

2024 Annual Report

TSE : 3046

DISCLAIMER

This is a translation of the 2024 Annual Report of Aopen Incorporated (the “Company”). The translation is intended for reference only and nothing else, the Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the Annual Report shall govern any and all matters related to the interpretation of the subject matter stated herein.

I. Spokesperson & deputy spokesperson name, title, contact number and email

	Spokesperson	Deputy spokesperson
Name	Edward Chen	Julin Tai
Title	Assistant Vice President	Manager
Contact Number	(02)77101195	(02)77101195
Email	aostock@aopen.com	aostock@aopen.com

2. Addresses and telephone numbers of headquarters, branches, factories

Xizhi Headquarters

Address: 9F., No. 88, Sec. 1, Xintai 5th Rd, Xizhi Dist., TEL: (02)7710-1195
New Taipei City

Taipei Shareholder Service Office

Address: 7F-5, No. 369, Fuxing N. Rd., Songshan Dist., TEL: (02)2719-5000
Taipei City

3. Name, address, website and telephone number of stock transfer agency

Name: Shareholder Service Office of AOPEN Inc.

Address: 7F-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City

Website: aostock@aopen.com

TEL: (02)2719-5000

4. Name of CPA certifying the latest annual financial statement and name, address, website and telephone number of the accounting firm

Names of accounting firm: KPMG

Name of CPAs: Phyllis Chang , Steven Shih

Address: 68F, No. 7, Sec. 5, Xinyi Rd, Taipei (Taipei 101 Building)

Website: www.kpmg.com.tw

TEL: (02)8101-6666

5. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: Not applicable.

6. Company website: www.aopen.com

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One. Report to Shareholders

Dear Shareholders,

First of all, I would like to thank you for your long-term support.

In 2024, we face challenges and opportunities in an unpredictable market influenced by U.S. protectionism, deepening geopolitical differences, and global uncertainties. With growing demand for transformation, green energy, low-carbon economy and ESG are now central to business development. Rapid advances in AI and generative AI are driving industry innovation. We thank our partners and colleagues for their support in enabling us to navigate this dynamic market. The company will adapt policies, seize opportunities in AI, green energy, and digitalization, and strive for sustainable growth and lasting value creation. AOpen achieved a consolidated revenue of NT\$6.95 billion and consolidated net income of NT\$294 million.

With the rapid rise of intelligent AI and the impact of climate change on energy supplies, business transformation is critical. AOpen collaborates with partners to leverage edge and AI cloud computing, driving applications such as factory automation, digital campuses, smart learning, digital retail, and transportation. Its products emphasize durability, low energy consumption, and environmental friendliness, providing reliable solutions for extreme environments. Increased R&D efforts have resulted in industrial computers with advanced edge computing and data analytics, as well as a popular intelligent remote management platform. This platform excels in reducing manpower requirements, shortening repair times, and increasing customers' operational efficiency.

To expand new business opportunities, AOpen has introduced industrial IPCs for indoor, semi-outdoor and even outdoor operation in wide temperature and wide voltage ranges to meet the needs of diverse applications such as smart education and enterprise transformation, with products that combine high computing efficiency, low power consumption, durability and long-term stability. Its focus on control panels, motherboards and interactive displays supports a green, low-emission supply chain. In the coming year, AOpen will actively pursue low-carbon strategies and ESG-driven transformation to meet global sustainability goals.

Looking ahead to 2025, the company will respond to global uncertainties by optimizing the value chain, expanding market share and strengthening regional integration. Focusing on AI-driven solutions, low-carbon technologies and ESG strategies, the company aims to enhance competitiveness and seize new opportunities through strategic partnerships and cross-industry collaborations.

Chairman of Board:
Victor Chien

Corporate Officers:
Ken Wang

Accounting Officer:
Edward Chen

2025 Operational Plan:

I. Management policy:

1. Integrate AI edge computing, cloud applications, and digital display technologies to support business upgrades, drive innovation in IPC applications, and accelerate business growth.
2. Strengthen the deployment of IPC's digital solutions and promote the integration of cloud technologies to extend supply chains in key industries and capture new opportunities in AI edge applications.
3. Expand a diversified business portfolio focused on lifestyle technology, enhancing design capabilities and user experience to create market differentiation and drive revenue performance.

II. Business objectives

1. Enhance customer experience, expand core business customers and reach new customer segments.
2. Strengthen service integration and product competitiveness to improve sales performance.
3. Optimize resource allocation to reduce operating costs and drive profit growth.

III. Business planning and production and sales policy

1. Develop Edge IPC for intelligent industry application solutions, modular global success model.
2. Establish a robust supply chain ecosystem to ensure stable material supply and increase overall profitability.
3. Optimize operating costs, increase net operating income and improve equity.

IV. Future development strategy

1. Provide Edge AI edge computing products to accelerate the digital application of target industries.
2. Focus on core product value, provide customer solutions, and help enterprises with digital transformation and upgrading.
3. Expand global projects and strengthen local services to consolidate partnerships with channel partners.

V. The impact of the external competitive environment, the regulatory environment and the overall business environment

1. Geopolitical tensions, including the US-China trade war, are disrupting global tech supply chains and shifting production strategies. We continue to monitor developments closely.
2. Rising internal competition in China is driving price cuts and manufacturing hollowing, urging companies to boost supply chain resilience and product value.
3. AI is rapidly integrating vision, speech, and language technologies. We're leveraging this trend with tailored Edge AI solutions for customers.

Two. Corporate Governance Report

I. Information on the company's directors, general manager, vice general manager, assistant vice president, and supervisors of the company's divisions and branch units

(1) Directors

1. Information on directors

Date: March 29, 2025

Title	Nationality or place of registration	Name	Gender/ Age	Date of election	Term of office	Date of first election	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Principal work experience and academic qualifications	Position(s) held concurrently in the Company/in any other company	Other supervisors, directors or supervisors who are spouses, or second-degree relatives		
							Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)			Title	Name	Relationship
Chairman	Republic of China	Acer Inc.	-	June 16, 2023	3 years	January 30, 2018	34,264,311	43.68	34,264,311	43.68	0	0	0	0	-	-	None	None	None
	Republic of China	Victor Chien (legal representative)	Male 51-60 years old	June 16, 2023	3 years	January 30, 2018	0	0	0	0	0	0	665,000	0.85	Dual Bachelor in Control Engineering and Management Science, National Chiao Tung University	(Note 1)	None	None	None
Director	Republic of China	Acer Inc.	-	June 16, 2023	3 years	January 30, 2018	34,264,311	43.68	34,264,311	43.68	0	0	0	0	-	-	None	None	None
	Republic of China	Jason Chen (legal representative)	Male Over 60 years old	June 16, 2023	3 years	January 30, 2018	0	0	0	0	0	0	1,300,000	1.66	Senior Vice General Manager, Global Marketing Business, TSMC	(Note 1)	None	None	None
Director	Republic of China	Acer Inc.	-	June 16, 2023	3 years	January 30, 2018	34,264,311	43.68	34,264,311	43.68	0	0	0	0	-	-	None	None	None
	Republic of China	Maverick Shih (legal representative)	Male 51-60 years old	June 16, 2023	3 years	January 30, 2018	0	0	647,027	0.82	0	0	0	0	General Manager, Cloud Technology Business Group, Acer Inc. Ph.D. in Electrical Engineering, University of Southern California	(Note 1)	None	None	None

Title	Nationality or place of registration	Name	Gender/ Age	Date of election	Term of office	Date of first election	Shareholding at the time of election		Current shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Principal work experience and academic qualifications	Position(s) held concurrently in the Company/in any other company	Other supervisors, directors or supervisors who are spouses, or second-degree relatives		
							Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)	Number of shares (shares)	Shareholding ratio (%)			Title	Name	Relationship
Independent Director	Republic of China	Andrew Chang	Male 51-60 years old	June 16, 2023	3 years	January 30, 2018	0	0	0	0	0	0	0	0	Richtek Technology Corporation Vice Chairman MediaTek Inc. Senior Vice General Manager Master's degree in Science in Electrical Engineering, Polytechnic University, New York General Manager, WaferTech	(Note 1)	None	None	None
Independent director	Republic of China	Steve Tso	Male Over 60 years old	June 16, 2023	3 years	January 30, 2018	0	0	0	0	0	0	0	0	Senior Vice General Manager, TSMC Operating Organization General Manager, CVD Department, Applied Materials Ph.D. in Materials Science & Engineering, University of California, Berkeley	(Note 1)	None	None	None
Independent director	Republic of China	Grace Lung	Female Over 60 years old	June 16, 2023	3 years	June 10, 2020	0	0	0	0	0	0	0	0	General Director, General Financial Information Division, Acer Global Financial Headquarters Department of Business Administration, National Chengchi University General Manager, Maersk Data HK Head of end-customer service in Great China, IBM (HK)	(Note 1)	None	None	None
Independent director (Note 3)	Republic of China	TF Chen	Male Over 60 years old	June 16, 2023	3 years	June 16, 2023	0	0	0	0	0	0	0	0	Department of Economics, Tunghai University, Taiwan	-	None	None	None

(Note 1) : The current positions of the Company and other companies are as follows :

(Note 1)

Name or representative	Name of company and title
Victor Chien	Acer Inc. Corporate President Aopen SmartVision Incorporated Chairman EnKu Capital Inc. Chairman AVerMedia Technologies, Inc. Independent Director.
Jason Chen	Acer Incorporated Chairman Acer America Corporation Director Acer American Holdings Corp. Director Acer Asia Pacific Sdn Bhd Director Acer Cloud Technology Inc. Director Acer Computer (Far East) Limited Director Acer Europe SA Director Acer European Holdings SA Director Acer Holdings International, Incorporated Director Acer Technology and Business Development Pte., Ltd. Director Boardwalk Capital Holdings Limited Director DropZone (Hong Kong) Limited Director DropZone Holding Limited Director Powerchip Semiconductor Manufacturing Corporation Independent Director Mu-Jin Investment Co., Ltd. Chairman Mu-Shi Investment Co., Ltd. Chairman Beijing Altos Computing Ltd Director Altos Computing Inc. Director Acer (Chongqing) Ltd. Director Acer Cloud Technology (Chongqing) Ltd. Director Acer Healthcare Inc. Director Acer Being Communication Inc. Chairman Acer ITS Inc. Chairman Acer Being Signage Inc. Director AcerPure Inc. Director Acer Asset Management Incorporated Chairman Acer BeingWare Holding Inc. Chairman Acer Medical Inc. Director Acer Cloud Technology (Taiwan) Inc. Director Acer e-Enabling Service Business Inc. Chairman Acer SoftCapital Incorporated Chairman Acer Gaming Inc. Director Acer Computer (Shanghai) Ltd. Director Pecer Bio-Medical Technology Incorporated Director Acer Gadget Inc. Director Weblink International Inc. Chairman Protrade Applied Materials Corp. Director FocalTech Systems Co., Ltd. Director Acer Digital Service Co. Chairman MPS Energy Inc. Director Taiwan Climate Partnership Director Institute for Biotechnology and Medicine Industry Director

Name or representative	Name of company and title
Maverick Shih	Acer Inc. Director Acer Being Signage Inc. Chairman Acer e-Enabling Data Center Incorporated Chairman Acer Cloud Technology (Taiwan) Inc. Chairman Acer Synergy Tech Corp. Chairman Acer Cyber Security Incorporated Chairman Acer Cloud Technology(Chongqing) Ltd. Chairman Satoro Taiwan Inc. Chairman Mavs Lab. Inc. Chairman Acer Cloud Technology (US), Inc. Chairman Acer Cloud Technology Inc. Chairman Acer Being Communication Inc. Director Acer ITS Inc. Director Acer e-Enabling Service Business Inc. Director Acer Synergy Manpower Corp. Director Shanghai AST Technology Service Ltd. Director Chongqing Xiantao Frontier Consumer Behavior Big Data Co., Ltd. Director Acer Synergy Tech America Corporation Director Allxon Inc. Director Kiwi Technology Inc. Director Tuo Hui Holdings Co., Ltd. Chairman Shine Passion Engineering Co., Ltd Director
Grace Lung	Xianglong Investment Co., Ltd. Chairman Aserve Technology Corp. Chairman Dayun Precision Industry Co., Ltd. Independent Director Weitian Technology Co., Ltd. Independent Director Acer Cyber Security Inc. Independent Director
Andrew Chang	MediaTek Foundation Director Andes Technology Corporation Director AaltoSemi (Nanjing) Technology Co, Ltd. Chairman
Steve Tso	Winbond Electronics Corporation Independent Director Ye Siang Enterprise Co., Ltd. Director

2. Major shareholders of corporate shareholders

Date: March 31, 2025

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

Major shareholders of corporate shareholders:

March 31, 2025

Major shareholders of corporate shareholders	Major shareholders of corporate shareholders	Shareholding ratio
Hung Rouan Investment Corp.	Carolyn Yeh	20.13%
	StanShih Foundation	1.60%
	Shih Hsuen Rouan	17.25%
	Shih Hsuen Huei	26.09%
	Shih Hsuen Lin	17.16%
	Shih Fang Cheng	8.93%
	Yeh Ting Yu	8.84%

Note: The donor of StanShih Foundation is Mr. Stan Shih, with a contribution ratio of 100%.

3. Information on professional qualifications and independence of directors:

Criteria Name	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Victor Chien (Representative of Acer Inc.)	<p>Since March 2016, Victor Chien has served as General Manager of the Digital Display Business of Ace Inc., overseeing display and projector product lines of Acer. Prior to joining Acer, Victor Chien was in charge of various product lines including digital devices, computer peripheral equipment and digital cameras.</p> <p>Victor Chien once served as a Deputy Assistant Manager of semiconductor components distributors at Zenitron; Marketing Manager at HP; and has been with Acer since 1993 serving as a Product Manager for 5 years.</p> <p>Victor Chien holds Dual Bachelor in Control Engineering and Management Science, National Chiao Tung University.</p> <p>He specializes in business management and digital display and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>Except for serving as a director of some Group companies, this person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person owns 0 (0%) shares of the Company; this person owns 665,000 (0.85%) shares of the Company in the name of others; this person's spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	1
Jason Chen (Representative of Acer Inc.)	<p>Jason Chen joined Acer in 2014 and served as the global president and CEO until 2017. Jason Chen has served as Acer's Chairman and CEO since 2017, leading the team in transforming the Company while proactively expanding the business.</p> <p>Jason Chen worked at TSMC from 2005 to 2013, with his most senior position being Senior Vice General Manager of Global Marketing Business. From 1991 to 2005, Jason Chen worked for Intel Corporation Taiwan before relocating to the U.S. headquarters overseeing business and marketing and serving as Global Vice President, familiar with the global market environment. Prior to that, Jason Chen worked for IBM Taiwan from 1988 to 1991.</p>	<p>Except for serving as a director of some Group companies, this person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person owns 0 (0%) shares of the Company; this person owns 1,300,000 (1.66%) shares of the Company in the name of others; this person's spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or</p>	1

Criteria Name	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
	He specializes in information technology and finance and does not meet any of the matters stated in Article 30 of the Company Act.	his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.	
Maverick Shih (Representative of Acer Inc.)	<p>Maverick Shih is the chairman of Acer Cyber Security Inc. and Acer Synergy Tech Corp. Acer acquired iGware, a cloud service provider in 2011; Maverick Shih officially joined Acer and served as Special Assistant to the President and lay the foundations for the development of cloud services. Since 2014, the cloud service was transformed into Acer's own cloud business group with Maverick Shih serving as General Manager to help Acer with company transformation.</p> <p>Maverick Shih has a Ph.D. in electrical engineering. In the past, he worked in IC design, multimedia video/audio signal processing technology, image analysis, and tablet PC software design.</p> <p>He specializes in cloud services and IC design and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>Except for serving as a director of some Group companies and his father (Stan Shih) serving as a director of some Group companies, this person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person owns 647,027 shares (0.82%) of the Company and neither his spouse nor second-degree relatives own shares in the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	0
Andrew Chang	<p>Andrew Chang once served as Senior Vice General Manager at MediaTek Inc. and has served as an independent director of AOpen since January 2018.</p> <p>Andrew Chang has a master's degree in Science in Electrical Engineering, Polytechnic University, New York.</p> <p>He specializes in IC design and information technology and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	0

Name	Criteria	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Steve Tso	<p>Steve Tso once served as Senior Vice General Manager of TSMC and has served as an independent director of AOpen in January 2018.</p> <p>Steve Tso has a Ph.D. in Materials Science & Engineering, University of California, Berkeley.</p> <p>He specializes in semiconductor, information technology, and materials as well as risk management, and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	1	
Grace Lung	<p>Grace Lung once served as General Director, General Financial Information Division of Acer, and has served as an independent director of AOpen since June 2020.</p> <p>Grace Lung has a bachelor's degree from the Department of Business Administration, National Chengchi University.</p> <p>She specializes in corporate finance, investment and stock affairs and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	3	

Criteria Name	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
TF Chen	<p>TF Chen once served as Head of end-customer service in Great China, IBM (HK), and has served as an independent director of AOpen since June 2023.</p> <p>TF Chen has a bachelor's degree from the Department of Economics, Tunghai University, Taiwan</p> <p>He specializes in information technology and financial professional fields, and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	0

4. Diversity policy of board members

As one of the members of the Acer Group, we have always emphasized the importance of corporate governance and have formulated a diversity policy for board members in Chapter 3 “Strengthening of the Board of Directors Functions” in the “Code of Best-Practice of Corporate Governance.”

The Company’s Board of Directors shall be responsible to the shareholders’ meetings as well as the operations and arrangements of the corporate governance system. The Board of Directors shall exercise its duties in accordance with the provisions of the law and Articles of Incorporation or the resolutions adopted at the shareholders’ meeting.

