

Storage, Empowering AI Growth

Apacer Technology Inc. 2025 Annual Report

Taiwan Stock Exchange Market Observation Post System :
<https://mops.twse.com.tw>
Apacer annual report is available at
<https://www.apacer.com>

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X. Name(s) of the exchange(s) where the securities of the Company are traded offshore, and the method(s) by which the information of the offshore securities is accessed:

N/A

XI. Company website: <https://www.apacer.com>

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One. Letter to Shareholders

Dear Shareholders:

Looking back to 2025, the geopolitical risks remained high in the first half of the year. The sudden tariff increase led to significant exchange rate volatility, followed by the original manufacturer's announcement of production halts. All of these events substantially impacted our operations. However, beginning from the second half of the year, we capitalized on the rapid growth of the AI-related applications, the significant shift in the production capacities of the original manufacturers, and the unprecedented supply-demand imbalance in the memory market, which caused dramatic changes in the industry structure, and by leveraging our long-standing presence in the industrial application market, strong supply chain relationships, and flexible inventory management strategies, we converted the price increases resulting from this supply-demand imbalance in the industry into tangible operating results, ultimately delivering exceptional business performance with record-high operating revenue and profit since our IPO.

The Group's operating revenue for 2025 was approximately NT\$11.12 billion, the gross operating profit was approximately NT\$2.31 billion; the consolidated net profit after tax was approximately NT\$880 million, and the earnings per share was NT\$6.70. The following is an outline of the operating performance as well as operation and research results in FY 2025 and the operational plan for FY 2026:

I. Consolidated operating performance in 2025:

Unit: NT\$ thousand

Item	2025	2024	Gain (Loss)
Group's operating revenue	11,123,604	7,837,159	3,286,445
Group's gross operating profit	2,307,581	1,301,205	1,006,376
Group's net operating profit	1,024,043	306,911	717,132
Group's net non-operating revenue	54,321	42,101	12,220
Group's net profit after tax	878,529	291,950	586,579
Attributable to owners of the parent company	859,875	278,956	580,919
Attributable to non-controlling interests	18,654	12,994	5,660
Earnings per share after tax (NT\$)	6.70	2.18	4.52

II. 2025 operation and research results:

As for corporate governance, sustainable operations, and brand and product performance, the Company continues to receive significant external recognition:

1. The corporate governance evaluation was ranked among the top 5% of the companies with a market value between NT\$5 billion and NT\$10 billion for three consecutive years.
2. Again, we won the award under the "Corporate Sustainability Report of TCSA" category for eight consecutive years.
3. The Company was nominated as one of the "Interbrand Best Global Brands of Taiwan"
4. The CoreEnergy won the EE Awards Asia for its energy consumption modulation technology.
5. The Company won the award for the "Family-Friendly and Gender Equality in Employment Measures".

We Continue to focus on high-added-value and differentiated applications. As of the end of 2025, Apacer has received or filed a total amount of 205 patents and applications in Taiwan and other countries. In order to better meet customer and application needs, the Company has launched a full series of lead-free DRAM and SSD products that surpass the current EU ROHS environmental protection standard and the CoreVolt 2 voltage regulation technology and CoreEnergy power consumption modulation technology to enhance system stability and energy efficiency. We continue to extend smart applications and intelligent automation solutions, which cover Industrial IoT applications, ESG energy monitoring, and optical inspection equipment solutions, and successfully enter the supply chain of the internationally renowned first-tier manufacturers.

III. 2026 business plan:

(I) Development strategy

In response to the rapid growth in the AI sector, we will focus on edge computing (Edge AI) applications with the “storage to empower the future of the AI” as the core development strategy. We will adapt ourselves with four major business operations of “focusing on key areas, developing future technologies, transforming operations toward AI, and establishing strategic alliances” to drive both upgrades of our core memory business and development of new growth engines. In the meantime, we will integrate various sustainability governance policies to strengthen overall sustainable competitiveness and achieve the vision of becoming a leading technology and information service integrator centered around digital storage.

(II) Operational strategies

In response to the changing external environment, the Company will pursue a balanced strategy of “proactive expansion” and “consolidating gains” as the annual business policy, continuously enhance products and technologies while strengthening brand marketing to expand the market and acquire key accounts, optimize the product portfolio, and ensure stable supply to deepen collaboration with existing customers. Meanwhile, we will accelerate the growth of the new startup business and actively convert it into operational efficiencies.

(III) Core policies on production and sale

We will enhance supply chain resilience through continuous expansion of backup supply capabilities. We will satisfy the needs of customers for a stable supply in spite of market fluctuation, and keep flexible in the adjustment of our production resources. Furthermore, building a green supply chain with key suppliers is an important part of our sustainability strategy.

We will continue to implement the dual-track marketing goals by “deepening industrial control business” and “expanding sales channels”, and will offset profit fluctuations by leveraging price sensitivity among different customer segments. In the industrial control market, we will focus on solutions supporting Edge AI needs, starting with specific application areas, and collaborate with strategic partners to penetrate high-value markets. In the consumer market, we will leverage data to segment products and marketing efforts, and enhance integration between online and offline channels in regional consumer markets.

The “Act on What We Say, Persist in Better Results, Develop Together with Partners” remain the brand core value of our “good partnership” Looking back at our development and achievements, we keep confident in our ability to build on this success, even as 2026 brings continued uncertainties in the global market and geopolitical landscape. The growing trend of the AI applications and their impact on the memory industry will continue to unfold, and we are committed to sharing the resulting benefits with our shareholders, strategic partners, and all stakeholders as we steadily progress towards our ESG sustainability goals.

Chairman



General manager



Accounting Manager



Two. Corporate Governance Report

I. Information about directors, supervisors, president, vice president, assistant managers, and supervisors of the branches and offices

(I) Director

March 30, 2026

Title	Nationality or country of registration	Name	Gender Age	Date of election	Term	Date of first election	Shares held at time of election		Current shares held		Current shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in Apacer or other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Chairman	Republic of China	Austin Chen	Male 75-79 years old	2024.05.31	3 years	2001.04.30	1,525,633	1.19%	1,525,633	1.19%	450,268	0.35%	—	—	Apacer Technology Inc., President Apacer and CSO Apacer Technology (BYD) Inc. Director M.B.A., Department of Management Science, National Chiao Tung University	Apacer Technology Inc., Chairman and CSO Apacer Technology (BYD) Inc. Director Darwin Precisions Corp., Independent Director	None	None	None
Vice Chairman	Republic of China	Chen Ming-Ta	Male 60-64 years old	2024.05.31	3 years	2024.05.31	1,990,040	1.55%	1,992,846	1.56%	—	—	180,000	0.14%	Apacer Technology Inc., Senior Vice President Most I & T Corporation, President VIA Labs, Inc., Vice Sales President ADATA Technology Co., Ltd., Vice President Silicon Motion, Inc., Vice President UCLA of Ph.D. Master's in Aerospace Engineering, National Cheng Kung University Bachelor's, Department of Aeronautics and Astronautics, National Cheng Kung University	Apacer Technology Inc., Vice Chairman & President UD info Corp., Chairman & President FM MEDIA TECHNOLOGY CO., LTD., Director Killon International Limited, Chairman	None	None	None
Director	Republic of China	Teddy Lu	Male 70-74 years old	2024.05.31	3 years	2008.09.02	5,699,906	4.43%	5,699,906	4.45%	—	—	—	—	EcoLumina Technologies Inc., Director Formosa21, Inc., Director iD SoftCapital Inc., Director Stans Foundation, Director Dragon Investment Fund Co., Ltd., Director's Representative YODN Lighting Corp., Chairman Apacer Inc., Operation and Investment Management Division, General Manager of Operations	Apacer Technology Inc., Director Cyber Power Systems, Inc., Director RDC Semiconductor Co., Ltd., Director YODN Lighting Corp., Director	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date of election	Term	Date of first election	Shares held at time of election		Current shares held		Current shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in Apacer or other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship	
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name
														M.S. of Electrical Engineering and M.B.A., University of California B.S., Department of Electrophysics, National Chiao Tung University				
Director	Republic of China	Chang Chia-Kun	Male 55-59 years old	2024.05.31	3 years	2012.06.13	455,642	0.35%	475,847	0.37%	100,558	0.08%	—	Apacer Technology Inc., President Apacer Memory America Inc., President Banch College CUNY of M.B.A. NYU Polytechnic School of M.E.E.	Apacer Technology Co., Ltd., Director & CEO Apacer Technology B.V. Director Apacer Technology Japan Corp. Director Apacer Electronic (Shanghai) Co., Ltd. Representative of Legal Person as Director UD info Corp., Representative of Legal Person as Director	None	None	None
Director	Republic of China	George Huang	Male 75-79 years old	2024.05.31	3 years	2018.05.30	1,207,041	0.94%	1,207,041	0.94%	—	—	—	Acer Inc., Chairman Acer Inc., CFO Acer Inc., Co-founder PChome Online Inc., Independent Director B.S., Department of Communications Engineering, National Chiao Tung University	BIONET Corp., Independent Director Apacer Technology Inc., Director Les enphants Co. Ltd., Director	None	None	None
	Republic of China	Acer Corporation	N/A		3 years	2024.05.31	11,928,000	9.27%	11,906,000	9.29%	—	—	—	N/A	N/A	N/A	N/A	N/A
Director	Republic of China	Legal Representative: Victor Chien	Male 55-59 years old	2024.05.31	3 years	2024.05.31	—	—	—	—	—	—	—	Zenitron Corporation, Assistant Manager Double Bachelor's Degree in Control Engineering and Management Science, National Chiao Tung University	Acer Inc., President AOPEN INC., Chairman AOPEN SMARTVISION INCORPORATED, Chairman Anxin Tuo Co., Ltd., Chairman AVerMedia Technologies, Inc., Independent Director Apacer Technology Inc., Representative of Legal Person as Director AVerMedia Technologies, Inc., Representative of Legal Person as Director Yunchuan Industrial Co., Ltd., Director Optoelectronics Co., Ltd. Director	None	None	None

Title	Nationality or country of registration	Name	Gender Age	Date of election	Term	Date of first election	Shares held at time of election		Current shares held		Current shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in Apacer or other companies	Other supervisors, directors or supervisors in a spousal relationship or within the second degree of kinship	
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name
Independent Director	Republic of China	Max Wu	Male 65-69 years old	2024.05.31	3 years	2012.06.13	68,325	0.05%	68,325	0.05%	—	—	—	—	Gigastone Corp., Independent Director Apacer Technology Inc., Independent Director Harvatek Corporation, Independent Director YODN Lighting Corp., Director Antec, Inc., Director Cruise10 Co., Ltd., Chairman Birch Venture Capital, Inc., Chairman Allxon Inc., Director Apacer Technology Inc., Independent Director Wistron Corporation, Director Wistron NeWeb Corp., Director Wistron ITS Corp., Director ZIGONG ART SHARING CO., LTD., Director Allxon Inc., Supervisor SmartStar Technology Inc., Chairman	None	None	None
Independent Director	Republic of China	Philip Peng	Male 70-74 years old	2024.05.31	3 years	2018.05.30	527	0.00%	527	0.00%	—	—	—	—	CDIB Capital Group, Department of Business Development, Executive Vice President China Development Industrial Bank, Department of Planning, Executive Vice President China Development Industrial Bank, Department of Principal Investment, Senior Vice President Macroblock Inc., Independent Director MBA, University of Connecticut, USA	None	None	None
Independent Director	Republic of China	Cathy Han	Female 60-64 years old	2024.05.31	3 years	2021.07.14	—	—	—	—	—	—	—	Wiwynn Corporation, Independent Director Apacer Technology Inc., Independent Director AU Optronics Corp., Independent Director	None	None	None	

(II) Major shareholders of the corporate shareholders:

March 31, 2025

Name of corporate shareholders	Major shareholders of the corporate shareholders
Acer Inc.	<p>Yuanta Taiwan High-yield Leading Company Fund Account (5.23%)</p> <p>Taipei Fubon Commercial Bank Co., Ltd. is entrusted as custodian of Fuh Hua Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account (3.65%)</p> <p>Hong Rong Investment Co., Ltd. (2.42%)</p> <p>Taiwan Business Bank is entrusted as custodian of the United Taiwan High Dividend Recovery 30 ETF Securities Investment Trust Fund Account (1.85%)</p> <p>Main Branch, Standard Chartered Bank (Taiwan) Limited is entrusted as custodian of the Vanguard Total International Stock Index Fund, a series of the Vanguard Star Funds Investment Account (1.33%)</p> <p>Main Branch, Standard Chartered Bank (Taiwan) Limited is entrusted as custodian of the Vanguard Emerging Markets Stock Index Fund Account (1.21%)</p> <p>Stan Shih (1.15%)</p> <p>Taiwan Cooperative Bank (1.15%)</p> <p>Citibank Taiwan is entrusted as custodian of the ACER Overseas Depository Receipts (0.90%)</p> <p>Rong Xin Management Consulting Co., Ltd. (0.75%)</p> <p>Rong An Management Consulting Co., Ltd. (0.75%)</p>

