

Stock Code: 6811

ACER E-ENABLING SERVICE BUSINESS

INC. and Subsidiaries

Consolidated Financial Statements

With Independent Auditor's Review Report

For the Three Months Ended March 31, 2025 and 2024

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Table of Contents

| Item | Page |
|--|-------|
| I.Cover page | 1 |
| II.Table of Contents | 2 |
| III.Independent Auditors' Report | 3 |
| IV.Consolidated Balance Sheet | 4 |
| V.Consolidated Statement of Comprehensive Income | 5 |
| VI.Consolidated Statement of Changes in Equity | 6 |
| VII.Consolidated Statements of Cash Flows | 7 |
| VIII.Notes to the Consolidated Financial Statements | |
| (I) Company history | 8 |
| (II) Date and procedure for approving the financial statements | 8 |
| (III) Application of new and revised standards and interpretations | 8~9 |
| (IV) Summary of significant accounting policies | 10 |
| (V) Critical accounting judgment, estimates, and assumptions uncertainty | 11 |
| (VI) Description of significant accounting items | 11~25 |
| (VII) Related party transactions | 25~28 |
| (VIII) Pledged assets | 28 |
| (IX) Significant contingent liabilities and unrecognized contractual commitments | 28 |
| (X) Significant loss from disaster | 28 |
| (XI) Significant subsequent events | 28 |
| (XII) Others | 29 |
| (XIII) Additional disclosures | |
| 1. Information on significant transactions | 29~30 |
| 2. Information on investees | 30 |
| 3. Information on investments in Mainland China | 30~31 |
| 4. Major shareholders | 31 |
| (XIV) Segment information | 31 |

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries (the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
May 6, 2025

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Balance Sheet

March 31,2025,December 31,2024,and March 31,2024

Unit: NTD thousand

| Assets | | March 31,2025 | | December 31,2024 | | March 31,2024 | |
|----------------------------|---|----------------------|------------|-------------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % | Amount | % |
| Current assets: | | | | | | | |
| 1100 | Cash and cash equivalents (Note 6(1)) | \$ 582,019 | 10 | 965,983 | 16 | 1,062,809 | 19 |
| 1140 | Contract assets - current (Note 6(17) and 7) | 89,966 | 2 | 77,752 | 1 | 98,462 | 2 |
| 1170 | Notes and accounts receivable, net (Note 6(4) and (17)) | 2,872,350 | 48 | 2,497,192 | 41 | 1,968,150 | 35 |
| 1180 | Accounts receivable - Related parties (Note 6(4), (17) and 7) | 40,990 | - | 29,045 | 1 | 34,184 | 1 |
| 1206 | Other receivables – Others | - | - | 99 | - | - | - |
| 1210 | Other receivables - Related parties (Note 7) | 93 | - | 14 | - | - | - |
| 1300 | Inventories (Note 6(5)) | 328,411 | 5 | 450,390 | 7 | 368,820 | 7 |
| 1410 | Prepayments and other current assets | 5,007 | - | 4,966 | - | 4,314 | - |
| | Total current assets | 3,918,836 | 65 | 4,025,441 | 66 | 3,536,739 | 64 |
| Non-current assets: | | | | | | | |
| 1517 | Financial liabilities measured at fair value through profit or loss - non-current (Note 6(3)) | 26,623 | - | 24,725 | - | 18,577 | - |
| 1550 | Investment under equity method (Note 6(6)) | 9,363 | - | 10,308 | - | 9,502 | - |
| 1600 | Property, plant and equipment (Note 6(7)) | 1,777,012 | 30 | 1,774,464 | 29 | 1,785,230 | 32 |
| 1755 | Right-of-use assets (Note 6(8)) | 2,398 | - | 2,730 | - | 3,727 | - |
| 1780 | Intangible assets (Note 6(9)) | 4,176 | - | 2,885 | - | 4,309 | - |
| 1840 | Deferred income tax assets | 40,301 | 1 | 40,301 | 1 | 42,502 | 1 |
| 1920 | Refundable deposits | 176,702 | 3 | 188,321 | 3 | 186,256 | 3 |
| 1990 | Other non-current assets (Note 6(10) and 9) | 38,056 | 1 | 28,252 | 1 | - | - |
| | Total non-current assets | 2,074,631 | 35 | 2,071,986 | 34 | 2,050,103 | 36 |
| | Total assets: | \$ 5,993,467 | 100 | 6,097,427 | 100 | 5,586,842 | 100 |

(continued next page)

(Please refer to the attached notes to the Consolidated Financial Statements)

| | | <u>March 31,2025</u> | | <u>December 31,2024</u> | | <u>March 31,2024</u> | |
|---------------------------------|--|----------------------|------------|-------------------------|------------|----------------------|------------|
| Liabilities and equity | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| Current liabilities: | | | | | | | |
| 2124 | Financial liabilities measured at fair value through | | | | | | |
| | profit or loss - current (Note 6(2)) | \$ - | - | 2,103 | - | - | - |
| 2100 | Short-term borrowing (Note 6 (11)) | 80,000 | 1 | 250,000 | 4 | - | - |
| 2130 | Contract liabilities (Note 6(17) and 7) | 1,634,789 | 27 | 1,769,869 | 29 | 1,616,642 | 29 |
| 2170 | Notes and accounts payable | 1,055,267 | 18 | 1,188,375 | 20 | 1,097,885 | 20 |
| 2180 | Accounts payable - Related parties (Note 7) | 76,833 | 1 | 93,616 | 2 | 107,255 | 2 |
| 2200 | Other payables (Note 6(18)) | 348,012 | 6 | 354,146 | 6 | 325,470 | 6 |
| 2220 | Other payables - Related parties (Note 7) | 154,209 | 3 | 4,033 | - | 7,698 | - |
| 2230 | Current income tax liabilities | 108,495 | 2 | 65,495 | 1 | 109,275 | 2 |
| 2280 | Lease liabilities - current (Note 6(12) and 7) | 1,333 | - | 1,328 | - | 1,308 | - |
| 2399 | Other current liabilities | 75,854 | 1 | 74,358 | 1 | 53,656 | 1 |
| | Total of current liabilities | <u>3,534,792</u> | <u>59</u> | <u>3,803,323</u> | <u>63</u> | <u>3,319,189</u> | <u>60</u> |
| Non-current liabilities: | | | | | | | |
| 2580 | Lease liabilities - non-current (Note 6(12)) | 1,087 | - | 1,422 | - | 2,424 | - |
| 2640 | Net defined benefit liabilities | 125,567 | 2 | 129,912 | 2 | 139,468 | 2 |
| 2645 | Guarantee deposits | 3,556 | - | 3,668 | - | 20,503 | - |
| | Total non-current liabilities | <u>130,210</u> | <u>2</u> | <u>135,002</u> | <u>2</u> | <u>162,395</u> | <u>2</u> |
| | Total liabilities | <u>3,665,002</u> | <u>61</u> | <u>3,938,325</u> | <u>65</u> | <u>3,481,584</u> | <u>62</u> |
| Equity (Note 6(15)): | | | | | | | |
| 3110 | Common stock | 414,490 | 7 | 414,490 | 7 | 414,490 | 8 |
| 3200 | Capital reserve | 628,098 | 10 | 628,098 | 10 | 628,098 | 11 |
| | Retained earnings: | | | | | | |
| 3310 | Legal reserve | 176,618 | 3 | 176,618 | 3 | 126,485 | 2 |
| 3320 | Special reserves | 46,395 | 1 | 46,395 | 1 | 37,867 | 1 |
| 3350 | Undistributed earnings | 1,096,193 | 18 | 929,934 | 15 | 945,072 | 17 |
| 3400 | Other equity | (33,329) | - | (36,433) | (1) | (46,754) | (1) |
| | Total equity | <u>2,328,465</u> | <u>39</u> | <u>2,159,102</u> | <u>35</u> | <u>2,105,258</u> | <u>38</u> |
| | Total liabilities and equity | <u>\$ 5,993,467</u> | <u>100</u> | <u>6,097,427</u> | <u>100</u> | <u>5,586,842</u> | <u>100</u> |

