Stock Code: 6811

ACER E-ENABLING SERVICE BUSINESS INC.

Parent-company-only Financial Statements

With Independent Auditor's Report

For the Years Ended December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of ACER E-ENABLING SERVICE BUSINESS INC.:

Opinion

We have audited the parent-company-only financial statements, which comprise the balance sheets as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements (including a summary of significant accounting policies), of ACER E-ENABLING SERVICE BUSINESS INC.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of ACER E-ENABLING SERVICE BUSINESS INC. as of December 31, 2025 and 2024, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants. Our responsibilities under those regulations are further described in the Auditors' Responsibilities for the Audit of the parent-company-only financial statements section. We were independent of ACER E-ENABLING SERVICE BUSINESS INC. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2025 parent-company-only financial statements. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. The key audit matters to be communicated in the audit report are as follows:

I. Revenue recognition

For the accounting policy for revenue recognition, please refer to the parent-company-only financial statement Note IV (XIV) “Revenue from contracts with customers,” in the parent-company-only financial statements; for the description of the judgment involved in the timing of revenue recognition, please refer to the parent-company-only financial statement Note V.

Description of Key Audit Matters:

Sales of ACER E-ENABLING SERVICE BUSINESS INC. are recognized as revenue when control of the product is transferred to the customer. According to the needs of individual customers, the products agreed upon and the trading conditions are different, resulting in different timing of fulfilling the performance obligations, which often requires individual evaluation to determine the appropriate timing of revenue recognition. As revenue recognized near the balance sheet date may not be properly recorded in the correct period, there is a risk that revenue may be recognized in an inappropriate period. Therefore, whether revenue is recognized in the appropriate period is important to our audit of the financial statements.

The corresponding audit procedures:

Our main audit procedures for the above key audit matters include testing the sales and collection cycle and internal controls over financial reporting; performing revenue item tests, reading the relevant sales contracts or purchase orders, and checking various documents to ensure that performance obligations are satisfied and the timing of revenue recognition is correct; and selecting samples of sales transactions in a period around the balance sheet date to assess whether the timing of revenue recognition is appropriate.

Responsibilities of management and those charged with governance for the parent-company-only financial statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and such internal control as is necessary for the preparation of parent-company-only financial statements that are free from

material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is also responsible for assessing the ability of ACER E-ENABLING SERVICE BUSINESS INC. to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate ACER E-ENABLING SERVICE BUSINESS INC. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of ACER E-ENABLING SERVICE BUSINESS INC.

Auditors' responsibilities for auditing the Parent-company-only Financial Statements

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

We exercise professional judgment and professional skepticism during an audit in accordance with the Standards on Auditing. We also perform the following tasks:

I. We identify and evaluate the risks of material misstatements in the parent-company-only financial statements due to fraud or error, design and implement applicable responses to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of ACER E-ENABLING SERVICE BUSINESS INC.

III. We evaluated the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures made by management.

IV. We draw a conclusion about the appropriateness of management’s use of the going concern basis of accounting and whether events or circumstances exist that may cast significant doubt on ACER E-ENABLING SERVICE BUSINESS INC.’s ability to continue as a going concern. If we believe that there is a material uncertainty in such events or

circumstances, we shall remind users of the parent-company-only financial statements to pay attention to the related disclosures in the parent-company-only financial statements in our audit report, or modify our audit opinion if such disclosures are inadequate. Our conclusion is based on the audit evidence obtained as of the date of this audit report. However, future events or circumstances may cause ACER E-ENABLING SERVICE BUSINESS INC. to no longer continue as a going concern.

V. Evaluate the overall presentation, structure and content of the parent-company-only financial statements (including the relevant notes), and whether the parent-company-only financial statements represent the relevant transactions and events in a fair manner.

VI. Obtain sufficient and appropriate audit evidence for the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for guiding, supervising, and performing the audit and for forming an audit opinion on ACER E-ENABLING SERVICE BUSINESS INC.

The matters about which we communicated with those charged with governance include the planned audit scope and timing, as well as major audit findings (including the significant deficiencies of internal control identified during the audit).

We also provided a declaration of independence to those charged with governance, which assures that we complied with the requirements related to independence in the Norms of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to affect the independence of CPAs to those charged with governance.

We determined the key audit matters to be communicated in our audit report for ACER E-ENABLING SERVICE BUSINESS INC.'s parent-company-only financial statements for 2025 based on the matters communicated with those charged with governance. Unless public disclosure of certain matters is prohibited by related laws or regulations or if, in very exceptional circumstances, we determine not to include such matters in the audit report, as we could reasonably expect that the negative impact of the disclosure would be greater than the public interest brought thereby, we specify such matters in the audit report.

The engagement partners on the audit resulting in this independent auditors' report are Wei-Ming Shih and Ching Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2026

ACER E-ENABLING SERVICE BUSINESS INC.

Balance Sheet

December 31, 2025 and 2024

Unit: NTD thousand

		2025.12.31		2024.12.31	
	Assets	**Amount**	%	**Amount**	%
	Current assets:				
1100	Cash and cash equivalents (Note VI (I))	$ 825,825	13	882,884	15
1140	Contract assets - current (Note VI (XVII) and VII)	65,270	1	77,752	1
1170	Notes and accounts receivable, net (Note VI (IV) and (XVII))	2,613,184	42	2,459,048	41
1180	Accounts receivable - Related parties (Note VI (IV), (XVII) and VII)	41,199	1	67,642	1
1206	Other receivables - Other	3	-	99	-
1210	Other receivables - Related parties (Note VII)	88	-	14	-
1300	Inventories (Note VI (V))	514,316	8	446,612	7
1410	Prepayments and other current assets	3,318	-	4,245	-
	Total current assets	4,063,203	65	3,938,296	65
	Non-current assets:				
1517	Financial assets measured at fair value through profit or loss - non-current (Note VI (III))	28,567	-	24,725	1
1550	Investment under equity method (Note VI (VI))	126,769	2	83,583	1
1600	Property, plant and equipment (Note VI (VII) and VII)	1,797,149	29	1,774,385	29
1755	Right-of-use assets (Note VI(VIII))	1,401	-	2,730	-
1780	Intangible assets (Note VI (IX))	2,435	-	2,885	-
1840	Deferred income tax assets (Note VI (XIV))	42,177	1	40,301	1
1920	Refundable deposits	162,300	3	188,321	3
1990	Other non-current assets (Note VI (X))	12,058	-	28,252	-
	Total non-current assets	2,172,856	35	2,145,182	35
	Total assets	**$ 6,236,059**	**100**	**6,083,478**	**100**

(continued on next page)

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.

Balance Sheet (Continued)

December 31, 2025 and 2024

Unit: NTD thousand

		2025.12.31		2024.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2123	Financial liabilities at fair value through profit or loss - current (Note VI (II))	$ -	-	2,103	-
2100	Short-term borrowing (Note VI (XI))	-	-	250,000	4
2130	Contract liabilities (Note VI (XVII) and VII)	1,760,661	28	1,769,869	29
2170	Notes and accounts payable	1,350,183	22	1,183,411	20
2180	Accounts payable - Related parties (Note VII)	104,584	2	90,377	2
2200	Other payables (Note VI(XVII))	377,223	6	349,108	6
2220	Other payables - Related parties (Note VII)	13,109	-	4,033	-
2230	Current income tax liabilities	84,631	1	65,495	1
2280	Lease liabilities - current (Note VI (XII))	1,348	-	1,328	-
2399	Other current liabilities	57,475	1	73,650	1
	Total of current liabilities	3,749,214	60	3,789,374	63
	Non-current liabilities:				
2580	Lease liabilities - non-current (Note VI (XII))	74	-	1,422	-
2640	Net defined benefit liabilities (Note VI (XIII))	125,227	2	129,912	2
2645	Guarantee deposits	4,480	-	3,668	-
	Total non-current liabilities	129,781	2	135,002	2
	Total liabilities	3,878,995	62	3,924,376	65
	Equity (Note VI (XV)):				
3110	Common stock	414,490	7	414,490	7
3200	Capital reserve	628,098	10	628,098	10
	Retained earnings:				
3310	Legal reserve	230,514	4	176,618	3
3320	Special reserves	36,433	1	46,395	1
3350	Undistributed earnings	1,087,368	17	929,934	15
3400	Other equity	(39,839)	(1)	(36,433)	(1)
	Total equity	2,357,064	38	2,159,102	35
	Total liabilities and equity	**$ 6,236,059**	**100**	**6,083,478**	**100**

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.

Comprehensive Income Statement

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (Note VI (XVII) and VII)**	$ 9,496,245	100	8,572,335	100
5000	**Operating costs (Notes VI (V), (IX), (XIII), (XVIII), VII, and XII)**	(8,322,907)	(88)	(7,476,436)	(87)
	Gross profit	1,173,338	12	1,095,899	13
5920	Unrealized gross profit from sales	(521)	-	(110)	-
	Realized gross profit	1,172,817	12	1,095,789	13
	Operating expenses (Notes VI (IV), (VII), (VIII), (IX), (XII), (XIII), (XVIII), VII and XII)				
6100	Sales promotion expenses	(284,005)	(3)	(306,491)	(4)
6200	Administrative expenses	(89,281)	(1)	(88,873)	(1)
6300	R&D expenses	(68,121)	-	(60,209)	(1)
6450	Expected credit impairment loss reversal gains	853	-	3,801	-
	Total operating expenses	(440,554)	(4)	(451,772)	(6)
	Operating profit	732,263	8	644,017	7
	Non-operating income and expenses (Note VI (VI), (XII) and (XIX) and VII):				
7100	Interest income	7,007	-	9,689	-
7190	Other income	1,882	-	260	-
7020	Other gains and losses	(2,748)	-	7,357	-
7050	Financial cost	(4,317)	-	(7,996)	-
7375	Share of profit or loss of associates and joint ventures accounted for using the equity method	10,029	-	11,287	-
	Total non-operating income and expenses	11,853	-	20,597	-
	Net income before tax	744,116	8	664,614	7
7950	**Less: Income tax expenses (Note VI (XIV))**	(148,982)	(2)	(125,650)	(1)
	Net income for the period	595,134	6	538,964	6
	Other comprehensive income (Note VI (XIV) and (XV)):				
8310	**Items not reclassified into profit or loss**				
8311	Re-measurement of defined benefit plan	(7,899)	-	4,460	-
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	2,402	-	4,625	-
8349	Income tax related to items not subject to reclassification	1,580	-	(892)	-
	Total of items not reclassified into profit or loss	(3,917)	-	8,193	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operations	511	-	1,769	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	511	-	1,769	-
	Other comprehensive income in the current period	(3,406)	-	9,962	-
	Total comprehensive income for the period	**$ 591,728**	**6**	**548,926**	**6**
	Earnings per share (Unit: NTD, Note 6(16))				
9750	**Basic earnings per share**	**$ 14.36**		**13.00**	
9850	**Diluted earnings per share**	**$ 14.20**		**12.90**	