The Company’s Board of Directors is structured based on the scale of the Company’s business development and the shareholdings of its major shareholders while taking into account the practical needs and shall consist of more than five appropriate members. The composition of the Board shall be based on gender equality and members shall possess the knowledge, skills, and qualities necessary to perform their duties.

To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Ability to lead.
- (8) Ability to make policy decisions.

5. Specific management objectives for diversity of Board members

Having a diverse Board helps it effectively perform its functions. The nomination and selection of the Company’s Board members are subject to the provisions in the Articles of Incorporation. The candidate nomination system is adopted to ensure the diversity and independence of the Board members. We have also selected directors with different expertise and skills to provide different perspectives and contributions to further strengthen the functions of the Board. The Company has achieved the specific management objectives of having more than half of independent directors and at least one female director, and expects that the next Board of Directors will achieve the goal of having more than one-third (inclusive) of the Board's seats taken up by each gender.

6. Implementation Board member diversity

The current Board is composed of seven directors, including three directors and four independent directors, with extensive experience and expertise in finance, business, technology, information and management (see the table below). In addition, there is one female director on the current Board, accounting for 14% of the Board.

- (1) Expertise in digital display, business management and other professional fields: Mr. Victor Chien
- (2) Expertise in the operation and marketing of global brand products and services: Mr. Jason Chen
- (3) Expertise in cloud services and IC design: Mr. Maverick Shih
- (4) Expertise in IC design, information technology and other professional fields: Mr. Andrew Chang
- (5) Expertise in semiconductor, information technology, materials and risk management: Mr. Steve Tso
- (6) Expertise in corporate finance, investment and stock affairs: Ms. Grace Lung
- (7) Expertise in information technology and financial professional fields: Mr. TF Chen

In order to promote and implement the diversity of the Company's Board of Directors, the Company has one female director on the Board of Directors. The Company takes professionalism and experience as the main considerations and takes into account the various indicators of diversity, however, the ratio of one-third of the Board of Directors being of one gender is a new indicator for this year, and the Company will identify suitable candidates for the Board of Directors in line with the Company's overall business policy in order to gradually achieve the indicator of gender diversity.

The Company's current Board of Directors' diversity policy and its implementation are set forth below:

Basic information					Industry experience											Professional competence					
Name	Gender	Nationality	Type	Also an employee	Age			Term of service of independent director		Marketing	Operations management	Mechanical engineering	Cloud services	IC design	Digital display	Financial investment	Semiconductor	Information	Law	Accounting	Risk management
					40-50	50 - 60	Over 60	Below 3 years	4-9 years												
Victor Chien	Male	Republic of China	Representative of Corporate Director			✓				✓								✓		✓	
Jason Chen	Male	Republic of China	Representative of Corporate Director				✓		✓							✓		✓		✓	
Maverick Shih	Male	Republic of China	Representative of Corporate Director			✓			✓			✓						✓		✓	
Andrew Chang	Male	Republic of China	Independent director			✓		✓	✓				✓					✓		✓	
Steve Tso	Male	Republic of China	Independent director			✓		✓	✓								✓		✓	✓	
Grace Lung	Female	Republic of China	Independent director			✓	✓		✓						✓			✓	✓	✓	
TF Chen	Male	Republic of China	Independent director			✓		✓	✓						✓			✓		✓	

V – Capable

7. Independence of the Board of Directors:

The Company has seven directors and four of them are independent directors, accounting for 57.14% of the Board. As the number of independent directors account for more than 1/2 of the Board, it is able to perform its functions to oversee the operation of the Company and protect the interests of shareholders. The professional views of these independent directors are independent from management or other directors, demonstrating the independence of the Board.

Among the directors, aside from Victor Chien, Jason Chen, and Maverick Shih who have been appointed by Acer Inc., the remaining directors (including independent directors) are not related to each other as spouse or second-degree relative, and therefore they are not subject to violation of the provisions set out in paragraph 3, Article 26-3 of the Securities and Exchange Act.

As the Company has formed an Audit Committee to replace supervisors, the provisions in paragraph 4, Article 26-3 of the Securities and Exchange Act do not apply.

(II) Information on the company's, general manager, vice general manager, assistant vice president, and supervisors of the company's divisions and branch units
March 29, 2025

Title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares held by spouses and minor children		Shares held in the name of others		Principal work experience and academic qualifications	Current part-time position held at another company	Company officers who are spouses, or second-degree relatives		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
President	Republic of China	Ken Wang	Male	August 4, 2021	0	0	0	0	190,000	0.24	General Director, Digital Display Business Unit and Marketing Management Unit, Acer Inc.	Note 3	None	None	None
Assistant Vice President (Head of Finance and Accounting)	Republic of China	Edward Chen	Male	February 27, 2006	263,123	0.34	12,562	0.02	0	0	M.B.A., Drexel University Associate Director, KPMG	Note 3	None	None	None
Head of Corporate Governance (Note 1)	Republic of China	Sophia Chen	Female	November 6, 2024	65,000	0.08	0	0	0	0	CFO of ACER PAP Master's degree of Business Administration, University of Pittsburgh, Pennsylvania	Note 3	None	None	None
Head of Corporate Governance (Note 2)	Republic of China	Lydia Wu	Female	November 2, 2023	0	0	0	0	0	0	Head of Legal Affairs, Acer Inc. Bachelor of Laws, National Taiwan University	-	None	None	None

(Note 1): Ms. Sophia Chen was newly appointed on Nov. 6, 2024.

(Note 2): Ms. Lydia Wu was ceased on Nov. 6, 2024, the number of shares held by a person who had resigned or ceased is represented by 0.

(Note 3): Currently engaged in the other companies

Note 3

Name or representative	Name of company and title
Ken Wang	AOpen SmartVision Incorporated Director AOPEN Computer B.V. Director AOPEN America Inc. Director AOPEN Japan Inc. President AOPEN Technology Inc. Director AOPEN International (ShangHai) Co., Ltd. Chairman AOPEN Information Products (Zhongshan) Inc. Executive Director Apex Material Technology Corporation (AMT) Director Paradiso Investment Co., Ltd. Chairman
Edward Chen	AOpen SmartVision Incorporated Director AOPEN Technology Inc. Director AOPEN International (ShangHai) Co., Ltd. Director AOPEN Japan Inc. Supervisor AOPEN Information Products (Zhongshan) Inc. Supervisor AOPEN Global Solutions PTY Ltd. Director AOPEN Australia and New Zealand PTY Ltd. Director Great Connection Ltd. Director Bluechip Infotech Pty Ltd. Director
Sophia Chen	Acer Computer (Singapore) Pte. Ltd. Director Acer Computer Australia Pty. Limited Director Acer Computer Co., Ltd. Director Acer Computer New Zealand limited Director Acer Global Merchandise Philippines Inc. Director Acer India Private Limited Director Acer Marketing Services LLC Director Acer Service Corporation Director Acer Vietnam Co., Ltd. Director PT Acer Indonesia Commissioner PT. Acer Manufacturing Indonesia Commissioner Shanghai AST Technology Service Ltd. Supervisor Xplova (Shanghai) Ltd Supervisor Beijing Altos Computing Ltd Supervisor Welllife Inc. Supervisor Sertec(Beijing)Ltd Chairman StarVR Corporation Supervisor Acer (Chongqing) Ltd. Supervisor Acer Information (Zhong Shan) Co., Ltd. Director Acer Japan Corp. Supervisor Acer Being Communication Inc. Supervisor Acer AI Cloud Inc. Supervisor AcerPure Inc. Supervisor Acer Asset Management Incorporated Supervisor Acer BeingWare Holding Inc. Supervisor Acer Cloud Technology (Taiwan) Inc. Supervisor Acer SoftCapital Incorporated Director Acer Computer (Shanghai) Ltd. Supervisor Pecer Bio-Medical Technology Incorporated Supervisor

Name or representative	Name of company and title
	Acer Gadget Inc. Director Enrich Investment Incorporated Chairman Smart Frequency Technology Inc. Director Aspire Service & Development Inc. Supervisor Xplova Inc. Supervisor Acer Digital Service Co. Supervisor Acer Energy Pack Inc. Supervisor Acer Property Development Inc. Supervisor MPS Energy Inc. Supervisor Protrade Applied Materials Corp. Director

II. Remuneration paid in the most recent fiscal year to directors (including independent directors), officers, and vice general manager of the company

(I) Remuneration to directors

Title	Name	Remuneration to directors						Remuneration received as company part-time employee				Total sum of A, B, C, D, E, F and G, and their proportion to net profit after tax (%) (Note 1)	Remuneration received from investees other than subsidiaries or parent company		
		Remuneration (A)	Pension (B)	Remuneration to Directors (C)	Expenses for Services Rendered (D)	Total sum of A, B, C and D and their proportion to net profit after tax (%) (Note 1)	Salaries, Bonuses and Special Allowances (E)	Pension (F)	Remuneration to Employees (G)		Total sum of A, B, C, D, E, F and G, and their proportion to net profit after tax (%) (Note 1)				
		The Company	The Company	The Company	The Company	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	Total amount 900 ; Ratio 0.30%	Total amount 900 ; Ratio 0.30%	All companies included in the financial report	The Company	Total amount 900 ; Ratio 0.30%
Corporate Director	Acer Inc.	900	0	0	0	0	0	0	0	0	0	0	0	0	0
Chairman	Representative of Acer Inc.: Victor Chien	0	0	0	20	20	20	0	0	0	0	0	0	0	41,404
Director	Representative of Acer Inc.: Jason Chen	0	0	0	20	20	20	0	0	0	0	0	0	0	5,056
Director	Representative of Acer Inc.: Maverick Shih	0	0	0	20	20	20	0	0	0	0	0	0	0	12,473
Independent director	Andrew Chang	400	0	320	20	320	20	0	0	0	0	0	0	0	0
Independent director	Steve Tso	300	0	320	20	320	20	0	0	0	0	0	0	0	0
Independent director	Grace Lung	400	0	320	20	320	20	0	0	0	0	0	0	0	0
Independent director	TF Chen	300	0	187	20	187	20	0	0	0	0	0	0	0	0

1. Details of the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors will be described separately.

2. In the most recent fiscal year, remuneration received by directors (e.g. serving as a consultant for a non-employee): None.

(II) Remuneration to general manager and vice general manager :

December 31, 2024, unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonuses and special allowances (C)		Remuneration to employees (D)				Remuneration to employees received from investees other than subsidiaries or parent company					
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Stock amount	The Company	All companies included in the financial reports	Total amount	Ratio		
President	Ken Wang	5,800	5,800	216	216	972	972	2,070	0	0	0	Total amount 9,058	Total amount 9,058	Ratio 3.01%	Ratio 3.08%	0	
Assistant Vice President	Edward Chen																

(III) Remuneration of the top five highest paid executives of listed/OTC companies :

December 31, 2024, unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonuses and special allowances (C)		Remuneration to employees (D)				Remuneration to employees received from investees other than subsidiaries or parent company				
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Stock amount	The Company	All companies included in the financial reports	Total amount	Ratio	
President	Ken Wang	3,649	3,649	108	108	611	611	1,550	0	0	0	Total amount 5,918	Total amount 5,918	Ratio 1.97%	Ratio 2.02%	0
Assistant Vice President	Edward Chen	2,151	2,151	108	108	361	361	520	0	0	0	Total amount 3,140	Total amount 3,140	Ratio 1.04%	Ratio 1.07%	0

(IV) Name of officer who received employee bonus and the distribution status:

December 31, 2024; unit: NT\$ thousand

Managerial Officers	Job title	Name	Amount in Stock	Amount in Cash	Total	As a % of Net Profit	
						The company	All companies included in the financial report
	President	Ken Wang	0	2,070	2,070	0.69%	0.71%
	Assistant Vice President	Edward Chen					

(V) Describe total remuneration, as a percentage of net profit after tax stated in the parent company only financial reports and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers:

1. Describe remuneration, as a percentage of net profit after tax during the past 2 fiscal years to directors, general managers, and assistant general managers:

Item	Year		All companies included in the consolidated financial report
	2023	2024	
Director	The Company 1.19%	The Company 1.19%	All companies included in the consolidated financial report 1.22%
President and Vice President	The Company 3.56%	The Company 0.69%	All companies included in the consolidated financial report 0.71%

2. Director remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating results:

(1) Remuneration policies, standards, and packages

The Company's remuneration to directors is determined based on the Articles of Incorporation and the "Payment Principles for Remuneration to Directors" proposed by the Remuneration Committee approved by the Board of Directors. The remuneration is determined by taking into account the level of participation of the directors in the Company's operation and the value of their contribution, as well as the industry standard. After discussing with the Remuneration Committee, remuneration is resolved by the Board of Directors followed by submitting it to the shareholders' meeting for report. In addition to fixed remuneration and fees for performing duties (including transportation allowances), remuneration to directors is subject to the business results of the Company, the contribution of the directors to the Company's performance, and the payment standards of peers in the industry. Remuneration is distributed after approval by the Remuneration Committee.

In addition, it is specified in the Company's "Payment Principles for Remuneration to Directors" that directors (including the chairman) who also

serve as part-time employees receive only employee remuneration. Aside from receiving fees for performing duties, these directors (including the chairman) may not receive other director remuneration in order to avoid the difficulties in distinguishing and determining the performance and contribution of those serving as both directors and employees at the same time, preventing duplication of remuneration payment.

- (2) Procedures for determining remuneration
According to the provisions in Article 17 of the Company's Articles of Incorporation, no more than 8% of the profit for the year, if any, shall be appropriated as remuneration to the directors. The means for distribution shall be submitted to the Board of Directors by the Remuneration Committee for resolution and reported to the shareholders' meeting. According to the "Payment Standard for Remuneration to the 11th Board of Directors and Functional Committees" reviewed by the Remuneration Committee and approved by the Board of Directors on November 1, 2023, the payment principle of this year's remuneration to directors is as follows: (1) remuneration is delegated to the Board of Directors to be paid to the general directors based on the level of participation in and distribution to the Company's operation the usual standard of peers; (2) as all the independent directors are part of the Audit Committee, the Remuneration Committee, and the Investment Review Committee, making them assume more responsibilities compared to the general (non-independent) directors, their remuneration is subject to their respective committee charter and their participation in committee affairs and meetings. Given this, the fixed remuneration to these directors is higher than those general directors who are part of a committee.
 - (3) Link between performance evaluation and remuneration
The procedure of the evaluation for determining remuneration is based on the Company's "Rules for Performance Evaluation of Board of Directors" (including the performance evaluation of each committee). Remuneration to the Company's directors determined by taking into consideration the participation of the director in the Company's operation and performance evaluation results (e.g. their dedication to the Company's affairs, meeting attendance rate and continuous education). The results of the overall evaluation of the Board of Directors are reported to the Board meeting in the first quarter of the following year. At the same Board meeting, remuneration to directors for that year is further discussed and resolved. In addition, according to the Remuneration Committee Charter of the Company, the responsibilities of the Remuneration Committee include regular review and evaluation of the performance of the directors and officers as well as the policy, system, standards and structure of remuneration.
 - (4) Linkage to performance evaluation and future risk exposure.
Not only is remuneration paid to directors subject to past operating results, the payment standard, structure and system of remuneration are also flexibly adjusted according to future risk factors. In addition, the Company's Remuneration Committee is dedicated to fulfilling its responsibilities, with its remuneration regularly reviewed and evaluated. The proposals made by the directors are submitted to the Board of Directors in order to strike a balance between the Company's sustainability and risk control.
3. Officer remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating results:
- (1) Remuneration policies, standards, and packages
The Company's remuneration paid to the officers is divided into three categories: salaries, bonuses, and special allowances, plus employee remuneration. The salary is defined as remuneration as set out in the Company Act, and is determined based on job responsibilities, general environment and market standards, and which reflects to their work performance. The bonus and special allowance are primarily transportation allowances, subject to either a transportation allowance of a certain amount or an allowance to purchase a car. Remuneration to employees is subject

to the Company's Articles of Incorporation and approval by the Remuneration Committee and Board of Directors and is reported to the annual general meeting of shareholders.

- (2) Procedures for determining remuneration
According to the provisions in Article 17 of the Company's Articles of Incorporation, not less than 2% of the profit for the year, if any, shall be appropriated as remuneration to the employees. The actual rate and amount of remuneration to employees are determined by the Board of Directors and reported to the shareholders' meeting. The frequency, dates and requirements of remuneration paid to employees are handled in accordance with the arrangements and procedures proposed at the Remuneration Committee meeting/meeting of the Board of Directors.
- (3) Link between performance evaluation and remuneration
Remuneration to employees is handled in accordance with the company bonus plan, covering achievements of the Company's operational objectives as well as the personal targets for the year. The Company's objectives include financial (e.g. achievement rate of company revenue and net profit) and non-financial indicators (e.g. professional development and the level of participation in subsidiary operations), personal targets for the year (risk management and annual operations management capabilities), and corporate social responsibility indicators (e.g. planning of corporate social responsibility activities and level of participation in them). According to the results of the above considerations, the actual ratio and amount of remuneration distributed to the employees are resolved by the Remuneration Committee and the Board of Directors in the first quarter of the following year. The ratio and amount of remuneration is highly linked to the Company's operating results.
- (4) Linkage to performance evaluation and future risk exposure.
The remuneration to the officers of the Company is paid not only with reference to the industry standards and the Company's past operating results, the payment standard, structure and system are also appropriately adjusted depending on the actual operating conditions as well as changes in the applicable laws. At AOpen, we do not allow the officers to be involved in an activity that may put the Company in jeopardy in the pursuit of remuneration. In addition, the Company's Remuneration Committee also regularly evaluate the remuneration to officers. The proposals made by the officers are submitted to the Board of Directors in order to strike a balance between the Company's sustainability and risk control.

