brands. We have Xplova, Pawbo and AFS selected and product brands created for the combination of technology and fashion. They all have their own target groups, and product design and development differ accordingly, which helps maintain product diversity.
 - (3) Global customer base and service experience.

Smart Mobility Business Division

Acer Group has a footprint in more than 160 countries around the world. Marketing resources, channel relationships, and after-sales service network are the cornerstones for us to expand our smart mobility business. With years of experience in information technology and information security management, as well as in-depth technical capabilities and resources, we gain an advantage in the AI and big data application field.

With the resources invested by the Group in ESG and our expertise in vertical integration and innovative planning, early observation of the market through overseas branches, and experience in upstream and downstream supply chains and software development for trainers from E-TEN Information Systems, Acer Gadget can have comprehensive strategic planning and implementation for design, materials, manufacturing, and sale in constructing existing and future e-Mobility product lines.

5. Favorable and unfavorable factors for development prospects and countermeasures

Smart Device Business Division

(1) Favorable factors

- Industry growth (e.g., the gaming market and smart driving automotive market).
- Technology leadership (the capability to integrate software and hardware).
- Product diversification (products spanning gaming and non-gaming fields and covering ESG issues).
- OEM and branding.
- Establishment of domestic and overseas channels.

(2) Unfavorable factors and countermeasures

- Fierce competition in PC peripherals causes limited room for gross margin. The countermeasure is increasing the product portfolio with higher gross margin (i.e., docking stations, portable charging stations, and EVs for the education market).
- The risk of shortage of materials has led to material mismatch, causing financial pressure, and prolonged production time will affect the tender process and the normal distribution process.

The countermeasure is reviewing product design and avoiding launching products for which there are no alternative materials.

- Our countermeasures against rising freight costs or longer transit time include creating an appropriate inventory mechanism and using land transportation (e.g. trains between Europe and Asia).
- Our countermeasures against the lack of cross-disciplinary R&D capacities that affect product competitiveness include continuously engaging in cross-department collaboration, expanding the deployment with partners, and increasing investment in R&D and design to ensure innovation momentum.

Fashion Business Division

(1) Favorable factors

- The cross-sector knowledge and supply chain network for technology and bag and luggage industries are beneficial for focusing on product development, marketing, and the increase in competitiveness in such fields.
- Many of our existing IT channels have not started to market emotion products or are familiarizing themselves with this business. Therefore, there is a lot of room for growth.
- Our multi-brand product roadmap can help maintain product diversity.
- Our global customer base and service experience help us grasp market dynamics and roll out new product lines in the shortest time possible.

(2) Unfavorable factors

- Inflation prolongs the purchase cycle of consumer products or reduces the amount consumers are willing to pay for consumer products. The countermeasures include maintaining a balance between products of different price ranges while ensuring a certain level of quality, and investing resources in aspects that consumers value to improve product attractiveness and, in the medium term, expand the circular economy operation plan.
- Our countermeasures against rising freight costs or longer transit time include coordinating with distributors in countries to appropriately accumulate inventory in order to reduce possible losses that may be caused by rush orders, and continuing to develop local production lines to reduce the proportion of freight costs in total costs.
- Our countermeasure against the improper management of restricted substances (RSL) in the upstream supply chain is working with internal and external quality supervision and testing bodies to implement internal quality control procedures and standards and ensure the safety of supplied materials.
- The lack of R&D and design capacities cannot support the product competitiveness required for business growth. The

countermeasure is continuously investing in R&D and design to ensure innovation momentum within the Company.

- A brain drain hinders operations and business promotion. The countermeasures are providing a stage for competent employees with potential to develop, ensuring smooth communication and flexible job rotation, and offering an employee stock subscription plan to share with all employees growth dividends that the Company enjoys.

Smart Mobility Business Division

(1) Favorable factors

- We have accumulated information technology capabilities over the years, which is an great advantage for the development of new applications in the field of AI and big data.
- Acer Group has a footprint in more than 160 countries around the world. Marketing resources, channel relationships, and after-sales service network are the cornerstones for us to expand our smart mobility business.

(2) Unfavorable factors

- COVID-19 has caused imbalance in the supply chain, and distribution channels are still depleting existing inventory.
- Geopolitics and wars have resulted in an uncertain global economic outlook, and inflation has also affected consumers' disposable income and consumer confidence.

(II) Important uses and production processes of main products

Smart Device Business Division

- Important uses of main products: Entertainment, commercial or leisure goods.
- Production process of main products: Not applicable as our main products are mainly processed by external vendors.

Fashion Business Division

- Important uses of main products: Bags, luggage, wearable accessories.
- Production process of main products: Not applicable as our main products are mainly processed by external vendors.

Smart Mobility Business Division

- Important uses of main products: Personal smart mobile products.
- Production process of main products: Not applicable as our main products are mainly processed by external vendors.

(III) Supply of main raw materials

Business unit	Main materials	Supply status
Smart Device Business Division	Electronic materials, mechanical materials, and packaging materials	Through the procedure involving inquiry, comparison, and bargaining, a number of strategic partners are carefully selected for the effective allocation, scheduling and control of major parts
Fashion Business Division	Plastic products (i.e., PET/PP/ABS/PC), metal materials (i.e., titanium alloy), chips and sensor components (i.e., MEMS).	The Company works with multiple suppliers for a multi-regional production plan. We source these materials mainly from Taiwan, Southeast Asia, America, and Italy. At this stage, we are also strategically avoiding the use of raw materials with unique specifications to reduce the risk of supply disruptions caused by a single source.
Smart Mobility Business Division	Electronic materials and mechanical materials	We implement a multi-partner strategy, carefully select partners for mechanism materials, and ensure the supply of key electronic components

(IV) Names of suppliers (customers) accounting for more than 10% of the total purchase (sales) in any of the most recent two years, the amount and proportion of the purchase (sales) therefrom (thereto), and an explanation of the reasons for any increase/decrease.