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Changes in Equity

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

			Retained earnings:				Other equity				
	Common stock	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Re-measurement of defined benefit plan	Total	Total equity
Balance as of January 1, 2024	$ 414,490	628,098	126,485	37,867	801,947	966,299	29	(11,670)	(34,754)	(46,395)	1,962,492
Profit for the period	-	-	-	-	538,964	538,964	-	-	-	-	538,964
Other comprehensive income for the period	-	-	-	-	-	-	1,769	4,625	3,568	9,962	9,962
Total comprehensive income for the period	-	-	-	-	538,964	538,964	1,769	4,625	3,568	9,962	548,926
Appropriation and distribution of earnings:											
Appropriation of legal reserve	-	-	50,133	-	(50,133)	-	-	-	-	-	-
Provision of special reserve	-	-	-	8,528	(8,528)	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(352,316)	(352,316)	-	-	-	-	(352,316)
Balance as of December 31, 2024	414,490	628,098	176,618	46,395	929,934	1,152,947	1,798	(7,045)	(31,186)	(36,433)	2,159,102
Profit for the period	-	-	-	-	595,134	595,134	-	-	-	-	595,134
Other comprehensive income for the period	-	-	-	-	-	-	511	2,402	(6,319)	(3,406)	(3,406)
Total comprehensive income for the period	-	-	-	-	595,134	595,134	511	2,402	(6,319)	(3,406)	591,728
Appropriation and distribution of earnings:											
Appropriation of legal reserve	-	-	53,896	-	(53,896)	-	-	-	-	-	-
Reversal of special reserves	-	-	-	(9,962)	9,962	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(393,766)	(393,766)	-	-	-	-	(393,766)
Balance as of December 31, 2025	**$ 414,490**	**628,098**	**230,514**	**36,433**	**1,087,368**	**1,354,315**	**2,309**	**(4,643)**	**(37,505)**	**(39,839)**	**2,357,064**

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Cash Flow

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	2025	2024
Cash flow from operating activities:		
Profit **before tax for the period**	$ 744,116	664,614
Adjustments:		
Income and expenses		
Depreciation expense	23,496	16,882
Amortization expense	4,667	5,931
Expected credit loss (reversal)	(853)	(3,801)
Net loss (gain) from financial liabilities measured at fair value through profit or loss	(2,103)	2,103
Interest expense	4,317	7,996
Interest income	(7,007)	(9,689)
Dividend income	(1,199)	-
Share of profit of subsidiaries and associates accounted for using the equity method	(10,029)	(11,287)
Unrealized gross profit from sales	521	110
Total income and expense	11,810	8,245
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Contract assets	12,482	16,457
Notes and accounts receivable	(153,283)	(308,059)
Accounts receivable - related parties	26,443	(19,295)
Other receivables - Related parties	(74)	(14)
Inventory	(67,704)	(154,539)
Prepayments and other current assets	927	547
Total net changes in assets related to operating activities	(181,209)	(464,903)
Net changes in liabilities related to operating activities:		
Accounts payable	166,772	114,054
Accounts payable - related parties	14,207	(26,995)
Other payables	28,257	(83,237)
Other payables - Related parties	1,988	(3,928)
Contract liabilities	(9,208)	(6,648)
Other current liabilities	(16,175)	41,265
Net defined benefit liability	(5,496)	(4,362)
Total net changes in liabilities related to operating activities	180,345	30,149
Total net changes in assets and liabilities related to operating activities	(864)	(434,754)
Total adjustment items	10,946	(426,509)
Cash inflow from operations	755,062	238,105
Interest received	7,103	10,338
Interest paid	(4,459)	(7,854)
Income tax paid	(130,142)	(132,671)
Net cash inflow from operating activities	627,564	107,918

(continued on next page)

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Cash Flow (continued)

January 1 to December 31, 2025 and 2024

Unit: NTD thousand

	2025	2024
Cash flow from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,440)	-
Acquisition of investments under equity method	(33,505)	(16,285)
Acquisition of property, plant and equipment	(27,051)	(1,785,652)
Acquisition of intangible assets	(4,217)	(6,283)
Increased refundable deposits	-	(894)
Decrease in refundable deposits	26,021	-
Increased other non-current assets:	(1,686)	(28,252)
Dividends received	1,537	1,107
Net cash outflow from investing activities	(40,341)	(1,836,259)
Cash flow from financing activities:		
Increased (decreased) short-term borrowings	(250,000)	250,000
Lease principal repayment	(1,328)	(1,300)
Increase in guarantee deposits	812	822
Distribution of cash dividends	(393,766)	(352,316)
Net cash outflow from financing activities	(644,282)	(102,794)
Decrease in cash and cash equivalents in the current period	(57,059)	(1,831,135)
Cash and cash equivalents at beginning of period	882,884	2,714,019
Cash and cash equivalents at end of period	**$ 825,825**	**882,884**

(Please refer to the attached Notes to the parent-company-only financial statements)

ACER E-ENABLING SERVICE BUSINESS INC.
Notes to parent-company-only financial statements
2025 and 2024
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

ACER E-ENABLING SERVICE BUSINESS INC. (hereinafter referred to as the “Company”) was established on February 22, 2012 with the approval of the Ministry of Economic Affairs. The registered address is 18F., No. 9, Sec. 3, Nangang Rd., Nangang Dist., Taipei City. The Company positions itself as “the cloud company that best comprehends on-premise requirements, an accelerator of generative AI for enterprises.” Having assisted more than 2,000 corporate clients, the Company has an extensive track record of working closely with organizations in the high-tech, government, finance, and manufacturing sectors. The Company provides a range of services that adhere to global benchmarks and meet enterprise-level requirements. These services include the construction of information system infrastructure, customized software development, project planning, application value-added services, and the provision of system maintenance and backup solutions. Generative AI, Copilot applications, cloud applications and managed services, and data governance and optimization are among the AI-driven products and services that the Group integrates. These initiatives accelerate the adoption of digital and cloud technologies by enterprise users, thereby enhancing enterprise customers’ operational resilience in the midst of uncertainty. The Company is ultimately controlled by ACER INCORPORATED.

II. Date and procedure for approving the financial statements

The parent-company-only financial statements were approved by the Board of Directors for release on March 10, 2026.

III. Application of new and revised standards and interpretations

(I) The impact of the International Financial Reporting Standards (“IFRS”) endorsed by the Financial Supervisory Commission (hereinafter referred to as the "FSC") which have already been adopted.

The Company began to apply the following newly amended IFRSs on January 1, 2025, and there was no significant impact on the parent-company-only financial statements.

・Amendment to IAS 21 "Lack of Exchangeability"

(II) The impacts of IFRS endorsed by the FSC but not yet effective

The Company has assessed that the adoption of the following newly amended IFRSs effective on January 1, 2026 will not have a significant impact on the parent-company-only financial statements.

IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

- Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments"

Annual improvement of IFRS

- Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”

(III) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The standards and interpretations that have been issued and revised by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC and may be relevant to the Consolidated Entity are as follows:

Application of new and revised standards and interpretations	Description of main amendment	Effective date announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two subtotals of income statement, and one single note about the management performance measurement (MPM). These three amendments and enhancements provide a guide for how to disaggregate information in financial statements, and lay a foundation to provide users with better and more consistent information, and will affect all companies. • The more structured income statement: pursuant to the current standard, a company uses different formats to present its operating results, so that investors cannot easily compare the financial performance of different companies. The new standard uses a more structured income statement, and introduces the subtotal "operating profits" newly defined, while specifying all income and expenses are classified into three new categories based on the Company's main business	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will align with IFRS 18 starting from the 2028 fiscal year. If a company has a need for early adoption, it may elect to adopt IFRS 18 early upon obtaining the FSC’s approval.

activities.

- Management Performance Measurement (MPMs): The new standard introduces the definition of management performance measurement, and requires companies to provide the information on each measurement indicator in a single note to the financial statements, explaining why the indicator provides useful information, how to calculate, and how to reconcile between the MPMs and the amount recognized by the IFRS accounting standards.
- More disaggregated information: the new standard includes the guidance to enhance the information grouping in the financial statements. This includes whether information should be included in the main financial statements or further disaggregated in the notes.

The Company is currently evaluating the impact of the above standards and interpretations on its financial position and operating performance and will disclose relevant impacts when completing the evaluation.

The Company expects the other following new and amended standards that have not yet been approved by the FSC to have no significant impact on the parent-company-only financial statements.

- Amendments to IFRS 10 and IAS 28 regarding “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and Amendments to IFRS 19
- Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”

IV. Summary of material accounting policies

(I) Statement of compliance

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

(II) Basis of preparation

1. Basis of measurement

The parent-company-only financial statements have been prepared on a historical cost

(1) Financial assets measured at fair value through other comprehensive income;

(2) Net defined benefit liabilities measured at present value of defined benefit obligation less the fair value of plan assets;

(3) Financial liabilities designated at FVTPL.

2. Functional currency and presentation currency

The Company's functional currency is the currency of the primary economic environment where it operates. The parent-company-only financial statements are presented in New Taiwan dollars, which is the Company's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(III) Foreign currency

1. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transaction. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that day. The non-monetary items denominated in foreign currencies measured at fair value are translated into the functional currencies using the exchange rate at the date that fair value was denominated. The non-monetary items denominated in foreign currencies measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in the profit or loss, except for an investment in equity securities measured at fair value through other comprehensive income is recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into NTD (the presentation currency used in the parent-company-only financial statements) using the exchange rates of the reporting date; the income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency of the Company's parent-company-only financial statements using the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control or significant influence is lost, the accumulated exchange differences related to that foreign operation are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Group' s ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

(IV) Classification of current and non-current assets and liabilities

An asset is classified as current when one of the following criteria is met; all other assets are classified as non-current assets:

1. It is expected to be realized in the normal operating cycle, or intended to be sold or consumed;
2. It is held for the purpose of trading;
3. It is expected to be realized within 12 months after the reporting period; or
4. Cash or cash equivalents (defined as IAS 7), except those that will be swapped or used to repay liabilities at least 12 months from the reporting period, and those with restricted uses.

A liability is classified as current by the Company when one of the following criteria is met; all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in the normal operating cycle;
2. It is held for the purpose of trading;

3. It is due to be settled within 12 months after the reporting period; or
4. The liability has no right to defer the liability settlement to at least 12 months after the reporting period on the end date of the reporting period.

(V) Cash and cash equivalent

Cash includes cash on hand, checking deposits, demand deposits and time deposits. Cash equivalents are short-term investments with high liquidity that is readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VI) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are recognized when the Company becomes a party to the terms of a financial instrument contract. Financial assets that are not measured at fair value through profit or loss (except accounts receivable that do not contain significant financial components) or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

The financial assets of the Company are classified into the following categories at the initial recognition: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. When financial assets are purchased or sold in accordance with trading practices, the accounting treatment of the transaction date is adopted. The Company only reclassifies all affected financial assets from the first day of the next reporting period when the business model for managing financial assets is changed.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at amortized cost:

- The financial asset is held under the business model for the purpose of collecting contractual cash flow.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are measured at amortized cost using the effective interest rate method, less impairment losses. Interest income, foreign currency exchange gains and losses, and impairment losses are recognized in gain or loss. Upon derecognition, the profit or loss is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income

Debt instrument investments that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at fair value through other comprehensive income:

- The financial asset is held under the business model for the purpose of collecting contractual cash flows and selling the financial asset.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company may make an irrevocable choice at the time of initial recognition to present the subsequent fair value changes of the equity instrument investment not held for trading in other comprehensive income. The aforementioned choice is made on an instrument-by-instrument basis.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value, except for foreign currency exchange gains and losses of debt instrument investments, interest income and impairment losses calculated under the effective interest method, and dividend income of equity instrument investments (unless it clearly represents a recovery of part of the cost of the investment) recognized in profit or loss, and changes in the remaining carrying amount are recognized in other comprehensive income, and accumulated in equity under the unrealized gain or loss on financial assets measured at fair value through other comprehensive income. At the time of de-recognition, a debt instrument investment reclassifies the accumulated gain or loss in equity to profit or loss; an equity instrument investment reclassifies the accumulated gain or loss in equity to retained earnings and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Company is entitled to receive dividends (usually the ex-dividend date).