III. State of operation of corporate governance

(I) State of operation of the Board of Directors

In 2024, the Board of Directors had Four meetings. The attendance of the directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remark
Chairman	Acer Inc. Representative: Victor Chien	4	0	100	
Director	Acer Inc. Representative: Jason Chen	4	0	100	
Director	Acer Inc. Representative: Maverick Shih	4	0	100	
Independent director	Grace Lung	4	0	100	
Independent director	Andrew Chang	4	0	100	
Independent director	Steve Tso	4	0	100	
Independent director	TF Chen	4	0	100	

Other information required:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company responded to such opinions:

- (I) Matters listed in Article 14-3 of the Securities and Exchange Act.: The Company has established an Audit Committee in accordance with the Securities and Exchange Act, and therefore the provisions of Article 14-3 of the Securities and Exchange Act are not applicable to the Company. For a description of the matters set forth in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee in this Annual Report.
- (II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing : None

II. Recusal of the directors from motions involving their interests:

Name of meeting	Date	Name of director	Content of motion	Reason for recusal and voting
March 13, 2024 1st meeting of the Board of Directors in 2024	March 13, 2024	Grace Lung, Andrew Chang, Steve Tso, TF Chen	The budget for employees' and directors' remuneration for the year 2023	Regarding the part of directors' remuneration: Independent directors Grace Lung, Andrew Chang、Steve Tso and TF Chen explained and avoided in accordance with Article 206 of the Company Law, and were unanimously approved by the Chairman after consulting with the other attending directors without any objection.

III. Evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the Board's self (or peer) evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed once a year and is completed by the end of the first quarter of the following year	Performance of the Board of Directors from January 1 to December 31, 2024 was evaluated	Performance evaluation of the Board of Directors, performance evaluation of individual Board members and performance evaluation of the functional committees; functional committees include the Audit Committee and the Remuneration Committee	Internal self-evaluation of the Board, self-evaluation of the Board members	<p>Performance evaluation of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company. 2. Quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Director. 4. Election and continuing education of the directors. 5. Internal control. <p>Performance evaluation of individual Board members:</p> <ol style="list-style-type: none"> 1. Grasping of the Company's objectives and tasks. 2. Awareness of the duties of the directors. 3. Participation in the operation of the Company. 4. Internal relationship management and communication. 5. Professionalism and continuing education of the directors. 6. Internal control. <p>Performance evaluation of the functional committee:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company. 2. Awareness of the duties of the functional committee. 3. Improvement of quality of decisions made by the functional committee. 4. Composition and structure of the functional committee. 5. Internal control.

See the following table for the results of the 2024 performance evaluation of the Board of Directors.

IV. Targets (e.g. establishment of an audit committee and improvement of information transparency) for strengthening of the functions of the board in the most recent fiscal year, and measures taken toward achievement thereof:

The Company has established functional committees under the Board of Directors. Through division of work and cooperation, each committee is committed to strengthening the functions of the Board of Directors in order to implement corporate governance.

- i. To improve the remuneration system for directors and officers, the Company established a Remuneration Committee composed of three independent directors on October 27, 2011 by approval of the Board of Directors in accordance with the Securities and Exchange Act and relevant laws and regulations promulgated by the competent authorities.
- ii. To implement the spirit of corporate governance, after the election of the directors took place on June 10, 2011, the Company officially adopted the Audit Committee system. According to the Securities and Exchange Act and the Company Act, the Audit Committee is composed of all independent directors.

Results of the 2024 performance evaluation of the Board of Directors:

No.	Evaluation scope	Evaluation content	Evaluation result
1	Board of all directors	<p>A. Participation in the operation of the Company.</p> <p>B. Quality of the Board of Directors' decision making</p> <p>C. Composition and structure of the Board of Director</p> <p>D. Election and continuing education of the directors</p> <p>E. Internal control</p>	<p>Excellent (5 points)</p> <p>Excellent (4.8 points)</p> <p>Excellent (5 points)</p> <p>Excellent (5 points)</p> <p>Excellent (4.9 points)</p>
2	Individual Board members	<p>A. Grasping of the Company's objectives and tasks.</p> <p>B. Awareness of the duties of the directors.</p> <p>C. Participation in the operation of the Company.</p> <p>D. Internal relationship management and communication.</p> <p>E. Professionalism and continuing education of the directors.</p> <p>F. Internal control</p>	<p>Excellent (4.9 points)</p> <p>Excellent (5 points)</p> <p>Excellent (4.9 points)</p> <p>Excellent (5 points)</p> <p>Excellent (4.9 points)</p> <p>Excellent (5 points)</p>
3	The functional committee (Audit Committee)	<p>A. Participation in the operation of the Company</p> <p>B. Awareness of the duties of the audit committee</p> <p>C. Improvement of quality of decisions made by the audit committee</p> <p>D. Composition and structure of the audit committee</p> <p>E. Internal control</p>	<p>Excellent (5 points)</p> <p>Excellent (4.9 points)</p> <p>Excellent (5 points)</p> <p>Excellent (4.8 points)</p> <p>Excellent (4.9 points)</p>
4	The functional committee (Remuneration Committee)	<p>A. Participation in the operation of the Company</p> <p>B. Awareness of the duties of the remuneration committee</p> <p>C. Improvement of quality of decisions made by the remuneration committee</p> <p>D. Composition and structure of the remuneration committee</p> <p>E. Internal control</p>	<p>Excellent (5 points)</p> <p>Excellent (4.9 points)</p> <p>Excellent (5 points)</p> <p>Excellent (5 points)</p> <p>Excellent (4.8 points)</p>

(II) State of the Audit Committee

The Audit Committee is responsible for establishing duties for the supervision of the Board of Directors and strengthening the management mechanism of the Board of Directors, as well as assisting the Board of Directors in improving corporate governance performance. The focus of duties covers assisting the Board of Directors in fulfilling its role in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.

Responsibilities of the Audit Committee:

- The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- Assessment of the effectiveness of the internal control system.
- The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- Matters in which a director is an interested party.
- Asset transactions or derivatives trading of a material nature.
- Loans of funds, endorsements, or provision of guarantees of a material nature.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring, discharge, or compensation of a CPA.
- The appointment or discharge of a financial, accounting, or internal audit officer.
- Financial report.
- Other material matters as may be required by the Company or by the competent authority.

Under the laws of Taiwan, the Audit Committee shall be composed of all independent directors. The Company's Audit Committee meets the requirements of the above laws.

In accordance with its charter, the Audit Committee is authorized to conduct any appropriate audits and investigations in order to fulfill its duties. There are direct contact channels in place between the Audit Committee and the Company's internal auditors, CPAs, and all employees. The Audit Committee also has the authority to hire and supervise attorneys, accountants or other consultants for it to perform duties.

The Audit Committee meets at least once every quarter. For the Audit Committee meetings convened and the attendance of each member, please see the Company's annual reports.

In 2024, the Audit Committee had four meetings. The attendance of the independent directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remark
Independent director	Grace Lung	4	0	100	Convener
Independent director	Andrew Chang	4	0	100	
Independent director	Steve Tso	4	0	100	
Independent director	TF Chen	4	0	100	

Other information required:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the Audit Committee’s resolution, and how the company responded to Audit Committee opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

(II) Except for the preceding matters, any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors.

Audit Committee Date and session	Motion discussed and subsequent handling	Matters listed in Article 14-5 of the Securities and Exchange Act	Any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors
March 13, 2024 1st Audit Committee meeting in 2024	1. Agree with The Financial Statements and Business Report for the Year 2023	V	None
	2. Agree with The Statement of Internal Control for the Year 2023	V	None
	3. Agree with The Statement of Profit Distribution for the Year 2023	V	None
	4. Agree with The appointment of the Company’s CPAs for the 2024 financial statements and the evaluation of the independence of the CPAs to be approved	V	None
	5. Agree to invest in a Japanese brand company with exquisite style.	V	None
	6. Agree with the General Principles for establishing a policy on pre-approval of non-confirmation services	V	None
	7. Agree with the Funds loaned to other parties by the Company and global subsidiaries	V	None
	Resolution by the Audit Committee: Approved by all members of the Audit Committee How the company responded to Audit Committee’s opinions: All directors present unanimously approved the motions and opinions submitted by the Audit Committee to the meeting of the Board of Directors.		
May 8, 2024 2nd Audit Committee meeting in 2024	1. Agree with the consolidated quarterly Financial Report for the first quarter of 2024 reviewed by CPAs	V	None
	2. Agree with the Amendment to some provisions of the Company’s “Internal Control System of Shareholder Services Unit”	V	None
	3. Agree with the acquisition and disposal of right-of-use assets	V	None
	4. Agree with the Funds loaned to other parties by the Company and global subsidiaries	V	None
	Resolution by the Audit Committee: Approved by all members of the Audit Committee How the company responded to Audit Committee’s opinions: All directors present unanimously approved the motions and opinions submitted by the Audit Committee to the meeting of the Board of Directors.		
August 7, 2024 3rd Audit Committee meeting in 2024	1. Agree with the consolidated quarterly Financial Report for the second quarter of 2024 reviewed by CPAs	V	None
	2. Agree with the amendments of the company's internal regulations	V	None
	3. Agree with the Funds loaned to other parties by the Company and global subsidiaries	V	None
	Resolution by the Audit Committee: Approved by all members of the Audit Committee How the company responded to Audit Committee’s opinions: All directors present unanimously approved the motions and opinions submitted by the Audit Committee to the meeting of the Board of Directors.		

Audit Committee Date and session	Motion discussed and subsequent handling	Matters listed in Article 14-5 of the Securities and Exchange Act	Any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all board directors
November 6, 2024 4th Audit Committee meeting in 2024	1. Agree with the consolidated quarterly Financial Report for the third quarter of 2024 reviewed by CPAs	V	None
	2. Agree with the Company's audit plan for the Year 2025	V	None
	3. Agree to acquire 30% of the shares of the Australian subsidiary to make it as 100% subsidiary of the Company	V	None
	4. Agreed to dispose of the equity of subsidiary amadana International Co., Ltd	V	None
	5. Agree with the amendments of the company's internal regulations	V	None
	6. Agree with the General Principles for establishing a policy on pre-approval of non-confirmation services	V	None
	7. Agree with the Funds loaned to other parties by the Company and global subsidiaries	V	None
	Resolution by the Audit Committee: Approved by all members of the Audit Committee How the company responded to Audit Committee's opinions: All directors present unanimously approved the motions and opinions submitted by the Audit Committee to the meeting of the Board of Directors.		

II. Recusal of the independent directors from motions involving their own interest, specify the names of the independent directors, the content of the motions, the reason for recusal, and the participation in voting: None.

III. State of communication between independent directors, chief internal auditor and accountants (such as materials matters, methods and results of communications on the Company's finances and business status):

- The Company's internal audit officer regularly reports on the internal audit situation at the quarterly Audit Committee meeting and communicates the results of the audit report and the tracking status with the committee members. Where there are special circumstances, the Audit Committee also reports immediately to its members. There were no special circumstances in 2024.
- The Audit Committee maintains a sound communication with the internal audit officer, with the main communication summarized as follows:

Date of meeting	Communication focus	Communication results
March 13, 2024 1st Audit Committee meeting in 2024	<ul style="list-style-type: none"> Internal audit operations and whistleblowing and grievances in 2023 2023 "Statement of Internal Control System" 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the internal audit officer.
May 8, 2024 2nd Audit Committee meeting in 2024	<ul style="list-style-type: none"> Internal audit operations and whistleblowing and grievances for Q1 2024 The "Internal Control System of Shareholder Services Unit" of the internal control system 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the internal audit officer.

Date of meeting	Communication focus	Communication results
August 7, 2024 3rd Audit Committee meeting in 2024	<ul style="list-style-type: none"> ● Internal audit operations and whistleblowing and grievances for Q2 2024 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the internal audit officer.
November 6, 2024 4th Audit Committee meeting in 2024	<ul style="list-style-type: none"> ● Internal audit operations and whistleblowing and grievances for Q3 2024 ● “Annual Audit Plan” for 2025 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the internal audit officer.

- The Company’s CPAs regularly report the results of the quarterly report reviewed or audited at the quarterly Audit Committee meetings and other communication matters as required by applicable laws and regulations. Where there are special circumstances, the CPAs also report immediately to the Audit Committee. There were no special circumstances in 2024.
- The Audit Committee maintains a sound communication with the CPAs, with the main communication summarized as follows:

Date of meeting	Communication focus	Communication results
March 13, 2024 1st Audit Committee meeting in 2024	<ul style="list-style-type: none"> ● Audit results of the 2023 financial report ● Report on the update of applicable laws 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the CPAs.
August 7, 2024 3rd Audit Committee meeting in 2024	<ul style="list-style-type: none"> ● Review results of the quarterly report for Q2 2024 ● Report on the update of applicable laws 	The independent directors further questioned the contents and details of the report. The independent directors had no further comments following the answers and explanations given by the CPAs.

(III) State of corporate governance operations and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference

Evaluation Item	State of implementation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and explanation	
I. Has the company formulated and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		To build a sound corporate governance system, the Company has formulated its "Code of Best-Practice of Corporate Governance."	No difference
II. Equity structure and shareholders' equity				
(I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	V		The Company has established a system to handle shareholder doubts, disputes and litigations. The Shareholder Service Office, Finance Department and Legal Department are responsible for handling related matters in accordance with the procedures disclosed above.	No difference
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	V		The Company possesses a list of its major shareholders and a list of the ultimate controllers of its major shareholders	No difference
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		At AOpen, we have formulated internal measures such as the Procedures for Supervision of Subsidiaries, Procedures for Endorsements and Guarantees, Procedures for Loaning of Funds to Others, Regulations Governing Related Party Transactions and Procedures for the Acquisition and Disposal of Assets. We have also established and implemented appropriate risk controls and firewall mechanisms.	No difference
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		To prevent insider trading, the Company has formulated procedures that prohibit insiders from trading marketable securities using undisclosed information in the market. In addition, the Company also prohibits directors and managers from trading in the Company's shares or other marketable securities of an equity nature during the periods of 30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of the quarterly financial statements, and during the period in which the restrictions on insider trading are lifted as stipulated by laws and regulations.	No difference

Evaluation Item	State of implementation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and explanation	
III. Composition and duties of the Board of Directors				
(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?	V		A diversity policy of the composition of the Board has been formulated in the “Code of Best-Practice of Corporate Governance.” As well as this, a new female director was added to the Board in the election of directors at the shareholders’ meeting in 2020. By doing so, we have implemented the diversity policy in terms of the diversity of the composition of the Board.	No difference
(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?		V	The Company has formed a Remuneration Committee and Audit Committee and may establish other functional committees in the future depending on the needs.	This will be carried out depending on the future needs or regulations.
(III) Has the company established rules for performance evaluation of the board of directors and the evaluation methods, and does the company conduct a performance evaluation each year?	V		We have formulated the “Rules for Performance Evaluation of Board of Directors” as well as the evaluation methods on November, 2019 and have conducted a regular performance evaluation since 2020. The results are reported to the Board of Directors after an evaluation is conducted. The results will be used as reference for remuneration and nomination of reappointment of individual directors.	No difference
(IV) Does the company regularly assess the independence of its CPAs?	V		<ol style="list-style-type: none"> One of the main responsibilities of the Company’s Audit Committee is to evaluate the qualification and independence of the accountants. The independence of the CPAs is regularly evaluated each year by the Committee and the results are reported to the Board of Directors for approval. The latest assessment was passed by the Audit Committee resolution on March 12, 2025, it was submitted to the Board of Directors resolution on March 12, 2025 for approval. The Audit Committee conducts a comprehensive evaluation according to the Statement of Independence issued by the accountants. The crucial items of the evaluation are as follows: <ol style="list-style-type: none"> Whether the Company’s management respects the objective and challenging audit process proposed by the CPAs. 	No difference

Evaluation Item	State of implementation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and explanation	
			<p>(2) Whether it is likely for the non-audit services provided by the CPAs to impair the independence of the audit.</p> <p>(3) Whether the CPA firm has established important norms of independence requiring the firm, its personnel, and other personnel subject to independence regulations to maintain independence in accordance with the CPA professional and ethical guidelines; and prohibit anyone from engaging in insider trading, misuse of inside information or any conduct that may cause misrepresentation in the securities or capital markets.</p> <p>(4) Whether the leading accountants and accompanying accountants who have reached the prescribed time limit rotated their roles.</p> <p>(5) Obtaining 13 Audit Quality Indicators (AQIs) information provided by KPMG, and evaluate the audit quality of accounting firms and inspection teams in accordance with the "Audit Committee Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authority. The result is as follows:</p> <ul style="list-style-type: none"> ● The independence between certified CPAs and the company complies with the Accountants Law of the Republic of China, Code of Professional Ethics for Accountants, US SEC and PCAOB and other relevant regulations. ● Certified CPAs appointed by the company have been rotated regularly within the specified period. ● In view of the indicators that the AQI of the certified KPMG is quite different from that of the industry, the audit committee has obtained an explanation of the reasons for the difference between the accounting firm before March 12, 2025. If it 	