- Names of suppliers accounting for more than 10% of the total purchase in any of the most recent two years, and the amount and proportion of the purchase therefrom

Unit: NTD thousand

Year	2023				2024			
	Name	Amount	As a percentage of net purchase of the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchase of the year (%)	Relationship with the issuer
1	Vendor A	193,057	11.05	-	Vendor A	129,019	5.77	-
2	Vendor B	185,242	10.60	-	Vendor B	182,908	8.19	-
	Net purchase	1,368,742	78.35		Net purchase	1,922,360	86.04	
		1,747,041	100.00			2,234,287	100.00	

Explanation of the increase/decrease: The net purchase from Supplier A in 2024 decreased from 2023 mainly due to the increase in the number of suppliers for purchasing certain items to adjust required purchase quantities. The decrease in the net purchase from Supplier B in 2024 compared to 2023 was mainly due to the decrease in orders, which caused the decrease in purchases.

- Names of customers accounting for more than 10% of the total sales in any of the most recent two years, and the amount and proportion of the sales thereto

Unit: NTD thousand

Year	2023				2024			
	Name	Amount	As a percentage of net sales of the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales of the year (%)	Relationship with the issuer
1	ACER	971,197	46.56	Parent company	ACER	1,056,092	40.53	Parent company
2	Acer (Chongqing) Ltd.	276,408	13.25	Affiliate	Acer (Chongqing) Ltd.	127,828	4.91	Affiliate

Year	2023				2024			
	Name	Amount	As a percentage of net sales of the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales of the year (%)	Relationship with the issuer
	Others	838,261	40.19		Others	1,421,563	54.56	
	Net sales	2,085,866	100.00		Net sales	2,605,483	100.00	

Explanation of the increase or decrease: The Company has actively developed business and found new customers in 2024 so as to reduce the proportion of sales to the parent company and affiliates year by year.

III. Number of employees in the most recent two years and up to the publication date

Unit: Person

Year		2023	2024	March 30, 2025
Number of employees (persons)	Manager	4	4	4
	Regular employees	43	54	58
	R&D personnel	4	4	4
	Total	51	62	66
Average age (years)		44.8	44.3	44.2
Average years of service (years)		11.8	11.1	10.9
Education distribution (%)	Doctor's degree	0%	0%	0%
	Master's degree	33%	32%	30%
	Junior college	65%	65%	67%
	Below high school	2%	3%	3%

IV. Information on Environmental Protection Expenditure

- (I) According to laws and regulations, if it is necessary to apply for a pollution facility installation permit or a pollution discharge permit, if a pollution prevention fee shall be paid, or if a dedicated environmental protection unit with personnel shall be established, the application, payment, and establishment shall be described: None.
- (II) Investment in main environmental pollution prevention and control facilities, their intended use, and possible benefits: None.
- (III) The process of mitigating environmental pollution in the most recent two years and up to the publication date of this annual report; if there is a pollution dispute, the process of handling it shall be described: None.
- (IV) Losses incurred by the Company due to environmental pollution in the most recent two years and up to the publication date of this annual report (including compensation and violations of environmental laws and regulations in environmental audits. The date of penalty imposition, document number, violated provisions, the content of the provisions, and penalty details shall be specified). The estimated amount of possible current and future penalties, and countermeasures shall be disclosed. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be described: None.
- (V) The impact of the current pollution and its mitigation on the Company's earnings, competitive position, and capital expenditures, and the estimated major capital expenditures on environmental protection in the next two years: None.

V. Labor-Management Relations

(II) Employee welfare measures, continuing education, training, retirement systems and their implementation, labor-management agreements, and measures to protect the rights and interests of employees

1. Employee welfare measures and their implementation

- (1) Remuneration policy and reward system: The Company participates in market remuneration surveys every year and adjusts salaries with reference to the general salary level in the market, economic trends, and other indicators to maintain overall salary competitiveness. In 2024, the Company granted three festival bonuses to both managerial and non-managerial employees in Taiwan, adjusted their salary and gave performance bonuses and employee rewards based on the Company's operations and individual performance. We also offered attractive remuneration, salary adjustment, and promotion packages, motivating all employees to work together for the Company's goals
- (2) Attendance management more favorable than the regulations: In terms of the leave system, the Company provides a leave system that is more favorable than the Labor Standards Act to employees.
 - New recruits who pass the test are entitled to seven days of special leave.
 - Employees can advance their special leaves in the following year
 - After finishing using the special leave for the year, employees are otherwise entitled to 4 days of Lohas leave.
 - Employees are entitled to 15 days of fully paid sick leave.
 - Two days of paid volunteer leave are granted.
 - Flexible and self-managed working hours.
- (3) Family care and support: The Company has established the Employee Welfare Committee to plan for and provide quality welfare to employees.
 - Gift money for three major Chinese festivals, birthday gift money, CNY gifts and bonuses, annual e-vouchers, and company trip subsidies.
 - Subsidies for marriage, funerals, and celebrations; provide subsidies for marriage, giving birth, and funerals.
 - For the insurance guarantee of all family members, the Company provides group insurance to employees for free and family members at a discounted price.
 - Scholarship for children's education
 - Employee parenting assistance and work location adjustment plan: One month before the expected day of delivery, female employees may apply for working from home. Employees with children less than three years old may apply for working from home for up to two days each week.
- (4) Healthy and safe working environment: To improve the physical and mental health and safety of employees, we organized many activities and spaces for employees to participate in and use.
 - We provide the employee health inspection plan each year that

offers inspections of multiple aspects.