(3) Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income and losses (e.g., financial assets held for trading or managed at fair value with performance assessed) are measured at fair value through profit and losses, including derivative financial assets. At the time of initial recognition, our company may irrevocably designate financial assets that meet the conditions for measurement at amortized cost or at fair value through other comprehensive income, as financial assets measured at fair value through profit or loss. This designation is made to eliminate or significantly reduce any accounting mismatches.

The initial recognition is measured at fair value and the transaction costs are recognized as profit or loss when incurred; subsequently, the assets are measured at fair value, the gain or loss (including related dividend income and interest income) generated by re-measurement is recognized as profit or loss.

(4) Impairment of financial assets

The Company recognizes the allowance for expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, notes receivable and accounts receivable, other receivables, and refundable deposits) and contract assets.

The loss allowance for accounts receivable and contract assets is measured at lifetime expected credit losses . Other financial assets are measured at lifetime expected credit losses, except for the following financial assets, which are measured at 12-month expected credit losses:

The credit risk of other debt securities and bank deposits (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The lifetime expected credit loss refers to the expected credit loss generated by all possible defaults during the expected life of the financial instrument; the 12-month expected credit loss refers to the expected credit loss generated by the possible default of the financial instrument within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months).

The longest period over which expected credit losses are measured is the longest contract period in which the Company is exposed to credit risk.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and supportable information (which can be obtained without excessive cost or effort), including

qualitative and quantitative information, and analysis based on the Company's historical experience, credit assessment and analysis of forward-looking information.

The expected credit losses are the probability-weighted estimate of the credit loss during the expected life of a financial instrument. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows that the Company can collect in accordance with the contract and the cash flows that the Company expects to collect. Expected credit losses are discounted at the effective interest rate of the financial assets.

The loss allowance of financial assets measured at amortized cost is deducted from the carrying amount of the assets. The amount of the provision or reversal of the loss allowance is recognized in profit or loss.

When the Company cannot reasonably expect all or part of the recovered financial assets, it directly reduce the total carrying amount of its financial assets. The Company analyzes the timing and amount of write-off separately based on whether the recovery is reasonably expected. The Company expects that the written-off amount will not be reversed. However, the written-off financial assets can still be enforced compulsorily to meet the Company's procedures for recovering overdue amounts. Based on the Company's experience, the overdue amount cannot be collected after 180 days.

(5) Derecognition of financial assets

Only when the contractual rights to the cash flows from the asset are terminated, or the financial asset is transferred with almost all the risks and rewards of the ownership of the asset transferred to another entity, or the financial assets have neither been transferred nor retained Financial assets are de-recognized when all the risks and rewards are transferred and the Company has not retained control over the financial asset.

If the Company enters into a financial asset transfer transaction, and retains all or almost all of the risks and rewards of ownership of the transferred asset, the asset will be continuously recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

The Company's debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

(2) Equity transactions

Equity instrument refers to any contract that represents the residual equity of the Company after deducting all liabilities from assets. The equity instruments issued by the Company are recognized at the proceeds received net of direct issuance costs.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized costs or fair value through profit or loss Financial liabilities are carried at fair value through profit or loss if they are held for trading, are derivatives, or designated to be so at initial recognition. Financial liabilities at fair value in profit or loss are carried at fair value with net gains and losses, including any interest expense, recognized through profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in gain or loss. Any profit or loss is recognized in gain or loss at the time of derecognition.

(4) Derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired. When the terms of a financial liability are amended and there is a significant difference in the cash flow of the liability after the amendment, the original financial liability is derecognized, and a new financial liability is recognized at the fair value based on the amended terms. When derecognizing financial liabilities, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are presented on a net basis only when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(VII) Inventory

Inventories are measured at the lower of cost or net realizable value. The cost

of inventories is calculated using the weighted-average method, and includes expenditure incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(VIII) Investment in subsidiaries

In preparing the parent-company-only financial statements, the Company has adopted the equity method to evaluate the invested company it has control over. Under the equity method, the amortization amount attributed to the owners of the parent company is the same as the profit or loss and other comprehensive income for the period in the parent-company-only financial statements and the consolidated financial statements prepared on the consolidated basis. The equity attributable to the owners of the parent company in the financial statements is the same.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with owners.

(IX) Investment in associates

Affiliated enterprises are those over which the Company has significant influence on their financial and operating policies, but does not control or jointly control them.

The Company's investment in associates is accounted for using the equity method. Under the equity method, investment is initially recognized at cost. Investment costs includes transaction cost. The carrying amount of an investment in an associate includes the goodwill identified at the time of the initial investment, less any accumulated impairment losses.

From the date of significant influence to the date of loss of significant influence, the Company recognizes the profit or loss and other comprehensive income of each associate in proportion to its equity. When there is a change in equity other than profit and loss and other comprehensive income in an associate that does not affect the Company's shareholding ratio, the Company shall recognize all the changes in equity as capital reserve in proportion to the shareholding ratio.

The unrealized gains arising from the transactions between the Company and its associate are eliminated in accordance with the Company's equity in the invested company. Unrealized losses are eliminated in the same manner as unrealized gain, but only to the extent that there is no evidence of impairment.

The financial statements of associates have been appropriately adjusted to bring their accounting policies into line with the Company's accounting policies.

When the Company's share of losses from an associates to be recognized on

a pro rata basis equals or exceeds its equity in the associates, the Company stops recognizing its losses. The Company only recognizes additional losses and related liabilities when a legal obligation, constructive obligation, or payment on behalf of the investee is made. additional loss and related liabilities are recognized.

When the associate issues new shares, if the Company fails to subscribe in proportion to its shareholding, resulting in a change in the shareholding ratio and thus causing an increase or decrease in the net equity value of the investment, the increase or decrease is adjusted against the capital reserve and the investment under the equity method; If the adjustment is written against capital reserve, but the balance of capital reserve arising from investments under the equity method is insufficient, the difference is debited to retained earnings. However, if the Company fails to subscribe in proportion to its shareholding, resulting in a decrease in its ownership interest in an associate, the amount related to the associate previously recognized in other comprehensive income is reclassified proportionally to the decrease, and its accounting treatment basis is the same as that which the associate must observe of the relevant assets or liabilities.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment losses.

Where the useful lives of the material components of any property, plant, or equipment differ, they are treated as a separate item under the property, plant, or equipment

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

2. Subsequent costs

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

3. Depreciation

Depreciation is calculated based on the cost of the asset less its residual value and recognized in profit or loss using the straight-line method over the estimated useful life of each component. The useful lives estimated for the current and comparative periods are as follows: houses and buildings: 3-50 years; transportation equipment: 6 years; office equipment: 3-4 years, other equipment: 3-10 years.

The depreciation method, useful life and residual value are reviewed at each reporting date, and the effect of any change in estimate is recognized prospectively.

(XI) Lease (lessee)

The Company assesses whether the contract is or contains a lease on the date of establishment of the contract. If the contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is or contains a lease.

The Company recognizes right-of-use assets and lease liabilities on the lease commencement date. Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities, adjusted for any lease payments paid on or before the lease commencement date, and including any initial direct costs and an estimate of the costs of dismantling and removing the underlying asset and restoring the site or the asset, while deducting any lease incentives received.

The subsequent right-of-use assets are depreciated using the straight-line method from the lease start date to the end of their useful lives or the expiration of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use assets are impaired and recognizes any impairment losses that have occurred and adjusts the right-of-use assets if the lease liabilities are remeasured.

Lease liabilities are initially measured at the present value of the unpaid lease payments on the lease starting date. If the interest rate implicit in the lease is readily determinable, the discount rate is the interest rate; if it is not easy to determine, the Group's incremental borrowing rate is used. Generally, the Company adopts its incremental borrowing interest rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

1. Fixed payments, including substantive fixed payments;
2. For the variable lease payment depending on a certain index or rate, the index or the rate on the lease commencement date is used as the initial

measurement;

3. The residual guarantee amount expected to be paid; and
4. The exercise price or penalty when the purchase option or lease termination option is reasonably determined to be exercised.

Subsequent interest on lease liabilities is accrued using the effective interest method, and the amount is re-measured when:

1. Changes in future lease payments resulting from changes in an index or a rate used to determine lease payments;
2. Changes in the amounts expected to be payable under residual value guarantees;
3. Changes in the assessment of an option to purchase the underlying asset;
4. Changes in the assessment of whether an extension or termination option will be exercised, resulting in a revised assessment of the lease term;
5. Modifications to the underlying asset, scope of the lease, or other terms.

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

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

The Company presents the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

If the agreement includes lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Group has elected not to separate non-lease components and account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(XII) Intangible assets

The purchased software acquired by the Company is measured at cost less accumulated amortization and accumulated impairment losses. The amortization amount is recognized using the straight-line method over its useful life (1 to 3 years), and is recognized in profit or loss.

The Company reviews the residual value, useful life and amortization method of intangible assets at each reporting date, and makes appropriate adjustments if necessary.

(XIII) Impairment of non-financial assets

The Company assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (except inventories, contract assets and deferred income tax assets) may be impaired at each reporting date. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, the group of assets whose cash inflow is mostly independent of other individual assets or asset group is recognized as the smallest identifiable asset group. The goodwill acquired in a business combination is allocated to each cash-generating unit or cash-generating unit group that is expected to benefit from the synergies of the combination.

The recoverable amount is the fair value of an individual asset or cash-generating unit less the cost of disposal and its value in use, whichever is higher. In assessing value in use, the estimated future cash flows are converted to the present value using a discount rate that reflects the current market's assessment of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount, it is recognized as impairment loss. The impairment loss is immediately recognized in profit or loss, and the carrying amount of goodwill allocated to the cash-generating unit is reduced first, and then the carrying amount of each asset is reduced in proportion to the carrying amount of other assets in the unit.

The impairment loss of goodwill shall not be reversed. The non-financial assets other than goodwill are only reversed within the carrying amount (less depreciation or amortization) of the asset if no impairment loss was recognized in previous years.

(XIV) Revenue from customer contracts

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1. Sale of products

The Company recognizes revenue when the control of the product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer can fully determine the right to use the product, the risk of obsolescence and loss of the product have been transferred to the customer and there is no outstanding obligation that will affect the customer's acceptance of the product. The Company recognizes revenue and accounts receivable at that time. The advance payment according to the sales contract are recognized as a contract liability before the product is delivered.

2. Revenue from service rendered

The Company provides system implementation or integration services to enterprise customers. Revenue from providing services is recognized in the accounting periods in which the services are rendered. For performance obligations that are satisfied over time, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the portion of the work performed, the time passed by, or the milestone reached.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the accumulated revenue recognized by the Group exceeds the payments, a contract asset is recognized. If the payments exceed the accumulated revenue recognized, a contract liability is recognized.

3. Financial components

The Company expects the period between the transfer of goods or services and customer payment does not exceed one year. Therefore, the Company does not adjust the transaction price for the time value of money.

(XV) Employee benefits

1. Defined contribution plan

The contribution obligation of the defined contribution plan is expensed during the period in which employees render services.

2. Defined benefit plan

The net obligation under the defined benefit pension plan is the present value of the future benefit amount earned by the employees in the current period or in the past less the fair value of any plan assets. The discount rate is based on the market yield of government bonds with maturities close to the net obligation duration and denominated in the same currency as the expected benefit payment. The net obligation of the defined benefit plan is calculated annually by a qualified actuary using the projected unit benefit method.

When the benefits under the plan are improved, the related expenses are recognized in profit or loss immediately due to the employees' past services.