Evaluation Item	State of implementation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and explanation	
			needs to be improved and strengthened, it will also confirm the direction and schedule; The committee will continue to track improvements at next year's annual meeting.	
IV. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders' meeting minutes)?	V		The Company's Corporate Governance Team is made up of personnel from the finance, HR, and legal units. On November 2, 2022 ; On November 6, 2014, Ms. Sophia Chen Chief Accountant and Global Business Analysis Officer of Acer Corporation, was appointed as Chief Governance Officer of the Company. The responsibilities of the Chief Governance Officer include registering changes, assist the directors in complying with the law, and producing minutes of shareholders' meetings and Board meeting, as well as providing the information necessary for directors to carry out their duties and investor relations-related matters.	No difference
V. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, clients and suppliers), and set up a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		The Company has built appropriate communication channels with stakeholders including upstream and downstream vendors, banks, employees and investors. There is also a section dedicated to stakeholders on the Company's website.	No difference
VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?		V	With expertise of not less than a professional stock agent, the Company's Shareholder Service Office is responsible for handling matters associated with shareholders' meeting pursuant to the Regulations Governing the Administration of Shareholder Services of Public Companies.	The Company's Shareholder Service Office is responsible for handling matters of the shareholders' meeting.
VII. Information disclosure				
(I) Does the company have a website set up where its financial business, and corporate governance information is disclosed?	V		The Company discloses its business and financial performances and corporate governance information on the company website. As well as this, explanations of the Company's implementation of corporate governance are made at the shareholders' meeting and other investors conferences.	No difference
(II) Has the company adopted other information disclosure methods (e.g. establishing an English website, designating a responsible person for	V		In addition to establishing a primary spokesperson and a deputy spokesperson, we have also designated a dedicated unit to collect company-related information and	No difference

Evaluation Item	State of implementation			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary and explanation	
<p>collecting and disclosing information of the Company, substantiating the spokesman system, and uploading the procedure of investors conference on its website)?</p> <p>(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?</p>		V	<p>have it disclosed on the company website. (http://www.aopen.com)</p> <p>The Company's annual financial reports for the first, second, and third quarters, as well as its operating status for each month are published and reported before the specific deadline set by the competent authorities.</p>	<p>There is only a slight difference in the timing of the punishment and reporting. The rest is of no difference with the Code of Best-Practice of Corporate Governance.</p>
<p>VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, further education of the directors and supervisors, risk management policy and risk assessment implementation, client policy implementation, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?</p>	V		<ol style="list-style-type: none"> 1. There are specific clauses in the Rules of Procedure for Board of Directors Meetings where directors shall recuse themselves from the discussion in and voting on motions in which they have an interest. 2. The directors and key officers of the Company are not spouses or first-degree relatives. 3. The Company has taken out liability insurance for the directors and key employees. 4. For the continuing education of the directors in the most recent fiscal year, please refer to "Appendix 1" as follows. 	No difference.
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved.</p> <ol style="list-style-type: none"> 1. The company has improved the following items: <ol style="list-style-type: none"> (1) In 2024, the Company added an English website to disclose relevant information including financial, business and corporate governance information. (2) The Company held a regular shareholders meeting before the end of May 2024. 2. For those who have not yet improved, please propose priority improvement items and measures: Preparation of the Y2024 Sustainability Report. 				

[Appendix 1]

Continuing education of the Company's directors in the most recent fiscal year:					
Title	Name	Date of education	Organizer	Course name	Number of hours of education
Director	Jason Chen	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5 hours
		August 8, 2024	Taiwan Corporate Governance Association	Tax Governance in the New Tax Environment and Updating of Securities Laws and Regulations	1.5 hours
		August 22, 2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3 hours
		August 23, 2024	Taiwan Corporate Governance Association	Global Trends and Risk Management in the Development of Digital Innovative Technology and Artificial Intelligence	2 hours
				Labor Law Compliance	1 hour
		September 24, 2024	Securities and Futures Institute, (SFI)	Introduction of the IFRS Sustainability Disclosure Standard and the Trend of Zero Carbon Emissions at Home and Abroad	3 hours
Director	Maverick Shih	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5 hours
		August 8, 2024	Taiwan Corporate Governance Association	Tax Governance in the New Tax Environment and Updating of Securities Laws and Regulations	1.5 hours
		August 22, 2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3 hours
		August 23, 2024	Taiwan Corporate Governance Association	Labor Law Compliance	1 hour
Director	Victor Chien	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		May 9, 2024	Taiwan Corporate Governance Association	Information Security and Risk Management	1.5 hours
		August 8, 2024	Taiwan Corporate Governance Association	Tax Governance in the New Tax Environment and Updating of Securities Laws and Regulations	1.5 hours
Independent director	Grace Lung	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		August 22, 2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3 hours
		August 23, 2024	Taiwan Corporate Governance Association	Labor Law Compliance	1 hour
				Introduction of the IFRS Sustainability Disclosure Standard and the Trend of Zero Carbon Emissions at Home and Abroad	3 hours
				Global Trends and Risk Management in the Development of Digital Innovative Technology and Artificial Intelligence	2 hours
Independent director	Andrew Chang	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		August 6, 2024	Taiwan Corporate Governance Association	ESG Corporate Actions and Energy Trend Opportunities	3 hours
				International Tax Trend Update and U.S.-Taiwan Tax Relief Bill Brief Analysis	3 hours

Title	Name	Date of education	Organizer	Course name	Number of hours of education
Independent director	Steve Tso	March 14, 2024	Taiwan Corporate Governance Association	Opportunities and Challenges of Generative AI; Carbon Reduction Challenges of Utilizing Economic Tools of Climate Law	3 hours
			Taiwan Corporate Governance Association	Contradictory Dialogues between the Current Economic Situation and Geopolitics	3 hours
		March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		November 14, 2024	Taiwan Corporate Governance Association	NVIDIA's 3-trillion miracle: New thinking behind the semiconductor industry revolution behind artificial intelligence	3 hours
Independent director	TF Chen	March 29, 2024	Taiwan Corporate Governance Association	U.S.-China-Taiwan Relations and the Future International Situation-Political Risks of Investing in China	3 hours
		August 22, 2024	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3 hours
		August 23, 2024	Taiwan Corporate Governance Association	Introduction of the IFRS Sustainability Disclosure Standard and the Trend of Zero Carbon Emissions at Home and Abroad	3 hours
			Taiwan Corporate Governance Association	Global Trends and Risk Management in the Development of Digital Innovative Technology and Artificial Intelligence	2 hours
			Taiwan Corporate Governance Association	Labor Law Compliance	1 hour

(IV) If the company has established a remuneration committee, its composition, duties and state of operation shall be disclosed:

The members of the Company's Remuneration Committee shall be appointed by the Board of Directors and shall be more three members. Information of the members is as follows:

Criteria Name	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Andrew Chang	<p>Andrew Chang once served as Senior Vice General Manager at MediaTek Inc. and has served as an independent director of AOpen since January 2018.</p> <p>Andrew Chang has a master's degree in Science in Electrical Engineering, Polytechnic University, New York</p> <p>He specializes in IC design and information technology and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	0
Steve Tso	<p>Steve Tso once served as Senior Vice General Manager of TSMC and has served as an independent director of AOpen in January 2018.</p> <p>Steve Tso has a Ph.D. in Materials Science & Engineering, University of California, Berkeley</p> <p>He specializes in semiconductor, information technology, and materials as well as risk management, and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company withnew which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	1

Criteria Name	Professional qualifications and experience	State of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Grace Lung	<p>Grace Lung once served as General Director, General Financial Information Division of Acer, and has served as an independent director of AOpen since June 2020.</p> <p>Grace Lung has a bachelor's degree in Department of Business Administration, National Chengchi University.</p> <p>She specializes in corporate finance, investment and stock affairs and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	3
TF Chen	<p>TF Chen once served as Head of end-customer service in Great China, IBM (HK), and has served as an independent director of AOpen since June 2023.</p> <p>TF Chen has a bachelor's degree from the Department of Economics, Tunghai University, Taiwan</p> <p>He specializes in information technology and financial professional fields, and does not meet any of the matters stated in Article 30 of the Company Act.</p>	<p>This person does not have a spouse or second-degree relative serving as a director, supervisor or employee of a Group company.</p> <p>This person and his spouse or second-degree relatives do not own the shares of the Company.</p> <p>This person and this person's spouse or second-degree relatives do not serve as a director, supervisor, or employee at a company with which the Company has a specific relationship, nor does he or his spouse or second-degree relatives provide a Group company with commercial, legal, financial or accounting services.</p>	0

2. State of the operation

(1) The Company's Remuneration Committee consists of Four members. The term of this Remuneration Committee is June 16, 2023 to June 15, 2026.

(2) In 2024, the Remuneration Committee met three times. The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remark
Convener	Andrew Chang	3	0	100%	
Committee member	Steve Tso	3	0	100%	
Committee member	Grace Lung	3	0	100%	
Committee member	TF Chen	3	0	100%	

Other information required:

I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.

II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

(3) Discussion and resolutions of the Remuneration Committee:

Date and session of Remuneration Committee meeting	Content of motion	Resolution adopted by the Remuneration Committee	The Company's handling of the Remuneration Committee's opinions
March 13, 2024 1st Remuneration Committee meeting in 2024	Motion 1: Adjustment of meal allowance for the management team	Motion approved by all members of the Remuneration Committee, submitted it to the Board of Directors for discussion.	All directors present unanimously approved the motions and opinions submitted by the Remuneration Committee to the meeting of the Board of Directors.
	Motion 2: The Company's budget of the 2023 remuneration to employees and directors	1. Since the budget for Directors' Remuneration involves the personal interests of the members of the Remuneration Committee, the Chairman consults with all members present and unanimously agrees not to review it, and directly sends it to the Board of Directors for discussion. 2. The proposed budget for employee remuneration was unanimously approved, after the chairman consults with the members present, and was submitted to the Board of Directors for discussion.	
	Motion 3: The proposal of salary adjustment to the management team for 2024	Motion approved by all members of the Remuneration Committee, submitted it to the Board of Directors for discussion.	
May 8, 2024 2nd Remuneration Committee meeting in 2024	Motion 1: Allocation proposal for employee compensation budget in 2023	Motion approved by all members of the Remuneration Committee, submitted it to the Board of Directors for discussion.	
November 6, 2024 3rd Remuneration Committee meeting in 2024	Motion 1: The Company's global salary increase for 2025	Motion approved by all members of the Remuneration Committee, submitted it to the Board of Directors for discussion.	
	Motion 2: The change of corporate governance director and lifting of non-compete restrictions	Motion approved by all members of the Remuneration Committee, submitted it to the Board of Directors for discussion.	

- (4) Information on the periodic performance evaluation of directors and officers and their remuneration policy, system, standards and structure:

The Company's Remuneration Committee evaluates the remuneration policy and system of the Company's directors and officers in accordance with the provisions set out in the "Charter of Remuneration Committee." Moreover, the Remuneration Committee shall have at least two meetings a year and may convene a meeting at any time as necessary. The Remuneration Committee also makes recommendations to the Board of Directors serving as reference for it to make decisions.

Responsibilities of the Company's Remuneration Committee:

- Establish and regularly review the performance evaluation of the directors and officers as well as their remuneration policy, system, standards and structure.
- Regularly evaluate and establish the remuneration to directors and officers.
- The Remuneration Committee shall fulfill its responsibilities according to the following criteria:
 - (i) Performance assessments and compensation levels of directors and officers shall take into account the general pay levels in the industry, and the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure.
 - (ii) There shall be no incentive for the directors or officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company. For directors and senior officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference:

Evaluation Item	Implementation status		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference	
	Yes	No		
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?		V	Based on the actual needs of the Company, the Board of Directors resolved on November 6, 2004 to establish the Company's "Operational Procedures for Sustainable Information Management" and "Operational Procedures for the Preparation and Confirmation of Sustainability Reports", which set out the authority and responsibility units, control measures, operational supervision and improvement requirements for the work related to the sustainable development operations of the Company. A working group on sustainable development (including but not limited to general affairs, human resources, legal, supplier management, procurement, project management/research and development, customer service, corporate communication, finance, information security, product logistics and product safety related departments) is formed by various sustainability information providers and convened by the president, who will report to the Board of Directors on the status of the promotion of sustainable development at least once a year on a regular basis.	No difference
II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy?		V	The "Risk Management Policy and Procedures" were adopted by resolution of the 4th meeting of the Board of Directors in 2022. A Risk Management Committee was assembled by the top executives of the business units/functional organization of the Company. The Committee is responsible for reviewing all potential risks associated with strategies, operations, finances, disasters, and climate change that may pose an impact on the Company's operations and profitability. Reports were submitted to the Audit Committee and the Board of Directors respectively on November 6, 2024.	No difference
III. Environmental issues				
(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?		V	The Company's OEMs are required to attain ISO 14001 environmental management system and must have a dedicated ISO 14001 promotion unit in place as well as receiving audits conducted by third-party certification companies in line with the Company's policy.	No difference
(II) Is the company committed to enhancing the utilization efficiency of		V	All products of the Company have the "Energy Star" certificate in an effort to increase efficiency and reduce energy consumption. We have also established standards for recycling plastic parts with a size greater	No difference

Evaluation Item	Implementation status		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	
resources and using renewable materials that have low impact on the environment?			
(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?	V		No difference
(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?	V		No difference

Evaluation Item	Implementation status			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference																											
	Yes	No	Summary and explanation																												
			<p>and by implementing various resource recycling and regular business waste recycling management methods to strengthen waste reuse.</p> <p>4. The information on water, waste and greenhouse gases is consolidated into the information of Acer Group and verified by SGS, a third-party verification unit. The company's water, waste and greenhouse gas information are also disclosed in the annual report (below) and the Company's website (http://www.aopen.com).</p> <table border="1"> <thead> <tr> <th rowspan="3">Year</th> <th colspan="2">Greenhouse gases emissions (ton CO2 equivalent)</th> <th rowspan="3">Water consumption (Spend)</th> <th rowspan="3">Total weight of waste (Ton)</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>2.22</td> <td>113</td> <td>152.035</td> <td>0.46992</td> </tr> <tr> <td>2022</td> <td>0</td> <td>21.4</td> <td>152.035</td> <td>0.50798</td> </tr> <tr> <td>2023</td> <td>0</td> <td>17.87</td> <td>321.99</td> <td>1.9542</td> </tr> <tr> <td>2024</td> <td>0</td> <td>16.22</td> <td>195.7</td> <td>3.3572</td> </tr> </tbody> </table> <p>Note 1: Acer Group ISO14064-1 certificate download: https://www.acer-roup.com/sustainability/zh/reports-certificates.html, the 2022 certificate independently shows the company's electricity consumption. The 2024 certificate is still under verification as of the date of publication of the annual report, and will also independently display the company's electricity consumption and greenhouse gas emissions.</p>	Year	Greenhouse gases emissions (ton CO2 equivalent)		Water consumption (Spend)	Total weight of waste (Ton)	Scope 1	Scope 2	2021	2.22	113	152.035	0.46992	2022	0	21.4	152.035	0.50798	2023	0	17.87	321.99	1.9542	2024	0	16.22	195.7	3.3572	
Year	Greenhouse gases emissions (ton CO2 equivalent)		Water consumption (Spend)		Total weight of waste (Ton)																										
	Scope 1	Scope 2																													
	2021	2.22		113		152.035	0.46992																								
2022	0	21.4	152.035	0.50798																											
2023	0	17.87	321.99	1.9542																											
2024	0	16.22	195.7	3.3572																											
IV. Social issues																															
(I) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?	V		Although we have not yet established relevant measures, we have the "Ethical Corporate Management Best-Practice Principles," the "Code of Ethical Conduct" and various personnel management regulations in place in an effort to protect the human rights of employees, supplies, clients and partners. In addition, the Company follows relevant laws and regulations as well as international human rights conventions, while also periodically reviewing its operations and related issues. The Company's protection of human rights has been incorporated in its operations.	No difference																											
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects	V		The Company strictly abides by labor laws and employs employees, and provides employees with various welfare measures, including group insurance, wedding and funeral allowances, regular health checks, on-the-job training subsidies, employee dinners, employee travel, annual bonuses, three-day gifts, birthday gifts wait. Article 22 of the company's articles of association stipulates that if the company makes profits in the year,	No difference																											

Evaluation Item	Implementation status		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	
the business performance or achievements in employee remuneration?			
(III) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?	V	<p>after retaining the amount to make up for the accumulated losses in advance, no less than 2% of the balance should be appropriated as employee remuneration. The company also conducts salary surveys in the global peer market every year to formulate a reasonable and competitive salary system. Every year, it also gives employees differentiated distribution of performance bonuses based on the operating performance of each unit and the actual contribution of employees.</p> <p>The Company regularly inspects and replaces fire protection, air conditioning, drinking water and lighting equipment to ensure a safe and healthy working environment.</p> <p>In order to effectively implement the safety and health policy and internal communication, and promote the environmental safety and health management system, the company has set up a safety and health team to implement safety and health projects according to the annual plan to ensure the effective operation of the maintenance system and promote various safety and health education and training , to comply with legal norms.</p> <p>In 2024, the company had zero occupational injuries in the workplace. The company will continue to use the internal website, education training, etc. to carry out publicity, to strengthen employees' awareness of environmental safety and health, and to reduce the chance of accidents.</p> <p>The company's number of fire incidents, number of casualties and ratio of casualties to total number of employees in 2024: No such matter.</p>	No difference
(IV) Has the company established an effective career development training program for its employees?	V	<p>We provide training programs for new employees, as well as professional, management and general education. Furthermore, we combine the development needs of the organization and the capabilities of the employees to provide them with career development opportunities and challenges. By doing this, we aim to maximize their expertise and jointly create value.</p>	No difference
(V) Does the company comply with laws and international standards with respect to client health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer	V	<p>The safety certification, maintenance, warranty and client services of all products and services sold by the Company are publicly disclosed. There is also a dedicated client service unit and personnel in place to protect the rights of consumers.</p>	No difference

Evaluation Item	Implementation status		Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	
<p>protection policies and complaint procedures?</p> <p>(VI) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?</p>	V	<p>The company regularly conducts supplier assessment surveys. In addition to having a cooperative awareness of compliance with relevant norms with major suppliers on issues such as environmental protection, occupational safety and health, or labor human rights, the contract also includes compliance with laws and/or responsible business alliances (RBA) Code of Conduct and other related ESG policies.</p> <p>At the same time, the contract between the company and the supplier stipulates the product guarantee responsibility, requiring the supplied products to comply with relevant laws and regulations, the EU RoHS directive and relevant environmental protection regulations, etc., and the contract can be terminated or terminated at any time if it is violated.</p> <p>If there is a supplier contract that does not cover the above terms, once the company finds out that the supplier is in danger of violating its corporate social responsibility policy and has a significant impact on the environment and society, it will no longer deal with it.</p>	No difference
<p>V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?</p>	V	<p>The Company currently does not prepare Sustainability Report or other report that discloses the Company's non-financial information.</p> <p>However, in accordance with the GRI Sustainability Reporting Standards (GRI Standards) and the Greenhouse Gas Inventory Protocol (GHG Protocol), the Acer Group has continued to collect information on electricity, water, and waste through an online system, and has commissioned a third-party verification organization to conduct verification in accordance with the GRI Sustainability Reporting Standards. We also commissioned a third-party testing organization to conduct verification. The Company is also included in the scope of Acer's GHG inventory and collection of electricity, water and waste information and third-party verification.</p>	The Company complies with domestic and international regulations and laws to fulfill its corporate social responsibility, and announces relevant information on the MOPS in accordance with the law, and will complete the 2024 Annual Sustainability Report by the end of August 2025.
<p>VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between its operation and the Principles:</p> <p>Although we have not yet formulated "Sustainable Development Best-Practice Principles," we have established the "Code of Ethical Conduct" that sets out rules for ethical corporate management, conflict of interest, and no acceptance of bribes. These rules are promoted on the Company's internal HR service website as well as each training course and are implemented.</p>			
<p>VII. Other important information to help understand the promotion of sustainable development implementation:</p> <ol style="list-style-type: none"> Office area garbage sorting and energy-saving measures implemented and promotion RoHS is initiated in the Company to strive for environmental protection. 			