(Please refer to the attached notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

| | | For the three months ended March 31, | | | |
|------|--|--------------------------------------|------------|------------------|------------|
| | | 2025 | | 2024 | |
| | | Amount | % | Amount | % |
| 4000 | Net revenue (Notes 6(17), 7 and 14) | \$ 2,525,277 | 100 | 2,170,245 | 100 |
| 5000 | Cost of revenue (Notes 6(5), (13), (18) , 7, and 12) | (2,219,319) | (88) | (1,888,050) | (87) |
| | Gross profit | 305,958 | 12 | 282,195 | 13 |
| | Operating expenses (Notes 6(4), (7), (8), (9), (12), (13), (18), 7 and 12) | | | | |
| 6100 | Selling expenses | (61,297) | (2) | (75,636) | (3) |
| 6200 | General and administrative expenses | (24,274) | (1) | (19,402) | (1) |
| 6300 | Research and development expenses | (15,640) | (1) | (15,040) | (1) |
| 6450 | Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 | 3,576 | - | (2,369) | - |
| | Total operating expenses | (97,635) | (4) | (107,709) | (5) |
| | Net operating profit | 208,323 | 8 | 174,486 | 8 |
| | Non-operating income and expenses (Note 6(6), (12), (19) and 7): | | | | |
| 7100 | Interest revenue | 1,000 | - | 2,222 | - |
| 7010 | Other income | 185 | - | - | - |
| 7020 | Other gains and losses | 878 | - | 2,449 | - |
| 7050 | Financial cost | (1,214) | - | (15) | - |
| 7770 | Share of profit of affiliated companies under equity method | (945) | - | 236 | - |
| | Total non-operating income and expenses | (96) | - | 4,420 | - |
| | Net income before tax | 208,227 | 8 | 178,906 | 8 |
| 7950 | Less: Income tax expenses (Note 6(14)) | (41,968) | (2) | (35,781) | (2) |
| | Net income for the period | 166,259 | 6 | 143,125 | 6 |
| | Other comprehensive income (Note 6(15)): | | | | |
| 8310 | Items not reclassified into profit or loss | | | | |
| 8316 | Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income | 1,898 | - | (1,523) | - |
| 8349 | Income tax related to item that will not be reclassified to profit or loss | - | - | - | - |
| | Total of items not reclassified into profit or loss | 1,898 | - | (1,523) | - |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences on translation of foreign operations | 1,206 | - | 1,164 | - |
| 8399 | Income tax related to items that may be reclassified subsequently to profit or loss | - | - | - | - |
| | Total items that may be reclassified subsequently to profit or loss | 1,206 | - | 1,164 | - |
| | Other comprehensive income in the current period | 3,104 | - | (359) | - |
| | Total comprehensive income for the period | \$ 169,363 | 6 | 142,766 | 6 |
| | Net income attributable to: | | | | |
| | Earnings per share (Unit: NTD, Note 6(16)) | | | | |
| 9750 | Basic earnings per share | \$ 4.01 | | 3.45 | |
| 9850 | Diluted earnings per share | \$ 3.98 | | 3.43 | |

(Please refer to the attached notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

| | Equity attributable to owners of the parent company | | | | | | | | | | |
|--|---|--------------------|-------------------|---------------------|-------------------------|-----------|---|--|---|----------|--------------|
| | Retained earnings | | | | | | Other equity | | | | |
| | | | | | | | 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-measure-ment of defined benefit plan | Total | Total equity |
| | | | | | | | | | | | |
| | Common stock Share capital | Capital reserve | Legal Reserves | Special Reserves | Unallocated Earnings | Total | | | | | |
| 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 |
| Net income for the period | - | - | - | - | 143,125 | 143,125 | - | - | - | - | 143,125 |
| Other comprehensive income in the current period | - | - | - | - | - | - | 1,164 | (1,523) | - | (359) | (359) |
| Total comprehensive income for the period | - | - | - | - | 143,125 | 143,125 | 1,164 | (1,523) | - | (359) | 142,766 |
| Balance as of March 31, 2024 | \$ 414,490 | 628,098 | 126,485 | 37,867 | 945,072 | 1,109,424 | 1,193 | (13,193) | (34,754) | (46,754) | 2,105,258 |
| Balance as of January 1, 2025 | \$ 414,490 | 628,098 | 176,618 | 46,395 | 929,934 | 1,152,947 | 1,798 | (7,045) | (31,186) | (36,433) | 2,159,102 |
| Net income for the period | - | - | - | - | 166,259 | 166,259 | - | - | - | - | 166,259 |
| Other comprehensive income in the current period | - | - | - | - | - | - | 1,206 | 1,898 | - | 3,104 | 3,104 |
| Total comprehensive income for the period | - | - | - | - | 166,259 | 166,259 | 1,206 | 1,898 | - | 3,104 | 169,363 |
| Balance as of March 31, 2025 | \$ 414,490 | 628,098 | 176,618 | 46,395 | 1,096,193 | 1,319,206 | 3,004 | (5,147) | (31,186) | (33,329) | 2,328,465 |

(Please refer to the attached notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

| | For the three months ended March 31, | |
|---|---|---------------|
| | 2025 | 2024 |
| Cash flow from operating activities: | | |
| Net income before tax for the period | \$ 208,227 | 178,906 |
| Adjustments: | | |
| Income and expenses | | |
| Depreciation expense | 5,352 | 1,473 |
| Amortization expense | 1,275 | 1,532 |
| Expected credit impairment (reversed gain) loss | (3,576) | (2,369) |
| Interest expense | 1,214 | 15 |
| Interest revenue | (1,000) | (2,222) |
| Share of loss (profit) of affiliated companies under equity method | 945 | 236 |
| Net loss from financial liabilities measured at fair value through profit or loss | (2,103) | - |
| Total income and expense | 2,107 | (1,335) |
| Changes in assets and liabilities related to operating activities: | | |
| Net changes in assets related to operating activities: | | |
| Contract assets | (12,214) | (4,253) |
| Notes and accounts receivable | (371,582) | 193,887 |
| Accounts receivable - Related parties | (11,945) | 9,118 |
| Other receivables - Related parties | (79) | - |
| Inventory | 121,979 | (74,071) |
| Prepayments and other current assets | (41) | 653 |
| Total net changes in assets related to operating activities | (273,882) | 125,334 |
| Net changes in liabilities related to operating activities: | | |
| Accounts payable | (133,108) | 23,523 |
| Accounts payable - Related parties | (16,783) | (10,117) |
| Other payables | (6,012) | (109,289) |
| Other payables - Related parties | 146 | (263) |
| Contract liabilities | (135,080) | (159,875) |
| Other current liabilities | 1,496 | 21,215 |
| Net defined benefit liability | (4,345) | 734 |
| Total net changes in liabilities related to operating activities | (293,686) | (234,072) |
| Total net changes in assets and liabilities related to operating activities | (567,568) | (108,738) |
| Total adjustment items | (565,461) | (110,073) |
| Cash inflow (outflow) from operations | (357,234) | 68,833 |
| Interest received | 1,099 | 2,970 |
| Interest paid | (1,306) | (15) |
| Income tax refunded (paid) | 1,032 | (294) |
| Net cash inflow (outflow) from operating activities | (356,409) | 71,494 |

(continued on next page)

(Please refer to the attached notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows (continued from previous page)
January 1 to March 31, 2025 and 2024

Unit: NTD thousand

| | For the three months ended March 31, | |
|--|---|--------------------|
| | 2025 | 2024 |
| Cash flow from investing activities: | | |
| Acquisition of property, plant and equipment | (7,566) | (1,781,997) |
| Acquisition of intangible assets | (2,566) | (3,308) |
| Increase in refundable deposits | 11,619 | 1,171 |
| Increased other non-current assets | (9,804) | - |
| Net cash inflows (outflows) from investing activities | (8,317) | (1,784,134) |
| Cash flow from financing activities: | | |
| Increased short-term borrowings | (170,000) | - |
| Lease principal repayment | (330) | (318) |
| Increase in guarantee deposits received | (112) | 17,657 |
| Increased other payables - Related parties | 150,000 | - |
| Net cash (outflow) inflow from financing activities | (20,442) | 17,339 |
| Effect of exchange rate changes on cash and cash equivalents | 1,204 | 1,162 |
| Increase (decrease) in cash and cash equivalents in the current period | (383,964) | (1,694,139) |
| Cash and cash equivalents at beginning of period | 965,983 | 2,756,948 |
| Cash and cash equivalents at end of period | \$ 582,019 | 1,062,809 |

(Please refer to the attached notes to the Consolidated Financial Statements)

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

**ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Notes to the Consolidated Financial Statements
March 31, 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 9F., No. 6, Section 4, Xinyi Road, Daan District, Taipei City. The Group is positioned as "the cloud company that best comprehends on-premise requirements, a generator of generative AI for enterprises." Having assisted more than 2,000 corporate clients, the Group has an extensive track record of working closely with organizations in the high-tech, government, finance, and manufacturing sectors. The Group provides a range of services that adhere to global benchmarks and meet the needs of large organizations. These services include creating software information system infrastructure, developing custom software and project strategies, creating applications with added value, and providing recommendations for system maintenance and backup contingencies. Generative AI, Copilot applications, cloud applications and managed services, and data governance and optimization are among the AI-driven products and services that we integrate. These initiatives accelerate the adoption of digital and cloud technologies by enterprise users, thereby bolstering their operational resilience in the midst of uncertainty. The Company is under the ultimate parent company, ACER INCORPORATED.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on May 6, 2025.