(III) Major shareholders of the juristic persons which are major shareholders of the corporate shareholders:

March 31, 2025

Name of corporate shareholders	Major shareholders of the corporate shareholders	Shareholding ratio
Hong Jung Investment Co., Ltd.	Tsu-Hua Yeh	20.13%
	Stans Foundation	1.60%
	Suan-Jung Shih	17.25%
	Suan-Hue Shih	26.09%
	Suan-Lin Shih	17.16%
	Fen-Chen Shih	8.93%
	Ching-Yu Yeh	8.84%

(IV) Information on directors

1. Professional qualifications of directors and the disclosure of the Independent Directors' independence:

Qualifications	Professional qualifications and experience	Independence	Number of other public companies where the member also serves on a remuneration committee
<p>Name</p> <p>Austin Chen Director</p>	<ul style="list-style-type: none"> ● Education: M.B.A., Department of Management Science, National Chiao Tung University ● Experience: Apacer Technology Inc., Chairman and CSO; Apacer Technology Inc., President; Acer Inc., Vice President; Apacer Technology (BVI) Inc. Director; Oto Photonics Inc., Director's Representative; JoiUp Technology Inc., Director's Representative; Darwin Precisions Corp., Independent Director. ● None of the circumstances under Article 30 of the Company Act applies to the director. 	<p>N/A</p>	<p>1</p>
<p>Chen Ming-Ta Director</p>	<ul style="list-style-type: none"> ● Education: PhD, Aerospace Engineering, University of California, Los Angeles, California, USA. ● Experience: Apacer Technology Inc., Vice Chairman & President; Apacer Technology Co., Ltd., Senior Vice President; UD info Corp., Chairman & President; FM MEDIA TECHNOLOGY CO., LTD., Director; Killon International Limited, Chairman; Most I & T Corporation, President; VIA Labs, Inc., Vice Sales President; ADATA Technology Co., Ltd., Vice President; Silicon Motion, Inc., Vice President ● None of the circumstances under Article 30 of the Company Act applies to the director. 	<p>N/A</p>	<p>0</p>
<p>Teddy Lu Director</p>	<ul style="list-style-type: none"> ● Education: M.S. of Electrical Engineering and M.B.A., University of California; B.S., Department of Electro-physics, National Chiao Tung University ● Experience: 	<p>N/A</p>	<p>0</p>

Qualifications Name	Professional qualifications and experience	Independence	Number of other public companies where the member also serves on a remuneration committee
	<p>YODN Lighting Corp., Director; Acer Inc., Operation and Investment Management Business Section, General Manager; Dragon Investment Fund Co., Ltd., Director's Representative; Apacer Technology Inc., Director; Cyber Power Systems, Inc., Director; RDC Semiconductor Co., Ltd., Director; JotitUp Technology Inc., Director; EcoLumina Technologies Inc., Director; Formosa21, Inc., Director; iD SoftCapital Inc., Director; Stans Foundation, Director.</p> <ul style="list-style-type: none"> • None of the circumstances under Article 30 of the Company Act applies to the director. 		
Chang Chia-Kun Director	<ul style="list-style-type: none"> • Education: Baruch College CUNY of M.B.A., NYU Polytechnic School of M.E.E. • Experience: Apacer Technology Inc., CEO; Apacer Technology Inc., President; Apacer Memory America Inc., President; Apacer Technology Inc., Director; Apacer Technology B.V., Director; Apacer Technology Japan Corp., Director; Apacer Electronic (Shanghai) Co., Ltd, Director's Representative; UD info Corp., Representative of Legal Person as Director • None of the circumstances under Article 30 of the Company Act applies to the director. 	N/A	0
George Huang Director	<ul style="list-style-type: none"> • Education: B.S., Department of Communications Engineering, National Chiao Tung University. • Experience: Acer Inc., Chairman; Acer Inc., CFO; Acer Inc., Co-founder; PChome Online Inc., Independent Director; BIONET Corp., Independent Director; Apacer Technology Inc., Director; Les enphants Co. Ltd., Director; Motech Industries Inc., Director. • None of the circumstances under Article 30 of the Company Act applies to the director. 	N/A	1

Qualifications	Professional qualifications and experience	Independence	Number of other public companies where the member also serves on a remuneration committee
<p>Name</p> <p>Victor Chien Director Corporate Representative: Acer Inc.</p>	<ul style="list-style-type: none"> Education: Double Bachelor's Degree in Control Engineering and Management Science, National Chiao Tung University. Experience: Acer Inc., President; AOPEN INC., Chairman; AOPEN SMARTVISION INCORPORATED, Chairman; Anxin Tuo Co., Ltd., Chairman; AVerMedia Technologies, Inc., Independent Director; Apacer Technology Inc., Representative of Legal Person as Director; AVerMedia Technologies, Inc., Representative of Legal Person as Director None of the circumstances under Article 30 of the Company Act applies to the director. 	<p>N/A</p>	<p>1</p>
<p>Max Wu Independent Director</p>	<ul style="list-style-type: none"> Education: B.S., Department of Electronics Engineering, National Chiao Tung University Experience: Birch Venture Capital, Inc., Chairman; Acer America Corp., President; Hua Nan Management Consulting Co., Chairman; InveStar Capital, Inc., Partner; Spring Foundation of NCTU, Chairman; Gigastone Corp., Independent Director; Apacer Technology Inc., Independent Director; Harvatek Corporation, Independent Director; Cruise10 Co., Ltd, Director; Allxon Inc., Supervisor; YODN Lighting Corp., Director; Antec, Inc., Director. None of the circumstances under Article 30 of the Company Act applies to the director. 	<ul style="list-style-type: none"> The independent director of the Company has completed the Statement of Independent Director upon inauguration, and the Company has reported the independent director qualification checklist (upon election) of the independent director to the competent authority. The Company confirms their continued independence throughout their tenure. The independent director meets the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. For the independent director qualification form, please refer to (2) Independence of the Board of Directors. 	<p>2</p>
<p>Philip Peng Independent Director</p>	<ul style="list-style-type: none"> Education: M.B.A., Department of Business Administration, National Chengchi University. Experience: SmartStar Technology Inc., Chairman; Acer Inc., Senior Vice President/CFO; Apacer Technology Inc., Independent Director; AU Optronics Corp., Independent Director; 	<ul style="list-style-type: none"> The independent director of the Company has completed the Statement of Independent Director upon inauguration, and the Company has reported the independent director qualification checklist (upon election) of the independent director to the competent authority. The Company confirms their continued 	<p>0</p>

Qualifications	Professional qualifications and experience	Independence	Number of other public companies where the member also serves on a remuneration committee
<p>Name</p> <p>Cathy Han Independent Director</p>	<p>Wistron Corp., Director; Wistron NeWeb Corp., Director; Wistron ITS Corp., Director; ZIGONG ART SHARING CO., LTD., Director; Cruise10 Co., Ltd, Chairman; Allxon Inc., Supervisor.</p> <ul style="list-style-type: none"> The independent director is the Senior Vice President and CFO of Acer Inc., which satisfies the requirement that at least one of the Audit Committee members shall have the financial/accounting background. None of the circumstances under Article 30 of the Company Act applies to the director. Education: M.B.A., University of Connecticut, USA. Experience: CDIB Capital Group, Department of Business Development, Executive Vice President; China Development Industrial Bank, Department of Planning, Executive Vice President; China Development Industrial Bank, Department of Principal Investment, Senior Vice President; Wiyynn Corporation, Independent Director; Apacer Technology Inc., Independent Director; Macroblock Inc., Independent Director; AU Optronics Corp., Independent Director. The independent director is the Executive Vice President of the Department of Business Development, CDIB Capital Group, which satisfies the requirement that at least one of the Audit Committee members shall have the financial/accounting background. None of the circumstances under Article 30 of the Company Act applies to the director. 	<p>independence throughout their tenure.</p> <ul style="list-style-type: none"> The independent director meets the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. For the independent director qualification form, please refer to (2) Independence of the Board of Directors. 	
		<ul style="list-style-type: none"> The independent director of the Company has completed the Statement of Independent Director upon inauguration, and the Company has reported the independent director qualification checklist (upon election) of the independent director to the competent authority. The Company confirms their continued independence throughout their tenure. The independent director meets the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. For the independent director qualification form, please refer to (2) Independence of the Board of Directors. 	2

2. Diversification and Independence of the Board of Directors

(1) Diversification of the Board of Directors:

A. Policy of diversification for the formation of the Board of Directors

A policy of diversification for the formation of the Board of Directors has been established based on Chapter 3 “Enhancement of the Function of the Board of Directors” in the Company's “Corporate Governance Best Practice Principles”.

The Company's Board of Directors shall be responsible for the shareholders’ meetings, and all the operations and arrangements of the corporate governance system shall ensure that the Board of Directors complies with the laws and regulations, the Articles of Incorporation, or the resolutions of shareholders’ meetings during the exercising of its authority.

The structure of the Company’s Board of Directors shall be determined by choosing an appropriate number of directors based on the business development scale, the shareholdings of major shareholders, the practical operational needs, and the Articles of Incorporation of the Company.

Diversity shall be considered for the formation of the Board of Directors. An appropriate policy of diversification shall also be devised based on the Board’s operations, type of business and development requirements. This should include but not be limited to the standards in the two following general aspects:

- a. Basic requirements and values: Gender, age, nationality, culture, etc.
- b. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

All members of the Board shall possess the knowledge, skills, and competence necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall, on the whole, possess the following abilities:

- a. Ability to make operational judgments.
- b. Ability to perform accounting and financial analysis.
- c. Ability to conduct business management.
- d. Ability to handle the crisis.
- e. Industrial knowledge.
- f. International market perspective.
- g. Ability to lead.
- h. Ability to make policy decisions.

B. Specific management objectives and implementation of the diversification for the formation of the Board of Directors

The Company’s Board of Directors consists of nine directors (inclusive of three independent directors) with rich experience in various professions, including one female independent director (accounting for 11.11% of all the directors). A candidate nomination system is applied to the nomination and election of directors in accordance with the Articles of Incorporation of the Company. The directors shall be elected at the shareholders’ meeting from the roster

of nominees. All directors of the Company's 10th Board of Directors were re-elected at the general meeting held on May 31, 2024. Therefore, the Board did not yet meet the one-third gender representation threshold for directors as stipulated in the "Regulations Governing Information to be Published in Annual Reports of Public Companies," revised on August 1, at the time of the reelection. The Company will actively seek a pool of director candidates and work to enhance the gender diversity of the Board.

The members of the Company's Board of Directors come from professional backgrounds in business management, accounting, finance and engineering technology. With different professional backgrounds, they supervise the Company's major decisions in consideration of the international situation, market observation and financial evaluation. Through the professional judgments, they protect the shareholders' equity, enhance the business performance, carry out the functions of independent directors, strengthen the risk management, and ensure the information transparency. With the principle of recusal due to conflict of interest also taken into account, the interests of all the Company's stakeholders are effectively guaranteed. These members help the Company implement the strategies for management and future development properly.

Diversification Name of director	Basic composition								Industrial experience			Professional skills				
	Nationality	Gender	With employee status	Age			Independent Director Service year		Engineering	Management	Finance	Accounting and financial analysis	Business management	Venture investment	Engineering technology	Leadership and decision-making skills
				50-60 years old	60-70 years old	70-80 years old	Less than 9 years	More than 9 years								
Austin Chen	Republic of China	Male	✓	–	–	✓	–	–	–	✓	–	–	✓	–	✓	✓
Chen Ming-Ta	Republic of China	Male	✓	–	✓	–	–	–	✓	✓	–	–	✓	–	✓	✓
Teddy Lu	Republic of China	Male	–	–	–	✓	–	–	✓	✓	–	–	✓	✓	✓	✓
Chang Chia-Kun	Republic of China	Male	✓	✓	–	–	–	–	✓	✓	–	–	✓	–	✓	✓
George Huang	Republic of China	Male	–	–	–	✓	–	–	✓	–	✓	✓	✓	✓	✓	✓
Victor Chien Corporate Representative: Acer Inc.	Republic of China	Male	–	✓	–	–	–	–	✓	✓	–	–	✓	–	✓	✓
Max Wu	Republic of China	Male	–	–	✓	–	–	✓	✓	–	–	–	✓	✓	✓	✓
Philip Peng	Republic of China	Male	–	–	–	✓	✓	–	–	✓	✓	✓	✓	✓	–	✓
Cathy Han	Republic of China	Female	–	–	✓	–	✓	–	–	✓	✓	✓	✓	✓	–	✓

(2) Independence of the Board of Directors:

A. Number and qualifications of the independent directors

The Company appointed three independent directors (accounting for 33.33%) according to the Articles of Incorporation with the candidate nomination system adopted. The candidate qualifications are assessed based on the Regulations Governing Appointment of

Independent Directors and Compliance Matters for Public Companies. The independent directors are elected at the shareholders' meeting from the roster of nominees, and the qualifications of independent directors are shown as follows:

Independent Director Qualifications Form

Name of Independent Director	Max Wu	Philip Peng	Cathy Han
Independent director qualifications			
I. The independent director has any of the following professional qualifications, and experience of more than 5 years:			
1. Lecturer or higher position at a public or private university/college in the department of commerce, law, finance, accounting or any other fields related to our business.			
2. Judge, public prosecutor, attorney, certified public accountant, or any other professional or technical specialists who have passed a national examination and received a certificate in a profession necessary for our business.			
3. Work experience in commerce, law, finance, accounting or any other fields necessary for our business.	√	√	√
II. None of the following circumstances applies:			
1. The independent director meet or met any of the requirements specified in Article 30 of the Company Act.	None	None	None
2. The independent director was, as a government agency or a juristic person or a representative of any of them, elected pursuant to Article 27 of the Company Act.	None	None	None
III. The independent director was or is not any of the following during the two years before being elected:			
1. An employee of the Company or any of its affiliates.	None	None	None
2. A director or supervisor of the Company or any of its affiliates.	None	None	None
3. A natural-person shareholder who held or holds shares, together with those held by his/her spouse, minor children, or held by the person in others' names, in an aggregate amount of one percent or more of the total issued shares of the Company or was or is ranked as one of the top-ten shareholders.	None	None	None
4. A spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of a managerial officer under Item 1 or any of the persons under Items 2 and 3.	None	None	None
5. A director, supervisor or employee of any corporate shareholder that directly holds at least 5% of the total shares issued by the Company, or that is ranked as one of the top-five shareholders of the Company, or that has appointed a representative as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act.	None	None	None
6. If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.	None	None	None
7. If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director, supervisor, or employee of that other company or institution.	None	None	None
8. A director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution with any of the following (1)~(4) conditions that has a financial or business relationship with the Company.	None	None	None
(1) It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company.	None	None	None
(2) It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the	None	None	None

Name of Independent Director	Max Wu	Philip Peng	Cathy Han
Independent director qualifications			
total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the Company, and there is a record of financial or business transactions between it and the Company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.			
(3) It and its group companies are the source of 30 percent or more of the operating revenue of the Company.	None	None	None
(4) It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the Company.	None	None	None
9. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or other applicable laws and regulations.	None	None	None
IV. The number of other public companies where the member also serves as an independent director does not exceed three.	None	None	None
V. Two or more independent directors have been appointed as per the regulations or the Articles of Incorporation, with no less than one-fifth of the director seats held by the independent directors.	√	√	√

B. Independence among the members of the Board of Directors:

The circumstances set forth in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act do not apply to any member of the Company's Board of Directors.

(V) Information of the President, Vice President, Assistant Manager, and supervisors of departments and branches

March 30, 2026

Title	Nationality	Name	Gender	Start date of office	No. of shares held		Shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
Chairman and CSO	Republic of China	Austin Chen	Male	2012.06.13	1,525,633	1.19%	450,268	0.35%	—	—	Apacer Technology Inc., Chairman and CSO Acer Inc., Vice President M.B.A., Department of Management Science, National Chiao Tung University	Apacer Technology (BVI) Inc. Director Darwin Precisions Corp., Independent Director	None	None	None
Director & CEO	Republic of China	Chang Chia-Kun	Male	2014.04.01	475,847	0.37%	100,558	0.08%	—	—	Apacer Technology Co., Ltd., CEO Apacer Technology Inc., President Apacer Memory America Inc., President Baruch College CUNY of M.B.A. NYU Polytechnic School of M.E.E.	Apacer Technology B.V. Director Apacer Technology Japan Corp. Director Apacer Electronic (Shanghai) Co., Ltd., Representative of Legal Person as Director UD info Corp., Representative of Legal Person as Director	None	None	None
Vice Chairman & President	Republic of China	Chen Ming-Ta	Male	2022.08.01	1,992,846	1.56%	—	—	180,000	0.14%	Apacer Technology Inc., President Apacer Technology Inc., Senior Vice President Most I & T Corporation, President VIA Labs, Inc., Vice Sales President ADATA Technology Co., Ltd., Vice President Silicon Motion, Inc., Vice President UCLA of Ph.D.	UD info Corp., Chairman & President FM MEDIA TECHNOLOGY CO., LTD., Director Killion International Limited, Chairman	None	None	None
Vice President	Republic of China	Luo Rong-Fa	Male	2020.07.01	155,288	0.12%	—	—	—	—	Apacer Technology Inc., Vice President Apacer Technology Inc., Special Assistant to the President's Office JoiUp Technology Inc., Chairman Master of Graphic Arts and Communications, National Taiwan Normal University	Apacer Technology Japan Corp. Director Oto Photonics Inc., Representative of Legal Person as Director	None	None	None
Vice President	Republic of China	Huang Mei-Hui	Female	2018.08.01	42,946	0.03%	—	—	—	—	Apacer Technology Inc., Vice President of the Sales & Marketing Center Apacer Technology Inc., Senior Head of the Sales & Marketing Center Apacer Technology Inc., Head of the Vertical Market Application BU Apacer Technology Inc., Head of the Asia-Pacific and Taiwan Sales & Marketing Division B.B.A., Department of Business Administration, Tunghai University	Kingdom Corporation Ltd., Representative of Legal Person as Director	None	None	None
Vice President	Republic of China	Luo Xue-Ru	Female	2018.08.01	37,007	0.03%	—	—	—	—	Apacer Technology Inc., Vice President of the Fulfillment Center Apacer Technology Inc., Senior Head of the Fulfillment Center Apacer Technology Inc., Head of the Consumer Market Application BU Apacer Technology Inc., COO of the General Operational Resource Division EMBA, National Chengchi University	—	None	None	None

Title	Nationality	Name	Gender	Start date of office	No. of shares held		Shares held by spouse or minor children		Shares held in the name of others		Educational background and experience	Concurrent posts in other companies	Managerial officers in a spousal relationship or within the second degree of kinship		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation
CTO	Republic of China	Li Jun-Chang	Male	2020.07.01	127,901	0.10%	15,340	0.01%	—	—	Apacer Technology Inc., CTO of the RD & Technical Center Apacer Technology Inc., Senior Head of the RD & Technical Center Apacer Technology Inc., Senior Manager of the R&D Division Apacer Technology Inc., Manager of the Hardware Development Department M.S., Department of Mechanical Engineering, National Taiwan University of Science and Technology Apacer Technology Inc., Chief Corporate Governance Officer Apacer Technology Inc., CFO and Spokesperson Apacer Technology Inc., Senior Manager of the Financial Management Division Apacer Technology Inc., Manager of the Accounting Department Taiwan Cement Co., Ltd., Project Leader Teapo Electronic Co., Ltd., Assistant Financial Manager M.B.A., Department of Business Administration, National Cheng Kung University	—	None	None	None
CFO	Republic of China	Lai Zi-Wen	Female	2013.07.14	56,152	0.04%	—	—	—	—	Apacer Technologies Pvt. Ltd., Director Apacer Electronic (Shanghai) Co., Ltd., Representative of Legal Person as Director Shenzhen Qijing Technology Co., Ltd., Representative of Legal Person as Director Kingdom Corporation Ltd., Representative of Legal Person as Director UD info Corp., Representative of Legal Person as Director	None	None	None	None
Senior Head	Republic of China	Yin Hua-Jun	Female	2020.07.01	88,104	0.07%	—	—	—	—	Apacer Technology Inc., Senior Head of the PM Center Apacer Technology Inc., Senior Manager of the Global Purchasing Division Funtwist Technology Inc., Purchasing Assistant Manager SANDISK TAIWAN LIMITED, Purchasing Assistant Manager FIU of Management Bachelor	—	None	None	None
Senior Head	Republic of China	Yu Yao-tse	Male	2022.01.01	52,944	0.04%	—	—	—	—	Apacer Technology Inc., Senior Head of the Manufacturing & Quality Center Apacer Technology Inc., Head of the Manufacturing & Quality Center Apacer Technology Inc., Senior Manager of the Manufacturing Service Division Apacer Technology Inc., Senior Manager of the Quality & Customer Service Division Apacer Technology Inc., Manager of the After-Sales Service Department Micro-Star International Co., Ltd., Assistant Manager of the After-Sales Service Department Royal Roads University of EMBA	—	None	None	None
Deputy Head of Accounting	Republic of China	Huang Yi-cheng	Male	2022.02.23	8,985	0.01%	—	—	—	—	Apacer Technology Inc., Deputy Head of Accounting Department Apacer Technology Inc., Assistant Manager of the Accounting Department KPMG Taiwan, Manager Deloitte Taiwan, Assistant Manager B.B.A., Department of Accounting, National Cheng Kung University	UD info Corp., Supervisor	None	None	None

(VI) Remuneration for directors, supervisors, President and Vice Presidents in the most recent year

1. Remuneration for general directors and independent directors

Unit: NT\$

Title	Name	Remuneration				The total amount of A, B, C and D, and the percentage in net income after tax				Remuneration for part-time employees				The total amount of A, B, C, D, E, F and G, and the percentage in net income after tax		Remuneration from reinvestment businesses other than subsidiaries		
		Remuneration (A)		Retirement pension (B)		Director remuneration (C)		Business execution fee (D)		Salary, bonus and special allowance (E)		Retirement pension (F)		Employee remuneration (G)			Apacer	All companies in financial report
		Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Cash amount	Share amount			
Chairman	Austin Chen																	
Vice Chairman	Chen Ming-Ta																	
Director	Chang Chia-Kun																	
Director	Teddy Lu	1,500,000	1,500,000	-	-	13,053,700	13,053,700	320,000	320,000	19,722,000	22,172,000	210,600	210,600	17,498,000	-	52,304,300	56,336,300	
Director	George Huang																	
Director	Victor Chen																	
Independent Director	Max Wu																	
Independent Director	Philip Peng	3,850,000	3,850,000	-	-	3,237,300	3,237,300	180,000	180,000	-	-	-	-	-	-	7,267,300	7,267,300	
Independent Director	Cathy Han																	

Note 1: For details regarding the policies, systems, standards, and structure for the remuneration of Independent Directors, as well as the description of the relationship between responsibilities, risks, time devoted, and the amount of remuneration to be paid, please see page 21.

Note 2: The remuneration received in the most recent FY by the Company's directors for providing services (e.g. Serving as the consultant but not the employee of the parent company/any of the companies specified in the financial report/invested business, etc.) other than the remunerations disclosed above: None.

Note 3: The corporate representative is Acer Inc.

Salary Range Table

Salary range for directors of Apacer	Name of director			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	Apacer	All companies in financial report	Apacer	All companies in financial report
Less than NT\$1,000,000	—	—	—	—
NT\$1,000,000 (incl.)–NT\$2,000,000 (excl.)	—	—	—	—
NT\$2,000,000 (incl.)–NT\$3,500,000 (excl.)	Chen Ming-Ta, Chang Chia-Kun Teddy Lu, George Huang Victor Chien (Note), Max Wu, Philip Peng, Cathy Han	Chen Ming-Ta, Chang Chia-Kun Teddy Lu, George Huang Victor Chien (Note), Max Wu, Philip Peng, Cathy Han	Teddy Lu, George Huang Victor Chien (Note), Max Wu, Philip Peng, Cathy Han	Teddy Lu, George Huang Victor Chien (Note), Max Wu, Philip Peng, Cathy Han
NT\$3,500,000 (incl.)–NT\$5,000,000 (excl.)	Austin Chen	Austin Chen	—	—
NT\$5,000,000 (incl.)–NT\$10,000,000 (excl.)	—	—	—	—
NT\$10,000,000 (incl.)–NT\$15,000,000 (excl.)	—	—	Chen Ming-Ta	Chen Ming-Ta
NT\$15,000,000 (incl.)–NT\$30,000,000 (excl.)	—	—	Austin Chen, Chang Chia-kun	Austin Chen, Chang Chia-kun
NT\$30,000,000 (incl.)–NT\$50,000,000 (excl.)	—	—	—	—
NT\$50,000,000 (incl.)–NT\$100,000,000 (excl.)	—	—	—	—
NT\$100,000,000 or above	—	—	—	—
Total	9 people	9 people	9 people	9 people

Note: The corporate representative is Acer Inc.

2. Remuneration for supervisors: The Company has established an Audit Committee and, in compliance with the law, does not appoint supervisors. Therefore, this is not applicable.