- Employee assistance program (EAPs) provides consultation services to employees in terms of work, life, health, emotion, family, law, and finance issues.
- We organized various sports competitions, family days, art and cultural lectures, club activities, and health improvement plans to enrich employees; leisure life and improve relationships.
- The Company has an employee leisure center, gym, and nursery rooms available for employees.
- There are access monitoring and management systems set at the entrance/exit of the office building and aisles.
- We implemented fire safety equipment inspection/repair filing and drills according to laws and regulations.

2. Continuing education and training for employees and their implementation

- (1) Professional courses: With physical training courses in accordance with the practice taught by supervisors and online learning, we improve employees' professional knowledge and working skills that they shall possess in different career stages.
- (2) Management training: We are committed to improving the management capacity and sensitivity of supervisors, assisting supervisors in understanding how to select suitable talents, reinforcing work guidance and performance management skills, and utilizing incentive tools to improve team performance.
- (3) General knowledge training: Plan for training courses on skills required by employees for work (i.e., briefing skills, negotiation skills, guidelines for project management, and other courses.)

3. Retirement system and its implementation

To allow employees to have protection for their life after retirement, the Company appropriates 6% of the wages of employees who choose the pension system under the Labor Pension Act to the individual pension account of laborers each month according to the requirements of the Act starting from July 1, 2005. For those who voluntarily appropriate pensions, the Company makes appropriations from the monthly salaries of employees at the voluntary appropriation rate to the individual pension account with the Bureau of Labor Insurance.

- (1) Retirement requirements
 - Early retirement
Employees with the following circumstances may apply for an early retirement:
 - Those who worked for the Company for over 15 consecutive years and aged over 50.
 - However, the Company may disapprove of business requirements and considerations.
 - Voluntary retirement
Employees with any of the following circumstances may have a voluntary retirement:

- Those who worked for the Company for over 15 consecutive years and aged over 55.
 - Those who worked for the Company for over 10 consecutive years and aged over 60.
 - Compulsory retirement
Unless any of the following circumstances occur to laborers, the employer may not carry out the compulsory retirement:
 - Those who are over 65 years old (for those who work in dangerous, labor-intensive, or other special positions, a report may be made to the central competent authority for adjustments; however, the age shall be no less than 55)
 - Those with physical or mental disabilities who are incapable of working
- (2) Pension payment
- If an employee is over 60 years old, and the seniority under the new labor pension system is less than 15 years, he/she shall claim a one-off pension. Those with seniority under the new labor pension system over 15 years may select to claim the monthly or one-off pension.
 - Employees lose their working capability and are less than 60 years old, they may claim the pension if any of the following circumstances occur; those who have a seniority of less than 15 years under the new labor pension system shall claim the one-off pension; those who have a seniority over 15 years under the new labor pension system may select to claim monthly or one-off pension.
 - Those who received the disability pension payment or the one-off disability pension payment for disabilities of levels 1, 2, and 3 under the labor insurance.
 - Those who received the disability pension payments or disability basic guaranteed pension payments stated in the National Pension Act.
 - Not the insured under the labor insurance or national pension insurance but comply fulfill the level to claim the abovementioned disability or disability pension payments above,
4. Labor-management agreements and measures to protect the rights and interests of employees

All systems of the Company are reasonable and legal. Employee attendance and absence, the calculation of overtime pay, leave of absence, and retirement are handled in accordance with the Labor Standards Act. Year-end bonuses are paid based on business performance and work performance evaluation results. To ensure harmonious labor-management relations, enhance mutual understanding, and promote labor-management collaboration, regular labor-management meetings are held in accordance with the "Regulations for Implementing Labor-Management Meeting" to exchange opinions in the hope of achieving a win-win situation for labor-management relations under a reasonable and institutionalized personnel and welfare system.

- (II) Losses incurred by the Company due to labor disputes in the most recent two years and up to the publication date of this annual report (including violations of the Labor Standards Act in labor inspections. The date of penalty imposition, document number, violated provisions, the content of the provisions, and penalty details shall be specified). The estimated amount of possible current and future penalties, and countermeasures shall be disclosed. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be described: None.

VI. Cybersecurity Management

- (I) Cybersecurity risk management framework, cybersecurity policy, specific management plan, and resources invested in cybersecurity management

To implement cybersecurity risk management, the Company has established a safe and reliable information system to ensure the safety of data, system, equipment, and network, improve employees' awareness of information security, and protect their rights and interests in compliance with information safety requirements, and has established "information safety inspection" and relevant policies in its internal control. In addition, to reinforce the information safety management system of the Company, it has established a dedicated information security department in 2023 and has appointed one information safety officer and one information safety personnel to be responsible for promoting, coordinating, supervising, and reviewing cybersecurity management matters, and regularly examining the information safety policy, and it is planned to report to the first Board meeting upon the expiry of the year regarding the implementation status.

1. Management system

- (1) Establish the "cybersecurity inspection" in the internal control system and regularly examine the effectiveness of the regulations.
- (2) The Company leases office space from a related party, Acer, and enjoys services for network cabling, operation, and maintenance provided thereby. In addition, the Operational Support Division currently has 4 IT management personnel, and the Company's Chief Information Security Officer, together with the lessor Acer, conducts annual information security inspections.
- (3) We strengthen the awareness of information security among employees, regularly communicate the importance of information security, and strictly manage the use, security, and maintenance of data.
- (4) The Company has established a "data backup mechanism" and a "disaster recovery plan" to enable smooth business recovery as quickly as possible and reduce possible losses and risks in the event of information system damage, thereby ensuring the normal operation of the information system and data preservation and reducing the risk of system interruption caused by unexpected natural disasters and human negligence.
- (5) To ensure information system security, data access shall be subject to appropriate authorization, and the authorization shall be checked regularly to prevent the risk of leakage of confidential information.