III. Application of new, amended and revised standards and interpretations

- (I) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R. O. C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on the consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 "Lack of Exchangeability"

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

The Group has assessed the potential impact of the following newly issued or amended International Financial Reporting Standards (IFRSs), which will be effective starting from January 1, 2026, and concluded that they will not have a material impact on the consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments," which relate to the application guidance in Section 4.1 of IFRS 9 and the relevant disclosure requirements under IFRS 7.

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

IASB has issued and amended several standards and interpretations that have not yet been endorsed by the FSC. The following may be relevant to the Group:

| New or amended standards | Main amendments | Effective Date Announced by IASB |
|---|--|-------------------------------------|
| IFRS 18 "Presentation and Disclosure of Financial Statements" | The new standards introduce three types of income and expenses, two subtotals in the income statement, and a single note on management performance measures. These three amendments and enhancements provide guidance on how to disaggregate information in financial statements, laying the foundation for better and more consistent information for users, and will affect all companies. | 2027/1/1 |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | | |
|---|--|----------|
| IFRS 18 "Presentation and Disclosure of Financial Statements" | <ul style="list-style-type: none"> • A more structured income statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standards adopt a more structured income statement, introducing a newly defined "operating profit" subtotal and requiring that all income and expenses be categorized into three new distinct types according to the company's main business activities. • Management Performance Measures (MPM): The new standards introduce the definition of management performance measures and require companies to include a single note in the financial statements explaining why each measure provides useful information, how it is calculated, and how it reconciles with amounts recognized in accordance with IFRS. • Disaggregated Information: The new standards include guidance on how companies should enhance the grouping of information in financial statements. This includes guidelines on whether information should be included in the main financial statements or further disaggregated in the notes. | 2027/1/1 |
|---|--|----------|

The Group is currently evaluating the impact of the aforementioned standards and interpretations on its financial situation and operating results. The related effects will be disclosed upon the completion of this assessment.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 – "Amendments to the Classification and Measurement of Financial Instruments", relating to the application guidance in Sections 3.1 and 3.3 of IFRS 9 and the relevant disclosure requirements under IFRS 7
- Annual Improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 – "Power Purchase Agreements with Substantial Use of Renewable Energy"

IV. Summary of significant accounting policies

(I) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into

Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS INC. and subsidiaries (continued)

effect by the FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC International and SIC Interpretations endorse and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following account policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2024.

(II) Basis of consolidation

The principles for the preparation of consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2024.

1. Subsidiaries included in the consolidated financial statements

| <u>Name of Investment Company</u> | <u>Name of subsidiary</u> | <u>Nature of business</u> | <u>Percentage of equity held</u> | | | <u>Description</u> |
|-----------------------------------|--|---|----------------------------------|-------------------|------------------|--------------------|
| | | | <u>2025.3.31</u> | <u>2024.12.31</u> | <u>2024.3.31</u> | |
| The Company | Acer e-Enabling Service Business (Shang-Hai) Ltd (EBSH) | Sales of Information Software and Information Consulting Services | 100.00% | 100.00% | 100.00% | |
| The Company | ACER E-ENABLING SERVICE BUSINESS VIETNAM COMPANY LIMITED(EBVN) | Sales of Information Software and Information Consulting Services | 100.00% | 100.00% | - | (Note) |

Note : EBVN was established in September 2024, and funded in Q4, 2024.

2. Subsidiaries not included in the consolidated financial statements: none.

(III) Employee benefits

The pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(IV) Income tax

The income tax expenses have been prepared and disclosed in accordance with Paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expenses for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

V. Critical accounting judgment, estimates, and assumptions uncertainty

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of consolidated financial statements for the year ended December 31, 2024.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

VI. Description of significant accounting items

Except the following disclosures, there was no material differences in the disclosures of significant accounting disclosures between the interim financial statements for the current period and the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of consolidated financial statements for the year ended December 31, 2024.

(I) Cash and cash equivalent

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|--------------------------|--------------------------|-------------------------|
| Demand deposits and checking deposits \$ | 568,302 | 854,150 | 1,062,809 |
| Time deposits with original maturity date of less than three months | <u>13,717</u> | <u>111,833</u> | <u>-</u> |
| | <u>\$ 582,019</u> | <u>965,983</u> | <u>1,062,809</u> |

(II) Financial liabilities measured at fair value through profit or loss

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| Financial liabilities measured at fair value through profit or loss : | | | |
| Non-hedging derivative instrument | | | |
| Foreign exchange forward contracts | <u>\$ -</u> | <u>2,103</u> | <u>-</u> |

Please refer to Note 6(19) for the amount of remeasurement recognized in profit or loss at fair value. The Group 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 Group's outstanding derivatives at the reporting date are as follows:

Foreign exchange forward contracts

| <u>2024.12. 31</u> | | |
|--|----------------------|----------------------|
| <u>Contract amount (NT\$ thousand)</u> | <u>Currency</u> | <u>Maturity Date</u> |
| USD <u>4,600</u> | USD sold/ NTD bought | 2025.02. 27 |

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

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-------------------------|--------------------------|-----------------------|
| Equity instruments measured at fair value through other comprehensive income: | | | |
| Listed (OTC) company stocks | \$ 25,441 | 23,543 | 17,382 |
| Unlisted (OTC) company stock | <u>1,182</u> | <u>1,182</u> | <u>1,195</u> |
| | <u>\$ 26,623</u> | <u>24,725</u> | <u>18,577</u> |

The above equity instrument investments held by the Group 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

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---------------------------------------|----------------------------|--------------------------|-------------------------|
| Notes receivable | \$ 25,098 | 21,535 | 2,708 |
| Accounts receivable | 2,850,438 | 2,482,419 | 1,973,634 |
| Less: Loss allowance | <u>(3,186)</u> | <u>(6,762)</u> | <u>(8,192)</u> |
| | 2,872,350 | 2,497,192 | 1,968,150 |
| Accounts receivable - related parties | <u>40,990</u> | <u>29,045</u> | <u>34,184</u> |
| | <u>\$ 2,913,340</u> | <u>2,526,237</u> | <u>2,002,334</u> |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

In addition to estimating a 100% credit loss for individual accounts receivable with a potential default, the Group estimates the expected credit loss for all notes and accounts receivable using a simplified approach, which entails using the expected credit loss over the entire duration. Forward-looking information has been incorporated into this estimation. The expected credit loss of the Group's notes and accounts receivable is analyzed as follows:

| | March 31, 2025 | | |
|---------------------------------|----------------------------|---------------------|-----------------------|
| | Gross | Weighted | |
| | carrying amount | average loss | Loss allowance |
| | | rate | |
| Current | \$ 2,772,490 | 0.04% | 1,052 |
| Past due 1 to 30 days | 86,387 | 0.56% | 486 |
| Past due 31 to 60 days | 13,821 | 1.79% | 247 |
| Past due 61 to 90 days | 362 | 3.31% | 12 |
| Past due for 91 to 180 days | 1,275 | 14.75% | 188 |
| Past due for more than 181 days | 1,201 | 100.00% | 1,201 |
| | <u>2,875,536</u> | | <u>3,186</u> |
| Individual assessor | - | 100.00% | - |
| | <u>\$ 2,875,536</u> | | <u>3,186</u> |

| | December 31, 2024 | | |
|---------------------------------|----------------------------|---------------------|-----------------------|
| | Gross | Weighted | |
| | carrying amount | average loss | Loss allowance |
| | | rate | |
| Current | \$ 2,246,215 | 0.04% | 881 |
| Past due 1 to 30 days | 165,751 | 0.67% | 1,107 |
| Past due 31 to 60 days | 86,534 | 2.54% | 2,202 |
| Past due 61 to 90 days | 1,105 | 4.89% | 54 |
| Past due for 91 to 180 days | 2,785 | 37.88% | 1,055 |
| Past due for more than 181 days | 1,564 | 93.54% | 1,463 |
| | <u>2,503,954</u> | | <u>6,762</u> |
| Individual assessor | - | 100.00% | - |
| | <u>\$ 2,503,954</u> | | <u>6,762</u> |

| | March 31, 2024 | | |
|---------------------------------|----------------------------|---------------------|-----------------------|
| | Gross | Weighted | |
| | carrying amount | average loss | Loss allowance |
| | | rate | |
| Current | \$ 1,861,347 | 0.06% | 1,091 |
| Past due 1 to 30 days | 70,944 | 0.53% | 373 |
| Past due 31 to 60 days | 15,359 | 2.49% | 382 |
| Past due 61 to 90 days | 6,972 | 6.37% | 444 |
| Past due for 91 to 180 days | 17,687 | 18.48% | 3,269 |
| Past due for more than 181 days | 4,033 | 65.29% | 2,633 |
| | <u>1,976,342</u> | | <u>8,192</u> |
| Individual assessor | - | 100.00% | - |
| | <u>\$ 1,976,342</u> | | <u>8,192</u> |