The disclosure of climate-related information (which meet certain criterias of the Company):

Execution of Climate-related Information

Item	State of implementation
1. To describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	The Company is a member of the Acer Group, which has established a dedicated ESG department responsible for leading the implementation of ESG and counseling related ESG efforts of its affiliates. The Company also reported the "Greenhouse Gas Inventory and Verification Schedule Plan" to the Board of Directors at each quarterly board meeting since 2023..
2. To describe how the identified climate risks and opportunities will affect the business, strategy, and finances of the organization (short, medium, and long term).	<p>Short-term Implications</p> <p>Business Impact: Unforeseen climate events (e.g. typhoons, hurricanes, floods, droughts) may cause traffic disruptions and make it impossible to reach the client for project execution, thus affecting the project progress.</p> <p>Strategic Impacts: The Technical unit may need to make immediate adjustments to its project execution mode, including remote execution, video conferencing, and other emergency preparedness and risk management strategies, in order to respond to a sudden climate event.</p> <p>Financial Impact: Sudden weather events may result in additional costs, including the purchase of equipment such as establishing a remote execution system and related network security mechanisms.</p> <p>Medium-term Implications</p> <p>Business Impact: Changes in weather patterns may result in an impact on the stability of the hardware equipment supply chain and changes in the demand for services.</p> <p>Strategic Impacts: The Company will need to reassess its climate risk and may adjust its hardware supply chain strategy, product mix and market positioning to respond to future climate change.</p> <p>Financial impact: Climate change in the medium term may result in the project not being implemented as scheduled, which may have an impact on the Company's revenue recognition and cash flow.</p> <p>Long-term Implications</p> <p>Business Impact: Climate change may have far-reaching impacts on industry structure and market demand, and the Company may need to adjust its services and business model to adapt to the long-term climate trend.</p> <p>Strategic Impacts: The Company need to develop long-term climate change adaptation strategies, including investing in remotely implemented technologies, reducing carbon emissions, and engaging in climate risk management and mitigation programs.</p> <p>Financial Impacts: Long-term climate change may result in significant capital expenditures by the Company, such as investments in solar energy, and investments in electrical and mechanical equipment efficiency upgrades.</p>
3. To describe the financial impacts of extreme climate events and restructuring actions.	<ul style="list-style-type: none"> ● Direct Losses: Extreme weather events (e.g., typhoons, hurricanes, floods, droughts) can result in direct losses through damage to facilities and even injury to employees and customers. ● Increased Insurance Cost: Frequent extreme weather events could lead to increased insurance costs, including property and business interruption insurance, further increasing expenses for businesses. ● Impact of Transformation Actions: <p>Capital expenditures: Transformation actions, such as investments in solar energy, and investments required to improve the performance of electrical and mechanical equipment.</p>
4. To describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The Company is not a stationary pollution source announced by the Environmental Protection Agency of the Executive Yuan under the "Stationary Pollution Sources That Should Report Greenhouse Gas Emissions in Public and Private Places", and there is currently no risk of violating regulations. However, although it is not a high-carbon emitting enterprise, it cannot be ruled out that related carbon reduction costs may be incurred due to regulatory requirements in the future. At the same time, in response to international concerns about the environmental impact caused by climate change, the company participates in the Acer Group's annual greenhouse gas emissions assessment. Conduct inventory as a reference for management and control.

Item	State of implementation
<p>5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, factors analyzed, and major financial impacts should be described.</p>	<p>Steps in Situational Analysis:</p> <ul style="list-style-type: none"> ● Context description: First, the context needs to be clearly described, e.g. a city, a rural area or a business. This includes geographic location, climatic characteristics, economic structure, socio-demographic structure, etc. ● Parameter Setting: determines the parameters of the assessment, which may include the expected impacts of climate change, such as the frequency and intensity of extreme climate events, average temperature rise, sea level rise, etc. ● Assumption Setting: Developing assumptions about the possible future impacts of climate change, which may be based on scientific models, historical data, expert opinion, etc. <p>Analyze Factors: Identify the key factors that affect resilience, which may include resource availability, government policies, and technology levels. Incorporating these factors into the analysis can help identify key measures to enhance resilience.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, as well as the metrics and objectives used to identify and manage physical and transition risks.</p>	<p>Key financial impacts: assess the key financial impacts of climate change risks, which may include direct losses, such as damage to infrastructure, and indirect impacts, such as changes in markets, increased insurance costs, and so on.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.</p>	<p>Internal carbon pricing has not been used.</p>
<p>8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; if carbon offsets or renewable energy certificates (RECs) are utilized to achieve the relevant targets, the source and quantity of carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be stated.</p>	<ul style="list-style-type: none"> ● Activities covered by the objectives: <ul style="list-style-type: none"> ◇ Reduction of greenhouse gas emissions: both direct (e.g., vehicle emissions) and indirect (e.g., supply chain emissions). ◇ Energy Efficiency Improvement: Reducing energy consumption through energy conservation measures, technology upgrades, etc. ◇ Increased use of renewable energy: increasing the share of renewable energy in the energy mix, e.g. solar, wind, etc. ◇ Resource Recycling: Promote effective recycling of resources and reduce waste generation and emissions. ◇ Climate Risk Management: Strengthening Risk Management Capabilities for Climate Change and Extreme Climate Events. ● Greenhouse Gas Emission Scope: <p>Scope 1: Direct emissions, e.g. carbon dioxide and methane emissions from in-house production activities.</p> <p>Scope 2: Indirect energy emissions, such as carbon dioxide emissions from the use of electricity and heat.</p> <p>Scope 3: The Other Indirect Emissions, including emissions from the supply chain and after product use, e.g., raw material production, transportation, manufacturing processes.</p> <p>Planning schedule:</p> <p>Short-term target: Usually set for one to five years and used to identify quick and feasible measures to realize immediate benefits and progress.</p> <p>Medium-term target: To set for 5 to 10 years for implementing wider changes, e.g. energy restructuring, technological upgrading, etc.</p> <p>Long-term target: Usually set for more than 10 years to achieve more challenging goals.</p> <p>To establish a monitoring and reporting mechanism to ascertain progress and achievement on an annual basis. Regular measurements and evaluations will be conducted and action plans will be adjusted according to actual progress. This information will help the Company to identify climate-related targets and develop corresponding action plans to realize climate objectives and achieve sustainable development goals.</p>
<p>9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Actions (please refer to 1-1 and 1-2).</p>	<p>please refer to 1-1 and 1-2</p>

1.1 Greenhouse Gas Inventory and Confirmation for the Last Two Years :

The Company participates in the greenhouse gas (GHG) inventory of its parent company, Acer Group, and conducts GHG inventories annually. The Company has commissioned a third-party inspection organization that meets the qualifications of the Environmental Protection Administration of Taiwan (Taiwan EPA) to conduct GHG emissions verification for direct and indirect categories, i.e., scope 1, scope 2, and scope 3, and has obtained the GHG Verification Statement of ISO 14064-1: 2018.

In 2014, Acer Group's verified Scope 1 emissions were 2,145.05 metric tons and Scope 2 emissions were 6,174.10 metric tons (market-based), totaling 8,319.15 metric tons (market-based).

(1) Greenhouse Gas Inventory Information

State of implementation			
Information on GHG emissions for 2022~ 2024 are provided below:			
	Greenhouse Gas emissions (tons CO2 equivalent)		Intensity (metric tons CO2e/million)
	scope 1	scope 2 Market-based	
2022	2,705.30	8,784.50	0.04
2023	2,339.03	7,978.28	0.04
2024	2,145.05	6,174.10	0.03

Note 1: The scope of GHG emissions inventory is in line with the boundary of the Group's consolidated financial statements.

Note 2: The information for 2024 is still under verification as of the printing date of the annual report.

(2) Greenhouse Gas Confirmation Information

State of implementation
<p>Since 2011, Acer Group has been conducting annual greenhouse gas inventories in accordance with the Greenhouse Gas Protocol (GHG Protocol) and in line with the boundaries of the Group's consolidated financial statements. Acer Group has commissioned a third-party inspection organization that meets the qualifications of the Environmental Protection Administration of Taiwan (Taiwan EPA) to conduct direct and indirect types of GHG emissions verification, i.e., Scope 1, 2, and 3, and obtained ISO 14064-1: 2018 Greenhouse Gas Verification Statement. In 2022 and 2023, the Acer Group's GHG emission verification organization is SGS Taiwan Inspection Technology Co.(SGS). In 2022 ~ 2023, the SGS's list of unqualified opinions. 2024 information is still in the process of verification as of the printing date of the annual report.</p>

1.2 Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans

Greenhouse Gas Reduction Targets: As a member of the Acer Group, the Company has responded to the Group's policy by launching a three-pronged, nine-pronged strategy that focuses on the three prongs of sustainable business operations, products and services, and value chain, and seeks to comprehensively reduce its carbon footprint through nine major objectives: reduction of energy consumption, use of renewable energy, negative carbon offsets, low-carbon products and services, use of recycled materials, investment in intelligence, recycling and green energy applications, carbon reduction targets and commitments, green manufacturing and logistics, and the realization of a low-carbon recycling economy. The organization is committed to reducing its carbon footprint in a holistic manner by focusing on nine key areas, including low-carbon circular economy.

We are committed to achieving a 50% carbon reduction by 2030 compared to 2019 for our organization's operations (Scope 1+2).

Strategies:

The Company's Greenhouse Gas Emissions are indirect, mainly from electricity used for office air-conditioning and lighting, employee commuting, and outsourced garbage disposal. In addition to participating in the Acer Group's integrated energy and climate change strategy, which continues to prioritize energy efficiency optimization at each of our operating locations, supplemented by the use of green power, we comply with environmental laws and regulations, and are committed to environmentally friendly policies and measures, such as energy conservation, recycling, and green purchasing, as well as pollution prevention and continuous improvement.

Specific Action Plans:

- Improve paperless application.
- Air-conditioning Temperature Setting: Offices are required to set the temperature of the indoor unit so that the indoor temperature is maintained at 26-28 degrees Celsius, and at the same time, the mainframe and indoor unit are switched on and off at regular intervals with the automatic control method in order to reduce the electricity consumption of the air-conditioning.
- Lighting: Adopt energy-saving lighting fixtures (consumption is one-half of that of general fluorescent lights) to reduce electricity consumption for lighting, and set up light switches in different areas to turn on the lights in those areas when in use, and turn off part of the public space during off-duty hours to achieve the goal of energy conservation.
- Encourage colleagues to hold meetings with customers or vendors by means of video conferencing to enhance efficiency and reduce the incidence of business meetings and travel, thereby reducing the use of transportation and achieving the goal of reducing greenhouse gas emissions.
- In conjunction with the Group's resource recycling classification, the cleaning staff will sort out items into categories and have them transported by recycling vendors to achieve the purpose of reuse, while reducing the amount of garbage and minimizing the harm to the environment.

(VI) State of ethical corporate management and measures adopted:

State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Item	State of implementation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and explanation	
I. Establishment of the ethical corporate management policy and action plans				
(I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?	V		We have formulated our own “Ethical Corporate Management Best-Practice Principles.” We announce their relevant policies to employees, officers, and directors from time to time, and the ethical and integrity polices are required to be implemented.	No difference
(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The “Code of Ethical Conduct” that we formulated incorporates ethical corporate management, conflict of interest, and no acceptance of bribes, and relevant operations are regulated by this Code. We ensure that all employees understand and implement ethical corporate management regulations through promoting related regulations on the internal HR service website and various education and training courses.	No difference
(III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?	V		Where an officer or employee violates the Company’s Code of Ethical Conduct, depending on the severity of the situation, disciplinary actions will take place in accordance with the “Personnel Management Rules,” including determination or dismissal of appointment.	No difference
II. Implementation of ethical corporate management				
(I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?	V		In order to reinforce the management of ethical corporate management, the Company’s administrative and HR unit is responsible for the formulation of the ethical corporate management policy and supervision of the measures.	No difference
(II) Has the company set up a dedicated unit to promote ethical corporate	V		In an effort to enhance the management of ethical corporate management, the	No difference

Evaluation Item	State of implementation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and explanation	
management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?			Company's administrative and HR unit is responsible for the formulation of the ethical corporate management policy and supervision of the measures in accordance with its "Code of Ethical Conduct." Aside from promoting the idea that all relevant personnel are responsible in reporting to their supervisors or the Board of Director in the discovery of a violation of the Code of Ethical Conduct, we also organize education and training courses for promotion, ensuring the implementation of the ethical corporate management policy.	
(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?	V		We have formulated the "Ethical Corporate Management Best-Practice Principles" and the "Code of Ethical Conduct" which set forth that in the event of a conflict of interest, the responsible officer, top executive of the HR unit or the Board of Directors shall make an explanatory report and recuse themselves in accordance with the relevant regulations.	No difference
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?	V		We has established an effective accounting system, internal control system, and the implementation of the integrity management policy will be part of the risk assessment process, which will be regularly checked by the internal audit unit and external accountants will be entrusted to perform the check.	No difference
(V) Does the company organize internal or external training on a regular basis to maintain ethical management?	V		From time to time, we organize ethical corporate management-related education, training and promotion to ensure that all relevant personnel are aware of, accept and follow the Company's Code of Ethical Conduct. We regularly holds relevant education and training courses on integrity management and business conduct standards as follows: (1) Anti-bribery, anti-corruption and employee code of conduct (2) Prevention of illegal infringement in	No difference

Evaluation Item	State of implementation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and explanation	
			<p>the workplace</p> <p>(3) Personal data protection</p> <p>(4) Respect intellectual property</p> <p>(5) Insider trading prohibited</p>	
<p>III. State of operations of the company's reporting system</p> <p>(I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?</p> <p>(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?</p> <p>(III) Has the company taken appropriate measures to protect the whistleblower from mistreatment as a result of whistleblowing?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>The Company aligns its ethical corporate management policy with employee performance appraisals and the HR policy, with a clear and effective reward and disciplinary system in place. Moreover, we have built a comprehensive grievance channel for employees as well as establishing procedures. To make our employees fully aware of them, they are announced on the intranet system and bulletin board.</p> <p>The company has established "Code of Integrity Management" and "Integrity Management Operating Procedures and Behavior Guidelines", which have clear specifications and operating procedures. The human resources, finance and legal departments are jointly responsible for them, and serve as the dedicated unit for developing integrity management and prevention plans. , is responsible for the formulation and supervision of the implementation of integrity management policies and prevention plans. The content and various prevention measures include investigation, disposal and confidentiality, etc., all of which have been referred to and followed in Article 7, Paragraph 2, of the "Code of Integrity Management for Listed Companies" The regulations on conduct are subject to regular audits by the audit unit to improve overall awareness, detect potential misconduct and monitor compliance.</p> <p>We provide a proper grievance channel and keep confidential the identity of whistleblowers and the matter being reported on. The Company protects the whistleblower regarding the violation of the ethical corporate management policy and personnel involved in the investigation from being improperly treated or retaliated against.</p>	<p>No difference</p> <p>No difference</p> <p>No difference</p>

Evaluation Item	State of implementation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary and explanation	
IV. Information disclosure strengthening Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and the MOPS?	V		The Company has disclosed its Ethical Corporate Management Best-Practice Principles on the company website and the MOPS.	No difference
V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between its operation and the Principles: No difference.				
VI. Any other important information that may help understanding the performance of ethical corporate management better: (e.g. review of an amendment to its Ethical Corporate Management Best-Practice Principles): The Company's Ethical Corporate Management Best-Practice Principles, formulated on November 12, 2014, have been disclosed on the company website.				