The re-measurement of net defined benefit liabilities (assets) includes (1) actuarial gains and losses; (2) the return on plan assets, but excluding the amount of net interest included in net defined benefit liabilities (assets); and (3) the impact of the asset ceiling , but excluding the amount of net interest on net defined benefit liabilities (assets). The re-measurement of net defined benefit liabilities (assets) is recognized in other comprehensive income and transferred to other equity in the current period.

When a curtailment or settlement occurs, the Company recognizes the curtailment or settlement gain or loss of the defined benefit plan. Curtailment or settlement gains and losses include any changes in the fair value of plan assets and changes in the present value of defined benefit obligations.

3. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses when the related services are rendered. For the short-term cash bonus or the amount expected to be paid under the bonus plan, if the Company has a present legal or constructive obligation to pay for the services rendered by employees in the past, and the obligation can be estimated reliably, the amount is recognized as a liability.

(XVI) Income tax

Income tax includes current income tax and deferred income tax. Except for those related to business combination and recognized directly in equity or other comprehensive income, current income tax and deferred income tax are recognized in profit or loss.

The interest or penalties related to income tax determined by the Company (including the uncertain tax treatment) do not meet the definition of income tax, and therefore the accounting treatment of IAS 37 is applied.

The current income tax includes the expected income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustment to the income tax payable or tax refund receivable from prior years. The amount reflects income tax-related uncertainty (if any) related to income tax, and is the best estimate of the expected payment or receipt at the statutory tax rate or tax rate substantively enacted on the reporting date.

Deferred income tax is measured and recognized on temporary differences between the carrying amount of assets and liabilities and their tax bases at the reporting date. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. Assets or liabilities initially recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference.
2. Temporary differences arising from investments in subsidiaries, associates and joint ventures, of which the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. The taxable temporary difference arising from the initial recognition of goodwill.

Unused tax losses and unused tax credits carried forward and deductible temporary differences are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available for use, and are reassessed

on each reporting date, and are reduced to the extent that it is no longer probable to be realized; or reversed when it becomes probable that sufficient taxable income will be available.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to be reversed, using the statutory tax rate or the substantively enacted tax rate on the reporting date and has reflected income tax-related uncertainty (if any).

The Company will offset the deferred income tax assets and deferred income tax liabilities when the following conditions are met at the same time:

1. It has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities subject to income taxes levied by the same taxation authority:
   (1) The same taxable entity; or
   (2) Different taxable entities which intend to settle current tax assets and settle the liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be.

(XVII) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing the net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to shareholders of the Company and the weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares include employee compensation to be settled in the form of common shares.

(XVIII) Operating segments

The Company has disclosed the operating segments information in the consolidated financial statements; therefore, the Company does not disclose the operating segments information in the parent-company-only financial statements.

V. Critical accounting judgment, estimates, and assumptions uncertainty

When preparing the consolidated financial statements, the management is required to make judgments and estimates for the future (including climate-related risks and opportunities). These judgments, estimates, and assumptions may affect the application of accounting policies adopted and amounts of assets, liabilities, income, and expense reported. Actual results may differ from these estimates.

The management examines its estimates and underlying assumptions on an ongoing basis, to ensure they are consistent with the Company's risk management and climate-related commitments. Impacts from changes in estimates are recognized in the period when the changes take place and in future periods when impacts materialize.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

Revenue recognition:

Revenue from sale of goods and services is recognized when the control of the goods or services is transferred to the customer to satisfy the performance obligation, and the conditions are as described in Note IV (XIV).

Management believes that there are no significant assumptions or estimation uncertainties that would result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	2025.12. 31	2024.12. 31
Demand deposits and checking deposits	$ 794,409	784,541
Time deposits with original maturity date of less than three months	31,416	98,343
	$ 825,825	**882,884**

Financial liabilities measured at fair value through profit or loss

	2025.12. 31	2024.12. 31
Financial liabilities measured at fair value through profit or loss		
Non-hedging derivative instrument		
Foreign exchange forward contracts	**$ -**	**2,103**

Please refer to Note VI(XIX) for the amount of remeasurement recognized in profit or loss at fair value.

The Company engages in derivative financial instrument trading to hedge the exchange rate risk exposure due to business activities. The transactions are

reported as financial assets or liabilities measured at fair value through profit or loss because the hedge accounting is not applicable. The Company's outstanding derivatives at the reporting date are as follows:

Foreign exchange forward contracts：

	2024.12. 31		
Contract amount (NT$ thousand)	**Currency**		**Due Date**
USD **4,600**	USD sold/ NTD bought		2025.02. 27

(III) Financial liabilities measured at fair value through profit or loss - non-current

		2025.12. 31	**2024.12. 31**
Equity instruments measured at fair value through other comprehensive income:			
Listed (OTC) company stocks	$	26,174	23,543
Unlisted (OTC) company stock		2,393	1,182
	$	**28,567**	**24,725**

The above equity instrument investments held by the Company are not held for trading purposes, and have been designated as financial assets at fair value through other comprehensive income.

(IV) Notes and accounts receivable - measured at amortized cost

		2025.12. 31	**2024.12. 31**
Notes receivable	$	4,232	21,535
Accounts receivable		2,614,859	2,444,273
Less: Loss allowance		(5,907)	(6,760)
		2,613,184	2,459,048
Accounts receivable - related parties		41,199	67,642
	$	**2,654,383**	**2,526,690**

The Company applies the simplified approach to estimate expected credit losses for all notes and accounts receivable, i.e., using lifetime expected credit losses for measurement, and has incorporated forward-looking information. Expected credit losses of notes and accounts receivable of the Company are analyzed as follows:

	2025.12. 31		
	Book value of notes and accounts receivable	Weighted average ECL	ECL during the duration of loss allowance
Current	$ 2,528,215	0.03%	851
Past due 1 to 30 days	64,727	0.78%	507
Past due 31 to 60 days	5,597	3.39%	190
Past due 61 to 90 days	8,578	10.17%	872
Past due 91 to 180 days	10,793	21.81%	2,354
Past due for more than 181 days	1,181	95.94%	1,133
	2,619,091		5,907

	2024.12. 31		
	Book value of notes and accounts receivable	Weighted average ECL	ECL during the duration of loss allowance
Current	$ 2,215,653	0.04%	881
Past due 1 to 30 days	163,675	0.68%	1,107
Past due 31 to 60 days	81,514	2.70%	2,202
Past due 61 to 90 days	657	8.22%	54
Past due 91 to 180 days	2,745	38.36%	1,053
Past due for more than 181 days	1,564	93.54%	1,463
	2,465,808		6,760

The Company's trade receivables from related parties in the December 31, 2025 and 2024 had no expected credit loss and is analyzed as follows:

	2025.12. 31	2024.12. 31
Current	$ 40,301	48,940
Past due 1 to 30 days	898	18,702
	$ 41,199	**67,642**

The changes in the allowance for notes and accounts receivable of the Company are as follows:

	2025	2024
Opening balance	$ 6,760	10,561
Recognized impairment loss reversal gains	(853)	(3,801)
Closing balance	**$ 5,907**	**6,760**

(V) Inventory

	2025.12. 31	2024.12. 31
Merchandise inventory	**$ 514,316**	**446,612**

The inventory related expenses recognized in the current period recognized in the cost of goods sold are as follows:

	2025	2024
Cost of sold inventories	$ 8,011,745	7,154,628
Inventory valuation losses	(497)	(4,739)
	$ 8,011,248	**7,149,889**

The gain on reversal of inventory valuation losses was due to the fact that the inventories for which an allowance for valuation losses had been provided at the beginning of the period was sold, resulting in a decrease in the amount of allowance for valuation losses recognized to be recognized.

(VI) Investment under equity method

The Company's investment under equity method on the reporting date is as follows:

	2025.12. 31	2024.12. 31
Subsidiary	$ 113,337	73,275
Associates	13,432	10,308
	$ 126,769	**83,583**

1. Subsidiaries

Please refer to the 2025 consolidated financial statements for the Company's information.

2. Affiliated enterprises

The Company acquired a 20% equity interest in Asset Storage Co., Ltd. for NTD 10,125 thousand on October 20, 2022, and further participated in its cash capital increase in 2025 for NTD 4,080 thousand. As of December 31, 2025 and 2024, the Company held 19.16% and 20% of the equity interest, respectively, and has significant influence over the investee through its representation on the board of directors. The summarized financial information below represents the amounts included in the Company’s financial statements.

	2025	2024
Share attributable to the Company:		
Net income for the period	$ (126)	1,677
Other comprehensive income	-	-
Total comprehensive income/loss	**$ (126)**	**1,677**

(VII) Property, plant and equipment

Changes in the cost and accumulated depreciation of the Company's property, plant and equipment are as follows:

	Land	Houses and buildings	Transportation equipment	Office equipment	Other equipment	Total
Cost:						
Balance as of January 1, 2025	$ 1,031,866	747,963	658	15,161	7,670	1,803,318
Additions	-	19,747	-	1,539	5,765	27,051
Disposals	-	-	-	(201)	(522)	(723)
Effect of other reclassifications and exchange rate changes	-	17,880	-	-	-	17,880
Balance as of December 31, 2025	**$ 1,031,866**	**785,590**	**658**	**16,499**	**12,913**	**1,847,526**
Balance as of January 1, 2024	$ -	-	658	12,178	4,983	17,819
Additions	1,031,866	747,963	-	3,136	2,687	1,785,652
Disposals	-	-	-	(153)	-	(153)
Balance as of December 31, 2024	**$ 1,031,866**	**747,963**	**658**	**15,161**	**7,670**	**1,803,318**

	Land	Houses and buildings	Transportation equipment	Office equipment	Other equipment	Total
Accumulated depreciation:						
Balance as of January 1, 2025	$ -	12,693	658	10,321	5,261	28,933
Current depreciation	-	17,691	-	3,012	1,464	22,167
Disposals	-	-	-	(201)	(522)	(723)
Balance as of December 31, 2025	**$ -**	**30,384**	**658**	**13,132**	**6,203**	**50,377**
Balance as of January 1, 2024	$ -	-	621	8,262	4,641	13,524
Current depreciation	-	12,693	37	2,212	620	15,562
Disposals	-	-	-	(153)	-	(153)
Balance as of December 31, 2024	**$ -**	**12,693**	**658**	**10,321**	**5,261**	**28,933**
Carrying amounts:						
December 31, 2025	**$ 1,031,866**	**755,206**	**-**	**3,367**	**6,710**	**1,797,149**
December 31, 2024	**$ 1,031,866**	**735,270**	**-**	**4,840**	**2,409**	**1,774,385**

In response to the operational needs, the Company acquired land at NTD 1,031,866 thousand and houses and buildings at NTD 747,963 thousand on March

21, 2024 as office buildings for use as its own office building. As of December 31, 2024, the related payments have been fully settled.