The Group's accounts receivable from related parties as of March 31, 2025, December 31, 2024 and March 31, 2024 had no expected credit loss and are analyzed as follows:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | 2025.3.31 | 2024.12.31 | 2024.3.31 |
|------------------------|------------------|-------------------|------------------|
| Current | \$ 39,596 | 28,607 | 19,938 |
| Past due 1 to 30 days | 1,274 | 438 | 5,585 |
| Past due 31 to 60 days | 120 | - | 8,661 |
| | \$ 40,990 | 29,045 | 34,184 |

Movements of the allowance for notes and accounts receivable were as follows:

| | For the three months ended March 31, | |
|--|---|--------------|
| | 2025 | 2024 |
| Opening balance | \$ 6,762 | 10,561 |
| Recognized impairment loss (reversed gain) | (3,576) | (2,369) |
| Closing balance | \$ 3,186 | 8,192 |

(V) Inventory

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|-----------------------|--------------------------|-----------------------|
| Merchandise inventory | \$ 328,411 | 450,390 | 368,820 |

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

| | For the three months ended March 31, | |
|---|---|------------------|
| | 2025 | 2024 |
| Cost of sold inventories | \$ 2,152,315 | 1,812,296 |
| Inventory valuation losses (recovered gain) | (1,824) | (5,445) |
| | \$ 2,150,491 | 1,806,851 |

The inventory valuation losses are recognized as inventory write-downs to net realizable value at the end of the period.

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|-----------------------|--------------------------|-----------------------|
| Book value of equity in affiliated companies at the ending | \$ 9,363 | 10,308 | 9,502 |

| | For the three months ended March 31, | |
|----------------------------------|---|--------------|
| | 2025 | 2024 |
| Attributable to the Group: | | |
| Net profit (loss) for the period | \$ (945) | (236) |
| Other comprehensive income | - | - |
| Total comprehensive income/loss | \$ (945) | (236) |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

(VII) Property, plant and equipment

The details of changes in the cost and accumulated depreciation of the Group's property, plant and equipment are as follows:

| | <u>Land</u> | <u>Buildings</u> | <u>Transportation equipment</u> | <u>Office equipment</u> | <u>Other equipment</u> | <u>Total</u> |
|--|---------------------|------------------|-------------------------------------|-----------------------------|----------------------------|------------------|
| Cost: | | | | | | |
| Balance on January 1, 2025 | \$ 1,031,866 | 747,963 | 658 | 15,291 | 7,670 | 1,803,448 |
| Additions | - | 262 | - | 1,539 | 5,765 | 7,566 |
| Effect of other reclassifications and exchange rate changes | - | - | - | 3 | - | 3 |
| Balance as of March 31, 2025 | \$ 1,031,866 | 748,225 | 658 | 16,833 | 13,435 | 1,811,017 |
| Balance as of January 1, 2024 | \$ - | - | 658 | 12,273 | 4,983 | 17,914 |
| Additions | 1,031,866 | 747,963 | - | 638 | 1,530 | 1,781,997 |
| Effect of other reclassifications and exchange rate changes | - | - | - | 2 | - | 2 |
| Balance as of March 31, 2024 | \$ 1,031,866 | 747,963 | 658 | 12,913 | 6,513 | 1,799,913 |
| Accumulated depreciation: | | | | | | |
| Balance on January 1, 2025 | \$ - | 12,693 | 658 | 10,372 | 5,261 | 28,984 |
| Current depreciation | - | 4,048 | - | 740 | 232 | 5,020 |
| Effect of other reclassifications and exchange rate changes | - | - | - | 1 | - | 1 |
| Balance as of March 31, 2025 | \$ - | 16,741 | 658 | 11,113 | 5,493 | 34,005 |
| Balance as of January 1, 2024 | \$ - | - | 621 | 8,271 | 4,641 | 13,533 |
| Current depreciation | - | 570 | 27 | 437 | 116 | 1,150 |
| Balance as of March 31, 2024 | \$ - | 570 | 648 | 8,708 | 4,757 | 14,683 |
| Carrying amounts: | | | | | | |
| March 31, 2025 | \$ 1,031,866 | 731,484 | - | 5,720 | 7,942 | 1,777,012 |
| January 1, 2025 | \$ 1,031,866 | 735,270 | - | 4,919 | 2,409 | 1,774,464 |
| March 31, 2024 | \$ 1,031,866 | 747,393 | 10 | 4,205 | 1,756 | 1,785,230 |

For operational needs, the Group acquired land valued at NTD1,031,866 thousand and buildings and structures valued at NTD747,963 thousand on March 21, 2024, for use as its office building. As of March 31, 2024, all related payments have been fully paid.

(VIII) Right-of-use assets

| | <u>Buildings and structures</u> |
|--|-------------------------------------|
| Cost of right-of-use assets: | |
| Balance as of January 1, 2024 | \$ 47,991 |
| Additions | 3,987 |
| Decrease | (47,991) |
| Balance as of March 31, 2024 | \$ 3,987 |
| Balance as of January 1, 2025 (i.e. balance on March 31, 2025) | \$ 3,987 |
| Accumulated depreciation of right-of-use assets: | |
| Balance on January 1, 2025 | \$ 1,257 |
| Depreciation | 332 |
| Balance as of March 31, 2025 | \$ 1,589 |
| Balance as of January 1, 2024 | \$ 47,928 |
| Depreciation | 323 |
| Decrease | (47,991) |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | |
|------------------------------|-----------------|
| Balance as of March 31, 2024 | \$ <u>260</u> |
| Carrying amounts: | |
| March 31, 2025 | \$ <u>2,398</u> |
| January 1, 2025 | \$ <u>2,730</u> |
| March 31, 2024 | \$ <u>3,727</u> |

(IX) Intangible assets

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

| | <u>Computer software</u> |
|-------------------------------|------------------------------|
| Cost: | |
| Balance on January 1, 2025 | \$ 30,308 |
| Additions | <u>2,566</u> |
| Balance as of March 31, 2025 | \$ <u>32,874</u> |
| Balance as of January 1, 2024 | \$ 24,313 |
| Additions | <u>3,308</u> |
| Balance as of March 31, 2024 | \$ <u>27,621</u> |
| Accumulated amortization: | |
| Balance on January 1, 2025 | \$ 27,423 |
| Amortization | <u>1,275</u> |
| Balance as of March 31, 2025 | \$ <u>28,698</u> |
| Balance as of January 1, 2024 | \$ 21,780 |
| Amortization | <u>1,532</u> |
| Balance as of March 31, 2024 | \$ <u>23,312</u> |
| Carrying amounts: | |
| March 31, 2025 | \$ <u>4,176</u> |
| January 1, 2025 | \$ <u>2,885</u> |
| March 31, 2024 | \$ <u>4,309</u> |

The amortization expense of intangible assets is presented in the following items in the statement of comprehensive income:

| | <u>For the three months ended March 31,</u> | |
|--------------------|---|--------------|
| | <u>2025</u> | <u>2024</u> |
| Operating expenses | \$ <u>1,275</u> | <u>1,532</u> |

(X) Other non-current assets

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

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Prepayment for interior decoration equipment | \$ 27,682 | 17,880 | - |
| Prepayment for buildings and land | 10,372 | 10,372 | - |
| Other | <u>2</u> | <u>-</u> | <u>-</u> |
| | \$ <u>38,056</u> | <u>28,252</u> | <u>-</u> |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

(XI) Short-term borrowings

The Group's short-term borrowings are as follows:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---------------------------|-----------------------|--------------------------|-----------------------|
| Unsecured bank borrowings | <u>\$ 80,000</u> | <u>250,000</u> | <u>-</u> |
| Unused facilities | <u>\$ 1,620,000</u> | <u>1,250,000</u> | <u>1,500,000</u> |
| Interest rate interval | <u>1.87%</u> | <u>1.92%</u> | <u>-</u> |

(XII) Lease liabilities

1. The carrying amount of the Group's lease liabilities were as follows:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|-------------|-----------------------|--------------------------|-----------------------|
| Current | <u>\$ 1,333</u> | <u>\$ 1,328</u> | <u>\$ 1,308</u> |
| Non-current | <u>\$ 1,087</u> | <u>\$ 1,422</u> | <u>\$ 2,424</u> |

Please refer to Note 6(21) Financial Risk Management for maturity analysis.