(VII) If the company has adopted corporate governance best-practice principles or related by-laws, disclose how these are to be searched:

1. The Board of Directors and management of The Company have actively implemented the Company's business integrity. In addition to issuing a series of policies related to business integrity, the board of directors has passed the " Integrity Management Code " and "Code of Ethical Conduct" on November 12, 2014.
2. The establishment of the "Integrity Management Code" and "Code of Ethical Conduct" represents the company's commitment to conducting business legally, ethically and with integrity. In accordance with the spirit of the company's core values, the company's colleagues should be regulated in their business conduct, and they must also conduct business legally, ethically and honestly.
3. In addition to requiring all AOpen Group colleagues to comply with this regulation and the highest standards of business ethics, all directors, beneficiaries, policy promoters, affiliates, vendors, channel partners, contractors, and all other parties who have business dealings with AOpen Group must also comply.
4. The Company has formed a "Working Group to Promote Integrity Management" consisting of Human Resources, the ESG Office of its parent company Acer, and Legal Affairs. The Head of Corporate Governance will serve as the highest person in charge of the working group, responsible for the formulation and supervision of the implementation of integrity management policies and related measures. The operation and implementation are as follows:
 - (1) "Integrity Management Code" and "Ethical Code of Conduct": These are the highest code of conduct for all employees of the Company in conducting business activities. In addition to the education and training that existing employees have completed, every new employee will receive education and training upon joining the Company and is required to comply with these codes of conduct.

- (2) Regularly organize education and training courses on integrity management and business conduct standards as follows:

Course Name	Training Target	Y2024 Number of people who completed the training %
Anti-bribery, Anti-corruption and Employee Code of Conduct	All colleagues (also announce it on INTRANET at the same time, so that colleagues can read the latest information)	100%
Prevention of Workplace Violence	All colleagues	100%
Personal Data Protection (In addition, in the "Information Security Awareness" online course, the relationship between personal data and information systems is also re-advised)	All colleagues (also announce it on INTRANET at the same time, so that colleagues can read the latest information)	100%
Respect for Intellectual Property (Advocacy for Taiwan's regulations)	All colleagues (also announce it on INTRANET at the same time, so that colleagues can read the latest information)	100%
Prohibition of Insider Trading (Advocacy for Taiwan's regulations)	All colleagues	100%

5. The operation and execution of integrity management and business conduct for fiscal year 2024 were reported in the fourth Board of Directors' meeting held on November 6, 2024.

(VIII) Status of implementation of internal control system

- Statement of Internal Control : Please refer to MOPS, [Website: <https://mops.twse.com.tw> > Single Company > Corporate Governance > Regulations > Internal Control/Statement of Internal Control Announcement], enter the year and the company code to inquire about the announcement of the Statement of Internal Control.
- Appointment of certified public accountants to professionally review the internal control system: None.

(IX) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, important resolutions adopted at the shareholders' meeting or board of directors meeting:

- Important resolution adopted at the shareholders' meeting

Date of meeting	Summary of important resolution	Resolution/Implementation status
May 29, 2024 (2024 shareholders' meeting)	I. Motion for Ratification Proposal of the Financial Statements, Business Report and the Profit Distribution Statement for the year 2023	The motion was passed by resolution adopted at the shareholders' meeting
	II. Motion for Proposal of the Amendments to Articles of Incorporation	The motion was passed by resolution adopted at the shareholders' meeting and it has obtained the approval of the Ministry of Economic Affairs to change the Company Registration on 2024/6/25.

2. Important resolution adopted at the meeting of the Board of Directors

Number	Item	Date of meeting	Resolution
1	1st meeting of the Board of Directors in 2024	March 13, 2024	<p>I. Passed the motion for the budget of the 2023 remuneration to employees and directors</p> <p>II. Passed The Financial Statements and Business Report for the Year 2023</p> <p>III. Passed The Statement of Internal Control for the Year 2023</p> <p>IV. Passed the Company's profit distribution for the Year 2023.</p> <p>V. Passed the amendment to some provisions of the "Articles of Incorporation"</p> <p>VI. Passed the matters related to the 2024 shareholders' meeting</p> <p>VII. Passed the appointment of the Company's CPAs for the 2024 financial statements and the evaluation of the independence of the CPAs</p> <p>VIII. Passed to invest in a Japanese brand company with exquisite style.</p> <p>XI. Passed the General Principles for establishing a policy on pre-approval of non-confirmation services</p> <p>XII. Passed the the Funds loaned to other parties by the Company and global subsidiaries</p> <p>XIII. Passed the renewal of the Company's credit facilitates with financial institutions</p> <p>XIV. Passed the Adjustment of meal allowance for the management team</p> <p>XV. Passed the proposal of salary adjustment to the management team for 2024</p>
2	2nd meeting of the Board of Directors in 2024	May 8, 2024	<p>I. Passed the consolidated quarterly Financial Report for the first quarter of 2024 reviewed by CPAs</p> <p>II. Passed the amendment to some provisions of the Company's "Internal Control System of Shareholder Services Unit"</p> <p>III. Passed the acquisition and disposal of right-of-use assets</p> <p>IV. Passed the the Funds loaned to other parties by the Company and global subsidiaries</p> <p>V. Passed the renewal of the Company's credit facilitates with financial institutions</p> <p>VI. Passed the Allocation proposal for employee compensation budget in 2023</p>
3	3rd meeting of the Board of Directors in 2024	August 7, 2024	<p>I. Passed the consolidated quarterly Financial Report for the second quarter of 2024 reviewed by CPAs</p> <p>II. Passed the amendments of the Company's internal regulations</p> <p>III. Passed the the Funds loaned to other parties by the Company and global subsidiaries</p> <p>IV. Passed the renewal of the Company's credit facilitates with financial institutions</p>
4	4th meeting of the Board of Directors in 2024	November 6, 2024	<p>I. Passed the consolidated quarterly Financial Report for the third quarter of 2024 reviewed by CPAs</p> <p>II. Passed the Company's operational plan for the Year 2025</p> <p>III. Passed the Company's audit plan for the Year 2025</p> <p>IV. Passed to acquire 30% of the shares of the Australian subsidiary to make it as 100% subsidiary of the Company</p> <p>V. Passed to dispose of the equity of subsidiary amadana</p>

Number	Item	Date of meeting	Resolution
			International Co., Ltd. VI. Passed the amendments of the company's internal regulations VII. Passed the General Principles for establishing a policy on pre-approval of non-confirmation services IX. Passed the the Funds loaned to other parties by the Company and global subsidiaries X. Passed the renewal of the Company's credit facilitates with financial institutions XI. Passed the Company's global salary increase for the Year 2025 XII. Passed the change of Corporate Governance Director and lifting of non-compete restrictions

(X) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to an important resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration: None.

IV. Information on the professional fees of the attesting CPAs

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee (Note)	Total	Remark
KPMG	Phyllis Chang	January 1, 2024 to December 31, 2024	2,893	240	3,133	
	Steven Shih	January 1, 2024 to December 31, 2024				

Note: Non-audit fees were mainly for tax certification fees and checking of non-officer salaries in 2024.

- (I) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.
- (II) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

V. Information on replacement of CPAs: None.

VI. The company's chairman, general manager or any officers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, officer, or shareholder in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

- (1) The changes in shareholdings of directors, supervisors, managers, and shareholders holding more than 10% of the shares:
Please refer to MOPS, [Website: <https://mops.twse.com.tw> > Aggregate Statements > Changes in Shareholdings/Securities Issued > Shares Held by Directors, Supervisors and Substantial Shareholders/Pledges/Transfers > Shareholdings of Directors, Supervisors, Managers and Substantial Shareholders > Shareholding Balances of Directors, Supervisors, Managers and Substantial Shareholders Summary of Shareholding Balance of Directors, Supervisors, Managers and Major Shareholders]
- (2) The information on directors, supervisors, managers, and shareholders holding more than 10% of the shares whose shares are transferred to related parties: None.
- (3) The information on related parties to whom directors, supervisors, managers and shareholders holding more than 10% of the shares have pledged their shares: None.

VIII. Relationship information, if any of the company's 10 largest shareholders is a related party:

Statement Production Date: March 31, 2025

NAME	Number of shares held		Shares held by spouses and minor children		Total shares held in the name of others		Names and relationships between the top ten shareholders including spouses and second-degree relatives		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Acer Inc.	34,264,311	43.67	0	0	0	0	Mu-Zhen Investment Co., Ltd.	Same representative	
Representative: Jason Chen	0	0	0	0	0	0	Mu-Zhen Investment Co., Ltd.	The representative of a related party	
Yan-xu Shih	1,307,000	1.67	0	0	0	0	None	None	
Mu-Zhen Investment Co., Ltd.	1,300,000	1.66	0	0	0	0	Acer Inc.	Same representative	
Representative: Jason Chen	0	0	0	0	0	0	Acer Inc.	The representative of a related party	
Dale Tsai	779,556	0.99	0	0	0	0	None	None	
British Virgin Islands Business International Co., Ltd.	677,519	0.86	0	0	0	0	None	None	
Enku Capital Inc.	665,000	0.85	0	0	0	0	Acer Inc.	The representative is the manager of the company	
Maverick Shih	647,000	0.82	0	0	0	0	Acer Inc	The representative of Corporate Director of the company	
Chang-geng Chen	623,379	0.79	0	0	0	0	None	None	
He-Feng United Co., Ltd.	600,000	0.79	0	0	0	0	None	None	
Bernie Tsai	417,292	0.53	0	0	0	0	None	None	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors, and any companies controlled either directly or indirectly by the company:

December 31, 2024; Unit: Shares; %

Investment Business	Investment of the Company		Investment by directors, supervisors, officers and any companies controlled either directly or indirectly by the company		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
AOPEN AMERICA INC.	15,000,000	100.00	0	0	15,000,000	100.00
AOPEN COMPUTER B.V.	40	100.00	0	0	40	100.00
AOPEN TECHNOLOGY INC.	50,000	100.00	0	0	50,000	100.00
AOPEN JAPAN INC.	200	100.00	0	0	200	100.00
AOPEN SMARTVISION INC.	1,500,000	100.00	0	0	1,500,000	100.00
AOPEN GLOBAL SOLUTIONS PTY LTD.	105,000	70.00	0	0	105,000	70.00
APEX MATERIAL TECHNOLOGY CORP.	6,399,123	16.60	0	0	6,399,123	16.60

Three. Fundraising

I. Company capital and shares

(I) Source of capital stock

1. Type of shares:

March 29, 2025

Share Type	Authorized capital stock			Remark
	Outstanding shares	Unissued shares	Total	
Common share	78,448,013	361,551,987	440,000,000	-

Information related to the comprehensive reporting system: None

2. Process of capital stock formation

March 29, 2025

Unit: In NT\$ thousand except for par value per share which is in thousands of shares

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Offset by any property other than cash	Approval date and letter number
November 2007	-	440,000	4,400,000	163,609	1,636,090	NT\$4,000 thousand of treasury stock cancelled for capital reduction	None	November 5, 2007 Jing-Shou-Shang-Zi No.09601268280
March 2010	10	440,000	4,400,000	163,639	1,636,390	NT\$300 thousand of stock warrants exercised	None	March 30, 2010 Jing-Shou-Shang-Zi No.09901061030
April 2010	10	440,000	4,400,000	163,649	1,636,490	NT\$100 thousand of stock warrants exercised	None	August 30, 2010 Jing-Shou-Shang-Zi No.09901196370
December 2013	10	440,000	4,400,000	171,649	1,716,490	NT\$80,000 thousand of restricted stock awards issued	None	December 19, 2013 Jing-Shou-Shang-Zi No.10201256600
August 2014	-	440,000	4,400,000	120,509	1,205,092	Capital reduction of NT\$511,397,060	None	July 31, 2014 Letter Jin-Guan-Zheng-Fa-Zi No.1030028190
April 2015	-	440,000	4,400,000	118,627	1,186,277	NT\$18,815 thousand of restricted stock awards recovered	None	April 22, 2015 Jing-Shou-Shang-Zi No.10401062730
August 2016	-	440,000	4,400,000	118,515	1,185,153	NT\$1,123 thousand of restricted stock awards recovered	None	August 25, 2016 Jing-Shou-Shang-Zi No.10501207060
January 2017	-	440,000	4,400,000	116,493	1,164,934	NT\$20,220 thousand of restricted stock awards recovered	None	January 3, 2017 Jing-Shou-Shang-Zi No.10501298660
November 2017	-	440,000	4,400,000	34,948	349,480	Capital reduction of NT\$815,453,640	None	November 3, 2017 Letter Fu-Chan-Ye-Shang-Zi No.10659843000
December 2017	10	440,000	4,400,000	71,448	714,480	New shares of NT\$365,000 thousand issued by private placement	None	December 11, 2017 Jing-Shou-Shang-Zi No.10601168050

Year/ Month	Issue price	Authorized capital stock		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Offset by any property other than cash	Approval date and letter number
September 2023	10	440,000	4,400,000	78,448	784,480	Issuance of new shares of \$70,000 thousand	None	September 19, 2023 Jing-Shou-Shang-Zi No.11230175090

(II) List of major shareholders

Holding 5% or more of the shares or names, numbers of shareholding and ratio of the top 10 shareholders :
Mar 29, 2025

Name of major shareholder	Share Number of shares held	Shareholding ratio (%)
Acer Inc.	34,264,311	43.68%
Yan-xu Shih	1,307,000	1.67%
Mu-Zhen Investment Co., Ltd.	1,300,000	1.66%
Dale Tsai	779,556	0.99%
British Virgin Islands Business International Co., Ltd.	677,519	0.86%
Enku Capital Inc.	665,000	0.85%
Maverick Shih	647,027	0.82%
Chang-geng Chen	623,379	0.79%
He-Feng United Co., Ltd.	600,000	0.76%
Bernie Tsai	417,292	0.53%

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

1. Company dividend policy:

The company's dividend policy is based on current and future development plans, considering the investment environment, capital needs, domestic and foreign competition, and taking into account factors such as shareholders' interests. Every year, no less than 10% of the earnings available for distribution shall be allocated to shareholders. Dividends can be distributed in the form of stocks or cash. In order to achieve a balanced and stable dividend policy, when the company distributes dividends, the cash dividend shall not be less than 10% of the total dividends, unless the board of directors decides not to distribute the dividend and the shareholders' meeting approves it. When the company has no surplus, it shall not distribute dividends and dividends. However, based on the consideration of the company's financial, business and operating aspects, all or part of the statutory surplus and capital reserve may be distributed in accordance with laws or regulations of the competent authority.

2. Dividend distribution proposed to the shareholders' meeting:
 - (1) In 2024, the Company's net profit after tax was NT\$300,533,230. After adding undistributed earnings at the beginning of the period of NT\$28,346,329, the profit in other comprehensive income and losses for the period of NT\$2,390,091, the provision of legal reserve of NT\$30,292,332 and special reserve of NT\$11,724,248, earnings available for distribution this year totaled NT\$289,253,070, with NT\$211,809,635 of dividends proposed to be paid to the shareholders. After distribution of earnings, the undistributed earnings at the end of the period totaled NT\$77,443,435, which is reserved for distribution in future years.
 - (2) All dividends to shareholders were paid in cash. Based on the shareholding ratio of the shareholders on the ex-dividend date, cash dividends of NT\$2.7 per share tentatively set is distributed to each shareholder, with the amount below NT\$ unconditionally rounded off and recorded in other income of the Company. Passed by the Board of Directors on March 12, 2025.
 - (3) The ex-dividend base date of the earnings distribution is tentatively set at July 10, 2025 and the payment date tentatively set at July 29, 2025. Where there is a change due to the law or requirement by the competent authorities due to exercise of authority, the chairman is authorized to make an adjustment.
3. Expected material change in dividend policy: None.

(IV) Effect upon business performance and earnings per share of any sock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(V) Remuneration to employees and directors

1. The percentages or ranges of remuneration to employees, directors, and supervisors as set forth in the Articles of Incorporation:

In accordance with Article 17 of the Company's Articles of Incorporation, any profit (Profit refers to income Before Tax, abbreviated as PBT) before deduction of remuneration to employees and directors), if any, shall be allocated as follows. Where there are accumulated losses, the Company shall first reserve the profit to make up for losses:

 - (1) Employee remuneration shall not be less than 2% of the PBT. When employee remuneration is paid in stocks or cash, its targets may include employees of controlling or affiliated companies who meet certain conditions. The certain conditions shall be set by the board of directors.
 - (2) Directors' remuneration shall not exceed 8‰ of the PBT. The method for distributing directors' remuneration shall be submitted to the Board of Directors for decision by the Salary and Remuneration Committee.
2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period :

The Company' net profit before tax for each period before deducting the amount of remuneration to employees and directors, multiplied by the ratio of remuneration employees

and directors proposed to be distributed by the Company, is the estimated basis. This is reported as operating expenses for each period. Where there is a discrepancy between the actual distribution amount and estimated amount in the following year, the discrepancy shall be treated as a change in accounting estimate, which is recorded as profit or loss in the following year.

3. Remuneration passed by the Board of Directors:

- (1) Amount of remuneration to employees and directors distributed by cash or stocks: If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The Company's remuneration to employees for 2024 was NT\$7,241,000 and remuneration to directors was NT\$1,600,000 both approved by the Board of Directors on March 12, 2025 and were distributed in cash.