(VIII) Right-of-use assets

The details of changes in the cost and accumulated depreciation of the Company's leased houses and buildings are as follows:

	Houses and buildings
Cost of right-of-use assets:	
Balance as of January 1, 2025 (i.e. balance at December 31, 2025)	**$ 3,987**
Balance as of January 1, 2024	$ 47,991
Additions	3,987
Decrease	(47,991)
Balance as of December 31, 2024	**$ 3,987**
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2025	$ 1,257
Depreciation	1,329
Balance as of December 31, 2025	**$ 2,586**
Balance as of January 1, 2024	$ 47,928
Depreciation	1,320
Decrease	(47,991)
Balance as of December 31, 2024	**$ 1,257**
Carrying amounts:	
December 31, 2025	**$ 1,401**
December 31, 2024	**$ 2,730**

(IX) Intangible assets

Changes in the cost and accumulated amortization of the Company's intangible assets are as follows:

	Computer software
Cost:	
Balance as of January 1, 2025	$ 30,308
Additions	4,217
Written off	(10,295)
Balance as of December 31, 2025	**$ 24,230**
Balance as of January 1, 2024	$ 24,313
Additions	6,283
Written off	(288)
Balance as of December 31, 2024	**$ 30,308**
Accumulated depreciation:	
Balance as of January 1, 2025	$ 27,423
Amortization	4,667
Written off	(10,295)
Balance as of December 31, 2025	**$ 21,795**
Balance as of January 1, 2024	$ 21,780
Amortization	5,931
Written off	(288)
Balance as of December 31, 2024	**$ 27,423**
Carrying amounts:	
December 31, 2025	**$ 2,435**
December 31, 2024	**$ 2,885**

	2025	2024
Operating cost	$ 76	-
Operating expenses	4,591	5,931
	$ 4,667	**5,931**

(X) Other non-current assets:

The Company's other non-current assets are as follows:

	2025.12. 31	2024.12. 31
Prepayment for interior decoration equipment	$ -	17,880
Prepayment for buildings and land	12,058	10,372
	$ 12,058	**28,252**

(XI) Short-term borrowings

The Company's short-term borrowings are detailed as follows:

	2025.12. 31	2024.12. 31
Unsecured bank borrowings	$ -	250,000
Unused facilities	$ 2,200,000	1,250,000
Interest rate interval	-	1.92%

(XII) Lease liabilities

1. The book value of lease liabilities of the Company is as follows:

	2025.12. 31	2024.12. 31
Current	$ 1,348	1,328
Non-current	$ 74	1,422

Please refer to Note VI(XXI) Financial Risk Management for maturity analysis.

2. The amounts recognized in profit and loss are as follows:

	2025	2024
Interest on lease liabilities	$ 32	49
Expenses relating to leases of low-value assets	$ 248	458
Expenses relating to short-term leases	$ 579	8,327

3. The amounts recognized in the statement of cash flows are as follows:

	2025	2024
Total cash outflow for leases	$ 2,187	10,134

4. Important lease terms:

The lease period for the Company's buildings and structures is 1 to 3 years. In addition, the lease period for some of the offices leased by the Company is less than one year, and the leases are short-term leases; in addition, some of the offices and miscellaneous equipment leased are leases with low-value subjects; therefore, these leases are exempted from recognition under the exemption from recognition regulations. List related right-of-use assets and lease liabilities.

(XIII) Employee benefits

1. Defined benefit plan

	2025.12. 31	2024.12. 31
Present value of defined benefit obligation	$ 125,298	129,967
Fair value of plan assets	(71)	(55)
Net defined benefit liability	$ 125,227	129,912

The retirement payment of each employee under the Labor Standards Act is calculated based on the bases earned for the years of service and the

average salary six months prior to retirement.

(1) Changes in the present value of definite benefit obligations

	2025	2024
Defined benefit obligation as of January 1	$ 129,967	138,768
Current service cost	420	544
Interest cost	2,583	2,416
Re-measurement of net defined benefit liabilities (assets)		
- Actuarial gains and losses due to changes in financial assumptions	2,708	(4,835)
- Actuarial gains and losses due to experience adjustments	5,195	377
Effect of employee transfer	(7,088)	-
Benefits paid by the Company	(8,487)	(7,303)
Defined benefit obligation as of December 31	**$ 125,298**	**129,967**

(2) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets are as follows:

	2025	2024
Fair value of the plan assets on January 1	$ 55	34
Remeasurement of net defined benefit liabilities - return on plan assets (excluding interest for the current period)	4	2
Employer's contribution	12	19
Fair value of the plan assets on December 31	**$ 71**	**55**

(3) Expenses recognized as loss (gain)

	2025	2024
Current service cost	$ 420	544
Net interest of net defined benefit liability	2,583	2,416
	$ 3,003	**2,960**

(4) Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation by the Company at the end of the financial reporting date are as follows:

	2025.12. 31	2024.12. 31
Discount rate	1.750%	2.000%
Future salary growth	4.000%	4.000%

The Company expects to pay NTD 8 thousand to the defined benefit plan within one year after December 31, 2025. The weighted average duration of the Company's defined benefit plan is 10.43 years.

(5) Sensitivity analysis

The impact of changes in the main actuarial assumptions adopted on the present value of defined benefit obligation is as follows:

	Effect on defined benefit obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2025		
Discount rate	(2,708)	2,781
Future salary	2,661	(2,595)
December 31, 2024		
Discount rate	(3,103)	3,192
Future salary	3,062	(2,994)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet. The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

2. Definite contribution plan

The Company's defined contribution plan is based on the Labor Pension Act. The contribution rate of 6% of the monthly salary is appropriated to the labor pension account of the Bureau of Labor Insurance. Under this plan, the Company fixed amount is appropriated as required, i.e. there is no legal or constructive obligation to make additional payments.

The Company's pension expenses under the 2025 and 2024 defined

contribution plan were NTD 15,692 thousand and NTD 15,999 thousand, respectively.

(XIV) Income tax

1. The details of the Company's income tax expenses are as follows:

	2025	2024
Current income tax expense		
Occurred in the current period	150,688	129,970
Adjustment of the current income tax of the previous period	$ (1,410)	(5,629)
	149,278	124,341
Deferred income tax expenses (gains)		
Occurrence and reversal of temporary difference	(296)	1,309
	148,982	**125,650**

The breakdown of income tax benefits (expenses) recognized in other comprehensive income is as follows:

	2025	**2024**
Re-measurement of defined benefit plan	**$ 1,580**	**(892)**

The Company had no income tax expense recognized in equity in 2025 and 2024.

2. The relationship between income tax expenses and net income before tax is adjusted as follows:

	2025	**2024**
Net income before tax	**$ 744,116**	**664,614**
Income tax calculated based on the local tax rate of the Company	$ 148,823	132,923
Tax-exempt income	(240)	-
Imposition of 5% tax on undistributed earnings	3,711	-
Previous period income tax adjustment	(1,410)	(5,629)
Others	(1,902)	(1,644)
	$ 148,982	**125,650**

3. Deferred income tax assets and liabilities

Recognized deferred income tax assets:

	Allowance for losses from inventory valuation decline	Defined benefit liability	Bonus for unused paid leave payable	Others	Total
January 1, 2025	$ 474	27,235	4,009	8,583	40,301
Recognized in (losses) profit	(100)	(1,099)	8	1,487	296
Recognized in other comprehensive income (loss)	-	1,580	-	-	1,580
December 31, 2025	**$ 374**	**27,716**	**4,017**	**10,070**	**42,177**
January 1, 2024	$ 1,421	29,000	3,875	8,206	42,502
Recognized in (losses) profit	(947)	(873)	134	377	(1,309)
Recognized in other comprehensive income (loss)	-	(892)	-	-	(892)
December 31, 2024	**$ 474**	**27,235**	**4,009**	**8,583**	**40,301**

4. Status of income tax assessments

The income tax returns of the Company's profit-seeking business have been audited and approved by the tax authorities up to 2023.

(XV) Capital and other equity

1. Common stock capital

The Company's authorized capital amounted to NTD 600,000 thousand at NTD 10 par value per share on December 31, 2025 and 2024. The Company had 41,449 thousand shares issued, all of which were common shares.

The adjustment table for the outstanding common shares of the Company is as follows (expressed in thousand shares):

	2025	2024
Beginning balance (i.e. end balance)	**41,449**	**41,449**

2. Capital reserve

The balance of the Company's capital reserves is as follows:

	2025.12. 31	2024.12. 31
Issued stock premium	$ 621,725	621,725
Employee share warrants	6,373	6,373
	$ 628,098	**628,098**

Pursuant to the Company Act, capital reserves shall be first used to offset losses before issuing new shares or distributing cash in proportion to the original shareholding ratio from realized capital reserves. The realized capital reserve

mentioned in the preceding paragraph includes share premium in excess of par value and amounts received from donations. According to the Regulations Governing the Offering and Issuance of Securities by Issuers, the total amount of capital reserve for capitalized each year shall not exceed 10% of the Company's paid-in capital.

3. Retained earnings and dividend policy

(1) Earnings distribution

Pursuant to the Company's Articles of Incorporation, if there is a profit for the year, tax shall be paid first, prior losses shall be covered, and then 10% shall be appropriated as a legal reserve. However, when the legal reserve amounts to the total paid-in capital, this limitation shall not apply. After the appropriation or reversal of the special reserve in accordance with the laws or regulations or the requirements of the competent authority, the remaining retained earnings together with the undistributed earnings of the prior years shall be prepared by the Board of Directors as an earnings distribution proposal and may be submitted to the shareholders' meeting for approval.

(2) Legal reserve

Pursuant to the Company Act, when the Company has no losses, the Company may, upon resolution of the shareholders' meeting, distribute new shares or cash out of the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

(3) Special reserves

According to the regulations of the FSC, when the Company distributes the earnings available for distribution, for the net amount debited to other shareholders' equity in the current year, the net profit after tax of the current period plus the item other than the net profit of the current period is included in the undistributed earnings of the current period and the prior undistributed earnings are appropriated as special reserve. If the deduction in other shareholders' equity is accumulated in the prior periods, the same amount of special reserve shall be appropriated from the prior undistributed earnings and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(4) Dividend policy

The Company's dividend policy is based on the current and future development plans, the investment environment, capital needs, domestic and international competition, and the interests of shareholders. Each year, no less than 10% of the distributable earnings shall be appropriated. Shareholders' bonus may be distributed in the form of shares or cash. In order to achieve a balanced and stable dividend policy, cash dividends shall not be less than 10% of the total dividends, unless the Board of Directors resolves not to distribute dividends and such resolution is approved by the shareholders' meeting.

When the Company has no earnings, it shall not distribute dividends and bonuses. However, based on the Company's financial, business, and operational considerations, all or part of the legal reserve and capital reserve may be distributed according to laws or regulations or as required by the competent authorities.

According to the amended Articles of Incorporation of the Company approved on June 4, 2025, where the Company distributes dividends and bonuses, or all or part of capital reserve or legal reserve, in cash, such distribution is authorized to be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting.

The Company's shareholders' meetings held on June 4, 2025 and June 5, 2024 respectively resolved the amount of dividends to be distributed from the earnings for 2024 and 2023 as follows:

	2024		2023	
	Dividends per share (NTD)	**Amount**	**Dividends per share (NTD)**	**Amount**
Dividends distributed to common stock shareholders:				
Cash	$ 9.50	**393,766**	8.50	**352,316**

The Board of Directors of the Company resolved on March 10, 2026 to distribute cash dividends of NTD 435,214 thousand at NTD 10.5 per share.

For information on earnings distribution, please refer to the Market Observation Post System.