3. Remuneration for President and Vice President

Unit: NT\$

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special allowance (C)		Employee remuneration (D)				The total amount of A, B, C and D, and the percentage in net income after tax (%)		Remuneration from reinvestment businesses other than subsidiaries		
		Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report	Apacer	All companies in financial report			
CEO	Chang Chia-Kun															
President	Chen Ming-Ta															
Vice President	Luo Rong-Fa	13,855,000	15,495,000	534,600	534,600	10,822,000	11,632,000	13,888,000	15,470,000	-	39,099,600	43,131,600	4.55%	5.02%	-	
Vice President	Huang Mei-Hui															
Vice President	Luo Xue-Ru															

Salary Range Table

Salary range for the President and Vice President of Apacer	President and Vice President name	
	Apacer	All companies in financial report
Less than NT\$1,000,000	-	-
NT\$1,000,000 (incl.)-NT\$2,000,000 (excl.)	-	-
NT\$2,000,000 (incl.)-NT\$3,500,000 (excl.)	-	-
NT\$3,500,000 (incl.)-NT\$5,000,000 (excl.)	Chen Ming-Ta, Luo Rong-Fa	Luo Rong-Fa
NT\$5,000,000 (incl.)-NT\$10,000,000 (excl.)	Huang Mei-Hui, Luo Xue-Ru	Chen Ming-Ta, Huang Mei-Hui, Luo Xue-Ru
NT\$10,000,000 (incl.)-NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.)-NT\$30,000,000 (excl.)	Chang Chia-Kun	Chang Chia-Kun
NT\$30,000,000 (incl.)-NT\$50,000,000 (excl.)	-	-
NT\$50,000,000 (incl.)-NT\$100,000,000 (excl.)	-	-
NT\$100,000,000 or above	-	-
Total	5 people	5 people

4. Names of the managers distributing employee remunerations and the distributing status

December 31, 2025; Unit: NTS

	Title	Name	Share amount	Cash amount	Total	The total amount in net income after tax (%)
Manager	Chairman and CSO	Austin Chen	0	31,370,000	31,370,000	3.65%
	Director & CEO	Chang Chia-Kun				
	Vice Chairman & President	Chen Ming-Ta				
	Vice President	Luo Rong-Fa				
	Vice President	Huang Mei-Hui				
	Vice President	Luo Xue-Ru				
	CTO	Li Jun-Chang				
	CFO	Lai Zi-Wen				
	Senior Head	Yin Hua-Jun				
	Senior Head	Yu Yao-Tse				
	Accounting Manager	Huang Yi-Cheng				

5. Comparison and analysis of the total remuneration as a percentage of net income stated in the financial report of Apacer or individual financial reports and paid by Apacer and all the companies in the consolidated report to each of Apacer's directors, supervisors, President, and Vice President in the most recent 2 fiscal years, and description of the policies, standards, and portfolios for payment of the remuneration, the procedures for determining the remuneration, and the association with the operation performance and future risk exposure.

- (1) Analysis of the total remuneration paid by the Company and all consolidated subsidiaries in the most recent two fiscal years to the Company's directors, general manager, and deputy general managers as a percentage of net profit after tax.

Title	Ratio of total remuneration in 2025 to net income after tax	Ratio of total remuneration of all the companies in the consolidated statements in 2025 to net income after tax	Ratio of total remuneration in 2024 to net income after tax	Ratio of total remuneration of all the companies in the consolidated statements in 2024 to net income after tax
Directors and Independent Directors	2.57%	2.57%	3.95%	3.95%
President and Vice President	4.55%	5.02%	14.88%	16.14%

Explanation of the correlation and reasonableness between net profit after tax and changes in remuneration: The Company's net profit after tax in 2025 increased compared to 2024. Accordingly, the proportion of total remuneration decreased, and such change is considered reasonable.

- (2) The Company's remuneration policy, standards and structure, procedures for determining remuneration, and its relationship with operating performance and future risks.

A. Remuneration Policy, Standards, and Structure, and Procedures for Determining Remuneration

(A) Independent Directors

To ensure the robust supervisory functions and strengthen the management capability, the Company's Board of Directors has established the two functional committees: Audit Committee and Remuneration Committee, as per the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The committees consist of the independent directors based on the Corporate Governance Evaluation indicators, and the remuneration for the functional committee members is determined with reference to the standards of the industry in Taiwan and overseas. The remuneration can be categorized as that to the convener and that to a general member based on the responsibilities, risks and devoted time of the member.

(B) Directors

The remuneration to the Company's directors is subject to Article 16-1 of the Company's Articles of Incorporation: The Board of Directors is authorized to determine the remuneration proposed by the Remuneration Committee for the directors in consideration of the extent of their involvement in and the value of their contribution to the operations of the Company and the industry average in Taiwan and abroad regardless of whether the Company has profits or losses. Where there is any profit in a fiscal year, no more than 1.4% of the profit shall be appropriated as remuneration to directors. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered. The criteria for allocation of the remuneration must be recommended by the Remuneration Committee to the Board of Directors for approval.

In addition to evaluating overall operating performance, the Company considers future industry trends, domestic and international industry benchmarks, and directors' level of participation and contribution when determining reasonable remuneration. Relevant performance evaluations and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is periodically reviewed in response to actual operating conditions and applicable regulations to ensure alignment with sustainable business performance.

(C) President and Vice president

The remuneration to the Company's president and vice president is subject to Article 20 of the Company's Articles of Incorporation: Where there is any profit in a fiscal year, 4% or more of the profit shall be appropriated as remuneration to employees. Where the Company has any accumulated loss, the

remuneration must be appropriated from the balance after such accumulated loss has been covered. The employees' remuneration referred to in the previous paragraph may be distributed in the form of cash or stock. The employees eligible for the distribution may include the employees of the affiliated companies who meet the requirements specified by the Board of Directors.

The remuneration of the General Manager and Deputy General Managers is determined annually based on a comprehensive evaluation of corporate and individual performance and contributions, as well as global development trends, internal and external market conditions, and government regulations and policies. The Company conducts performance evaluations and interviews every six months to carry out necessary response and adjustment measures for the Company's relevant business activities to achieve the business targets. Managers' contributions to the Company's performance results shall be first assessed and reviewed by the Remuneration Committee and then reported to the Board of Directors for approval.

- B. Regarding the relationship between operating performance and future risks, the Company's remuneration policy takes into account future environmental changes and operating performance for evaluation and adjustment. Through the "Integrity Management Procedures and Code of Conduct" and the "Ethical Corporate Management Best Practice Principles," directors and managers are reminded not to pursue remuneration in ways exceeding the Company's risk tolerance, thereby avoiding potential losses or improper conduct after remuneration payment. Where directors or employees engage in illegal acts resulting in Company losses, necessary actions may be taken in accordance with applicable laws and regulations.

II. Corporate governance operation

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

The Board of Directors held 6 meetings in 2025. The presence and attendance of the directors are described below:

Title	Name	Actual number of persons present (attended)	Number of meetings attended by proxy	Actual attendance rate (%)	Remarks
Chairman	Austin Chen	6	0	100%	
Vice Chairman	Chen Ming-Ta	5	1	83.33%	
Director	Teddy Lu	5	0	83.33%	
Director	Chang Chia-Kun	6	0	100%	
Director	George Huang	5	0	83.33%	
Director	Victor Chien Corporate Representative: Acer Inc.	5	0	83.33%	
Independent Director	Max Wu	6	0	100%	
Independent Director	Philip Peng	6	0	100%	
Independent Director	Cathy Han	6	0	100%	

Other matters to be specified:

I. Where any of the following circumstances occurs to any meeting of the Board of Directors, the date, term and proposal of the meeting as well as the opinions of all the independent directors and actions taken by the Company on the opinions shall be specified:

- (I) The matters referred to in Article 14-3 of the Securities and Exchange Act.
- (II) In addition to the matters mentioned above, any resolution of the Board of Directors for which dissent or reservation has been expressed by any independent director and recorded in the minutes or any written statement: None.

II. Where the implementation status of recusal bearing on the interest of a director is involved, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described:

Date	Meeting	Proposal	Resolution
2025.02.20	1st meeting in 2025	Proposal for distribution of the remuneration for employees and directors in FY 2024 was adopted.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.
2025.07.24	4th meeting in 2025	Proposal for the Company's employee restricted stock allocation for fiscal year 2025.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.
2025.07.24	4th meeting in 2025	Proposal for adjustment of salary for managers in 2025 was adopted.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.
2025.12.18	6th meeting in 2025	Proposal for distribution of the performance bonus for managers in 2025 was adopted.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.
2025.12.18	6th meeting in 2025	Proposal for distribution of the remuneration for managers in 2025 was adopted.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.
2025.12.18	6th meeting in 2025	Proposal for distribution of the Employee Stock Ownership Trust for managers in FY 2025 was adopted.	The proposal was approved by a resolution of the directors, excluding Austin Chen, Chang Chia-Kun, and Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests. This was done in accordance with the consultation with the independent directors present at the meeting of the Board of Directors.

III. The Company resolved at the ninth meeting of the eighth Board of Directors held on 12.17, 2019 to establish the “Guidelines for Evaluating the Performance of the Board of Directors”. The evaluation procedure is described as follows:

Self-evaluation				
Interval of evaluation	Period of evaluation	Scope of evaluation	Method of evaluation	Items of evaluation
Annual	Evaluation of the performance of the Board of Directors from Jan. 1 to Dec. 31, 2025	Evaluation of the performance of the Board of Directors, (self or peer) evaluation of the performance of directors, and evaluation of the performance of functional committees	Self-evaluation of the Board of Directors, directors and functional committees	<ol style="list-style-type: none"> 1. Evaluation of the performance of the Board of Directors <ol style="list-style-type: none"> (1) Involvement in the Company’s operation. (2) Improvement of the quality of decision-making by the Board of Directors. (3) Composition and structure of the Board of Directors. (4) Election and continued education of directors. (5) Internal control. 2. (Self- or peer) evaluation of the performance of directors <ol style="list-style-type: none"> (1) Understanding of the objectives and missions of the Company. (2) Knowledge of the responsibilities of directors. (3) Involvement in the Company’s operation. (4) Internal relationship management and communication. (5) Professional knowledge and continued education of directors. (6) Internal control. 3. Evaluation of the performance of functional committees <ol style="list-style-type: none"> (1) Involvement in the Company’s operation. (2) Knowledge of the responsibilities of functional committees. (3) Improvement of the quality of decision-making by functional committees. (4) Composition and election of the members of functional committees. (5) Internal control.
External evaluation				
Interval of evaluation	Period of evaluation	Scope of evaluation	Method of evaluation	Items of evaluation
Once every three years	November 1, 2023 to October 31, 2024	Board of Directors	Self-evaluation questionnaire and on-site interviews	The Taiwan Investor Relations Institute was commissioned to conduct an external performance evaluation of the Board or Directors in five aspects of the composition and professional development of the Board of Directors, the quality of the Board of Directors’ decision-making, the effectiveness of the Board of Directors’ operations, internal control and risk management, and the level of the Board of Directors’ participation in corporate social responsibility.

Result of self-evaluation:

Item for evaluation	Achievement rate	Evaluation result
1. Evaluation of the performance of the Board of Directors	90% or more	Beyond standard
2. (Self- or peer) evaluation of the performance of directors	90% or more	Beyond standard
3. Evaluation of the performance of functional committees	90% or more	Beyond standard

For the results of self-evaluation and external evaluation, please refer to the official website of the Company (<https://www.apacer.com/zh-tw/html/board-of-directors>).

IV. Evaluation of the goals (e.g. establishment of the Audit Committee, improvement of information transparency, etc.) and implementation with respect to enhancement of the function of the Board of Directors in the current and most recent year:

- (I) In order to implement corporate governance and improve the functions of the Board of Directors, we perform an evaluation of the performance of the Board of Directors and the functional committees every year. In 2025, the performance evaluation was conducted by the board members themselves.
- (II) More information transparency: The Company is committed to transparent operations and pays attention to the rights and interests of its shareholders. On the Company’s website, related

information is provided in Chinese and English under “Investor Relations”, “Corporate Sustainable Development” and “Corporate Governance”. Important decisions of the Board of Directors are published regularly, and investor conferences are held on a periodical basis.

- (III) Director liability insurance: To protect the directors and managers from the risks they bear when conducting business, the Company purchases directors and managers’ liability insurance for the directors and managers annually, and regularly reviews the insurance policies to ensure certain insurance limits and coverage requirements. In this regard, the Company regularly reports to the Board of Directors.
- (IV) The Audit Committee and Remuneration Committee are formed by all the independent directors of the Company to assist the Board of Directors in performing its supervisory duties. The chairpersons of the committees report regularly to the Board of Directors regarding their operations.
- (V) Continuing education of directors: The Company encourages continuing education of the directors and regularly recommends courses for the directors to keep gaining new knowledge. The total education hours of the directors in 2025 were 66.

(II) Operation status of the Audit Committee or participation of supervisors in the Board of Directors

The Audit Committee held 4 meetings in 2025. The attendance of its members is described below:

Title	Name	Actual number of persons present (attended)	Number of meetings attended by proxy	Actual attendance rate (%)	Remarks
Chairperson	Max Wu	4	0	100%	
Member	Philip Peng	4	0	100%	
Member	Cathy Han	4	0	100%	

The annual work focuses of the Audit Committee:

- (I) The Audit Committee operates mainly for the purpose of overseeing the following matters:
 1. Fair presentation of the Company's financial statements.
 2. Appointment (dismissal) of CPAs and evaluation of their independence.
 3. Effective implementation of the Company's internal control system.
 4. The Company's compliance with the relevant regulations and rules.
 5. Control of the Company's existing or potential risks.
- (II) The matters to be reviewed by the Audit Committee mainly include:
 1. The internal control system and related policies and procedures.
 2. Audit of financial statements, and accounting policies and procedures.
 3. Acquisition or disposal of material assets, or derivative transactions, and related policies and procedures.
 4. Major loans of funds, endorsement or guarantees.
 5. Matters involving the personal interest of directors.
 6. Offering, issuance or private placement of equity securities.
 7. Appointment or dismissal of CPAs or evaluation of their independence and remuneration.
 8. Appointment/dismissal of the financial or accounting manager or chief internal auditor.
 9. Business reports and proposal for profit distribution or loss compensation.
 10. Other important matters specified by the Company or competent authorities.