The difference between the employees' compensation and directors' compensation approved by the Board of Directors and the amount already estimated in fiscal year 2024 is NT\$574,000, the difference is due to the change in accounting estimate, and the difference will be included in the profit or loss in fiscal year 2025.

- (2) The amount of employee compensation distributed in stock and its proportion to the aggregate of net income after income tax and total employee compensation for the current period for individual or separate financial statements : Not applicable.

4. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated:

The Company's remuneration to employees for 2023 was NT\$5,793,255 and remuneration to directors was NT\$1,280,000, the difference between the employees' compensation and directors' compensation approved by the Board of Directors and the amount already estimated in fiscal year 2023 was NT\$1,119,550, the difference had been booked into the profit or loss in fiscal year 2024.

(VI) Buyback of the company shares: None.

II. Issuance of corporate bonds: None

III. Issuance of preferred shares: None

IV. Issuance of global depository receipts: None

V. Issuance of employee warrants: None

VI. Issuance of restricted stock awards: None

**VII. Mergers or acquisitions or with acquisitions of shares of other companies:
None**

VIII. Status of implementation of capital allocation plan: None

Four. An Overview of Operations

I. Business Description:

1. Business Scope

- i. The scope of business of the Company shall include the following:
- (1) F401010 International Trade;
 - (2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing;
 - (3) CC01080 Electronics Components Manufacturing;
 - (4) CC01120 Data Storage Media Manufacturing and Duplicating;
 - (5) CC01110 Computer and Peripheral Equipment Manufacturing;
 - (6) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing;
 - (7) F113050 Wholesale of Computers and Clerical Machinery Equipment;
 - (8) F113070 Wholesale of Telecommunication Apparatus;
 - (9) F118010 Wholesale of Computer Software;
 - (10) F119010 Wholesale of Electronic Materials;
 - (11) I301010 Information Software Services;
 - (12) I301020 Data Processing Services;
 - (13) I501010 Product Designing;
 - (14) CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing;
 - (15) JA02010 Electric Appliance and Electronic Products Repair ;
 - (16) F399040 Retail Sale No Storefront;
 - (17) F108031 Wholesale of Medical Devices
 - (18) F208031 Retail Sale of Medical Apparatus
 - (19) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- ii. Proportion of business products :

Expressed in Thousand of New Taiwan Dollars

Product	2023	%	2024	%
Computer systems and components	5,664,038	99.95	6,933,944	99.83
Lifestyle appliances and others	2,796	0.05	12,035	0.17
合計	5,666,834	100.00	6,945,979	100.00

- iii. Current main products:

Computer systems and components, Lifestyle appliances and others.

- iv. Products Under Development

AOPEN is expanding its presence in the industrial PC (IPC) sector with applications in smart education, digital signage, factory automation and government. In response to global industry changes, the company is advancing Edge IPC solutions and ESG-compliant products that integrate generative AI to enhance data processing. These innovations support smart factories, smart cities, and AI-driven medical imaging while prioritizing energy efficiency, durability, and environmental sustainability.

- (1) Continuously develops low power consumption and high efficiency ruggedized IPC products, and combines them with AI technology to enhance data processing efficiency. In addition to high-performance IPCs, the product lineup also includes fanless series for high dust contamination, and wide-temperature and wide-voltage series for stable operation in outdoor environments with wide temperature and low-temperature differences.
- (2) Demand for AI applications is rapidly increasing. The Company has developed Edge AI intelligent applications for high-computing-power industrial computers, integrating deep learning and motion image recognition technologies to realize real-time data processing and low-latency computing. Edge AI algorithms can be applied to traffic monitoring and intelligent surveillance, medical testing and other fields to improve efficiency and reading accuracy.
- (3) Integrate group resources to deepen the application transformation of digital education, government and enterprises, and provide OPS architecture and multimedia playback host with commercial screens. Supporting digital transformation with OPS systems, ChromeOPS players, and ChromeOS Flex for education and enterprise.

2. Industry Overview

(1) Industry Situation and Growth

Since 2024, global IT demand has continued to grow, driven by generative AI. Trade tensions and tariffs between the US and China are putting pressure on supply chains, forcing companies to rethink their strategies. AI adoption is driving smart growth and innovation, while the tech industry must also accelerate sustainability efforts to reduce carbon footprints and meet ESG goals.

(2) Supply Chain Relationship

Demand for industrial PCs (IPCs) is growing across multiple sectors. Upstream manufacturers are focusing on ruggedness and versatile I/O interfaces, while midstream players are integrating AI and services. Downstream companies are driving software-hardware integration for intelligent edge computing. With the rise of edge AI technologies such as big data, cloud IoT, and VR/AR/XR, industries are accelerating digital upgrades, making edge AI a core driver.

(3) Product Trends

By 2025, AI breakthroughs and expanding software applications have made IPCs the core computing devices in various fields. They play a key role in generative AI, cloud computing, autonomous vehicles, IoT, and smart healthcare, driving service upgrades. With high computing power, IPCs are driving digital transformation and technological innovation, and are becoming critical to industry progress.

(4) Competitive Landscape

The IPC industry in 2025 is highly competitive, with low barriers to entry in mid- to low-end applications. To remain competitive, companies should focus on adding value to products, developing comprehensive solutions, and improving supply chain efficiency through industry collaboration. Smart and innovative technologies will be key to driving growth and expanding global market opportunities.

3. An Overview of the Company's Technologies and its Research and Development work

(1) The expenditures for Research and Development

AOPEN develops products in three areas: fanless slim multimedia players, high-performance rugged industrial PCs, and high-performance industrial PCs for Edge AI. The fanless multimedia player is ideal for commercial digital signage and offers intelligent features such as BIOS recovery to reduce repair costs and downtime. The rugged industrial PC is fanless, waterproof, dustproof, shockproof and designed for long-term stability in harsh environments. The Edge AI Industrial PC, powered by NVIDIA chips, delivers high AI performance and excellent heat dissipation, ideal for applications such as visual recognition, big data analytics, and intelligent surveillance..

In 2024, Aopen's R&D expenses invested totaled NT\$26,661 thousand, which accounted for 0.38% of the Company's revenue.

- (2) Technologies and/or products successfully developed: In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, patents acquired by Aopen are as follows:

Item	Name of invention	Country of application	Patent number	Date of certificate
1	SUPPORT MODULE AND HOST COMPUTER HAVING THE SUPPORT MODULE	Taiwan	I460576	2014/11/11
2	HEAT DISSIPATING MODULE WITH ENHANCED HEAT DISSIPATION EFFICIENCY AND ELECTRONIC DEVICE THEREWITH	Taiwan	I475952	2015/3/1
3	SUPPORT MODULE AND HOST COMPUTER HAVING THE SUPPORT MODULE	Taiwan	I515540	2016/1/1
4	TILING-DISPLAY SYSTEM AND METHOD THEREOF	Taiwan	I536363	2016/6/1
5	ELECTRONIC DEVICE AND PLAY AND INTERACTICE METHOD FOR ELECTRONIC ADVERTISING	Taiwan	I599931	2017/9/21
6	SELF-SERVICE PACKING APPARATUS	Taiwan	I710507	2020/11/21
7	DISPLAY DEVICE	Taiwan	I727495	2021/5/11
8	ELECTRONIC DEVICE	Taiwan	I742608	2021/10/11
9	REMOTE MANAGEMENT METHOD FOR DISPLAY DEVICE AND HOST SYSTEM	Taiwan	I757840	2022/1/11
10	DISPLAY CONTROL METHOD AND DISPLAY CONTROL SYSTEM	Taiwan	I784630	2022/11/21
11	DISPLAY CONTROL METHOD AND DISPLAY CONTROL SYSTEM	Taiwan	I796734	2023/3/21
12	FRAME MODULE AND COMPUTER HOST HAVING THE SAME	China	ZL201110141892.3	2015/6/3
13	HEAT DISSIPATING MODULE AND ELECTRONIC DEVICE	China	ZL201210417169.8	2016/9/7
14	FRAME MODULE AND COMPUTER HAVING THE SAME	China	ZL201410151380.9	2017/8/11
15	SPLICED-TYPE DISPLAY SYSTEM AND A SPLICED-TYPE DISPLAY METHOD	China	ZL201510229020.0	2019/5/31
16	ELECTRONIC DEVICE AND PLAY AND INTERACTIVE METHOD FOR ELECTRONIC ADVERTISING	China	ZL201610672216.1	2020/4/10
17	CASING FOR ALL-IN-ONE ELECTRONIC DEVICES	USA	8,289,683	2012/10/16

4. Long Term, Short Term Sales Plan

(1) Short Term Plan

In 2025, the IPC industry will focus on smart applications and edge computing while adapting to the high tariffs in the US. Our company is developing edge AI products for smart factories, transportation, and new energy, including industrial PCs and touch all-in-one series for 24/7 use in harsh environments. By optimizing the supply chain and localizing production, we aim to reduce costs and strengthen cooperation. We also continue to promote green energy products in support of our commitment to sustainability and carbon reduction.

(2) Long Term Plan

The company focuses on innovation, diversified product design and smart applications to mitigate geopolitical, new energy and international market risks. By improving product performance, expanding the product line and optimizing the supply chain, the company promotes sustainability and net zero carbon strategies. With overlap in consumer products and applications, the company is pursuing a diversification strategy to explore digital lifestyle business opportunities.

II. An analysis of the market as well as the production and marketing situation

(I) Market analysis

1. Geographic areas where the main products are sold

Unit: NT\$ thousand

Location	2023	2024
Asia Pacific (including Taiwan)	5,123,878	6,446,113
Americas	116,231	121,360
Europe	426,725	378,506
Total	5,666,834	6,945,979

2. Market Share

The company develops edge IPC and AI hardware to enhance cloud computing and networking capabilities for end users. It has established long-term partnerships with leading companies in Europe, the U.S., and Asia-Pacific to maintain global competitiveness. In response to geopolitical and economic changes, the company adapts to market fluctuations and seizes growth opportunities. The market share forecast for the B2B industrial market remains uncertain due to these factors.

3. Market Demand and Growth Potential

The IPC application market is expanding rapidly, driven by AI, with applications in smart retail, factory automation, smart city infrastructure, dynamic traffic image recognition and monitoring, digital education, medical testing, and new energy. Despite the challenges of inflation and tariffs affecting supply and demand due to changes in the market economy, the IPC industry must focus on high-value AI applications to maintain steady growth.

4. Competitive Niche

With the rise of AI applications, the company is leveraging its electronics and design expertise to develop compact, high-performance industrial computers. These fanless systems offer excellent heat dissipation, wide temperature and voltage ranges, and rugged multi-touch all-in-one designs that meet the demands of industrial environments and are supported by professional local technical services for a competitive edge.

5. Favorable/Unfavorable Factors and Countermeasures for Developmental Prospects

(1) Favorable Factors

- i. Generative AI is accelerating digital transformation, helping the Company target key markets and expand opportunities.
- ii. Net-zero transformation is a global consensus, making ESG-compliant, low-carbon, durable smart IPCs a core focus for the Company.
- iii. By integrating the needs of business units, the Company improves supply chain efficiency, meets customers' digitalization requirements, and strengthens its competitive edge.

(2) Unfavorable Factors

- i. Amid global geopolitical instability and tariffs, the Company is focusing on close customer collaboration and real-time strategy adjustments to maintain supply chain balance and profitability.
- ii. The U.S.-China trade conflict may impact consumer spending, and the company is committed to building mutually beneficial partnerships to maintain competitiveness.

(II) Important applications and manufacturing processes of main products

1. Important applications of main products

Item	Important applications or functions
Computer systems and components	It includes of standard system, full system and other peripheral products. Barebone system includes chassis, power supply, fan, motherboard, and CD-ROM drive; full system includes barebone processor, hard disk, and memory. Therefore, the system business products provide the computers needed by families, companies, and organizations, providing customers with flexibility and multiple choices of the complete product line.
Lifestyle appliances and others	Aesthetically designed household goods, appliances and home appliances, generally referring to various items that can reflect or enhance personal life taste, value and daily experience.

2. Manufacturing processes of main products: Not applicable

(III) Supply situation of the major raw materials

Title	Main sources	Supply situation
IC	The U.S., Japan, Taiwan, Korea	Good
Printed circuit boards	Taiwan, China	Good
CD-ROM drives	Japan, Taiwan, China	Good
Computer cases	Taiwan, China	Good
Panels	Taiwan, China	Good
Power modules	Taiwan, China	Good
Connectors	Taiwan, China, Japan	Good
Hard disk/solid state drives	The U.S., Japan, Taiwan	Good
Memory module	Taiwan	Good

(IV) List of major purchasers and sellers in the last two years

1. Names of clients who have accounted for more than 10% of total sales in the last two years:

Unit: NT\$ thousand

Rank	2023				2024			
	Title	Amount	As a percentage to annual net sales for the year	Relationship with the issuer	Title	Amount	As a percentage to annual net sales for the year	Relationship with the issuer
1	Client G	4,911,590	86.67%	Parent company	Client G	6,344,900	91.20%	Parent company
	Other	755,244	13.33%	-	Other	611,079	8.80%	-
	Net sales	5,666,834	100.00%	-	Net sales	6,945,979	100.00%	-

2. Names of suppliers who have accounted for more than 10% of total procurement in any of the last two years:

Unit: NT\$ thousand

Rank	2023				2024			
	Title	Amount	As a percentage to annual net procurement for the year	Relationship with the issuer	Title	Amount	As a percentage to annual net procurement for the year	Relationship with the issuer
1	Manufacturer D	1,797,860	35.25%	None	Manufacturer D	2,446,923	37.82%	None
2	Manufacturer E	1,197,260	23.48%	None	Manufacturer E	1,624,693	25.11%	None
3	Manufacturer G	1,063,324	20.85%	None	Manufacturer G	1,103,646	17.06%	None
	Other	1,041,265	20.42%	-	Other	1,295,367	20.01%	-
	Net procurement	5,099,709	100.00%	-	Net procurement	6,470,629	100.00%	-

III. Analysis of employees

March 31, 2025

Year		2023	2024	Current year up to March 31, 2024
Number of employees	Marketing sales	44	42	42
	Product operation	26	25	27
	Total	70	67	69
Average age		46	46	47
Average years of service		13	13	13
Education level	Ph.D. (%)	0%	0%	0%
	Master (%)	17%	18%	19%
	College (%)	82%	81%	80%
	Senior high school(%)	1%	1%	1%
	Below senior high school (%)	0%	0%	0%

Note: The number of employees above is the number of employees included in the consolidated statements.

IV. Information on environmental protection expenditures

- (I) According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or a permit for pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made:

As the registration of the Company's Longtan Factory was canceled on March 8, 2019 by approval of the Taoyuan City Government, no further environmental protection expenditures were incurred.

- (II) Disbursements for environmental protection, any losses suffered by the company in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to environmental pollution incidents, and disclose an estimate of possible expenses that could be incurred: None.

V. Labor relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefits

The Company has always cared for its employees and emphasized on employee welfare. In addition to appropriating welfare funds in accordance with the law, establishing the Employee Welfare Committee, selecting welfare committee members to formulate annual plans for various welfare activities, the Company also operates the Employee Welfare and Insurance Plan, complete education and training lectures, setting up an on-line bookstore, participating in the Group's Family Day and Year-End Reunion, and implementing employees' shareholdings, dividends, and participating in the Group's stock option plan; and the Company provides vacation leave (no work on Saturday, no deduction for vacation leave) for adjusted holidays to enrich and enrich the benefits of the employees. At the same time, all adjusted holidays are given by the company (no work on Saturdays and no deduction of holidays) to enrich and fulfill employee welfare.

In terms of enhancing employee health care, in addition to regular annual employee health checkups, in order to encourage the prevention and treatment of obesity and chronic diseases such as the three highs (i.e., high blood glucose, high blood lipids, and high blood pressure), employees are encouraged to take part in the 10-week "End Fat Healthy Fat Dumping" campaign; and in terms of mental health care, we have linked up the Group's resources with a professional counseling service unit to offer an "Employee Assistance Program," which provides employees with a wide range of services for various problems at work and on a personal level. In terms of mental health care, the Group has linked its resources with professional psychological counseling units to provide an "Employee Assistance Service Program", which provides employees with professional counseling services for a variety of personal and work-related issues to enhance their physical and mental health care.

2. Employee continuing education and training

We are committed to the continuous learning and growth of our employees as they are essential to ensure the Company's long-term development and sustainability. We align the Company's annual training promotion with the talent development training framework, through both physical courses and e-learning. In addition to constantly promoting core competencies,

management competencies and professional competencies, we also take into account the Company's annual development and management strategies in building up organizational and human resources capabilities.

The training promoted by the company in 2024 includes strengthening the employees' compliance with laws and regulations and the implementation of corporate governance. It's sustainable development supervisor management (basic/middle/senior) talent training and product technology professional training; at the same time, for new personnel training, new employee orientation training will be arranged on the first day of employment for new employees. New employees can quickly understand the basic operating procedures and office environment when they join the company, and counselors are assigned to each new employee so that they can quickly integrate into team operations.

3. Retirement system and its implementation

In an effort to make it easier for employees after they retire and to enhance the spirit of service during employment, we have formulated Employee Retirement Measures in accordance with the Labor Standards Act and the Labor Pension Act. These Measures set forth employee retirement conditions, pension payment standards and application and payment matters. In addition to allocating 6% of the salary of employees as pension funds in accordance with the Labor Pension Act, we have also set up an Employee Pension Reserve Fund Supervisory Committee in accordance with the law. We make monthly contributions to be deposited into a legal financial institution in the name of the Employee Retirement Reserve Fund Supervisory Committee.