4. Other equity (net amount after tax)

	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	Exchange differences on translation of financial statements of foreign operations	Re-measurement of defined benefit plan	Total
January 1, 2025	$ (7,045)	1,798	(31,186)	(36,433)
Changes in fair value of financial assets measured at fair value through other comprehensive income	2,402	-	-	2,402
Exchange differences arising from the translation of the net assets of foreign operations	-	511	-	511
Re-measurement of defined benefit plan	-	-	(6,319)	(6,319)
Balance as of December 31, 2025	**$ (4,643)**	**2,309**	**(37,505)**	**(39,839)**
January 1, 2024	$ (11,670)	29	(34,754)	(46,395)
Changes in fair value of financial assets measured at fair value through other comprehensive income	4,625	-	-	4,625
Exchange differences arising from the translation of the net assets of foreign operations	-	1,769	-	1,769
Re-measurement of defined benefit plan	-	-	3,568	3,568
Balance as of December 31, 2024	**$ (7,045)**	**1,798**	**(31,186)**	**(36,433)**

(XVI) Earnings per share

1. Basic earnings per share

	2025	2024
Net profit attributable to the Company's common stock shareholders	**$ 595,134**	**538,964**
Weighted average number of outstanding common stock (shares in thousands)	**41,449**	**41,449**
Basic earnings per share (NTD)	**$ 14.36**	**13.00**

2. Diluted earnings per share

	2025	2024
Net profit attributable to the Company's common stock equity holders	**$ 595,134**	**538,964**
Weighted average number of outstanding common stock (basic) (shares in thousands)	41,449	41,449
Effect of potential dilutive ordinary shares (shares in thousands):		
The effect of employees' remuneration	458	336
Weighted average number of common shares outstanding (diluted) (thousand shares)	**41,907**	**41,785**
Diluted earnings per share (NTD)	**$ 14.20**	**12.90**

(XVII) Revenue from customer contracts

1. Breakdown of revenue

	2025	2024
Main product/service lines:		
Cloud services and a large number of software services	$ 6,428,311	5,908,019
Application development and other software services	1,750,396	1,537,547
Value-added products	1,317,538	1,126,769
	$ 9,496,245	**8,572,335**

2. Contract balance

	2025.12. 31	2024.12. 31	2024.1. 1
Notes and accounts receivable (including related party)	$ 2,660,290	2,533,450	2,206,096
Less: Loss allowance	(5,907)	(6,760)	(10,561)
	$ 2,654,383	**2,526,690**	**2,195,535**
Contract assets	**$ 65,270**	**77,752**	**94,209**
Contract liabilities	**$ 1,760,661**	**1,769,869**	**1,776,517**

Please refer to Note VI(VI) for the disclosure of notes and accounts receivable and the impairment thereof.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Company transfers goods or services to customers to meet performance obligations and when the customer makes payment.

(XVIII) Remuneration to employees and directors

According to the Company's Articles of Incorporation as amended on June 4, 2025, if the Company has profit for the year, after retaining an amount to offset accumulated losses, no less than 2% of the remaining balance shall be appropriated as employees' remuneration, of which no less than 1% shall be appropriated for entry-level employees, and no more than 0.8% may be appropriated as directors' remuneration. The employees' remuneration in the preceding paragraph may be paid in cash or shares, and the recipients may include the employees of the controlling or subordinate companies who meet certain criteria. Under the Articles of Incorporation prior to amendment, if the Company has annual profit, after setting aside a portion to offset accumulated losses, no less than 2% of the remaining amount shall be appropriated as employees' remuneration, and no more than 0.8% may be appropriated as directors' remuneration. The employees' remuneration in the preceding paragraph may be paid in cash or shares, and the recipients may include the employees of the controlling or subordinate companies who meet certain criteria.

The Company's 2025 and 2024 employees' remuneration amounts are estimated at NTD 85,000 thousand and NTD 81,000 thousand, respectively; the estimated amount of directors' remuneration is NTD 980 thousand and NTD 880 thousand, respectively, and are calculated based on the amount of pre-tax profit before deducting employees' and directors' remuneration, multiplied by the respective appropriation percentages proposed by the Company, and are reported as operating expenses for each period. If there is a discrepancy between the actual amount distributed and the estimated amount in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss in the following year.

There is no discrepancy between the estimated amount of the aforementioned employees' and directors' remuneration and the amount resolved by the Company's board of directors, and all were paid in cash. Relevant information is available on the Market Observation Post System.

(XIX) Non-operating incomes and expenditures

1. Interest revenue

	2025	2024
Interest on bank deposits	$ 7,003	9,686
Other interest income	4	3
	$ 7,007	**9,689**

2. Other income

		2025	2024
Rent income	$	683	260
Dividend income		1,199	-
	$	**1,882**	**260**

3. Other gains and losses

		2025	2024
Net foreign currency exchange gain (loss)	$	(5,283)	9,218
Net gain (loss) from financial liabilities measured at fair value through profit or loss		2,103	(2,103)
Government grant income		378	163
Others		54	79
	$	**(2,748)**	**7,357**

4. Financial costs

		2025	2024
Interest on lease liabilities	$	32	49
Interest on bank borrowings		4,004	7,947
Other financial expenses (Note VII)		281	-
	$	**4,317**	**7,996**

(XX) Fair value of financial instruments

1. Types of financial instruments

(1) Financial assets

		2025.12. 31	2024.12. 31
Financial liabilities measured at fair value through profit or loss	$	28,567	24,725
Financial assets measured at amortized cost:			
Cash and cash equivalents		825,825	882,884
Notes and accounts receivable (including related party)		2,654,383	2,526,690
Other receivables (including related parties)		91	113
Refundable deposits		162,300	188,321
	$	**3,671,166**	**3,622,733**

(2) Financial liabilities

	2025.12. 31	2024.12. 31
Financial liabilities measured at fair value through profit or loss	$ -	2,103
Financial liabilities measured at amortized cost:		
Short-term borrowings	-	250,000
Notes and accounts payable (including related parties)	1,454,767	1,273,788
Other payables (including related parties)	390,332	353,141
Lease liabilities (including current and non-current)	1,422	2,750
Guarantee deposits	4,480	3,668
	$ 1,851,001	**1,885,450**

2. Fair value information

(1) Financial instruments not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities classified as measured at amortized cost in the financial statements approximate their fair values.

(2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis. The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

A. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

B. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

C. Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	2025.12. 31			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	$ 26,174	-	-	26,174
Unlisted (OTC) company stock	-	-	2,393	2,393
	$ 26,174	**-**	**2,393**	**28,567**

	2024.12. 31			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	$ 23,543	-	-	23,543
Unlisted (OTC) company stock	-	-	1,182	1,182
	$ 23,543	**-**	**1,182**	**24,725**
Financial liabilities measured at fair value through profit or loss				
Foreign exchange forward contracts	**$ -**	**2,103**	-	**2,103**

There was no transfer among fair value levels in 2025 and 2024.

(3) Movement in financial assets included in Level 3 fair value hierarchy:

	Financial liabilities measured at fair value through profit or loss	
	2025	2024
Opening balance	$ 1,182	1,019
Total loss of profit:		
Recognized in other comprehensive income	(229)	163
Increase in the current period	1,440	-
Closing balance	**$ 2,393**	**1,182**

The total profit or loss referred to above is reported in "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income". The assets still held as of December 31, 2025 and 2024 are as follows:

	2025	2024
Total profit or loss		
Recognized in other comprehensive income	$ (229)	163

(4) Valuation techniques and inputs applied to financial instruments measured at fair value

A. For financial assets with standard terms and conditions that are traded in active markets, the fair value is determined by reference to market quotes, such as stocks of TWSE/TPEX listed companies.

B. Derivatives are estimated at fair value using the evaluation method. The estimates and assumptions used are similar to the information used by market participants for estimates and assumptions when pricing derivatives, and is available to the Company. The fair value of the foreign exchange forward contract is calculated separately in accordance with the evaluation method on the individual maturity dates of the contracts.

C. The fair value of the stocks of Level 3 unlisted companies is estimated by the market method, and the determination is based on recent fund-raising activities, the evaluation of companies of the same type, market conditions and other economic indicators. In addition, the significant unobservable input is mainly the liquidity discount. However, as the possible change of the liquidity discount will not result in significant potential financial impact, it is not intended to disclose its quantitative information.

(XXI). Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk (including exchange rate risk and other price risk) due to its business activities. The Company's risk exposure information, the Company's policies and procedures for measuring and managing such risks, and the quantitative disclosure are disclosed in this note.

1. Credit risk

(1) Amount of maximum credit risk exposure

Credit risk is the risk of financial loss incurred by the Company due to the counterparty's failure to perform its contractual obligations, which mainly comes from financial assets such as cash and cash equivalents, accounts receivable from customers, and other receivables. The book value of the

Company's financial assets and contract assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

The Company's cash is deposited in different financial institutions, and the credit risk exposed to each financial institution is controlled. As of December 31, 2025 and 2024, 34% of the accounts receivable balance was due from five major customers. The Company has established a credit policy, and analyzes the credit status of each customer individually to determine the credit limit in accordance with the policy. It also regularly evaluates customers' financial status and uses insurance to reduce credit risks.

(3) Credit risk from receivables

For credit risk exposure information on notes receivable and accounts receivable, please refer to Note VI(IV). Other financial assets measured at amortized cost include other receivables and refundable deposits. The above are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured by the 12-month expected credit loss amount (for the description of how the Company determines the low credit risk, please refer to Note IV (VI) of the consolidated financial statements). The other receivables and refundable deposits as of December 31, 2025 and 2024 were assessed to have no expected credit losses.

2. Liquidity risk

Liquidity risk is the risk that the Company may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The Company regularly monitors current and expected mid- and long-term funding requirements, and manages liquidity risk by maintaining sufficient cash and cash equivalents and bank financing facilities. As of December 31, 2025 and 2024, the Company had unused borrowing facilities amounting to NTD 2,200,000 thousand and NTD 1,250,000 thousand, respectively.

The following table shows the maturity analysis of financial liabilities with agreed repayment periods, which is based on the earliest date on which the Company may be required to repay and is compiled based on the undiscounted cash flows.

	Contract cash flow	Within 1 year	1-2 years	2-5 years
December 31, 2025				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	$ 1,454,767	1,454,767	-	-
Other payables (including related parties)	390,332	390,332	-	-
Lease liabilities (including current and non-current)	1,434	1,360	74	-
Guarantee deposits	4,480	2,670	1,000	810
	$ 1,851,013	**1,849,129**	**1,074**	**810**
December 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	251,181	251,181	-	-
Accounts payable (including related parties)	$ 1,273,788	1,273,788	-	-
Other payables (including related parties)	353,141	353,141	-	-
Lease liabilities (including current and non-current)	2,794	1,360	1,360	74
Guarantee deposits	3,668	2,239	47	1,382
	$ 1,884,572	**1,881,709**	**1,407**	**1,456**
Derivative instrument				
Foreign exchange forward contracts - gross settlement				
Inflow	$ (145,879)	(145,879)	-	-
Outflow	147,982	147,982	-	-
	$ 2,103	**2,103**	**-**	**-**

The Company does not expect the cash flow analysis on the maturity date will be significantly early or the actual amount will be significantly different.

3. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates and equity instrument price changes, will affect the Company's income or the value of financial instruments. The objective of market risk management is to control market risk exposure within the tolerable range and to optimize investment returns.

(1) Exchange rate risk

The Company is exposed to exchange rate risk arising from sales and purchases that are not denominated in the functional currency.

A. Exchange rate risk exposure

The book values of monetary assets and liabilities denominated in non-functional currencies on the reporting date are as follows:

	2025.12. 31			2024.12. 31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 5,407	31.416	169,866	6,935	32.781	227,336
Financial liabilities						
Monetary items						
USD	178	31.416	5,592	151	32.781	4,950

B. Sensitivity analysis

The Company's exchange rate risk mainly comes from the cash, cash equivalents and accounts receivable (payable) (including related parties) which are denominated in foreign currencies, with the resulting foreign currency exchange gains and losses. In 2025 and 2024, when the NTD depreciated/appreciated 1% against USD, and all other factors The pre-tax net profit for the years would have increased/decreased by NTD 1,643 thousand and NTD 2,224 thousand, respectively. The analysis of two terms is based on the same basis.