Other matters to be specified:

- I. Where any of the following circumstances occur to the operation of the Audit Committee, the date, term and proposal of the Audit Committee meeting as well as the dissent, reservation or major suggestion of any independent director, the Audit Committee resolution, and how the Company manage the Committee’s opinions shall be described:

(I) The matters referred to in Article 14-5 of the Securities and Exchange Act:

Date	Meeting	Proposal	Audit Committee Resolution	The Company's action on the Committee's opinion
2025.02.20	1st meeting in 2025	Jason Yin and Steven Shih, the CPAs of KPMG Taiwan, were commissioned to act as the CPAs of the Company's financial statements, and the evaluation of their independence and competence as well as the resolution of their remuneration were adopted.	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.02.20	1st meeting in 2025	The business report and self-prepared financial statements of FY 2024 were adopted.	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.02.20	1st meeting in 2025	Proposal to issue the "Declaration on the Internal Control System" of FY 2024 was adopted.	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.02.20	1st meeting in 2025	Proposal for issuance of employee restricted stock in 2025	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.02.20	1st meeting in 2025	Proposal for establishment of the "Internal Control System for Sustainable Information Management" for the "Other Management Control Cycles"	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.02.20	1st meeting in 2025	Proposal for establishment of the "Control Procedure for Basic-Level Employee Reward Management" for the "Labor and Wage Cycle."	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.04.17	2nd meeting in 2025	The Company intends to acquire convertible preferred shares issued by NEO Semiconductor, Inc.	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.07.24	4th meeting in 2025	The Company's consolidated quarterly financial statements for the second quarter of FY 2025.	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.11.06	5th meeting in 2025	Internal audit plan for FY 2026	Approved by all of the Audit Committee members	Approved by all of the directors present
2025.11.06	5th meeting in 2025	The Company's 2025 property acquisition (including the subsidiary UD info Corp.).	Approved by all of the Audit Committee members	Approved by all of the directors present

(II) In addition to the matters mentioned above, any resolution approved by more than two-thirds of all the directors but not approved by the Audit Committee: None.

II. Where the implementation status of recusal bearing on the interest of an independent director is involved, the name of the independent director, proposal, reasons for the recusal, and participation in the voting shall be described: None.

III. Communication of independent directors with the chief internal auditor and CPAs (including important matters, methods and results with respect to communication of the company finances and operation status):

(I) Communication of the independent directors with the chief internal auditor

Date	Attendees	Communications with the chief internal auditor	Results
2025.02.20 Audit Committee meeting	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han	Review of the internal audit report	The proposal was approved without objections.
		Review of the Declaration on the Internal Control System	
		Proposal for review of the "Internal Control System for Sustainable Information Management"	
		Proposal for review of the "Control Procedure for Basic-Level Employee Reward Management"	
2025.04.17 Audit Committee meeting	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han	Review of the internal audit report	The proposal was approved without objections.
2025.07.24 Audit Committee meeting	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han	Review of the internal audit report	The proposal was approved without objections.
2025.11.06 Audit Committee meeting	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han	Review of the internal audit report	The proposal was approved without objections.
		Review of the internal audit plan for FY 2026	The proposal was approved without objections.

2025.12.18 Independent Director and Audit Chief communicate separately	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han Audit Chief:Zheng Mengling	Review of the internal audit report Report on information security, inventory and accounts receivable	<ol style="list-style-type: none"> 1. The Company will continue to provide board members with more information on annual continuing education courses to help them schedule and complete the required training by the deadline. 2. It is recommended to allocate budget resources to support local community initiatives and the development of local culture.
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(II) Communication of the independent directors with the CPAs

Date	Attendees	Communications with the CPAs	Results
2025.02.20 Audit Committee meeting	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han	<ol style="list-style-type: none"> 1. Independence 2. Responsibility of auditors for the audit of financial reports 3. Audit scope and method 4. Audit findings 5. Update of important accounting standards or interpretations, laws and regulations related to securities supervision and taxation 	Acknowledged with no other suggestions.
2025.12.18 Independent Director and CPA communicate separately	Independent Director:Max Wu Independent Director:Philip Peng Independent Director:Cathy Han CPA: Jason Yin	<ol style="list-style-type: none"> 1. Independence 2. Responsibility of the reviewer for review of the interim financial report 3. Review scope and method 4. Review findings 5. Annual audit plan 6. Conversion plan for IFRS 18 7. Update of the laws and regulations 	Acknowledged with no other suggestions.

(III) Corporate governance and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
I. Has your company established and disclosed its corporate governance best practice principles pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V	We have established the “Corporate Governance Best Practice Principles” pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed these on our website.	No difference
II. Shareholding structure and shareholder’s equity			
(I) Does your company have an internal procedure and act accordingly for handling shareholders’ suggestions, doubts, disputes, and lawsuits?	V	(I) To protect the interests of the shareholders, we have designated personnel to deal with suggestions, doubts and disputes of the shareholders. We may accept suggestions and we deal with disputes depending on the type of the problem, and act according to the procedure.	No difference
(II) Does your company have lists of the major shareholders who actually control the company and the persons who have ultimate control of the major shareholders?	V	(II) We have lists of the major shareholders who actually control the Company and the persons who control the major shareholders to ensure the stability of the business management rights.	No difference
(III) Does your company have a firewall mechanism in place to control the risks between the company and its affiliates?	V	(III) We have internal “Regulations Governing the Transactions among Related Parties”, “Subsidiary Management Regulations”, “Procedures for Endorsements/Guarantees”, “Procedures for Loaning Funds to Others”, and “Procedures for Acquisition or Disposal of Assets” to establish appropriate risk control mechanism and firewall. The auditors supervise the implementation on a regular basis.	No difference
(IV) Does your company have internal regulations to prohibit insiders of the company from using undisclosed information in	V	(IV) We have established the internal control regulations of “Management Procedures for Handling Material Inside Information and Prevention of Insider Trading” and “Procedures for Ethical Management and Guidelines for Conduct” to prohibit insiders of the company from using information not open to the market to trade securities. Promotions are executed to the insiders and employees of the company.	No difference

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
the market to trade securities?			
III. Responsibilities of the Board of Directors and its formation (I) Are a policy of diversification and specific management objectives established and implemented by the Board of Directors?	V	<p>(I) Our “Corporate Governance Best Practice Principles” specifies a policy of diversification for the composition of our Board of Directors. The relevant principles are disclosed on our website:</p> <ol style="list-style-type: none"> 1. The members of our Board of Directors have diverse professional backgrounds and experience, which help us achieve the objectives of improving our operating performance and the overall benefits of shareholder values. 2. To ensure a diverse composition of our Board of Directors, its members consist of nine directors with rich experience in various professions, as well as three independent directors (accounting for 33.33%). The members come from professional backgrounds in business management, accounting, finance, and engineering technology. With diverse professional backgrounds, they possess skills in accounting and financial analysis, business management, venture investment, engineering technology, leadership, and decision-making that demonstrate both diversity and complementarity. Such professional backgrounds and industrial experience have made it possible for us to effectively implement the above-mentioned strategies for management and future development. 3. Since the Company puts great emphasis on the diversity of the Board of Directors, we require that the members thereof shall possess at least three different professional backgrounds and work experience in two different industries and that at least a female director shall be appointed to achieve the management objectives for diverse formation of the Board of Directors. There was a female independent director (accounting for 11.11% of all the directors) in the Board of Directors as of January 2026, thereby achieving the goal of board members with diverse backgrounds/experience. 4. As for the implementation of the diversification policy for the composition of the Board of Directors, please see page 12. 	No difference
(II) Does your company voluntarily establish other functional committees similar to the Remuneration		V	<p>Assessment of the necessity for additional functional committees with reference to the</p>

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
<p>Committee and Audit Committee set up pursuant to the relevant laws and regulations?</p> <p>(III) Does your company have guidelines for evaluating the performance of the Board of Directors and conduct regular performance evaluation every year? Does your company submit the results of the performance evaluation to the Board of Directors? Are the results used as the basis for the remuneration and nomination for re-election of individual directors?</p> <p>(IV) Does your company assess the independence and competency of the CPAs on a regular basis?</p>	V	<p>results to the Chairman and CEO on a regular basis.</p> <p>(III) To implement corporate governance, improve the functions of the Board of Directors, set performance goals and strengthen the operational efficiency of the Board, the Company resolved at the board meeting held on December 17, 2019 to formulate the “Guidelines for Evaluating the Performance of the Board of Directors” and include the evaluation for the performance of functional committees in the Guidelines. The performances of the Board of Directors and functional committees shall be evaluated for a period from January 1 to December 31 of the current year once a year in accordance with the requirements of the Guidelines, and the report of the evaluation results shall be completed by the end of the first quarter of the following year. In 2025, the achievement rates of the performance evaluations for the Board of Directors, Audit Committee, and Remuneration Committee were higher than 90%, and the results were reported at the board meeting held on February 25, 2026, as well as at the meetings of the functional committees.</p> <p>(IV) The Company’s Audit Committee assesses the independence and competency of CPAs on a yearly basis and submits the results to board meetings for discussion. We assess CPAs for their independence based on the “Declaration of Independence” provided thereby every year and with reference to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10. The latest assessment was approved by the Audit Committee on February 25, 2026 and submitted to the Board of Directors for approval. Important assessment items are listed below:</p> <ol style="list-style-type: none"> 1. There is no direct or material indirect financial interest or significant close business relationship between the CPAs or any audit team members and the Company. 2. None of the CPAs and audit team members is currently, or was within the recent two years, a director, supervisor, or managerial office of the Company, or receives or received a fixed salary for performing routine work. 3. None of the CPAs and audit team members has any inappropriate interest with the Company. 4. The names of the CPAs are not used by others. 5. None of the CPAs and audit team members holds any shares of the Company, engages in borrowing and lending of money, and is in a joint venture or profit 	<p>business operation status and scale in the future.</p> <p>No difference</p> <p>No difference</p>

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>sharing relationship.</p> <p>6. Neither CPAs nor any audit team members have a relationship of spouses, direct relatives by blood, direct relatives by marriage, or collateral relative by blood within the second degree of kinship with the Company's directors, supervisors, responsible persons or managerial officers.</p> <p>7. No former partner acts as a director, supervisor, or managerial office of the Company or is in a position to exert significant influence on audit engagement within one year after he/she left his/her office. The replacement of our CPAs is conducted pursuant to relevant regulations.</p> <p>Starting from 2023, the Company's Audit Committee not only takes the audit professional fees, services and independence into account, but also includes the audit quality as the primary consideration for competency when making the annual assessment of the commissioned CPAs. Based on the five aspects—professionalism, quality control, independence, monitor and creativity—covered in the "Description of Audit Quality Indicators" annually provided by the CPAs, we assessed the CPAs in an objective manner and concluded that their audit quality could maintain and enhance the level of assurance of the latest assessment the second financial statements. The most recent assessment was approved by the Audit Committee on February 25, 2026 and submitted to the Board of Directors for approval.</p>	
IV. Does your TWSE/TPEX-listed company designate competent corporate governance personnel in an appropriate number along with a chief corporate governance officer responsible for related matters (including but not limited to providing information required for directors and supervisors to perform their duties, assisting directors and supervisors in compliance, handling matters related to the Board of Directors and shareholders' meetings and	V	<p>We established the "CSR Committee" in 2015, which was further renamed to the "Sustainable Development Committee" in 2021. It has a subordinate "Working Group on Corporate Governance" headed by the CFO, who was further appointed by the Board of Directors on October 30, 2022 to be the chief corporate governance officer responsible for the affairs related to corporate governance, such as planning and implementing corporate governance matters, providing information required for the directors to perform their duties, assisting the directors to observe laws and regulations, and handling matters related to the Board of Directors and shareholders' meetings in accordance with the laws.</p> <p>The implementation of work in FY 2025 includes the following matters:</p> <p>(I) Regular arrangement of further education for directors and provision of information required for directors to perform their duties and related to the latest legal development relevant to operation of the Company to help directors observe laws and regulations.</p> <p>(II) Assisting with the meeting procedure of the Board of Directors and the shareholders</p>	No difference