4. Labor-management agreements

At AOpen, we keep a harmonious relationship with our employees. In addition to organizing a labor-management meeting and promoting internal communication channels on a regular basis, we also hold a quarterly meeting attended by the general manager and all employees to convey the Company's management direction and results. By doing this, we enhance employees' participation in the Company's business, reinforcing labor-management trust relationships.

- (II) List any losses suffered by the company in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Information and Communications Security Management

- (I) Information security risk management framework, information security policy, specific management plan and resources invested in information security management:

The Company's management team actively implements the Company's information security risk management by formulating the "Information Security Policy" to clearly regulate the use authority of the network system and physical affairs machines, and the Management Information Office of the Company is responsible for the implementation and management of the policy.

The Operations and Implementatons of Information and Communications Security Management:

1. Backup all information systems and off-site backups regularly and conduct information system recovery drills and tests on a regular basis every year to ensure the normal operation of the information system and data preservation, and to reduce the risk of system interruption caused by unpredicted natural disasters and human negligence.

2. Build a variety of security technology control programs, including network firewalls, anti-virus systems, anti-spam systems, etc.
3. Increase information data protection insurance (CYBER EDGE) to diversify possible risks and losses.
4. Regularly conduct social engineering exercises to educate colleagues on the latest fraudulent phishing emails/types to avoid misuse by coworkers.
5. Enhance and improve the password complexity and security settings of each system to reduce the risk of hacking.
6. Regularly review and organize the accounts used in each system and disable the useless accounts to ensure no unauthorized access.
7. Conduct information security publicity from time to time to enhance the awareness of information security of colleagues. To minimize the occurrence of information security incidents.
8. Introduce FIREWALL IPS (Intrusion Prevention System) and IDP (Intrusion Detection System) functions. Enhance the security of network usage.
9. Convert the website connection from http to https to enhance the security of data transmission.
10. Introducing an intranet device inspection mechanism to enhance the ability to control devices and prohibit non-compliant devices from connecting to the intranet.
11. Conduct software inventory to ensure the legitimacy of software and version control.
12. Introduce account MFA authentication. Enhance the security of account login.
14. Introduce EDR system to enhance the security of terminal equipment endpoints. Effectively block attacks from all sides.
14. Import UEM system to improve the management of information security related to PATCH delivery and installation, enhance system security.
15. Perform website source code scanning to improve program leakage and enhance system security.
16. Perform relevant vulnerability scanning and improve the relevant vulnerabilities.
17. Perform penetration testing to detect system and network architecture deficiencies and carry out related improvement work.
18. Implement WAF related functions for external websites to enhance the security and usability of websites.

Resources invested in information and communications security management in 2024:

1. Education and training: All new employees complete the online information security education and training course.
 2. Social Engineering Drills: Conduct social engineering phishing email tests and online education and training twice a year.
 3. Information security notice promotion: Produce more than 8 information security notices to enhance employees' information security awareness.
 4. Information security audit: Regularly accept the group's information security audit every year, participate in 6 group information security meetings and 6 internal information security review meetings, and strengthen various information security requirements.
 5. Security Drill: Conduct one red team drill and one regular vulnerability scan, with an investment of more than NT\$2.5 million.
- (II) The losses suffered as a result of significant information and communications security incidents, the possible impact and the measures taken to deal with them for the most recent year and up to the date of publication of the annual report: None.

VII. Important contracts

Nature of contract	Parties involved	Start and end dates of the contract	Main contents	Restricted terms
Software license agreement	Manufacturer A	December 1, 2020 to June 30, 2025	Authorized distributor	Confidentiality clause, non-transferable
Manufacturing agreement	Manufacturer B	From July 1, 2018 up to the date on which the contract is terminated	Commissioned product manufacturing	Confidentiality clause, non-transferable
Lease agreement	Acer Inc.	From October 1, 2018 up to the date on which the contract is terminated	Storage use	None

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

I. Financial position comparative analysis

Unit: NT\$ thousand

Item	Year	2023	2024	Difference	
				Amount	%
Current assets		2,355,150	2,433,482	78,332	3.33%
Investment accounted for using the equity method		328,903	336,557	7,654	2.33%
Right-of-use assets		6,655	8,084	1,429	21.47%
Other non-current assets		88,855	206,072	117,217	131.92%
Total assets		2,779,563	2,984,195	204,632	7.36%
Current liabilities		1,294,845	1,346,119	51,274	3.96%
Non-current liabilities		72,777	84,071	11,294	15.52%
Total liabilities		1,367,622	1,430,190	62,568	4.57%
Share capital		784,480	784,480	-	-
Additional paid-in capital		410,864	424,412	13,548	3.30%
Retained earnings (pending loss recovery)		269,767	415,794	146,027	54.13%
Other interests		(54,531)	(58,555)	(4,024)	(7.38%)
Non-controlling interests		1,361	(12,126)	(13,487)	(990.96%)
Total shareholders' equity		1,411,941	1,554,005	142,064	10.06%

The description of major change items:

1. The increase in right-of-use assets was mainly due to the increase in leased assets acquired through business combination during the period.
2. The increase in other non-current assets was mainly due to the increase in intangible assets acquired through business combination in this period.
3. The increase in non-current liabilities was mainly due to the acquisition of business combinations in this period.
4. The increase in retained earnings was mainly due to the profit in the current period.
5. The decrease in non-controlling interests was mainly due to the changes in profits and losses of investment companies and business mergers attributable to non-controlling interests in this year.

II. Review and analysis of financial performance

(I) Financial performance comparative analysis

Unit: NT\$ thousand

Item	Year	2023	2024	Increase or Decrease amount	Change ratio (%)
		Total	Total		
Net operating income		5,666,834	6,945,979	1,279,145	22.57%
Operating cost		5,254,009	6,439,506	1,185,497	22.56%
Gross profit		412,825	506,473	93,648	22.68%
Operating expenses		247,687	270,098	22,411	9.05%
Operating profit (loss)		165,138	236,375	71,237	43.14%
Non-operating income and expenses		46,626	47,022	396	0.85%
Net profit (loss) before tax		211,764	283,397	71,633	33.83%
Income tax expense		(17,139)	(10,257)	6,882	(40.15%)
Net profit (loss) for the period		228,903	293,654	64,751	28.29%
Other comprehensive income		(21,364)	(1,460)	19,904	93.17%
Total comprehensive income for the period		207,539	292,194	84,655	40.79%

(II) Main reasons for material changes in operating income, operating profit, and net profit before tax in the past two years

1. The increase in net operating income, operating costs and gross profit for the current period was mainly due to the growth in revenue.
2. The increase in net operating profit and net profit before tax for the current period was mainly due to the growth in revenue.
3. The decrease in income tax expense (benefit) was mainly due to the change in deferred income tax benefits recognized in the current period.
4. The increase in other comprehensive income was mainly due to the exchange differences in the financial statements of foreign operating entities and the unrealized gains and losses on financial assets measured at fair value through other comprehensive income.

(III) The possible effect upon the company's financial operations as well as measures to be taken in response: See "One. Report to Shareholders."

III. Review and analysis of cash flow

(I) Analysis of changes in cash flows in the most recent fiscal year:

Unit: NT\$ thousand ; %

Annual accounting items	2023	2024	Variance	
			Amount	%
Net Cash flows from Operation activities	397,126	297,579	(99,547)	(25.07)
Net Cash flows from Investing activities	(179,761)	221,344	401,105	223.13
Net Cash flows from Financing activities	361,014	(174,568)	(535,582)	(148.35)

Analysis of significant changes : (Differences of \$10,000 thousand or more and percentage of change of 20% or more)

1. Operating activities : Decrease in cash outflows from net changes in assets and liabilities associated with operating activities.
2. Investment activities : Increase in other financial assets.
3. Financing activities : The main reason was the increase in cash outflow due to the fact that there was a cash capital increase in 2023, but no such activity was conducted in 2024.

(II) Corrective measures to be taken in response to illiquidity: The Company has no illiquidity.

(III) Liquidity analysis for the coming year (2025):

Unit: NT\$ thousand

Cash Balance in beginning (1)	Estimated full-year net cash inflow (outflow) from Operating activities (2)	Estimated net cash inflow (outflow) from Investing and Financing activities for the full year (3)	Estimated cash surplus (shortage) amount (1)+(2)+(3)	Remedial Measures for Estimated Cash Shortage	
				Investment Plan	Financial Plan
1,517,066	280,000	(200,000)	-	-	-

1. Analysis of cash flow changes

- (1) Operating activities: Mainly due to the expected continued growth in operating scale resulting in net cash inflow.
- (2) Investing activities: Mainly cash dividends received from securities invested by the Company.
- (3) Financing activities: Mainly the payment of cash dividends.

2. Remedial measures for estimated cash shortage: Not applicable

IV. Effect upon financial operations of any major capital expenditures in the most recent fiscal year: None.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

Investment Policy

The Company's investment is to establish subsidiaries at home and abroad to meet operational needs. In the future, the Company will also expand its operating scale or establish subsidiaries at home and abroad depending on demand.

The Company currently has relevant regulations such as "Procedures for Acquisition or Disposal of Assets" and "Regulations for Supervision of Subsidiaries" and is able to implement various management mechanisms to enable each invested business to achieve maximum operating performance.

(I) Reinvestment policy for the most recent fiscal year

Unit: NT\$ thousand

Name of investee	Investment cost	Account balance	Policy	2024 profits (losses)	Main reasons for profits or loss	Plan for improving re-investment profitability
AOPEN AMERICA INC.	295,771	(251,915)	Responsible for expanding the sales market in North America	(45,764)	Decline in business performance	Continue to develop new clients
AOPEN COMPUTER B.V.	214,094	(40,608)	Responsible for expanding the sales market in Europe	(6,270)	Decline in business performance	Continue to develop new clients
AOPEN JAPAN INC.	2,899	23,890	Responsible for expanding the sales market in Japan	(2,643)	Non-business investment losses	Continue to strengthen the operating results of subsidiaries
AOPEN TECHNOLOGY INC.	1,623	333,340	Holding company	7,214	Non-business investment gains	Continue to strengthen the operating results of subsidiaries
AOpen SmartVision Incorporated	15,000	13,255	Responsible for developing domestic and emerging markets	353	Non-business gains	Continue to develop new clients
AOPEN GLOBAL SOLUTIONS PTY LTD	2,956	(27,542)	Responsible for expanding the sales market in Australia	(12,673)	Decline in business performance	Continue to develop new clients

(II) Investment plans for the coming year: By combining market strengths, Aopen will form a strategy alliance with manufacturers or clients at the right time in the future and carefully evaluate investment plans.

VI. Analyze and assess the following matters for risk management:

(I) During the most recent fiscal year, effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Exchange rate change:

At Aopen, the main sales are exports. In 2024, the exchange rate loss in the consolidated financial statements amounted to NT\$11 thousand, accounting for 0% of the net operating income in the consolidated financial statements 2023. To prevent the effect arising from exchange rate changes, the Company has adopted the following countermeasures:

- (1) The exposed foreign currency position is adjusted at any time based on the projected revenue.
- (2) Foreign assets and liabilities are offset for hedging effect.
- (3) The financial department-related personnel keep a close eye on exchange rate changes and Aopen's capital needs, and determine the timing of foreign currency exchange in order to minimize the impact of exchange rate changes on Aopen's profitability.

2. Interest rate change:

At present, Aopen's cash position is mainly in New Taiwan dollars. Due to the oversupply situation in the currency market, Taiwan dollars continue to have a low interest rate. In line with the open policy of the government and the current investment policies of companies, our main investments will center on capital guaranteed financial instruments that are highly safe.

3. Inflation:

Taiwan's GDP growth forecast for 2025 is approximately 3.13% to 3.29%, mainly driven by AI market demand. However, uncertainty over U.S. trade policy, especially potential new tariffs from the Trump administration, poses risks to the export-oriented economy. The company will respond flexibly to avoid losses and does not expect any significant impact on the company's operations.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions in the most recent fiscal year; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company has not engaged in any high-risk or high-leverage investment business activities in recent years. The company's endorsement and guarantee in recent years are limited to subsidiaries in which the company holds more than 50% of the shares, and no losses have occurred. The policy for the Company's engagement in derivatives transactions is subject to the Company's rules. All positions traded are fully within the scope of Aopen's business, and are carried out with the purpose of hedging most of the market price risk.

In the future, Aopen will continue to follow its established principles and will not engage in high-risk or highly leveraged investments. The policy for loaning funds to others as well as providing endorsements and guarantees will be in accordance with Aopen's rules and systems.

(III) R&D plans, current progress of uncompleted R&D plans, additional R&D fees required, projected completion of mass production, and main factors affecting the success of R&D in the future:

Aopen's core software is embedded devices and display products and serves the potential customer base of industrial computers with innovative business models. With the digital transformation trend of "one stop service solutions," we integrate and provide versatile products and services. This way, we are able to better assist our targeted customer groups in adjusting their corporate workflow so that they are able to accelerate investment in front-line service automation projects to further reduce operating costs. Moreover, the remote work performance of their employees can be managed and strengthened to increase the overall efficiency of their corporate resources, achieving the strategic goal of digital transformation.

In response to R&D development demand, the amount expected to be invested in R&D in 2025 accounted for 1.5% to 3.5% of the total revenue.

- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

We follow domestic and foreign laws and regulations in the course of conducting our daily operations. As well as this, we keep a close eye on the development trends of domestic and foreign policies and regulatory changes. We also collect relevant information for management-level personnel to adjust the Company's operations strategies. After evaluation, important domestic and foreign policies and regulatory changes did not have a significant impact on the Company's financial operations in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

- (V) Effect on the company's financial operations from technological changes in the most recent fiscal year, and measures to be taken in response:

With the changes in the computer industry and their peripherals and related technologies accelerating, although there is no expected material adverse impact on the Company's financial operations, the Company continues to pay close attention to the future development trends and market pulses of the related technologies. In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there were no technological changes or industrial changes that materially affected the Company's financial operations.

- (VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

We are committed to operating in our business while also maintaining a positive corporate image. To achieve this, we abide by all laws and regulations. In the most recent year and up to the date of publication of the annual report, the Company did not experience any crisis arising from corporate image change.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions:

In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the Company has no significant M&A plans yet. Any M&A plan in the future will be carried out in accordance with the laws and regulations as well as the relevant management measures formulated by the Company. By doing this, we are able to thoroughly protect the interests of the Company and rights of the shareholders.

(VIII) Expected benefits and possible risks associated with any factory expansion:

At present, there are no needs or plans for the Company to expand factories.

(IX) Risks associated with any over-concentration of sales or purchasing operations:

There is no over-concentration situation of the Company's sales vendors or purchasing clients compared to peers.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands: None.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management: None.

(XII) Litigious and non-litigious matters:

1. In the most recent 2 years and up to the date of publication of the annual report, list major litigious, non-litigious or administrative disputes that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities: None.

2. In the most recent 2 years and up to the date of publication of the prospectus, list major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company, where such a dispute could materially affect shareholders' equity or the prices of the company's securities:

Except for Acer Inc. (Acer), a major shareholder holding a stake of greater than 10 percent, that has the following lawsuit pending, the remaining directors or general managers have no other major litigious, non-litigious or administrative disputes or administrative investigations pending. The relevant lawsuit is evaluated and analyzed as follows:

— Acer receives notices from third parties from time to time asserting patent infringement or claiming patent licenses in the course of its daily operations. Despite this, Acer does not anticipate that the outcome (individually or collectively) will have a material adverse impact on its finance or business. However, as it is difficult to predict legal proceedings, dispute resolutions may have an impact on Acer's operating results or cash flows.

— With the international tax environment rapidly changing, and faced with an assortment of tax challenges around the world, Acer has different views from those of local taxation agencies. For tax cases (including but not limited to income tax, withholding tax and business tax) that qualify for liability recognition provisions, Acer has made appropriate estimates in accordance with the regulations. Due to the fact that tax issues are often complex and may take years to resolve, it is often difficult to anticipate the outcome of tax disputes. Based on this, the ultimate results may have an impact on Acer's operating income or cash flows in certain points of time.

In summary, the above litigations are all disputes derived from corporate business. After evaluation, there shall be no other material breaches of laws and regulations or the

principle of good faith and shall have no material impact on Acer's future normal operation.

(XIII) Information security risk assessment analysis and actions taken in response:

Information Security Risk Assessment and Analysis:

1. Identify assets: First, identify the assets in the organization, including data, systems, applications, and infrastructure, to determine which assets need to be protected.
2. Risk assessment: Based on the asset assessment results, assess the potential risks associated with these assets, and determine the possible impact and probability of occurrence.
3. Formulate information security strategies: According to assessment results and risk levels, formulate information security strategies and procedures to ensure that appropriate measures can control or mitigate information security risks.
4. Implementation measures: According to policies and procedures, implement information security control measures, including technical measures (such as encryption and firewalls), physical measures (such as closed-circuit television and access control systems), and administrative measures (such as training and guidelines).
5. Monitoring and Auditing: Monitor the effectiveness of implemented measures and procedures to ensure compliance with requirements and standards. Periodic audits are conducted to ensure that information security controls are effective.
6. Feedback and Improvement: According to the results of monitoring and auditing, give feedback and improvement, and update information security policies and procedures to reflect new risks and threats.

VII. Other important matters: None.

Six. Special items to be included

I. Information on affiliates

Please refer to the MOPS, [<https://mops.twse.com.tw> > Single Company > Electronic Document Download > Three-Book Form Area for Related Companies], enter the company code, and query the related information of related companies.

II. Private placement of securities in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require additional description: None.

Seven. Any of the Situations Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Occurred in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

AOPEN Incorporated

Chairman : Victor Chien

Prepared by AOPEN Incorporated