2. Operating and implementation status

- (1) Regularly back up different information systems, perform remote back-ups, and regularly carry out information system recovery exercises and

tests each year to ensure the normal operation of the information and the security of data so as to minimize the risks of system interruption due to unpredictable natural disasters and human-made errors.

- (2) Established various information security technology control plans, including network firewalls, anti-virus systems, and anti-spam systems.
 - (3) Added Cyber Edge to separate possible losses from risks
 - (4) Regularly conduct social engineering drills to promote the latest fraud and phishing email patterns among employees, and prevent colleagues from accidentally touching the same.
 - (5) Enhance and improve the password complexity and safety setting of all systems to reduce the risks of being attacked by hackers.
 - (6) Regularly examine the user accounts of different systems and suspend accounts that are not used to ensure there is no unauthorized access.
 - (7) The Company comprehensively updated employees' equipment to equipment distributed by the Company to improve information security protection efficacy.
 - (8) Carry out cybersecurity promotions from time to time to improve information security awareness of employees so as to reduce the occurrence of cybersecurity incidents
 - (9) Introduced FIREWALLIPS and IDP functions to improve the safety of network use.
 - (10) Converted the network connection from http to https. to enhance the safety of data transmission.
 - (11) Introduced the NAC system to improve equipment control capabilities and ensure equipment compliance.
 - (12) Carry out software inventory work to ensure the legitimacy and version of the software and relevant control work.
 - (13) Achieve the knowledge of information safety risk patterns, prevention, and updates of legal information of information safety personnel through participation in regular internal and external cybersecurity education and training courses and promotions.
- (II) Losses incurred as a result of a material cybersecurity incident in the most recent two years and up to the publication date of this annual report, the possible impact, and countermeasures. If the impact cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be described: None.

VII. Important Contracts

Contract nature	Contracting party	Contract start/end date	Main contents	Restrictive clause
Procurement contract	Domestic and foreign companies	2025	Product procurement	Transfer is prohibited
Sales contract	Domestic and foreign distributors	2025	Product sales	Confidentiality terms
Trademark licensing contract	Acer Incorporated	January 1, 2025 to December 31, 2025	Trademark licensing	Do not use trademarks on particular products, and the transfer and licensing of trademarks are prohibited.

Five. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

I. Financial position

(I) Financial position – IFRS (consolidated financial statements):

Unit: NTD thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	1,590,613	1,497,542	93,071	6.21
Property, plant and equipment	18,066	505	17,561	3,477.59
Intangible assets	1,369	1,906	(537)	(28.17)
Other assets	257,090	360,765	(103,675)	(28.74)
Total assets	1,867,138	1,860,718	6,420	0.35
Current liabilities	608,636	566,986	41,650	7.35
Non-current liabilities	15,948	20,136	(4,188)	(20.80)
Total liabilities	624,584	587,122	37,462	6.38
Source of	618,600	618,600	0	0.00
Capital surplus	422,373	422,373	0	0.00
Retained earnings	241,800	227,840	13,960	6.13
Other equity	(40,219)	4,783	(45,002)	940.93
Total equity	1,242,554	1,273,596	(31,042)	(2.44)
Analysis of material changes: (with a difference of NTD 10,000 thousand or more , or 20% or higher)				
1. Increase in property, plant and equipment: Mainly due to the purchase of molds, fixtures and furniture required to support the R&D and mass production of new products, and the capitalized treatment.				
2. Decrease in other equity: Mainly due to the unrealized losses generated from the re-valuation of financial assets at fair value through other comprehensive income and the decrease in net defined benefit assets after the settlement of the pension accounts under the old system.				
3. Increase in other equity: Mainly due to unrealized losses on financial assets measured at fair value through other comprehensive income.				

- (II) Future response plans for material changes: The above changes are all related to normal operating activities and have no significant adverse impact on the Company. Furthermore, there is no significant abnormality in the overall performance of the Company, so there should be no need to formulate a response plan.

II. Financial Performance

(I) Financial performance - IFRS (consolidated financial statements):

Unit: NTD thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Net sales revenue	2,605,483	2,085,866	519,617	24.91
Operating cost	2,261,066	1,760,547	500,519	28.43
Gross operating profit	344,417	325,319	19,098	5.87
Operating expenses	230,194	217,308	12,886	5.93
Net operating profit	114,223	108,011	6,212	5.75
Non-operating revenue and expenses	37,737	23,068	14,670	63.60
Profit before tax	151,960	131,079	20,881	15.93
Income tax benefits (expenses)	(35,931)	(9,816)	(26,115)	266.05
Current net profit	116,029	121,263	(5,234)	(4.32)
Other comprehensive income for the period (after tax)	(45,002)	155,823	(200,825)	128.88
Total comprehensive income for the period	71,027	277,086	(206,059)	(74.37)
Current net profit attributable to owners of the parent company	116,029	121,263	(5,234)	(4.32)
Total comprehensive income attributable to owners of the parent company	71,027	277,086	(206,059)	(74.37)
Analysis of material changes: (with a difference of NTD 10,000 thousand or more , or 20% or higher)				
1. Increase in net income, operating costs, and gross operating profit: The key is the successful promotion of the new business model (i.e., cross-border e-commerce) and new product lines (i.e., luggage) that brought stable growing momentum to the Company.				
2. Increase in non-operating income and expenses: Mainly due to the contribution of foreign exchange gains, interest income and cash dividends income.				
3. Increase in net income before tax: Mainly due to the revenue growth driven by the new business model and product lines and the growth in exchange gains, interests and dividend income.				
4. Increase in income tax expenses: Mainly due to the income tax credit benefits in 2023 that have been fully credited, and there is no crediting in 2024.				
5. Increase in other comprehensive income for the period (after tax), total comprehensive income for the period, and total comprehensive income attributable to owners of the parent company: Mainly due to unrealized losses on valuation of investment in equity instruments measured at fair value through other comprehensive income.				