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
preparing minutes of the Board of Directors and shareholders' meetings)?		<p>and compliance matters of the resolutions.</p> <p>(III) Assisting in the communication between the independent directors, chief internal auditor and CPAs at Audit Committee meetings.</p> <p>(IV) Maintaining investor relations.</p> <p>(V) Publishing important information related to the material resolutions of the Board of Directors and shareholders' meetings in accordance with the relevant laws.</p> <p>(VI) Arranging for the "Ethical Corporate Management Implementation Unit" to report on the implementation status and plans related to the promotion of ethical management in the current year at the board meeting on December 18, 2025, to ensure the fulfillment of the Ethical Corporate Management Best-Practice Principles.</p> <p>(VII) Arranging for the "Sustainable Development Committee" to report on the implementation and results related to the Sustainable Development Best-Practice Principles at the board meeting on December 18, 2025 to ensure the fulfillment of the Sustainable Development Best-Practice Principles.</p> <p>(VIII) Reviewing the implementation of corporate governance evaluation on a quarterly basis.</p> <p>(IX) Other matters referred to in the Articles of Incorporation or contracts.</p>	
V. Does your company establish channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), design special web pages for the stakeholders on the website, and appropriately respond to important CSR issues concerned about by the stakeholders?	V	<p>We have set up appropriate channels for communication with upstream and downstream vendors, banks, investors, and other stakeholders. For investors, we set up a special shareholder service and investor relationship mailbox and designated personnel for dealing with related matters. We also disclose related information on our website; management-labor meetings, complaint systems, and internal information networks are set up for the employees; regularly hold supplier conference for suppliers. The Company provides a stakeholder section and contact information on our website to properly respond to corporate social responsibilities and other relevant issues for which the stakeholder are concerned.</p>	No difference
VI. Does your company commission a professional registrar to deal with matters related to the shareholders' meeting?	V	<p>We have commissioned KGI Securities Co. Ltd., Stock Administration, to handle these affairs.</p>	No difference

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
<p>VII. Disclosure of information</p> <p>(I) Does your company have a website to disclose the financial and corporate governance information of the company?</p> <p>(II) Does your company adopt other information disclosing methods (such as building an English website, designating a person for collection and disclosure of information, implementing a spokesperson system, and publishing the process of investor conferences on the website)?</p> <p>(III) Does your company publish and file its annual financial report within two months after the end of a fiscal year? Does your company publish and file the Q1, Q2 and Q3 financial reports and monthly operating performance before the required time limit?</p>	V	<p>(I) Apacer website: (https://www.apacer.com/). We disclose information about our business, financial status, and implementation of corporate governance on our website.</p> <p>(II) We have a website to provide relevant information in Chinese and English as a reference for shareholders and stakeholders. Our CFO, Ms. Lai Zi-Wen, serves as the spokesperson, while our CEO, Mr. Chang Chia-Kun, acts as the deputy spokesperson. The Global Marketing Division is responsible for communication with the media, while IR is responsible for communication with corporations and shareholders. At least one investor conference is held every year, and the process is published on our website. All important information that may affect shareholders and stakeholders is disclosed appropriately and in a timely manner. The “Management Procedures for Handling Material Insider Information and Prevention of Insider Trading” is formulated to regulate the procedures for handling internal material information, and is made known to the all the employees, managerial officers and directors.</p> <p>(III) Our financial reports and monthly operating performance are published and filed within the required time limits in accordance with Article 36 of the Securities and Exchange Act. Our 2025 financial report was published and filed on February 26, 2026, and our 2025 Q1, Q2 and Q3 financial reports and monthly operating performance were published and filed before the required time limit.</p>	No difference
	V		No difference
	V		No difference
VIII. Does your company have additional important information that is helpful to understand the operation of the corporate governance (including but not limited to the interests and care of employees, investor relationship,	V	<p>(I) Interests and care of employees: In addition to formation of the Supervisory Committee of Labor Retirement Reserve and arrangement of labor insurance, national health insurance and group insurance, we have an Employee Welfare Committee to complete employee welfare measurements and ensure the retirement system. Existing welfare measures include marriage allowance, maternity allowance, funeral allowance, consolatory hospitalization bonus, birthday bonus, and subvention for the clubs and recreational</p>	No difference

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
supplier relationship, rights of stakeholders, further education of directors and supervisors, and implementation of risk management policies and measurement criteria)?		<p>activities of the employees.</p> <p>We have always paid attention to the rights and interest of our employees, and therefore, in addition to ensuring the compliance of our management systems with the relevant laws, all the regulations and implementation information related to corporate governance are published on the Company's website for our employees' reference. We guarantee to perform social responsibilities and protect our employees' rights and interests. In addition, we have become a member of the Responsible Business Alliance (RBA) and strictly followed related regulations to incorporate our concern for human rights in every dimension of our daily operation so as to fulfill the employer's duty of employee care.</p> <p>(II) Investor relationship:</p> <p>We have a spokesperson, a deputy spokesperson, and a designated unit for investor relations. The contact information of the unit is made public and investors can give feedback at any time. The communication between us and our investors is enhanced and the transparency of our financial status and cooperate governance is improved to create a better image of the Company.</p> <p>(III) Supplier relationship:</p> <p>The Company deals with our suppliers based on mutual trust and benefit, and we hold an annual supplier conference in the hope to achieve growth and a win-win outcome together with them.</p> <p>(IV) Rights of stakeholders:</p> <p>Stakeholders can communicate with us and give us advices.</p>	

Item			Description										Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary										
			(V) Continuing education of directors:										
			Title	Name	Course date	Organizer	Course	Education hours	Does the course meet requirements?				
			Chairman	Austin Chen	2025/08/14	Taiwan Corporate Governance Association	Analysis of the Global Economic Situation Following Trump's Election	3	Yes				
			Vice Chairman	Chen Ming-Ta	2025/02/19	Taipei Foundation of Finance	Regulations on Securities and Corporate Governance	3	Yes				
					2025/02/19	Taipei Foundation of Finance	Looking Ahead to 2025: Key Metrics and Trend Analysis of Global Passion Watch	3	Yes				
					2025/07/11	Taiwan Corporate Governance Association	NVIDIA's \$3 Trillion Miracles: A New Perspective on the Revolution in the Semiconductor Industry Behind Artificial Intelligence	3	Yes				
					2025/08/14	Taiwan Corporate Governance Association	Analysis of the Global Economic Situation Following Trump's Election	3	Yes				
					2025/04/25	Taiwan Corporate Governance Association	Remuneration for Senior Managers and Design of the ESG Performance System	3	Yes				
			Director	Chang Chia-Kun	2025/07/11	Taiwan Corporate Governance Association	NVIDIA's \$3 Trillion Miracles: A New Perspective on the Revolution in the Semiconductor Industry Behind Artificial Intelligence	3	Yes				
			Director	Teddy Lu	2025/05/08	Taiwan Corporate Governance Association	Legal Responsibilities and Compliance Practices Related to "Financial Crime" in the Digital Era	3	Yes				
					2025/08/07	Taiwan Corporate Governance Association	How the Board of Directors Addresses T2 ESG Risk Issues	3	Yes				
					2025/08/14	Taiwan Corporate Governance Association	Regulations on Securities and Corporate Governance	3	Yes				
			Director	Victor Chien	2025/08/14	Taiwan Corporate Governance Association	Analysis of the Global Economic Situation Following Trump's Election	3	Yes				
					2025/08/15	Taiwan Corporate Governance Association	Global Sustainability Regulation Trends and Climate-Related Disclosure	3	Yes				

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons						
	Yes	No	Summary						
				2025/08/15	Taiwan Corporate Governance Association	IFRS 18 Presentation and Disclosure of Financial Statements and the Law of Sustainable "Innovation" – Building a Differentiated Innovation Strategy to Address Societal Changes	3	Yes	
			Director	2025/12/16	Taiwan Corporate Governance Association	Drive for Change and Sustainability: Insights into the New Landscape of Corporate Risk Governance from the Viewpoint of Global Trends	3	Yes	
			George Huang	2025/12/19	Taiwan Corporate Governance Association	International Trends and Experience Sharing in Corporate Ethical Management and Senior Management Accountability	3	Yes	
				2025/08/07	Taiwan Corporate Governance Association	How Should Directors and Supervisors Ensure the Company Properly Manages its Business Risks and Crises	3	Yes	
			Independent Director	2025/08/07	Taiwan Corporate Governance Association	How to Design Governance and Management to Ensure Business Succession is no Longer an Obstacle to Sustainable Operations	3	Yes	
			Max Wu	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6	Yes	
			Independent Director	2025/05/29	Taiwan Independent Director Association	Key Considerations for Global Deployment	3	Yes	
			Philip Peng	2025/09/26	Taiwan Corporate Governance Association	Governance and Management of Cybersecurity in Geopolitics	3	Yes	
			Independent Director	2025/09/26	Taiwan Corporate Governance Association	Current Global Economic Situation and the Effect of Trump's Policies	3	Yes	
			Cathy Han						

Item			Description										Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons		
	Yes	No	Summary												
			Title	Name	Course date	Organizer	Course	Education hours	Does the course meet requirements?						
			(VI) Managers and their participation in continuing education and training related to corporate governance:												
			Chairman and CSO	Austin Chen	2025/08/14	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Analysis of the Global Economic Situation Following Trump's Election Regulations on Securities and Corporate Governance	3	Yes						
			Director & CEO	Chang Chia-Kun	2025/07/11	Taiwan Corporate Governance Association	Remuneration for Senior Managers and Design of the ESG Performance System NVIDIA's \$3 Trillion Miracles: A New Perspective on the Revolution in the Semiconductor Industry Behind Artificial Intelligence	3	Yes						
			Vice Chairman & President	Chen Ming-Ta	2025/02/19	Taipei Foundation of Finance	Looking Ahead to 2025: Key Metrics and Trend Analysis of Global Passion Watch NVIDIA's \$3 Trillion Miracles: A New Perspective on the Revolution in the Semiconductor Industry Behind Artificial Intelligence	3	Yes						
			CFO	Lai Zi-Wen	2025/08/14	Taiwan Corporate Governance Association	Analysis of the Global Economic Situation Following Trump's Election CDP Taiwan Press Conference – Strengthen Climate Information Disclosure to Improve Corporate Climate Resilience	3	Yes						
					2025/06/10	Business Council for Sustainable Development, Taiwan	Corporate Governance, Organizational Culture, and Corporate Sustainability Corporate Sustainability Risk Management and Strategy Analysis	3	Yes						
					2025/07/22	Taiwan Corporate Governance Association	2025 Taiwan's Capital Market Summit	3	Yes						

Item	Description		Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No													
		<table border="1"> <thead> <tr> <th colspan="4">Summary</th> </tr> </thead> <tbody> <tr> <td></td> <td>2025/12/05</td> <td>Securities and Futures Institute</td> <td>New Thoughts on Corporate Hedging: Responding to Exchange Rate Challenges and Asset Management Trends</td> </tr> <tr> <td>Accounting Manager</td> <td>Huang Yicheng 2025/12/14-2025/12/15</td> <td>Accounting Research and Development Foundation</td> <td>Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Securities Exchanges</td> </tr> </tbody> </table> <p>(VII) Implementation of risk management policies and risk assessment standards: The Company's "Risk Management Policies and Procedures" were established on August 4, 2021 and approved by the Board of Directors to disclose the scope and organizational structure of risk management. We regularly reports to the Board of Directors on the status of risk management every year (at least once a year). The status in 2025 was reported to the Board on December 18, 2025. For more information, please visit the website of the Company.</p> <p>(VIII) Implementation of customer policies: We and our subsidiaries greatly value the opinions of customers. Business review meetings are held with the customers to understand their opinions and questions regarding products so that stable and good relations can be maintained with the aim to generate profits for the Company.</p> <p>(IX) Liability insurance coverage for directors and supervisors & social responsibility: The Company has our directors and supervisors ensured by the director liability insurance every year, and it reported the amount covered, insurance scope, and insurance rate at the board meeting held on February 25, 2026.</p>	Summary					2025/12/05	Securities and Futures Institute	New Thoughts on Corporate Hedging: Responding to Exchange Rate Challenges and Asset Management Trends	Accounting Manager	Huang Yicheng 2025/12/14-2025/12/15	Accounting Research and Development Foundation	Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Securities Exchanges	Yes
Summary															
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Accounting Manager	Huang Yicheng 2025/12/14-2025/12/15	Accounting Research and Development Foundation	Continuing Education Program for the Accounting Managers of Issuers, Securities Firms and Securities Exchanges												
		<p>IX. On the basis of the result of corporate governance evaluation released by TWSE's Corporate Governance Center in the most recent year, please describe the matters to which improvements have been made. Regarding the matters to which improvements have yet to be made, please list those which have been selected as priorities and the measures to be taken. The improvements in 114 are as follows:</p> <ol style="list-style-type: none"> In order to emphasize environmental protection and progressively achieve the goal of mitigating global warming, we not only disclose water consumption and total waste volume for 2023 and 2024 but also obtain external verification to ensure the reliability of future carbon reduction strategies. In order to prioritize shareholder value and enhance corporate value, we will begin disclosing our operating strategies and business plans starting in 2025, clarifying specific measures to improve corporate value and submitting them to the Board of Directors as a channel for proactive shareholder communication. 													