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

| | <u>For the three months ended March 31</u> | |
|---|--|--------------|
| | <u>2025</u> | <u>2024</u> |
| Interest on lease liabilities | <u>\$ 10</u> | <u>11</u> |
| Expenses relating to leases of low-value assets | <u>\$ 86</u> | <u>314</u> |
| Expenses relating to short-term leases | <u>\$ 433</u> | <u>5,111</u> |

3. The amounts recognized in the statement of cash flows for the Group were as follows:

| | <u>For the three months ended March 31</u> | |
|-------------------------------|--|--------------|
| | <u>2025</u> | <u>2024</u> |
| Total cash outflow for leases | <u>\$ 859</u> | <u>5,754</u> |

4. Important lease terms:

The Group leases buildings and structures for a period of 1 to 5 years. In addition, the Group leased some of the offices with a lease term of less than one year, and the leases were short-term leases; in addition, some of the offices and miscellaneous equipment rented were in line with low-value leases; therefore, these leases were exempted from recognition Its related right-of-use assets and lease liabilities.

(XIII) Employee benefits

1. Defined benefit plan

The Group believes that there was no material volatility in the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024.

The pension expenses recognized in profit or loss for the Group were as follows:

| | <u>For the three months ended March 31,</u> | |
|--------------------|---|-------------|
| | <u>2025</u> | <u>2024</u> |
| Operating cost | <u>\$ 273</u> | <u>244</u> |
| Operating expenses | <u>477</u> | <u>495</u> |
| | <u>\$ 750</u> | <u>739</u> |

2. Definite contribution plan

The Group's pension expense under the defined contribution plan for the three months ended March 31, 2025 and 2024 were as follows:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | For the three months ended March 31, | |
|--------------------|---|--------------|
| | 2025 | 2024 |
| Operating cost | \$ 1,443 | 1,334 |
| Operating expenses | 2,562 | 2,700 |
| | \$ 4,005 | 4,034 |

(XIV) Income tax

| | For the three months ended March 31, | |
|---------------------|---|---------------|
| | 2025 | 2024 |
| Current tax expense | \$ 41,968 | 35,781 |

1. For the three months ended March 31, 2025 and 2024, there were no income tax recognized in equity and other comprehensive income.

2. The company's income tax returns for the years through 2023 were assessed by tax authority.

(XV) Capital and other equity

1. Common stock capital

The Company's authorized capital amounted to NTD600,000 thousand at NTD10 par value per share on March 31, 2025, December 31, 2024 and March 31, 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 thousands of shares):

| | For the three months ended March 31, | |
|-----------------------------------|---|---------------|
| | 2025 | 2024 |
| Opening balance (Closing balance) | 41,449 | 41,449 |

2. Capital reserve

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------|-----------------------|--------------------------|-----------------------|
| Issued stock premium | \$ 621,725 | 621,725 | 621,725 |
| Employee share warrants | 6,373 | 6,373 | 6,373 |
| | \$ 628,098 | 628,098 | 628,098 |

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in any one year shall not exceed 10% of 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 in the final accounting, the tax should be paid first, the past losses should be covered, and then 10% of the legal reserve should be appropriated. However, when the legal reserve amounts to the total paid-in capital, no this limit. For 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 previous year may be submitted to the shareholders' meeting for a resolution on the distribution of an earnings appropriation.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

(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 made into special reserve; if the other shareholders' equity deduction amount is accumulated in the prior period, 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 is appropriated. Shareholders' bonus may be distributed in the form of shares or cash. In order to achieve a balanced and stable dividend policy, the cash dividends of the Company when dividends are distributed shall not be less than 10% of the total dividends, except for the resolution of the board of directors not to distribute the dividends and the approval of 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.

The amounts of dividends for the distribution of earnings for the fiscal years 2024 and 2023 were proposed by the Board of Directors on March 11, 2025, and approved by the Annual General Meeting of shareholders on June 5, 2024, respectively, as follows.:

| | 2025 | | 2024 | |
|--|---------------------------------|----------------|---------------------------------|----------------|
| | Dividends per share (NTD) | Amount | Dividends per share (NTD) | Amount |
| Dividends distributed to common stock shareholders: | | | | |
| Cash | \$ 9.50 | <u>393,766</u> | 8.50 | <u>352,316</u> |

Additionally, the company's Board of Directors proposed the distribution of earnings for the fiscal year on March 11, 2025. It is proposed to allocate a legal reserve of NTD 53,896 thousand and a reversal of special reserve of NTD 9,962 thousand.

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 |
|---|---|--|--|----------|
| Balance on 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 | 1,898 | - | - | 1,898 |
| Exchange differences on translation of | - | 1,206 | - | 1,206 |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | | | | | |
|---|----|----------|-------|----------|----------|
| foreign operations | | | | | |
| Balance as of March 31, 2025 | \$ | (5,147) | 3,004 | (31,186) | (33,329) |
| Balance as of 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 | | (1,523) | - | - | (1,523) |
| Exchange differences on translation of foreign operations | | - | 1,164 | - | 1,164 |
| Balance as of March 31, 2024 | \$ | (13,193) | 1,193 | (34,754) | (46,754) |

(XVI) Earnings per share

1. Basic earnings per share

| | For the three months ended March 31, | |
|--|---|-------------|
| | 2025 | 2024 |
| Net profit attributable to the Company's common stock shareholders | \$ 166,259 | 143,125 |
| Weighted average number of outstanding common stock (shares in thousands) | 41,449 | 41,449 |
| Basic earnings per share (NTD) | \$ 4.01 | 3.45 |

2. Diluted earnings per share

| | For the three months ended March 31, | |
|--|---|-------------|
| | 2025 | 2024 |
| Net profit attributable to the Company's common stock equity holders | \$ 166,259 | 143,125 |
| 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 | 339 | 281 |
| Weighted average number of common shares outstanding (diluted) (thousand shares) | 41,788 | 41,730 |
| Diluted earnings per share (NTD) | \$ 3.98 | 3.43 |

(XVII) Revenue from customer contracts

1. Breakdown of revenue

| | For the three months ended March 31, | |
|---|---|-------------|
| | 2025 | 2024 |
| Main product/service lines: | | |
| Cloud services and a large number of software services | \$ 1,677,152 | 1,504,167 |
| Application development and other software services | 473,025 | 402,559 |
| Value-added products | 375,100 | 263,519 |
| | \$ 2,525,277 | 2,170,245 |

2. Contract balance

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--|-----------------------|--------------------------|-----------------------|
| Notes and accounts receivable (including related parties) | \$ 2,916,526 | 2,532,999 | 2,010,526 |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | | | |
|----------------------|---------------------|------------------|------------------|
| Less: Loss allowance | (3,186) | (6,762) | (8,192) |
| | <u>\$ 2,913,340</u> | <u>2,526,237</u> | <u>2,002,334</u> |
| Contract assets | <u>\$ 89,966</u> | <u>77,752</u> | <u>98,462</u> |
| Contract liabilities | <u>\$ 1,634,789</u> | <u>1,769,869</u> | <u>1,616,642</u> |

Please refer to Note 6(4) 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 Group 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, if the Company makes a profit in the year, after the amount of the profit is retained to offset the accumulated losses, no less than 2% of the balance shall be set aside as employee's remuneration, and no more than 50% of the total profit may be set aside no more than 0.8% as remuneration to directors. The employee compensation in the preceding paragraph may be paid in cash or shares, and the recipients of the remuneration include the employees of the controlling or subordinate companies who meet certain criteria.