- (II) Expected sales volume and its basis, any possible impact on the Company's future finance and business, and response plans: The Company did not issue financial forecasts, so the expected sales volume and its basis are not applicable. We can set an annual shipment target only based on the industrial environment and future market supply and demand conditions and by reference to information related to business development, estimated customer demand, and recent operations. We project continuous growth in our future sales.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year

Unit: NTD thousand; %

Annual accounting item	2024	2023	Increase (decrease)	
			Amount	Percentage (%)
Cash inflow (outflow) from operating activities	335,345	49,578	285,767	576.40
Cash inflow (outflow) from investing activities	(12,722)	6,734	(19,456)	(288.92)
Cash inflow (outflow) from financing activities	(107,452)	(58,770)	(48,682)	82.83
Analysis of material changes: (with a difference of NTD 10,000 thousand or more , or 20% or higher)				
1. Increase in net cash inflow from operating activities: Mainly due to an increase in cash inflow from net changes in assets and liabilities related to operating activities.				
2. Net cash outflow from investing activities: Mainly due to the net cash outflow resulting from the acquisition of more property, plant and equipment in 2024 as compared to 2023.				
3. Increase in net cash outflow from financing activities: Mainly due to the increase in cash outflow arising from the capital increase in cash organized in 2023, while there were no such activities in 2024.				

(II) Improvement plan for lack of liquidity: The Company has no lack of liquidity.

(III) Cash liquidity analysis for the coming year (2025)

Unit: NTD thousand

Opening cash balance (1)	Estimated annual net cash inflow (outflow) from operating activities (2)	Estimated annual net cash inflow (outflow) from investing and financing activities (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedies for expected cash shortage	
				Investment plan	Wealth management plan
1,107,398	200,000	(150,000)	1,157,398	-	-
1. Analysis of cash flow changes					
(1) Operating activities: Net variable cash inflow, mainly due to the expected continuous growth of the operation scale.					
(2) Investing activities: Cash outflow, mainly due to the receipt of cash dividends and the receipt of payments for property, plant and equipment					
(3) Financing activities: Mainly due to the distribution of cash dividends.					
2. Remedies for expected cash shortage: Not applicable					

IV. Impact of material capital expenditures in the most recent year on finance and business:

The Company had no material capital expenditures in the most recent year, so there was no significant adverse impact on the Company's finance and business.

V. The investment policy in the most recent year, the main reason for gain or loss, any improvement plan, and the investment plan for the coming year

(I) Investment policy

The Company invests to meet operational needs. The companies we invested in include GadgeTek (Shanghai) Limited and ACER GADGET AMERICA INC. In the future, the Company will expand the scale of operations or establish subsidiaries at home and abroad, if needed.

The Company currently has the "Procedures for the Acquisition or Disposal of

Assets" and the "Regulations Governing the Management of Subsidiaries" in place, and has implemented various management mechanisms to maximize the management performance of each invested business.

(II) The main reason for investment gain or loss and improvement plan

Unit: NTD thousand

Name of investee	Initial investment amount	Investment gains (losses) recognized in 2024	Main business activities	Main reason for gain or loss	Improvement plan
GadgeTek (Shanghai) Limited	16,391	16,441	Sale of computer peripherals	Good operating performance	None
Acer Gadget America Inc.	15,786	799	Sale of computer peripherals	Good operating performance	None

(III) Investment plan for the coming year

The Company's short-term goal is to develop retail channels and focus on customer relationship management. We also hope to create a sales process and an overseas warehousing inventory management system. Our medium- and long-term development strategy is to improve the team's local business development capabilities, and look for new channel distributors for collaboration and merger in order to transform the Company into a local professional import service provider. After that, we will expand the the scope of after-sales service based on the import trading business. In the future, we may set up subsidiaries at home and abroad or form a strategic alliance or integration to expand operations after assessment, and will continue to prudently assess investment plans based on market conditions and actual needs.

VI. Analysis and assessment of risks in the most recent year and up to the publication date of this annual report

(I) The impact of changes in interest rates, exchange rates and inflation on the Company's profit/loss, and future countermeasures

1. The impact of interest rate changes on the Company's profit/loss and future countermeasures

The Company is operated mainly using the funds thereof, with a low bank loan drawdown rate. Therefore, changes in interest rates have no impact on the profit/loss of the Company and the subsidiaries thereof.

2. The impact of exchange rate changes on the Company's profit/loss and future countermeasures

The Company is mainly engaged in domestic and foreign telecommunication value-added network services, the design, sale, and rental of computer software and hardware application systems, and the sale of innovative computer peripherals and smart home products. Our export sales are collected in the U.S. dollar. Part of our merchandise inventory is sourced from foreign suppliers, with payment made mainly in U.S. dollars. The Company made an exchange gain of NTD 4,088 thousand and NTD 11,810 thousand in 2023 and 2024, accounting for 0.20% and 0.45% of the operating revenue, respectively. In order to effectively respond to the business risks generated by exchange rate fluctuations, we maintain close contact with the foreign exchange

departments of our banks to get foreign exchange market information in real time, which is used as important reference information for the management of foreign exchange positions and for providing quotations to customers and purchasing raw materials. Also, hedging instruments are used appropriately based on exchange rate fluctuations to reduce the risk caused by exchange rate changes.