(IV) If your company has a remuneration committee, the composition, responsibilities and operation of the committee shall be disclosed:

1. Information of the members of the Remuneration Committee

The Company's Remuneration Committee consists of independent directors, and the information about the members are shown as follows:

March 30, 2026

Member type	Qualifications	Professional qualifications and experience	Independence	Number of other public companies where the member also serves in a remuneration committee	Remarks
	Name				
Independent Director	Max Wu	Please refer to the information on directors on page 10-11 for the relevant details.	Please refer to the information on directors on page 10-11 for the relevant details.	2	Convener
Independent Director	Philip Peng			1	
Independent Director	Cathy Han			1	

2. Duties of the Remuneration Committee

The main duties of the Remuneration Committee is to faithfully perform the following matters by exercising due diligence of a good administrator and submit its suggestions to the Board of Directors for discussion:

- (1) Establish and periodically review the Articles of Association of the Remuneration Committee, and submit correction suggestions.
- (2) Establish and periodically review the policy, system, standard and structure with respect to the long-term performance goals and remuneration for directors and managerial officers.
- (3) Periodically evaluate the achievement of the directors and managerial officers' performance goals and determine the contents and amount of their individual remuneration.

3. Information on the operation of the Remuneration Committee

- (1) Our Remuneration Committee is composed of three members.
- (2) The term of the current members: May 31, 2024 - May 30, 2027
- (3) The Remuneration Committee held three meetings (A) in the most recent FY, and the attendance of its members are described below:

Title	Name	Number of meetings attended (B)	Number of meetings attended by proxy	Attendance rate (%) (B/A)	Remarks
Convener	Max Wu	3	0	100%	
Member	Philip Peng	3	0	100%	
Member	Cathy Han	3	0	100%	
Other matters to be specified:					
I. If the Board of Directors does not adopt or revise the suggestions of the Remuneration Committee, the date, term and proposal of the Board of Directors meeting, the Board of Directors resolution and actions taken by the Company on the Remuneration Committee's opinions shall be specified (if the amount of remuneration adopted by the Board of Directors is higher than that suggested by the Remuneration Committee, the differences and reasons must be indicated): None.					
II. For any resolution of the Remuneration Committee for which dissent or reservation is expressed by any of the members and recorded in the minutes or a written statement, the date, term and proposal of the Remuneration Committee meeting, opinions of all members and actions taken on such opinions shall be specified: None.					

(4) The proposals discussed and resolutions by the Remuneration Committee in the most recent year are as follows:

Date	Meeting	Proposal of the Remuneration Committee	Resolution of the Remuneration Committee	The Company's action on the Committee's opinion
2025/02/20	1st meeting in 2025	Proposal for distribution of the remuneration for employees and directors in FY 2024	Approved by all of the Committee members present	Approved by all of the directors present
2025/02/20	1st meeting in 2025	Proposal for issuance of employee restricted stock in 2025	Approved by all of the Committee members present	Approved by all of the directors present
2025/07/24	2nd meeting in 2025	Proposal for amendment to the Rules Governing the Issuance of Restricted Stock Award Shares for Employees in 2025	Approved by all of the Committee members present	Approved by all of the directors present
2025/07/24	2nd meeting in 2025	Proposal for the Company's employee restricted stock allocation to managerial officers in 2025	Approved by all of the Committee members present	The proposal was approved by a resolution of the directors present, excluding the Chairman and CSO Austin Chen, CEO Chang Chia-Kun, and President Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests.
2025/07/24	2nd meeting in 2025	Proposal for the excessive allocation of the Company's employee restricted stock to a single subscriber in 2025	Approved by all of the Committee members present	Approved by all of the directors present
2025/07/24	2nd meeting in 2025	Proposal for adjustment of the salary for managers in 2025	Approved by all of the Committee members present	The proposal was approved by a resolution of the directors present, excluding the Chairman and CSO Austin Chen, CEO Chang Chia-Kun, and President Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests.
2025/12/18	3rd meeting in 2025	Proposal for distribution of the performance bonus for managers in 2025	Approved by all of the Committee members present	The proposal was approved by a resolution of the directors present, excluding the Chairman and CSO Austin Chen, CEO Chang Chia-Kun, and President Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests.
2025/12/18	3rd meeting in 2025	Proposal for distribution of the employee remuneration for managers in FY 2025	Approved by all of the Committee members present	The proposal was approved by a resolution of the directors present, excluding the Chairman and CSO Austin Chen, CEO Chang Chia-Kun, and President Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests.
2025/12/18	3rd meeting in 2025	Proposal for distribution of the	Approved by all of the Committee members	The proposal was approved by a resolution of the directors

Date	Meeting	Proposal of the Remuneration Committee	Resolution of the Remuneration Committee	The Company's action on the Committee's opinion
		Employee Stock Ownership Trust for managers in FY 2026	present	present, excluding the Chairman and CSO Austin Chen, CEO Chang Chia-Kun, and President Chen Ming-Ta, who did not participate in the discussion and voting due to personal interests.
2025/12/18	3rd meeting in 2025	Proposal for definition of the scope for the Company's basic-level employees	Approved by all of the Committee members present	Approved by all of the directors present

(V) Implementation status of sustainable development, and the differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
I. Does your company have a governance structure that promotes sustainable development, and does it have a special unit or designate an existing unit for the task of sustainable development promotion? Does the Board of Directors of your company authorize the management to handle relevant matters and supervise the board?	V	<p>The Company's "Sustainable Development Committee" has been appointed based on our sustainable development policy to be the highest body in charge of the ESG-related matters. Our Chairman and CEO act respectively as the chair and executive secretary of the Committee, and are responsible for the proposal and implementation of the policy, system or related management strategies and the specific implementation plans related to sustainability. The organizational chart (https://www.apacer.com/zh-tw/pageguide/sustainable-operation) is as follows:</p> <pre> graph TD Board[Board of Directors] --> Audit[Audit Committee] Board --> SD[Sustainable Development Committee] Audit --> SD SD --> Chair[Chair] SD --> ExecSec[Executive Secretary] ExecSec --> ESG[ESG Promotion Team] ExecSec --> Risk[Management] ESG --> CG[Corporate Governance] ESG --> ER[Environmental Responsibility] ESG --> SR[Social Responsibility] ESG --> CSSC[Customer and Supplier Care] ESG --> EC[Employee Care] ESG --> SR2[Social Responsibility] Risk --> OR[Operational Risk] Risk --> CCR[Climate Change Risk] Risk --> FD[Five Divisions] ESG -.-> CD1[Cross-department] OR -.-> CD2[Cross-department] FD -.-> CD3[Cross-department] </pre>	<p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

The Sustainable Development Committee is comprised of the "ESG Promotion Team" and the "Risk Management Team." The ESG Promotion Team has five working groups of "Corporate Governance," "Employee Care," "Customer & Supplier Care," "Environmental Care" and "Community Care," with the managers of the relevant departments acting as the responsible persons of the working groups. The head of the Integration and Communication Office is designated as the Committee's Secretary to communicate and coordinate with different

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons				
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		<p>Summary</p> <p>departments. The Sustainable Development Committee takes reference from the development plan of the competent authority and safeguards the rights and interests of all shareholders to achieve the Company's sustainable development goals, and for this, it formulates a sustainable development strategy plan (https://www.apacer.com/zh-tw/pageguide/sustainable-operation). Each team of the Sustainable Development Committee sets annual work goals and implementation projects and holds regular meetings every quarter to review implementation progress, effectiveness, and improvement matters. The Sustainable Development Committee follows the sustainable development strategy plan, conducts a questionnaire survey, interviews, or analysis of stakeholders at the end of the year to identify the issues of concern to them, and formulates new annual development goals and work plans based on the results. In addition, the Sustainable Development Committee holds periodical review meetings with the chair and executive secretary of the Committee quarterly to follow up on the progress of implementation, and the operation is reported to the Board of Directors (annually). The items of implementation and the results thereof reported to the Board of Directors in 2025 are as follows: (reporting date: December 18, 2025)</p> <table border="1"> <thead> <tr> <th>Reports</th> <th>Results of implementation</th> </tr> </thead> <tbody> <tr> <td>Key ESG achievements</td> <td> <ol style="list-style-type: none"> 2024 greenhouse gas inventory verification statement Carbon emissions in 2024 were reduced by 7.52% compared to the base year The first lead-free DRAM and SSD product lines in the industry were launched The Company was recognized with the “Excellence in Family-Friendly and Gender Equality in the Workplace” award The sustainability report received an excellent rating in the “Active Evaluation of Corporate Sustainability Report Disclosure of Occupational </td> </tr> </tbody> </table>	Reports	Results of implementation	Key ESG achievements	<ol style="list-style-type: none"> 2024 greenhouse gas inventory verification statement Carbon emissions in 2024 were reduced by 7.52% compared to the base year The first lead-free DRAM and SSD product lines in the industry were launched The Company was recognized with the “Excellence in Family-Friendly and Gender Equality in the Workplace” award The sustainability report received an excellent rating in the “Active Evaluation of Corporate Sustainability Report Disclosure of Occupational 	
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Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>Summary</p> <p>Health and Safety Indicators”</p> <p>6. The Sustainability Report won the Silver Award in the Taiwan Corporate Sustainability Awards</p> <p>7. Corporate Governance – The Company was recognized by the 10th Corporate Governance Appraisal and ranked in the top 50% companies with a market value between NT\$5 billion and NT\$10 billion</p> <p>8. Embedded World : Best in Show *2</p> <p>9. Taiwan Excellence Awards (1 awards)</p> <p>10. The unidirectional technology won the EE Award (EE Times) – Product Award Asia</p> <p>Key ESG work items</p> <ol style="list-style-type: none"> 1. Intellectual property management plan and implementation 2. Report on information security control progress 3. Report on the implementation of annual ESG goals 4. Publication of the 2024 Sustainability Report <p>Risk Management</p> <p>Material risks, current control system and response strategies</p>	

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No										
<p>II. Does your company conduct assessment on the environmental, social and corporate governance risks related to the operations of the company based on the materiality principle? Does your company have a risk management policy or strategy?</p>	V	<p>(I) This disclosure covers the sustainable development performance of the headquarters from January to December 2025. The risk assessment boundary is based on the scope of the Company.</p> <p>(II) The Company's Sustainable Development Committee conducts analysis based on the materiality principle in the sustainability report. It communicates with internal and external stakeholders, and reviews and integrates the evaluation data of each department and subsidiary, in order to assess the material ESG topics, formulate effective identification, measurement, evaluation, supervision and control risk management policies, and take specific action plans to reduce the impact of related risks.</p> <p>(III) Based on the relatively material risk items acquired after the assessment, the Company established relevant risk management policies or strategies as follows:</p> <table border="1"> <thead> <tr> <th>Material issue</th> <th>Risk assessment item</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>Slow-moving materials</td> <td> <ol style="list-style-type: none"> Resell materials unused for a long period of time through the procurement department or use them as substitutes. Increase sharing to reduce inventory and keep order information updated whenever necessary. Cancel purchase orders/quantities or postpone deliveries to reduce inventory based on material status. </td> </tr> <tr> <td></td> <td>Shortage of materials</td> <td> <ol style="list-style-type: none"> Review the business forecast (FCST) monthly and adjust material quantities. Establish a safety stock level. Establish an urgent order pull-in mechanism. Establish a delivery and review mechanism for key customers and lead times. Initiate allocation measures in a timely manner. </td> </tr> </tbody> </table>	Material issue	Risk assessment item	Description	Corporate governance	Slow-moving materials	<ol style="list-style-type: none"> Resell materials unused for a long period of time through the procurement department or use them as substitutes. Increase sharing to reduce inventory and keep order information updated whenever necessary. Cancel purchase orders/quantities or postpone deliveries to reduce inventory based on material status. 		Shortage of materials	<ol style="list-style-type: none"> Review the business forecast (FCST) monthly and adjust material quantities. Establish a safety stock level. Establish an urgent order pull-in mechanism. Establish a delivery and review mechanism for key customers and lead times. Initiate allocation measures in a timely manner. 	<p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
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Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
III. Environmental issues (I) Does your company establish environmental management systems suitable for your industrial characteristics? (II) Is the Company dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?	V	(I) To create a positive working environment and fulfill corporate social responsibility, the Company's core environmental, occupational safety, and energy-saving policies are: "compliance with regulations, stakeholder engagement, pollution prevention, environmental friendliness, low-carbon sustainability, and continuous improvement." The Company provides necessary resources and conducts regular reviews to ensure achievement of management objectives. The Company has established an environmental management system which received the ISO 14001 certification in 2015. On March 24, 2026, the system passed the ISO 14001:2015 external verification, and the effective period of the updated version of the certification is from 3/24/2026 to 4/29/2029. We regularly conduct internal audits and management reviews to ensure the operations are in compliance with relevant environmental regulations and international standards. The aim is to achieve environmental sustainability. Environmental management system performance in 2025: 1. Launched fully lead-free DDR5 memory modules and SSDs exceeding EU environmental standards. 2. II. The parent company obtained ISO 14064-1 greenhouse gas inventory verification statement. 3. III. Implemented waste reduction initiatives encouraging recycling. 4. IV. Hazardous waste and water usage both met targets. For the performance of carbon reduction, please visit the website https://www.apacer.com/zh-tw/pageguide/performance-overview The Company's primary energy demand comes from electricity. An energy management plan has been established, with quantified energy reduction targets aligned with carbon emission reduction goals. To enhance energy efficiency, the following reduction measures have been implemented: 1. Low-Carbon Manufacturing to Improve Energy Efficiency: When replacing equipment, priority is given to selecting devices with energy-saving labels, high efficiency, or optimized energy management	We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
	V	(II)	We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>features. The product mix is adjusted to reduce SMT line changeovers, thereby avoiding unnecessary energy loss from reheating and cooling of reflow ovens during production. Effective utilization of SMT reflow ovens for repaired products reduces independent repair processing procedures and decreases energy consumption. Optimal electricity usage time management is implemented for production shifts and manpower allocation.</p> <p>2. Environmental Energy-Saving Engineering: Lighting equipment on each floor has been replaced with LED fixtures, and lights are turned off after meetings. The building's air-conditioning system has been converted to a water-cooled system with scheduled start-up and shutdown times, and the temperature is adjusted seasonally to 26–28°C. Automatic doors are installed to reduce air-conditioning leakage. Air-conditioning filters and equipment are cleaned regularly to maintain operational efficiency and avoid excessive energy consumption.</p> <p>3. Energy Efficiency Monitoring: Smart meters are installed on major energy-consuming equipment to strengthen energy monitoring and visualize electricity management. Power consumption of equipment is monitored and recorded, and abnormalities are reported immediately. Through technical and data analysis, energy-saving results are achieved and operating costs are reduced.</p> <p>The Company will continue to focus on data-driven energy management, integrating high-efficiency equipment and electricity optimization measures to gradually reduce energy consumption and move toward sustainable development goals.</p> <p>The Company does not use renewable energy. Non-renewable energy consumption amounted to 12,863 GJ in 2023 (operational headquarters in Tucheng District, New Taipei City); 12,702 GJ in 2024 (operational headquarters in Tucheng District, New Taipei City); and 12,711 GJ in 2025 (self-calculated, covering 1F-7F, No. 32, Zhongheng Road, Tucheng District, New Taipei City, and 1F, No. 31, Chengtian Road, Tucheng District,</p>	<p>TWSE/TPEX Listed Companies.</p> <p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
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<p>(III) Does your company assess the current and future risks and opportunities which climate change potentially brings to the company and take measures in response to climate-related issues?</p> <p>(IV) Does your company make statistics of its greenhouse gas emissions, water consumption and total waste weight during the previous two years and have policies for energy saving and carbon reduction, reduction of greenhouse gas emissions, reduction of water consumption or management of other waste?</p>	V	<p>(III) Please refer to page 58 for the Company's assessment of climate change related risks and opportunities and countermeasures.</p> <p>(IV) We regularly maintain the greenhouse gas inventory, make statistics of water consumption and total waste weight, and implement measures for energy saving and carbon reduction, including climbing stairs, upgrading process equipment, replacing lighting devices with LED lamps, recycling packaging materials with the suppliers, and continuously adopting halogen-free electronic materials. We also have formulated short-term, medium-term and long-term strategies for energy saving, carbon reduction and advanced process in order to make contribution to the environment on a continuous basis.</p> <p>For the result of the Company's greenhouse gas inventory and assurance statement, please refer to pages 60-61.</p> <p>To reduce the environmental impact of water resources, the Company has established phased quantitative targets, using 2024 as the base year, and set clear staged water reduction objectives as follows: Inventory Boundary: The inventory boundary covers Apacer's headquarters in Tucheng District, New Taipei City. Calculation Scope: Total water consumption. Short-Term Reduction Target: From 2025 to 2026, reduce annual water</p>	