(2) Interest rate risk

The bank borrowings of the Company are based on floating interest rates. The countermeasures of the Company to the risk of interest rate changes are mainly to regularly evaluate the interest rate of borrowings provided by bank and by currencies, and maintain good relationships with financial institutions to obtain lower financing costs. Meanwhile, the Company strengthens the management of working capital, to reduce the dependence on bank borrowings, and diversify the risk of interest rate changes. In addition, the Company’s borrowings from related parties bear interest at fixed interest rates.

The following sensitivity analysis is based on the interest rate exposure of the bank borrowings with floating interest rates on the reporting date, and the analysis method is based on the assumption that the outstanding amount of borrowing on the reporting date is outstanding throughout the year. The change in interest rates used by the Company in reporting to key management personnel is an increase or decrease of 1% in annual interest rates, which also represents management’s assessment of the reasonably possible range of

changes in interest rates.

If the annual interest rate had increased/decreased by 1%, with all other variables held constant, the Company's profit before tax for the year ended December 31, 2024 would have decreased/increased by NTD 2,500 thousand.

(3) Other market price risk

The Company holds the equity securities investment in TWSE/TPEx listed companies and has the risk of fluctuation in equity price. The Group manages the investments based on fair value and actively monitors the investment performance. The equity securities of unlisted companies held by the Group are strategic investments, and the Group does not actively trade such investments. The sensitivity analysis of the price risk of equity instruments is based on the fair value changes on the reporting date. If the equity instrument price increased/decreased by 5%, other comprehensive income would increase/decrease by NTD 1,428 thousand and NTD 1,236 thousand in 2025 and 2024, respectively.

(XXII) Capital management

Based on the characteristics of the current operating industry and future development, the Company plans its working capital, capital expenditures, and dividend payment needs, taking into consideration changes in the external environment, so as to ensure the continued operation of the Company, provide returns to shareholders, and at the same time take into account the interests of other stakeholders and maintain an optimal capital structure to enhance shareholder value in the long run.

(XXIII) Investment and financing activities of non-cash transactions

1. Please refer to Note VI (VIII) for the right-of-use assets acquired by lease in 2025 and 2024.
2. The adjustment of liabilities from financing activities is as follows:

	2025.1. 1	Cash flow	Changes in leases	2025.12.31
Short-term borrowings	$ 250,000	(250,000)	-	-
liabilities	2,750	(1,328)	-	1,422
Guarantee deposits	3,668	812	-	4,480
Total liabilities from financing activities	**$ 256,418**	**(250,516)**	**-**	**5,902**

	2024.1. 1	Cash flow	Changes in leases	2024.12.31
Short-term borrowings	$ -	250,000	-	250,000
liabilities	63	(1,300)	3,987	2,750
Guarantee deposits	2,846	822	-	3,668
Total liabilities from financing activities	**$ 2,909**	**249,522**	**3,987**	**256,418**

VII. Related party transactions

(I) Parent company and ultimate controller

The parent company of the Company is Acer Beingware Holding Inc. which held 61.99% and 63.46% of the outstanding common shares of the Company as of December 31, 2025 and 2024, respectively. In addition, ACER INCORPORATED is the ultimate controller of the Group. ACER has prepared consolidated financial statements for public use.

(II) Names of related parties and their relationships

During the period covered by the parent-company-only financial statements, the subsidiaries of the Company and other related parties with the Company are as follows:

Name of related party	Relationship with the Company
Acer Incorporated (AI)	The ultimate controller of the group to which the Company belongs
Acer Beingware Holding Inc. (ABH)	Parent company of the Company
Acer Information Technology (Shanghai) Co., Ltd. (EBSH)	Subsidiary of the Company
ACER E-ENABLING SERVICE BUSINESS VIETNAM COMPANY LIMITED(EBVN)	Subsidiary of the Company
Datasitter Information Service Inc.	Associates
Acerpure Inc. (API)	Other related party (a subsidiary of AI)
Acer Medical Inc. (AMED)	Other related party (a subsidiary of AI)
Acer Gadget Inc. (AGT)	Other related party (a subsidiary of AI)
Aopen Inc. (AOPEN)	Other related party (a subsidiary of AI)
Acer AI Cloud Inc.	Other related party (a subsidiary of

(AIC)	AI)
Acer Cyber Security Inc. (ACSI)	Other related party (a subsidiary of AI)
ACSI Cyber Security Academy	Other related party (a subsidiary of AI)
Weblink International Inc. (WLII)	Other related party (a subsidiary of AI)
Acer Being Communication Inc. (ABC)	Other related party (a subsidiary of AI)
Acer ITS Inc. (ITS)	Other related party (a subsidiary of AI)
Acer Synergy Tech Corp. (AST)	Other related party (a subsidiary of AI)
Acer e-Enabling Data Center Inc. (EDC)	Other related party (a subsidiary of AI)
Acer Third Wave Software (Beijing) Co. Ltd	Other related party (a subsidiary of AI)
Highpoint Service Network Corporation (HSNC)	Other related party (a subsidiary of AI)
Aspire Service & Development Inc. (ASDI)	Other related party (a subsidiary of AI)
Acer Gaming Inc. (AGM)	Other related party (a subsidiary of AI)
Acer Synergy Manpower Corp. (ASM)	Other related party (a subsidiary of AI
Portwell, Inc.	Other related party (a subsidiary of AI) (Note 1)
Bluechip Infotech Incorporated	Other related party (a subsidiary of AI)
Acer Healthcare Inc. (AHC)	Other related party (a subsidiary of AI)
Shine Passion Engineering Co., Ltd (SPE)	Other related party (related to AI) (Note 2)
Chao-Chi Property Management Consulting Co., Ltd. (formerly known as Chao-Chi Management Consulting Co., Ltd.)	Other related party (related to AI) (Note 3)
Angel Filtration Products Corp.	Other related party (related to AI)

ECOM Software Inc.	Other related party (related to AI)
Solming Green Energy Corp.	Other related party (related to AI)

Note 1: Originally an affiliate of AI, it became a subsidiary of AI on July 7, 2025.

Note 2: Originally a subsidiary of AI, it became an affiliate of AI on July 24, 2025.

Note 3: It became a subsidiary of AI on February 19, 2025, and then became an affiliate ofAI on December 17, 2025.

(III) Significant transactions with related parties:

1. Operating revenue

The Company's sales amount to related parties is as follows:

	2025	2024
The ultimate controller	$ 330,423	164,536
Subsidiary	63,105	62,753
Associates	2,150	1,449
Other related party	32,336	33,462
	$ 428,014	**262,200**

The Company's selling prices and transaction conditions to the above-mentioned related parties are not significantly different from ordinary transactions, except that there is no ordinary transaction price for comparison due to the different specifications of some products.

2. Purchases

The amount of the Company's purchases to related parties is as follows:

	2025	2024
The ultimate controller	$ 6,496	4,255
Associates	68,691	88,337
Other related party	388,521	334,008
	$ 463,708	**426,600**

The Company's purchase prices from related parties are based on general purchase terms and there is no significant difference from general suppliers, except that due to the different specifications of some products, there is no general transaction price to compare.

3. Operating costs and expenses

The Company's operating costs and expenses incurred as a result of the related parties providing management services, project manpower support, and system maintenance services are as follows:

Items accounted for	Category of related party	2025	2024
Operating cost	The ultimate controller	$ 169	148
Operating cost	Other related party	10,134	8,772
Operating expenses	The ultimate controller	8,683	5,429
Operating expenses	Other related party	1,321	1,900
		$ 20,307	**16,249**

4.Borrowings from related parties

The Company borrowed NTD 150,000 thousand and NTD 100,000 thousand from the ultimate controlling party, ACER, in the first and third quarters of 2025, respectively, bearing interest at a fixed rate of 1.85%. Interest expense on such borrowings for 2025 amounted to NTD 281 thousand. As of December 31, 2025, the relevant payments had been fully made.

5. Leases

The Company leases offices and other assets from ACER. These leases are short-term leases or low-value lease assets, and the Company chooses to waive the recognition requirements and does not recognize its related right-of-use assets and lease liabilities. The rent expense for 2025 and 2024 was NTD 406 thousand and NTD 8,496 thousand, respectively. As of December 31, 2025, the relevant payables are listed under other payables. As of December 31, 2024, the relevant payments are fully made.

The Company leased office premises to other related parties, and the rental income for the period from January 1 to December 31, 2025 amounted to NTD 528 thousand. As of December 31, 2025, the relevant receivables are listed under other receivables.

6. Receivables from related parties

In summary, the Company's receivables from related parties are as follows:

Items accounted for	Category of related party	2025.12. 31	2024.12. 31
Accounts receivable - Related parties	The ultimate controller	$ 22,433	22,283
Accounts receivable - Related parties	Subsidiary	13,653	38,642
Accounts receivable - Related parties	Other related party	5,113	6,717
Other receivables - Related parties	Other related party	88	14
Contract assets	Other related party	505	870
		$ 41,792	**68,526**

7. Payables to related parties

In summary, the Company's payable accounts-related parties are stated as follows:

Items accounted for	Category of related party	2025.12. 31	2024.12. 31
Accounts payable - related parties	The ultimate controller	$ 1,228	1,468
Accounts payable - related parties	Associates	19,883	29,128
Accounts payable - related parties	Other related party	83,473	59,781
Other payables - related parties	The ultimate controller	5,750	3,796
Other payables - related parties	Other related party	271	237
Other payables - related parties (pension liabilities)	The ultimate controller	7,088	-
		$ 117,693	**94,410**

8. Transferred pension liabilities payable to employees

Because employees of the Company were transferred to ACER, the ultimate controlling party, in 2025, and the net defined benefit liability was transferred accordingly, the related payable was recorded under “Other payables - related parties.”

9. Contract liabilities

The Company has collected contractual consideration from the related parties, but has not yet transferred the goods or services to the related parties. The details of the contractual liabilities are as follows:

Items accounted for	Category of related party	2025.12. 31	2024.12. 31
Contract liabilities	The ultimate controller	$ 21,896	21,919
Contract liabilities	Other related party	5,521	6,288
		$ 27,417	**28,207**

10. Property transactions

The Company purchased building improvements and other equipment from other related parties in 2025 and 2024 for NTD 118 thousand and NTD 249 thousand, respectively. As of December 31, 2025 and 2024, the related payables had been fully settled.

(IV) Remuneration to key management personnel

	2025	2024
Short-term employee benefits	$ 29,872	28,171
Post-employment benefits	525	525
	$ 30,397	**28,696**

VIII. Pledged assets: None.

IX. Significant contingent liabilities and unrecognized contractual commitments

In response to the operating needs of the Company, the Company signed a purchase agreement with Lien Jade Construction Co., Ltd. on March 27, 2024, to purchase an office building in Taichung area, with a total amount of NT$33,920 thousand. As of December 31, 2025, NTD 12,058 thousand has been paid and recorded under other non-current assets, and the delivery date is expected to be in 2031.