3. The impact of inflation on the Company's profit/loss and future countermeasures

In 2024 and up to the publication date of this annual report, there has been no significant impact on the Company's profit/loss due to inflation. The Company will continue to monitor the price fluctuations of upstream raw materials, maintain good relationships with suppliers and customers, and flexibly adjust production and sales strategies to reduce the impact of inflation on the profit/loss of the Company and the subsidiaries thereof.

(II) Policies on engaging in high-risk and high-leverage investments, loaning of funds to others, endorsements and guarantees, and derivative transactions, the main reasons for gain or loss, and future countermeasures

We have always focused on the development of our own business while upholding the principle of pragmatism for business management. Our financial policy has also been prudent and conservative, and we have not engaged in high-risk, high-leverage investments. The Company follows the "Operating Procedures for the Loaning of Funds to Others," "Operating Procedures for Endorsements and Guarantees," and "Procedures for the Acquisition or Disposal of Assets" when engaging in the loading of funds to others, the making of endorsements/guarantees, and financial derivative transactions. The Company has not engaged in high-risk, high-leverage investment or derivative trading in the most recent year and up to the publication date of this annual report.

(III) Future R&D plans and expected R&D expenses

1. Smart Device Business Division

The future development direction of this business division will focus on innovative accessories (i.e., ESG & Eco-friendly series, green energy) and sustainability products (i.e., energy storage power bank series and the accessories), and AI-driven product lines and it is committed to satisfying the requirements of people for devices due to returning to offices and under the mixed working model in the post-pandemic era. "Lifestyle" and "improve production capacity" are adopted as the theme. The business division will launch products with integrated functions in combination with innovative designs and technology applications to realize smart life.

In response to market trends and national policies, the Smart Device Business Division planned to invest a certain percentage of revenue as R&D expenses and adjust the investment percentage based on the operating status of the Company. The R&D focuses in the future include the in-depth application of AI technology, for example:

- AI smart home: Develop peripherals in combination with the AI learning function (i.e., smart translation earphones and smart light

control equipment) to improve the convenience of home and office environments.

- AI-driven micro mobility equipment: Such as Acer ebii, which combined machine-learning technology to automatically adjust the gear ranges and power output so as to improve user experience.
- AI translation and multi-language support: Launch real-time audio translation earphones and relevant accessories for the requirements in the commercial, travel, and education markets.

In addition, this business division will continue to promote the ESG blueprints and incorporate the concept of sustainability into product designs. For example, adopt PCR and OBP to manufacture eco-friendly products and combine them with AI to optimize resource consumption efficiency. These products not only comply with the global net zero and carbon reduction targets but also further exhibit the leading position of Acer Gadget in the green energy technology field.

Through patent applications, forward-looking market analysis and cross-section cooperation, we will continue to launch new technologies and services that comply with the requirements of customers and end users. Meanwhile, the Company will accelerate the deployment of AI-related terminal application business opportunities. It is expected that the ratio of AI-related businesses will significantly increase and become an important engine for operating growth.

The Smart Device Business Division of Acer Gadget will constantly expand its business scale and market share through innovative designs, technology integration capacity, and stable market deployment so as to realize the brand mission of “technology-empowered smart life.” This version combines the application of AI products, ESG concepts, and market trends, fully exhibiting the future development directions and strategic planning of the business division.

2. Fashion Business Division

To improve the competitiveness of bags, luggage, and smart wearables, we will increase the investment in resources in product design, new material development and introduction, new technology application, and content integration and make adjustments step by step.

3. Smart Mobility Business Division

Continue to introduce various AIoT functions to smart mobility product lines to solve the pain points of users, satisfy users’ requirements, and serve as the differentiated functions with the traditional mobility carrier industry.

(IV) The impact of important domestic and foreign policies and legal changes on the Company's finance and business, and countermeasures

The Company's daily operations are carried out in accordance with relevant domestic and foreign laws and regulations. We also constantly pay attention to important domestic and foreign policy development trends and regulatory changes, and collect relevant

information for the management's reference, in order to respond to changes in the market environment and adopt appropriate responsive strategies. In the most recent year and up to the publication date of this annual report, there has been no material or adverse impact on the finance and business of the Company and the subsidiaries thereof due to changes in domestic and foreign laws.

- (V) The impact of changes in technology (including cybersecurity risks) and industry changes on the Company's finance and business, and countermeasures

The Company has always paid close attention to the changes in the industry and technology, kept an eye on the industry's pulse and market information, collected relevant information on industry-related technology and trend changes at any time, and provided the information to the management as a reference for decision-making, so that it can quickly adjust the Company's operating strategy and formulate countermeasures. Technology and industry changes do not cause immediate and significant impacts on the Company's finance and business.

The Company has an independent computer room and leases an external IDC computer room for the management of important servers for operation. The Operational Support Division currently has 4 IT management personnel responsible for system maintenance and management and the maintenance and operation of networks, software, and hardware. In addition, at this stage, the Company leases office space from a related party, Acer, and enjoys services for network cabling, operation, and maintenance provided thereby. In summary, the Company has established a basic network and computer security protection system to control or maintain important functions such as R&D, operations, and finance and accounting. The information control cycle is regularly reviewed and evaluated to ensure its appropriateness and effectiveness, thereby enhancing cybersecurity and adaptability.

In the most recent year and up to the publication date of this annual report, there have been no changes in technology (including cybersecurity risks) or changes in the industry that caused significant impacts on the Company's business.

- (VI) The impact of changes in corporate image on corporate crisis management and countermeasures

Since inception, the Company has been adhering to the core corporate values of integrity and fairness, reliability, innovation and development, and customer trust. We are committed to maintaining our corporate image and risk control, expanding business proactively, and complying with laws and regulations. Internally, we actively strengthen management and improve performance; externally, we maintain a good corporate image and enhance the quality of products and services. Up to the publication date of this annual report, there has been no change in our corporate image that would result in a crisis needing to be managed.