The amounts of employee compensation for the periods from January 1 to March 31, 2025, and 2024, were NTD 25,332 thousand and NTD 21,899 thousand, respectively; the amounts of directors' remuneration were both NT\$0 thousand. These amounts are based on the pre-tax net profit for each period, before deducting the remuneration of employees and remuneration of directors and multiplied by the percentage of the remuneration of employees and directors proposed to be distributed by the Company, and are reported as operating expenses for each period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

The amounts of employee compensation for 2024, and 2023, were NTD 81,000 thousand and NTD 78,000 thousand, respectively; the amounts of directors' remuneration were NTD 880 thousand and NTD 800 thousand, respectively. There is no discrepancy between the estimated amount of the aforementioned remuneration and the amount resolved by the Company's board of directors, and all are paid in cash. Relevant information is available on the Market Observation Post System.

(XIX) Non-operating income and expenses

1. Interest revenue

| | For the three months ended March 31, | |
|---------------------------|---|--------------|
| | 2025 | 2024 |
| Interest on bank deposits | <u>\$ 1,000</u> | <u>2,222</u> |

2. Other income

| | For the three months ended March 31, | |
|----------------------|---|-------------|
| | 2025 | 2024 |
| Rent income(Note 7) | <u>\$ 185</u> | <u>-</u> |

3. Other gains and losses

| | For the three months ended March 31 | |
|---|--|--------------|
| | 2025 | 2024 |
| Net foreign exchange gains (losses) | (1,544) | 2,399 |
| Net loss from financial liabilities measured at fair value through profit or loss | 2,103 | - |
| Others | 319 | 50 |
| | <u>\$ 878</u> | <u>2,449</u> |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

4. Financial costs

| | For the three months ended March 31 | |
|-----------------------------------|--|-------------|
| | 2025 | 2024 |
| Interest on bank borrowings | \$ 1,174 | 4 |
| Interest on lease liabilities | 10 | 11 |
| Other financial expenses(Note 7) | 30 | - |
| | \$ 15 | 15 |

(XX) Fair value of financial instruments

1. Types of financial instruments

(1) Financial assets

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|-----------------------|--------------------------|-----------------------|
| Financial liabilities measured at fair value through profit or loss | \$ 26,623 | 24,725 | 18,577 |
| Financial assets measured at amortized cost: | | | |
| Cash and cash equivalents | 582,019 | 965,983 | 1,062,809 |
| Notes and accounts receivable (including related party) | 2,913,340 | 2,526,237 | 2,002,334 |
| Other receivables (including related parties) | 93 | 113 | - |
| Refundable deposits | 176,702 | 188,321 | 186,256 |
| | \$ 3,698,777 | 3,705,379 | 3,269,976 |

(2) Financial liabilities

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|-----------------------|--------------------------|-----------------------|
| Financial liabilities measured at fair value through profit or loss | \$ - | 2,103 | - |
| Financial liabilities measured at amortized cost: | | | |
| Short-term borrowings | 80,000 | 250,000 | - |
| Notes and accounts payable (including related parties) | 1,132,100 | 1,281,991 | 1,205,140 |
| Other payables (including related parties) | 502,221 | 358,179 | 333,168 |
| Lease liabilities (including current and non-current) | 2,420 | 2,750 | 3,732 |
| Guarantee deposits | 3,556 | 3,668 | 20,503 |
| | \$ 1,720,297 | 1,898,691 | 1,562,543 |

2. Fair value information

(1) Financial instruments not measured at fair value

The management of the Group believes that the carrying amount of the financial assets and financial liabilities measured at amortized cost in the financial report approximates their fair value.

(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).

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

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

| 2025.3.31 | | | | |
|--|------------------|----------------|------------------|---------------|
| Fair value | | | | |
| | Level 1 | Level 2 | Class III | Total |
| Financial liabilities measured at fair value through profit or loss: | | | | |
| Stocks of domestic (OTC) companies | \$ 25,441 | - | - | 25,441 |
| Unlisted (OTC) company stock | - | - | 1,182 | 1,182 |
| | \$ 25,441 | - | 1,182 | 26,623 |

| 2024.12.31 | | | | |
|--|------------------|----------------|------------------|---------------|
| Fair value | | | | |
| | Level 1 | Level 2 | Class III | 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 |

| 2024.3.31 | | | | |
|--|------------------|----------------|------------------|---------------|
| Fair value | | | | |
| | Level 1 | Level 2 | Class III | Total |
| Financial liabilities measured at fair value through profit or loss: | | | | |
| Stocks of domestic (OTC) companies | \$ 17,382 | - | - | 17,382 |
| Unlisted (OTC) company stock | - | - | 1,195 | 1,195 |
| | \$ 17,382 | - | 1,195 | 18,577 |

There were no transfers among fair value hierarchies for the three months ended March 31, 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 | |
|--|-----------|--------------|---|--|--------------|
| | | | | For the three months ended March 31, | |
| | | | | 2025 | 2024 |
| Opening balance | \$ | 1,182 | | | 1,019 |
| Total loss of profit: | | | | | |
| Recognized in other comprehensive income | | | - | | 176 |
| Closing balance | \$ | 1,182 | | | 1,195 |

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 March 31, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|--|-------------|-------------|
| Total profit or loss | | |
| Recognized in other comprehensive income (series reported under "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income") | \$ - | 176 |

- (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

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

companies.

B. 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 Group is exposed to credit risk, liquidity risk and market risk (including exchange rate risk and other price risk) due to its business activities. The Group's risk exposure information, the Group's policies and procedures for measuring and managing these 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 to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, derivative instruments, receivables from customers, other receivables and time deposit. The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets.

(2) Concentration of credit risk

The Group's cash is deposited in different financial institutions, and the credit risk exposed to each financial institution is controlled. As of March 31, 2025, December 31, 2024 and March 31, 2024, 36%, 34% and 36% of the balance of accounts receivable, respectively, were mainly attributed to the five companies. The Group has established a credit policy, and analyzes the credit status of each customer individually to determine the credit limit according to 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 6(4). 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 consolidated company determines the low credit risk, please refer to Note 4(7) of the consolidated financial statements). The other receivables as of March 31, 2025, December 31, 2024 and March 31, 2024 were assessed to have no expected credit losses.

3. Liquidity risk

Liquidity risk is the risk that the Group may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The Group regularly monitors current and expected mid-term and long-term funding requirements, and manages liquidity risk by maintaining sufficient cash and cash equivalents and bank financing facilities. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of unused financing facilities were NT\$1,620,000, NT\$1,250,000 and NT\$1,500,000 thousand, respectively.

The following table explains the period analysis for the Group's financial liabilities with agreed repayment periods, which are based on the earliest date on which the Group may be required to repay and it is compiled based on the undiscounted cash flows.

| | Contract Cash flow | Within 1 year | 1-2 years | 2-5 years |
|--|-------------------------------|--------------------------|------------------|------------------|
| March 31, 2025 | | | | |
| Non-derivative financial liabilities: | | | | |
| Short-term borrowings | \$ 80,119 | 80,119 | - | - |
| Accounts payable (including related parties) | 1,132,100 | 1,132,100 | - | - |
| Other payables (including related parties) | 502,221 | 502,221 | - | - |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | | | | |
|---|---------------------|------------------|--------------|--------------|
| Lease liabilities (including current and non-current) | 2,454 | 1,360 | 1,094 | - |
| Guarantee deposits | 3,556 | 2,085 | 558 | 913 |
| | \$ 1,720,450 | 1,717,885 | 1,652 | 913 |
| December 31, 2024 | | | | |
| Non-derivative financial liabilities: | | | | |
| Short-term borrowings | \$ 251,181 | 251,181 | - | - |
| Accounts payable (including related parties) | \$ 1,281,991 | 1,281,991 | - | - |
| Other payables (including related parties) | 358,179 | 358,179 | - | - |
| Lease liabilities (including current and non-current) | 2,794 | 1,360 | 1,360 | 74 |
| Guarantee deposits | 3,668 | 2,239 | 47 | 1,382 |
| | \$ 1,897,813 | 1,894,950 | 1,407 | 1,456 |
| Derivative instruments | | | | |
| Foreign exchange forward contracts - gross settlement | | | | |
| Inflow | \$ (145,879) | (145,879) | - | - |
| Outflow | 147,982 | 147,982 | - | - |
| | \$ 2,103 | 2,103 | - | - |
| March 31, 2024 | | | | |
| Non-derivative financial liabilities: | | | | |
| Accounts payable (including related parties) | \$ 1,205,140 | 1,205,140 | - | - |
| Other payables (including related parties) | 333,168 | 333,168 | - | - |
| Lease liabilities (including current and non-current) | 3,814 | 1,360 | 1,360 | 1,094 |
| Guarantee deposits | 20,503 | 19,284 | 120 | 1,099 |
| | \$ 1,562,625 | 1,558,952 | 1,480 | 2,193 |

The Group does not expect the maturity analysis of cash flows will be significantly early or the actual amount will be significantly different.