X. Significant loss from disaster: None.

XI. Significant subsequent events: None.

XII. Others

(I) Employee benefits, depreciation and amortization expenses by function are summarized as follows:

By function	2025			2024		
By nature	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salaries	158,313	304,925	463,238	153,184	307,794	460,978
Insurance	10,625	20,165	30,790	10,445	20,550	30,995
Pension	6,479	12,216	18,695	6,518	12,441	18,959
Remuneration to directors	-	3,500	3,500	-	2,535	2,535
Others	5,763	16,963	22,726	6,482	16,677	23,159
Depreciation expense	-	23,496	23,496	-	16,882	16,882
Amortization expense	76	4,591	4,667	-	5,931	5,931

Additional information on the number of employees and employee benefit expenses as of 2025 and 2024 is as follows:

	2025	2024
Number of employees	296	317
Number of Directors who are not also employees	7	7
Average employee benefit expense	$ 1,853	1,723
Average employee salaries and wages	$ 1,603	1,487
Average adjustment to employee salaries	7.80%	9.50%
Remuneration to supervisors	$ -	-

The Company's remuneration policy (including directors, managerial officers and employees) is as follows:

The Company's directors' remuneration are established in accordance with the Articles of Incorporation and the authorization of the "Directors' and Supervisors' Remuneration Principles" and "Regulations Governing the Remuneration of Directors and Managerial Officers", and take into account the Company's operating conditions and profits. The manager's remuneration is evaluated and handled in accordance with the "Regulations Governing the Remuneration of Directors and Managerial Officers," which takes into account the Company's profitability and individual performance; the employee remuneration is based on the "Regulations Governing Remunerations," which evaluate and handle payments based on market remunerations levels and individual performance.

XIII. Additional disclosures

(I) Information on significant transactions

The significant transactions to be disclosed by the Company in 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

1. Loaning of funds to others: None.
2. Endorsements/guarantees for others: None.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Unit: NTD Thousand/Thousand shares

Types and names of securities of	companies held	Relationship with the securities issuer	Account	Ending balance				Note
				Number of shares	Carrying amount	Shareholding ratio	Fair value/net value	
The Company	Taishin Financial Holding Co., Ltd. Class H Preferred Shares (formerly known as Shin Kong Financial Holding Co.,Ltd. Preferred Shares B)	-	Financial liabilities measured at fair value through profit or loss - non-current	666	26,174	0.30%	26,174	Note 1

Note 1: Taishin Financial Holding Co., Ltd. (stock code: 2887), in connection with its merger with Shin Kong Financial Holding Co., Ltd. (“Shin Kong Financial,” stock code: 2888), issued Class H Registered Preferred Shares II (stock code: 2887H, hereinafter referred to as “Class H Preferred Shares II”) through a capital increase. Class H Preferred Shares II were issued to assume Shin Kong Financial’s Class B Preferred Shares, and the related rights and obligations are effective from September 1, 2020.

4. Total purchases from and sales to related parties which exceed NTD100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company Name	Related Party	Relationship	Transaction status				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases (sales)	Amount	% in total purchases (sales)	Period of credit extension	Unit price	Period of credit extension	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	ACER	Parent/Subsidiary	Sales	(330,423)	(3.48) %	EM 30	(Note 1)	(Note 3)	22,433	0.85%	-
The Company	WLII	Other related party	Purchases	335,960	4.16 %	EM 60	(Note 2)	(Note 3)	57,948	(3.98)%	-

(Note 1): The price of the Company's sales to the related parties and the terms of the transaction are not significantly different from the general sale, except that there is no general transaction price comparison due to the different specifications of some products.
(Note 2): The Company's purchase price and transaction conditions from the related party are not significantly different from those of the general manufacturers, except that there is no general transaction price comparison due to the different specifications of some products.
(Note 3): No significant difference from general transactions.

5. Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital: None.

(II) Information on the reinvestment business:

Unit: Thousand shares/NTD thousand

Name of Investment Company	Name of Investee	Location	Main business	Initial investment amount		Holdings at end of period			Profit or loss of the investee for the period	Investment gains and losses recognized in the current period	Note
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	Datasitter Information Service Inc.	Taiwan	Wholesale of computer software packages	14,205	10,125	1,366	19.16%	13,432	(674)	(126)	
The Company	ACER E-ENABLING SERVICE BUSINESS VIETNAM COMPANY LIMITED	Vietnam	An AI application service provider offering integrated cloud and digital application solutions.	45,710	16,285	-	100.00%	49,034	2,852	2,852	

(III) Information on investments in Mainland China:

1. The name and main business items of the invested company in Mainland China:

Unit: USD thousand/NTD thousand

Name of investee in Mainland China	Main business	Total paid-up capital	Investment method	Taiwan at the beginning of current period	Opening cumulative balance of investment capital invested from Taiwan		Closing cumulative balance of investment capital invested from Taiwan	Profit or loss of the investee for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains and losses recognized in the current period (Note 1)	Carrying value of investment at the end of the period	Repatriated investment income up to the current period
					O/R	Collected						
Acer Information Technology (Shanghai) Co., Ltd.	An AI application service provider offering integrated cloud and digital application solutions.	47,124 (USD1,500)	(Note 2)	47,124 (USD1,500)	-	-	47,124 (USD1,500)	7,303 (USD232)	100.00%	7,303 (USD232)	64,303 (USD2,047)	-

Note 1: Already eliminated when the consolidated financial statements were prepared.
Note 2: Direct investment in Mainland China companies.
Note 3: Based on the exchange rate USD:NTD = 1:31.416 on December 31, 2025.
Note 4: No information on number of shares as it is a limited company
Note 5: The investment income or loss was recognized based on the investee company's self-prepared financial statements that were not audited by independent auditors.

2. Limits on investment in Mainland China:

Unit: USD thousand/NTD thousand

Company Name	Accumulated Investment in Mainland China as of the end of period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company	47,124 (USD 1,500)	94,248 (USD 3,000)	1,414,239

Note: Based on the exchange rate USD:NTD = 1:31.416 on December 31, 2025.

3. Significant transactions with investee companies in Mainland China:

For the Company's significant transactions with investee companies in Mainland China in 2025, either directly or indirectly, please refer to the description of "Information on Significant Transactions".

XIV. Segment information

Please refer to the 2025 consolidated financial statements.

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Cash and Cash Equivalents

Balance as of December 31, 2025

Unit: NTD thousand

Item	Abstract		Amount
Demand deposits and checking deposits	Note 1	$	794,409
Time deposits in foreign currencies (original maturity date within 3 months)	USD: 1,000 thousand		31,416
		$	**825,825**

Note 1: Including USD 521 thousand, based on the exchange rate USD:NTD = 1:31.416

Statement of Contract Assets

Customer name		Amount
Customer A	$	11,732
Customer B		6,167
Customer C		5,311
Customer D		4,903
Customer E		3,985
Customer F		3,538
Vendor G		3,271
Others (all less than 5%)		26,363
	$	**65,270**

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Notes and Accounts Receivable

Balance as of December 31, 2025

Unit: NTD thousand

Customer name	Amount
Customer A	$ 316,089
Customer B	190,556
Customer C	145,471
Notes receivable (less than 5%)	4,232
Others (all less than 5%)	1,962,743
Less: Allowance for bad debt	(5,907)
	$ 2,613,184

Statement of Inventories

Item	Amount		Note
	Carrying amount	Net realizable value	
Merchandise inventory	**$ 514,316**	**611,308**	Net realizable value at market price

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Changes in Financial Assets at FVTOCI - Non-current

January 1 to December 31, 2025 **Unit: NTD Thousand/Thousand shares**

Name	Beginning of period		Increase in the current period		Decrease in the current period		Unrealized valuation profit (loss)	Ending balance		Guarantee or pledge	Note
	Number of shares	Fair value	Number of shares	Amount	Number of shares	Amount		Number of shares	Fair value		
Preferred Shares B of Shin Kong Financial Holding Co., Ltd.	666	$ 23,543	-	-	-	-	2,631	666	26,174	None	-
Ambi Arts Inc. Stocks	180	1,182	144	1,440	-	-	(229)	324	2,393	None	-
		$ 24,725		**1,440**		**-**	**2,402**		**28,567**		

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Changes in Investment Using Equity Method

January 1 to December 31, 2025

Unit: NTD thousand

Name of investee	Opening balance		Increase in the current period		Decrease in the current period		Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	Share of profit (loss) of subsidiaries accounted for using the equity method	Exchange differences on translation of financial statements of foreign operations	Unrealized sales profit	Closing balance			Net amount of equity		Guarantee or pledge
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount					Number of shares	Shareholding ratio	Amount	Unit price (NTD)	Total price	
Datasitter Information Service Inc.	675,000	$ 10,308	691,000	4,080	-	(338)	-	(126)	-	(492)	1,366,000	19.16%	13,432	9.83	13,432	None
Acer Information Technology (Shanghai) Co., Ltd.	-	56,914	-	-	-	-	-	7,303	115	(29)	-	100.00%	64,303	-	64,303	None
ACER E-ENABLING SERVICE BUSINESS VIETNAM COMPANY LIMITED	-	16,361	-	29,425	-	-	-	2,852	396	-	-	100.00%	49,034	-	49,034	None
		$ 83,583		**33,505**		**(338)**	**-**	**10,029**	**511**	**(521)**			**126,769**		**126,769**	

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of refundable deposits

Balance as of December 31, 2025

Unit: NTD thousand

Item	Amount
Bidding deposits and performance bonds	$ 162,267
Housing deposit	13
Others	20
	$ 162,300

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Notes and Accounts Payable

Balance as of December 31, 2025

Unit: NTD thousand

Vendor Name	Amount
Vendor A	$ 942,583
Vendor B	103,107
Vendor C	95,510
Others (all less than 5%)	208,983
	$ 1,350,183

Statement of other payables

Item	Amount
Salaries and bonuses payable	$ 200,106
Payable expenses	39,130
Employee benefits payable	53,632
Bonus for unused paid leave payable	20,085
Others (all less than 5%)	64,270
	$ 377,223

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Contract Liabilities

Balance as of December 31, 2025

Unit: NTD thousand

Customer name	Amount
Customer 1	$ 210,828
Customer No. 2	194,343
Customer No. 3	85,850
Others (all less than 5%)	1,269,640
	$ 1,760,661

Statement of Operating Cost

January 1 to December 31, 2025

Unit: NTD thousand

Item	Amount
Merchandise, beginning of period	$ 448,979
Add: Purchase of the current period	8,078,953
Less: Merchandise of the ending period	516,187
Cost of purchases and sales	8,011,745
Cost of labor services	181,786
Other operating costs	129,873
Gain on reversal of decline in value of inventories	(497)
Cost of goods sold	**$ 8,322,907**

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Operating Expenses

January 1 to December 31, 2025

Unit: NTD thousand

Item	Sales promotion expenses	Administrative expenses	R&D expenses
Wages and salaries	$ 197,321	49,570	58,034
Depreciation	21,401	2,095	-
Others	11,538	3,001	2,425
Premiums for labor and health insurances	12,788	3,493	3,884
Pension	8,234	1,912	2,070
Amortization and appropriation	1,629	2,728	234
Other expenses (all less than 5%)	31,094	26,482	1,474
	$ 284,005	**89,281**	**68,121**

Accounts receivable - Related parties and other receivables - For a detailed statement of related parties, please see note VII to the parent-company-only financial statements

For details of changes in property, plant and equipment, please refer to Note VI(VII) to the parent-company-only financial statements

Please refer to Note VI(VIII) to the parent-company-only financial statements for details of changes in right-of-use assets

Please refer to Note VI(IX) to the parent-company-only financial statements for details of changes in intangible assets

Please refer to Note VI(X) to the parent-company-only financial statements for a detailed statement of other non-current assets

Accounts payable - Related parties and other payables - For a detailed statement of related parties, please see note VII to the parent-company-only financial statements

Please refer to Note VI(XIV) to the parent-company-only financial statements for details of deferred income tax assets

Please refer to Note VI(XVII) to the parent-company-only financial statements for details of operating revenue

Please refer to Note VI(XIX) to the parent-company-only financial statements for details of interest income.

Please refer to Note VI(XIX) to the parent-company-only financial statements for details of other income.

Please refer to Note VI(XIX) to the parent-company-only financial statements for a detailed statement of other gains and losses

Please refer to Note VI(XIX) to the parent-company-only financial statements for details of financial costs