- (VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures

In the most recent year and up to the publication date of this annual report, the Company has had no merger or acquisition activities. However, if there is any plan of mergers and acquisitions in the future, it will be executed in accordance with relevant laws and regulations and the relevant management regulations established by the Company to secure the interests of the Company and shareholders' rights.

- (VIII) Expected benefits and possible risks of plant expansion, and countermeasures

In the most recent year and up to the publication date of this annual report, the Company has had no plan for plant expansion.

(IX) Risks associated with purchase or sales concentration, and countermeasures

The Company provides a variety of professional computer peripherals and software integration and development services. Our suppliers include world-renowned manufacturers with whom we have good interactions and long-term partnerships to ensure a stable source of supply and diversify procurement risks. In addition, the Company is still in the initial stage of business development. As a subsidiary of the listed company Acer, the Company designs products, formulates global product plans and strategies, and uses Acer Group's global resources for international market expansion. Despite sales concentration, there is no risk of sales concentration to a single customer. Hence, in spite of high customer sales concentration, we continue to improve our operational footprint, actively expand the scope of services in diversified industries, and engage with end customers. In the future, the Company plans to engage in design and OEM services for big international companies, and will gradually expand our sales channels to increase the possibility of selling our own products, which should reduce the material risk of a high proportion of sales to a single customer.

(X) The impact and risk to the Company in the event that a major quantity of shares belonging to a director, supervisor, or shareholder with a stake of more than 10% has been transferred or has otherwise changed hands, and countermeasures

In the most recent year and up to the publication date of this annual report, no major quantity of shares belonging to a director, supervisor, or shareholder with a stake of more than 10% in the Company has been transferred or has otherwise changed hands, which would cause significant impacts on the Group.

(XI) The impact and risk of changes in management rights to the Company, and countermeasures

In the most recent year and up to the publication date of this annual report, there has been no change in the Company's management rights.

(XII) Litigation and non-litigation events

1. If the Company has had any litigation, non-litigation or administrative litigation event for which a final judgment has been entered or that has still been in process in the most recent two years and up to the publication date of this annual report, and the result of which might have a significant impact on shareholders' equity or securities prices, the fact of litigation, amount involved, litigation commencement date, principal parties involved, and current status shall be disclosed: None.
2. The Company's directors, supervisors, President, de facto responsible person, major shareholders with a stake of more than 10%, and subsidiaries have had any litigation, non-litigation or administrative litigation event for which a final judgment has been entered or that have still been in process in the most recent two years and up to the publication date of this annual report, and the result of which might have a significant impact on shareholders' equity or securities prices:

Except for the following ongoing litigations of Acer Incorporated (the "Acer"), a major shareholder with a shareholding ratio of over 10% of the Company, the remaining Directors, the President, and subordinates have no material litigation, non-litigation, administrative litigation event, or administrative investigation, and the relevant litigation evaluation and analysis are as follows:

- (1) In the ordinary course of business, Acer receives from time to time notices of patent infringement claims or patent authorization requests from third parties. Although Acer does not expect the results of such claims (individually or collectively) to cause significant adverse impacts on its financial position or business status; however, legal procedures are unpredictable, dispute resolution solutions may affect Acer's operating results or cash flow in a specific period as legal proceeding results are difficult to predict.
- (2) Due to rapid changes in the international tax environment, Acer is faced with various tax challenges in many countries around the world, and tax authorities around the world have different opinions. In response to these, Acer has appropriately made relevant estimates for tax cases (including but not limited to on income tax, withholding tax, and business tax) that meet the conditions for recognizing provisions in accordance with relevant regulations. However, since tax issues are usually complex and take years to clarify, the results are difficult to predict, and the final results may affect Acer's operating results or cash flow in a specific period.

In summary, the above litigation events are all derived from the corporate operation of Acer. After assessment, there should be no other material violations of the law or the principle of good faith, and the events have no significant impact on Acer's future operations and does not affect the finance and business of the Company. Thus, there has been no significant impact on the Company's shareholders' equity or securities prices.

3. Any of the circumstances set forth in Article 157 of the Securities and Exchange Act that has occurred to the Company's directors, supervisors, managers, and major shareholders with a stake of more than 10% in the most recent two years and up to the publication date of this annual report, and the Company's current handling thereof:
4. If the Company's directors, supervisors, managers, and major shareholders holding more than 10% of the Company's shares have had financial difficulties or loss of credit in the most recent two years and up to the publication date of this annual report, the impact thereof on the Company's financial position shall be specified: None.

(XIII) Other important risks and countermeasures

1. Smart Device Business Division

(1) Impact of the global political and economic situation

The increasing uncertainties of the global political and economic situation, such as the trade war between China and the U.S., the Russo-Ukrainian War, and global inflation, have all caused instability in the economy and made it more difficult for enterprises to operate. They have also caused a huge impact on the market structure and shipping volume and time.

Countermeasures: The Smart Device Business Division has diversified product lines. It adjusts the allocation of product lines on a rolling basis and has effectively combined transportation adjustments with logistics partners.

In addition, the Company keeps abreast of the changes in COVID-19 and international sentiments at all times and increases the level of cash to respond to economic risks. Financial and sales personnel examine the recovery status of amounts receivable regularly and from time to time and effectively adjust and control the stock level in response to customer requirements and the supply status of raw materials to improve operating management performance.