4. 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 Group'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.

Exchange rate risk

The Group is exposed to the exchange rate risk arising from the sales and purchase transactions denominated in non-functional currency.

(1) Exchange rate risk

The Group is exposed to the exchange rate risk arising from the sales and purchase transactions denominated in non-functional currency.

A. Exchange rate risk exposure

The carrying amounts of the Group's monetary assets and liabilities that are not denominated in the functional currency on the reporting date are as follows:

| | 2025.3.31 | | | 2024.12.31 | | | 2024.3.31 | | |
|------------------------------|------------------|---------------|--------|------------------|---------------|---------|------------------|---------------|--------|
| | Foreign currency | Exchange rate | NTD | Foreign currency | Exchange rate | NTD | Foreign currency | Exchange rate | NTD |
| <u>Financial assets</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | \$ 2,109 | 33.182 | 69,981 | 7,435 | 32.781 | 243,727 | 1,861 | 31.990 | 59,533 |
| <u>Financial liabilities</u> | | | | | | | | | |
| <u>Monetary items</u> | | | | | | | | | |
| USD | 204 | 33.182 | 6,769 | 1,332 | 32.781 | 43,664 | 336 | 31.990 | 10,749 |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

B. Sensitivity analysis

The Group'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. For the three months ended March 31, 2025 and 2024, when the NTD depreciated/appreciated 1% against USD, and all other factors The pre-tax net profit for the year would have increased/decreased by NTD 632 thousand and NTD 488 thousand, respectively. The analysis of two terms is based on the same basis.

(2) Interest rate risk

The bank borrowings of the Group are based on floating interest rates. The countermeasures of the Group 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 Group strengthens the management of working capital, to reduce the dependence on bank borrowings, and diversify the risk of interest rate changes.

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. Interest rate sensitivity analyses are reported to the management by applying a variance of 1% above and below. This variance conforms with the management's expectation about the possible and reasonable range of interest rate variation.

If the annual interest rate increased/decreased by 1%, with all other variables held constant, the Group's net income before tax for the three months ended March 31, 2025 and 2024 would have decreased/increased by NT\$200 and NT\$0 thousand, respectively.

- (3) Other market price risk:** the Group 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 NT\$1,331 thousand and NT\$929 thousand for the three months ended March 31, 2025 and 2024, respectively.

(XXII) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 (22) of the consolidated financial statements for the year ended December 31, 2024 for the further details.

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

1. Please refer to Note 6(8) for the right-of-use assets acquired by lease the three months ended March 31, 2025 and 2024.
2. The adjustment of liabilities from financing activities is as follows:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

| | 2025.1.1 | Cash flow | Non-cash lease liabilities movement | 2025.03.31 |
|---|-------------------|------------------|--|-------------------|
| Short-term borrowings | \$ 250,000 | (170,000) | - | 80,000 |
| liabilities | 2,750 | (330) | - | 2,420 |
| Guarantee deposits | 3,668 | (112) | - | 3,556 |
| Other Payable-Related party | - | 150,000 | - | 150,000 |
| Total liabilities from financing activities | \$ 254,618 | (20,442) | - | 235,976 |

| | 2024.1.1 | Cash flow | Non-cash lease liabilities movement | 2024.03.31 |
|---|-----------------|------------------|--|-------------------|
| liabilities | \$ 63 | (318) | 3,987 | 3,732 |
| Guarantee deposits | 2,846 | 17,657 | - | 20,503 |
| Total liabilities from financing activities | \$ 2,909 | 17,339 | 3,987 | 24,235 |

VII. Related party transactions

(I) Parent company and ultimate controller

The parent company of the Company is Acer BeingWare Holding Inc., which held 63.46% of the outstanding common shares of the Company as of March 31, 2025, December 31, 2024 and March 31, 2024. In addition, Acer Incorporated (AI) is the ultimate controller of the Group. AI has prepared consolidated financial statements for public use.

(II) Names of related parties and their relationships

The related parties who have transactions with the Group during the period of the consolidated financial statements are as follows:

| Name of related party | Relationship with the Group |
|--|---|
| Acer Incorporated (AI) | The ultimate controller of the group to which the Company belongs |
| Acer BeingWare Holding Inc. (ABH) | Parent company of the Company |
| Datasitter Information Service Inc. | Associates |
| Acer (Chongqing) Ltd. (ACCQ) | Other related party (a subsidiary of AI) |
| Acer Computer (Shanghai) Ltd. (ACCN) | Other related party (a subsidiary of AI) |
| 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. (AOI) | Other related party (a subsidiary of AI) |
| Acer AI Cloud Inc. (AIC) | Other related party (a subsidiary of AI) |
| Acer Cyber Security Incorporated (ACSI) | 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 Incorporated (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) |
| Acer Gaming Inc. (AGM) | Other related party (a subsidiary of AI) |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

Acer Healthcare Inc. (AHC)
Bluechip Infotech Incorporated
Ambi Arts Inc.

Other related party (a subsidiary of AI)
Other related party (a subsidiary of AI)
Other related party (the chairman of the
parent company and the director of the
Company are first degree relatives)

(III) Significant transactions with related parties:

1. Operating revenue

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

| | For the three months ended March 31, | |
|-------------------------|---|---------------|
| | 2025 | 2024 |
| The ultimate controller | \$ 76,470 | 32,128 |
| Associates | 139 | 22 |
| Other related party | 13,504 | 8,361 |
| | \$ 90,113 | 40,511 |

The Group'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 Group's purchase amount from the related party is as follows:

| | For the three months ended March 31, | |
|-------------------------|---|----------------|
| | 2025 | 2024 |
| The ultimate controller | \$ 999 | 1,646 |
| Associates | 9,588 | 9,489 |
| Other related party | 102,209 | 95,274 |
| | \$ 112,796 | 106,409 |

Except that the specifications of some products are different and there is no general transaction price to compare the purchase prices of the Group to the related parties, the rest are subject to the general purchase conditions, and there is no significant difference from the general manufacturers.

3. Operating costs and expenses

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

| Account | Category of related party | For the three months ended March 31, | |
|--------------------|----------------------------------|---|--------------|
| | | 2025 | 2024 |
| Operating cost | The ultimate controller | \$ 27 | 35 |
| Operating cost | Other related party | 2,608 | 2,283 |
| Operating expenses | The ultimate controller | 2,079 | 219 |
| Operating expenses | Other related party | 578 | 611 |
| | | \$ 5,292 | 3,148 |

4. Borrowings from Related Parties

For the three months ended March 31 2025, the Group borrowed from its ultimate parent company, Acer Inc., at a fixed interest rate of 1.85%. Interest expense for the period from January 1 to March 31, 2025, amounted to NTD 30 thousand. As of March 31, 2025, the outstanding loan balance of NTD 150,000 thousand was classified under other payables.

5. Leases

The Group 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

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

not recognize its related right-of-use assets and lease liabilities. The rent expense for the three months ended March 31, 2025 and 2024 was NTD 354 thousand and NTD 5,161 thousand, respectively. As of March 31, 2025 and 2024, the relevant payables are listed under other payables.

The consolidated company leased office space to other related parties, with rental income amounting to NTD 132 thousand from January 1 to March 31 of the 2025. As of March 31, 2025, the related receivables are listed under Other Receivables.