(2) Risks associated with changes in the demand for consumer electronic products

With the continuous development of the electronic product market, the transformation of the consumer market, and the introduction of new electronic products, the demand for consumer electronics depends on the preferences of consumers and the strategies of governments, and products must be designed in line with market trends. The relevant measures of government departments also affect the sales and demand of consumer electronics.

Countermeasures: The R&D and sales personnel of the Company will keep an eye on changes in market requirements in order to grasp opportunities early and actively look for various business opportunities to develop products that better fit market needs and use leading technology so as to reduce risks from changes in the needs for consumer electronics. Meanwhile, they will also pay attention to relevant government policy changes to mitigate the unfavorable impact of changed government policies.

2. Fashion Business Division

- (1) Inflation prolongs the purchase cycle of consumer products or reduces the amount consumers are willing to pay for consumer products: Maintaining a balance between products of different price ranges while ensuring a certain level of quality, and investing resources in aspects that consumers value to improve product attractiveness and, in the medium term, expand the circular economy operation plan.
- (2) Changes to tariff agreements between countries: Ensuring the diversity of countries where the Company's OEM plants are located based on the premise that quality is guaranteed in order to adjust the supply chain network in a timely manner.
- (3) Rising freight costs or longer transit time: Coordinating with distributors in countries to appropriately accumulate inventory in order to reduce possible losses that may be caused by rush orders, and continuing to develop local production lines to reduce the proportion of freight costs in total costs.
- (4) Improper management of restricted substances (RSL) in the upstream supply chain: Working with internal and external quality supervision and testing bodies to implement internal quality control procedures and standards and ensure the safety of supplied materials.
- (5) Lack of R&D and design capacities cannot support the product competitiveness required for business growth: Continuously investing in R&D and design to ensure innovation momentum within the Company.
- (6) A brain drain hinders operations and business promotion: Providing a

stage for competent employees with potential to develop, ensuring smooth communication and flexible job rotation, and offering an employee stock subscription plan to share with all employees growth dividends that the Company enjoys.

3. Smart Mobility Business Division

- (1) With the fluctuations in the global economic environment and changes in consumer purchasing behaviors, the smart mobile product market is also facing a new wave of challenges. The channel end is still facing the pressure of high existing inventory levels, especially commuter and mid-end products. Consumers' expectations for product innovation and practicality are increasing day by day, and traditional product upgrades can no longer drive the purchase momentum. In addition, there are many competitors in the market, and the product homogeneity situation is severe, resulting in further intensified pricing pressure and affecting overall operating performance.

Response strategy: In response to market challenges, the Company promotes the development of differentiated products, strengthens smart functions and scenario applications, and enhances market appeal and brand value; at the same time, it assists channels in destocking and stimulates consumption through promotion combinations and integrated O2O marketing. Introduce sustainable designs and eco-friendly materials in operations to respond to global sustainability trends and expand market opportunities for enterprises and governments; optimize inventory management and improve market response flexibility through supply chain information integration and low-volume production in multiple batches.

- (2) Geopolitics and wars have resulted in an uncertain global economic outlook, and inflation has also affected consumers' disposable income and consumer confidence.

Countermeasure: Creating high-end differentiated products for customer groups that are less affected by inflation in the early stage, keeping investing in brand exposure, and developing high cost-performance ratio products to enter the mass market.

VII. Other important matters: Information security risk assessment and analysis, countermeasures, and other important risk assessment matters.

In order to strengthen the information security management of the Company and the subsidiaries thereof, establish a safe and reliable information system, ensure the security of data, systems, equipment and networks, enhance the awareness of information security among employees, protect rights and interests, and comply with relevant information security regulations, the Company has implemented an information security management mechanism and risk assessment:

- (I) Our internal control system has a "cybersecurity review" in place, and its effectiveness is regularly reviewed.

- (II) The Company leases office space from a related party, Acer, and enjoys services for network cabling, operation, and maintenance provided thereby. In addition, the Operational Support Division currently has 4 IT management personnel, and the Company's Chief Information Security Officer, together with the lessor Acer, conducts annual information security inspections.
- (III) We strengthen the awareness of information security among employees, regularly communicate the importance of information security, and strictly manage the use, security, and maintenance of data.
- (IV) The Company has established a "data backup mechanism" and a "disaster recovery plan" to enable smooth business recovery as quickly as possible and reduce possible losses and risks in the event of information system damage, thereby ensuring the normal operation of the information system and data preservation and reducing the risk of system interruption caused by unexpected natural disasters and human negligence.
- (V) To ensure information system security, data access shall be subject to appropriate authorization, and the authorization shall be checked regularly to prevent the risk of leakage of confidential information.

Six. Special Notes

- I. Information on Affiliates: Please refer to the MOPS [Website: <https://mops.twse.com.tw> > Single company > Electronic document download > Section for the statements of affiliates] and enter the company code to inquire about data on affiliates.
- II. For the private placement of securities in the most recent year and up to the publication date of this annual report, the date of the resolution and the amount resolved by the shareholders' meeting or the Board of Directors; the basis for setting the price and the reasonableness thereof; the specific person selected; the reasons for conducting the private placement; the targets of the private placement and their qualification requirements, subscription quantity, relationship with the Company, and participation in the management of the Company; actual subscription (or conversion) price and any difference between the actual subscription (or conversion) price and the reference price; the impact of the private placement on shareholders' equity; and the utilization of funds, plan implementation progress, and plan benefit realization from the time the share payments or proceeds was received in full to the completion of the fund utilization plan: None.
- III. Other information to be disclosed: None.
- IV. Matters with a significant impact on shareholders' equity or securities prices as set forth in Article 36, Paragraph 3, Subparagraph 2 of the Act in the most recent year and up to the publication date of this annual report: None.

Acer Gadget Inc.

Responsible person: Jerry Kao