6. Receivables from related parties

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

| Account | Category of related party | 2025.03.31 | 2024.12.31 | 2024.03.31 |
|---|----------------------------------|-------------------|-------------------|-------------------|
| Accounts receivable - Related parties | The ultimate controller | \$ 31,315 | 22,283 | 28,721 |
| Accounts receivable - Related parties | Associates | 4 | - | 23 |
| Accounts receivable - Related parties | Other related party | 9,671 | 6,762 | 5,440 |
| Other accounts receivable - Related parties | Other related party | 93 | 14 | - |
| Contract assets | Other related party | 89 | 870 | 179 |
| | | \$ 41,172 | 29,929 | 34,363 |

7. Payables to related parties

In summary, the Group's payables to related parties are as follows:

| Account | Category of related party | 2025.03.31 | 2024.12.31 | 2024.03.31 |
|--|----------------------------------|-------------------|-------------------|-------------------|
| Accounts payable - related parties | The ultimate controller | \$ 1,157 | 1,468 | 2,247 |
| Accounts payable - related parties | Associates | 252 | 29,128 | 3,299 |
| Accounts payable - related parties | Other related party | 75,424 | 63,020 | 101,709 |
| Other payables - related parties | The ultimate controller | 3,953 | 3,796 | 7,156 |
| Other payables - related parties (Financing) | The ultimate controller | 150,000 | - | - |
| Lease liabilities - current | Other related party | 256 | 237 | 542 |
| | | \$ 231,042 | \$ 97,649 | 114,953 |

8. Contract liabilities

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

| Account | Category of related party | 2025.03.31 | 2024.12.31 | 2024.03.31 |
|----------------------|----------------------------------|-------------------|-------------------|-------------------|
| Contract liabilities | The ultimate controller | \$ 25,257 | 21,919 | 22,490 |
| Contract liabilities | Other related party | 6,530 | 6,288 | 9,459 |
| | | \$ 31,787 | 28,207 | 31,949 |

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

(IV) Remuneration to key management personnel

| | For the three months ended March 31, | |
|------------------------------|---|--------------|
| | 2025 | 2024 |
| Short-term employee benefits | \$ 8,341 | 7,717 |
| Post-employment benefits | 131 | 125 |
| | \$ 8,472 | 7,842 |

VIII. Pledged assets: None.

IX. Significant contingent liabilities and unrecognized contractual commitments

In response to the operating needs of the Group, the Group 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 NTD 33,920 thousand. As of March 31, 2025, NTD 10,372 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 | For the three months ended March 31, | | | For the three months ended March 31, | | |
|---------------------------|---|----------------------------------|---------|---|----------------------------------|---------|
| | 2025 | | | 2024 | | |
| | Attributed to operation cost | Attributed to operation expenses | Total | Attributed to operation cost | Attributed to operation expenses | Total |
| By nature | | | | | | |
| Employee benefit expense | | | | | | |
| Salaries | 41,289 | 75,828 | 117,117 | 37,474 | 76,965 | 114,439 |
| Insurance | 2,978 | 5,335 | 8,313 | 2,696 | 5,522 | 8,218 |
| Pension | 1,716 | 3,039 | 4,755 | 1,578 | 3,195 | 4,773 |
| Remuneration to directors | - | 635 | 635 | - | 635 | 635 |
| Others | 1,503 | 3,177 | 4,680 | 1,501 | 3,444 | 4,945 |
| Depreciation expense | - | 5,352 | 5,352 | - | 1,473 | 1,473 |
| Amortization expense | - | 1,275 | 1,275 | - | 1,532 | 1,532 |

XIII. Additional disclosures

(I) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the material transactions to be disclosed by the Group for the three months ended March 31 2025:

1. Loaning of funds to others: None.
2. Endorsements/guarantees for others: None.
3. Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities):

Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS INC. and subsidiaries (continued)

Unit: NTD Thousand/Thousand shares

| Companies in possession | Type and name of marketable securities | Relationship with the securities issuer | Account | Ending balance | | | | Note |
|-------------------------|--|---|---|------------------|----------------|--------------------|----------------------|------|
| | | | | Number of shares | Carrying value | Shareholding ratio | Fair value/net value | |
| The Company | Preferred Stock B of SKFH | - | Financial liabilities measured at fair value through profit or loss - non-current | 666 | 25,441 | 0.30% | 25,441 | - |

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) | Payment Terms | Unit price | Payment Terms | Ending Balance | % of total | |
| The Company | WLII | Other related party | Purchases | 93,166 | 4.59 % | EM 60 | (Note 1) | (Note 2) | (67,237) | (5.94)% | - |

(Note 1): 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 2): No significant difference from general transactions.

5. Receivables from related parties reaching NTD100 million or more than 20% of the paid-in capital: None.

6. Business relationships and significant transactions between the parent company and its subsidiaries:

| Number (Note 1) | Company Name | Counterparty | Intercompany Relationship | Transactions | | | | Percentage of Consolidated Net Revenue or Total Assets (Note 3) |
|-----------------|--------------|---|---------------------------|---------------------|--------|--|--|---|
| | | | | Account (Note 2) | Amount | Transaction terms | | |
| 0 | The Company | Acer e-Enabling Service Business (Shang-Hai) Ltd. | Parent/Subsidiary | Sales | 5,988 | Collect payment within 90 days of monthly settlement | | 0.24% |
| 0 | The Company | Acer e-Enabling Service Business (Shang-Hai) Ltd. | Parent/Subsidiary | Accounts receivable | 6,386 | Collect payment within 90 days of monthly settlement | | 0.11% |

(Note 1): The method of filling in the serial number is as follows:

1. 0 for the parent company.

2. Subsidiaries are numbered sequentially starting from 1 according to the company.

(Note 2): The business relationship and important transactions between the parent company and its subsidiaries will not be repeated on the relative purchases and accounts payable

(Note 3): It is calculated by dividing the transaction amount by the consolidated operating revenue or consolidated total assets.

(Note 4): The above transactions were eliminated in the preparation of the consolidated financial statements.

(II) Information on investees:

Unit: Thousand shares/NTD thousand

| Name of Investment Company | Investee | Location | Main business and products | Initial investment amount | | Balance at end of period | | | Investee profit or loss for the period | Investment gains and losses recognized in the current period | Note |
|----------------------------|--|----------|---|---------------------------|------------------|--------------------------|--------------------|----------------|--|--|------|
| | | | | End of current period | End of last year | Number of shares | Shareholding ratio | Carrying value | | | |
| The Company | Datasitter Information Service Inc. | Taiwan | Wholesale of computer software packages | 10,125 | 10,125 | 675 | 20.00% | 9,363 | (4,725) | (945) | |
| The Company | ACER E-ENABLING SERVICE BUSINESS VIETNAM COMPANY LIMITED | Vietnam | Sales of Information Software and Information Consulting Services | 16,285 | 16,285 | - | 100.00 % | 16,326 | (117) | (117) | |

(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 company | Main business and products | Total paid-up capital | Investment method | Accumulated Outflow of Investment from Taiwan as of the beginning of period | Investment Flows | | Accumulated Outflow of Investment from Taiwan as of the beginning of period | Investee's current profit or loss | % of Ownership of Direct or Indirect Investment | Investment gains and losses recognized in the current period (Note 1) | Carrying value of investment at the end of the period | Accumulated Inward Remittance of Earnings as of the end of period |
|---|---|-----------------------|-------------------|---|-------------------|--------|---|-----------------------------------|---|---|---|---|
| | | | | | Outflow | Inflow | | | | | | |
| Acer e-Enabling Service Business (Shang-Hai) Ltd. | Sales of Information Software and Information Consulting Services | 49,773 (USD 1,500) | (Note 2) | - | 49,773 (USD1,500) | - | 49,773 (USD1,500) | 6,179 (USD 186) | 100.00% | 6,179 (USD 186) | 64,340 (USD 1,939) | - |

(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 = 1:31.182 on March 31, 2025.

(Note 4): As the entity is a limited liability company, no share quantity information is available.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS
INC. and subsidiaries (continued)**

2. Limits on investment in Mainland China:

Unit: USD thousand/NTD thousand

| 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 |
|---|---|--|
| 49,773 (USD 1,500) | 99,546 (USD 3,000) | 1,397,079 |

Note: Based on the exchange rate USD:NTD = 1:33.182 on March 31, 2025.

3. Significant transactions with investee companies in Mainland China:

Please refer to the description of "Information on Significant Transactions" for the significant transactions between the Group and the investee companies in Mainland China for the three months ended March 31, 2025, directly or indirectly.

XIV. Segment information

(I) General information

The reportable segment of the Group is the IT software and application development segment. The IT software and application development department is mainly engaged in the sales of IT software and information consulting services. The Group also has other business departments that do not meet the quantitative threshold, mainly engaged in cloud ticketing, e-books and online payment trading platforms.

The operating segments of the Group and the adjustment information are as follows:

| For the three months ended March 31, | | | | |
|---|--|------------------------------------|-----------------------------------|--------------|
| 2025 | | | | |
| | Information Software and Application Development Department | Others Business departments | Adjustments and write-offs | Total |
| Revenue from external customers | \$ 2,496,742 | 28,535 | - | 2,525,277 |
| For the three months ended March 31, | | | | |
| 2024 | | | | |
| | Information Software and Application Development Department | Others Business departments | Adjustments and write-offs | Total |
| Revenue from external customers | \$ 2,147,995 | 22,250 | - | 2,170,245 |

The Group does not allocate costs, expenses and non-recurring gains and losses to the IT software and application development department and other business segments, because the Group takes into account the long-term comprehensive development strategy, and the profit and loss of its operating segments is mainly measured by sales revenue and as a basis for evaluating performance, the reported amounts are consistent with the information used by the operating decision makers.