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons						
	Yes	No							
		<p>consumption by 2% each year.</p> <p>Mid- to Long-Term Reduction Target: From 2027 to 2035, reduce annual water consumption by 1% each year.</p> <p>Implementation Measures and Action Plans:</p> <p>We are deeply committed to energy conservation and environmental protection. We have integrated such concepts into our daily operations to lessen our environmental impact and, at the same time, make our employees behave in an eco-friendly way. Domestic water constitutes most of our water consumption. To prevent the waste of water resources, the faucets of our washbasins on all floors have been mounted with water-saving devices to reduce the use of domestic water. We have also put up posters promoting water saving, and designated personnel responsible for inspecting the water equipment; any failure discovered will be timely fixed to save water and avoid waste.</p> <p>Water consumption in the last two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water consumption</td> <td>10.49 million liters</td> <td>10.32 million liters</td> </tr> </tbody> </table> <p>Note: The water consumption data for 2024 has been verified by the firm, and the data for 2025 is based on the self-checking result of the Company.</p> <p>The Company's water consumption data is based on the figures of the headquarters only. Overall, the water consumption in 2025 decreased by 1.62% compared to the previous year. Under stable business operations, the Company continues to promote water saving, and strives to reduce overall water consumption and water intensity to minimize the impact on the environment.</p> <p>To effectively clean out waste and protect the environment from waste pollution, we consider reduction of the waste generated as essential. We also properly sort and recycle wastes and send them to external agencies for disposal. Ordinary and hazardous industrial wastes are sent externally to qualified cleaning and disposal agencies to be disposed of. If required, on-site audits will be conducted by the responsible departments to ensure the</p>	Year	2024	2025	Water consumption	10.49 million liters	10.32 million liters	
Year	2024	2025							
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Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No													
		<p>appropriateness and legality of wastes and fulfill our corporate responsibility for waste management.</p> <p>The Company has established 2024 as the base year and set clear phased waste reduction targets as follows:</p> <p>Inventory Boundary: The inventory boundary covers Apacer's headquarters in Tucheng District, New Taipei City.</p> <p>Calculation Scope: Hazardous industrial waste.</p> <p>Short-Term Reduction Target: From 2025 to 2026, reduce annual hazardous industrial waste by 2% each year.</p> <p>Mid- to Long-Term Reduction Target: From 2027 to 2035, reduce annual hazardous industrial waste by 1% each year.</p> <p>Implementation Measures and Action Plans:</p> <p>Source Reduction: Reduce resource waste through process optimization and simplification of production scheduling.</p> <p>Equipment Protection: Install secondary containment trays in explosion-proof rooms and around emergency shower equipment to prevent chemical wastewater from leaking into the drainage system.</p> <p>Compliance Management: Conduct annual on-site audits of waste treatment contractors to ensure that outsourced disposal procedures comply with applicable laws and regulations.</p> <p>Resource Recycling: Promote recycling of waste paper containers and incorporate waste reduction concepts into employee education and corporate culture initiatives.</p> <p>Waste production in the last two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Hazardous industrial waste</td> <td>9.41 tons</td> <td>7.29 tons</td> </tr> <tr> <td>General industrial waste</td> <td>60.48 tons</td> <td>66.27 tons</td> </tr> <tr> <td>Total</td> <td>69.89 tons</td> <td>73.56 tons</td> </tr> </tbody> </table> <p>Note: The waste generation data for 2024 has been verified by the firm, and the data for 2025 is based on the self-checking result of the Company.</p>	Year	2024	2025	Hazardous industrial waste	9.41 tons	7.29 tons	General industrial waste	60.48 tons	66.27 tons	Total	69.89 tons	73.56 tons	
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Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>The Company's waste generation data is based on the figures of the headquarters only. General industrial waste increased in 2025 compared to 2024, primarily due to increased shipments and order demands, which led to a higher overall production activity. In 2025, through improvements in equipment maintenance, the generation of hazardous waste was reduced, achieving a total reduction of 22.5%. Please refer to Chapter 2 of the 2025 Sustainability Report for details. For the related data, please refer to the ESG section on the Company's official website (https://www.apacer.com/zh-tw/pageguide/sustainable-operation).</p>	
<p>IV. Social issues</p> <p>(I) Does Apacer have management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	V	<p>(I) 1. Responsible Business Alliance (RBA): To demonstrate its commitment to corporate social responsibility and safeguarding employee rights, the Company has joined the Electronic Industry Citizenship Coalition (EICC) since 2017 and has continued participation in the Responsible Business Alliance (RBA) following the organization's rebranding. To date, the Company has received the VAP (Validated Audit Process) Silver recognition twice. The Company ensures employee rights in accordance with RBA standards, which are more stringent than national regulations.</p> <p>2. International Human Rights Conventions: In accordance with RBA standards, the Company complies with national laws and internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Universal Declaration of Human Rights.</p> <p>3. Human Rights Protection Policy: The Company has established an RBA Compliance Manual and places strong emphasis on labor-related issues such as freely chosen employment, young workers, working hours, wages and benefits, humane treatment, anti-discrimination, anti-harassment, and freedom of association. The</p>	<p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
<p>(II) Does your company establish and implement reasonable employee benefit measures (including remuneration, leave and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees?</p>	V	<p>Talent Development Department is responsible for promoting human rights protection policies, including safeguarding employee rights, maintaining freedom of association, prohibiting child labor, and ensuring effective communication channels.</p> <p>Note: For detailed information, please refer to the Company's official website: https://www.apacer.com</p> <p>(II) .In 2017, Apacer integrated all existing welfare measures, conducted a comprehensive assessment based on three main aspects—work, family, and health—and promoted new preferential welfare measures. The “A+ EAPs Employee Assistance Program” was introduced accordingly and won the 2018 Work–Life Balance Award from the Ministry of Labor, the 2022 HR ASIA Best Companies to Work for in Asia, the 2023 Happy Enterprise Award from 1111 Job Bank, the 2024 CommonWealth Talent Sustainability Award, and the Friendly Migrant Worker Company Award from the Labor Affairs Department, New Taipei City Government, the 2025 New Taipei City Labor Bureau's Friendly Family and Work Equality Measures Award.</p> <p>The Company has an even gender distribution of global employees. We provide our employees with the benefits they are entitled to in accordance with the Labor Standards Act. We also provide benefits that are better than what the Labor Standards Act requires, such as birthday leave and an employee stock ownership trust program (with at least 50% company contribution), support and encouragement for childbearing, and subsidies for childrearing.</p> <p>The Company links corporate operating performance with both departmental and individual performance in order to provide incentives and appropriately reflect them in employee compensation. Each year, depending on operating conditions, and in accordance with Article 20 of the Company's Articles of Incorporation, if there is profit, at least 4% shall be appropriated as employee remuneration, of which at least 5% shall be allocated as employee remuneration for frontline employees.</p> <p>Since its listing in 2010, Apacer has been profitable every year and has consistently shared its rewards and benefits with employees.</p>	<p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
(III) Does your company provide a safe and healthy work environment to its employees and provide them with safety and health education?	V	<p>For detailed information on the above and specific provisions and implementation of the pension system, please refer to Section IV, Item 6, “Labor Relations” of this Annual Report.</p> <p>(III) The Company provides a safe and healthy working environment and has obtained ISO 45001 certification, with a validity period from April 1, 2023 to April 16, 2026.</p> <p>The Company conducts annual health examinations; in 2025, a total of 475 employees participated in the annual health check-up, and 52 consultations were provided by on-site occupational physicians. In addition, all new hires and existing employees are required to complete occupational safety and health training.</p> <p>For detailed information on the above, please refer to Section IV, Item 6, “Labor Relations” of this Annual Report.</p>	We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Does your company have effective programs for the development and training of employees' career skills?	V	<p>(IV) In 2014, we began to comprehensively implement HR development with position and competency as the core concerns. Education and training courses have been designed for employees in different positions to enhance their competencies. Since 2015, we have implemented the “Directions on Talent Supply Chain Management for Essential Positions” in all aspects and have continued to do so with the expectation that the potential of employees can be effectively increased. In 2020, our Apacer Academy was established with the CEO serving as the principal. Nine institutes have been set up based on the competencies, different functions, and professions to develop training plans for all new and current employees (including core, management, professional, and general education courses). We hope to provide our staff, from new employees to managers, with a transparent learning and development structure through the training courses offered by the institutes and further enhance their competence and competitiveness, so that the talent strategy goal of “attracting outstanding talents and developing future technologies to create a reliable employer brand” can be achieved.</p> <p>In 2025, the implementation results of employee training programs totaled 5,579 attendances and 8,561 training hours, with total expenses of NT\$1,070,811.</p>	We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
<p>(V) With respect to the issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does your company conform to the relevant regulations and international standards and establish the relevant rights protection policies and complaint procedures for the consumers or customers?</p> <p>(VI) Does your company have a supplier management policy that requires suppliers to comply with regulations concerning environmental protection, occupational safety and health or labor rights? What is the status of its implementation?</p>	V	<p>For detailed information on the above, please refer to Section IV, Item 6, “Labor Relations” of this Annual Report.</p> <p>(V) The Company ensures the quality of its products and services are in accordance with government regulations and industrial standards. Regarding the marketing, labeling and customer privacy for products and services, we follow the relevant regulations and international standards and strictly prohibit deceit, misguidance, fraud or any other act that damages the trust or rights of customers.</p> <ol style="list-style-type: none"> 1. The Company values the privacy of customers and establishes comprehensive procedures to protect their private information, including document access controls. Please refer to the Company’s Sustainability Report for details. 2. In order to provide customers with high-quality products and meet their requirements, the Company has implemented a quality management system (ISO 9001:2005). 3. We attach great importance to communication with our customers, and actively establish smooth and diversified communication channels, such as customer service mailboxes, after-sales service websites, and customer satisfaction surveys, to gather customer feedback and opinions. <p>(VI) In accordance with the standards of the Responsible Business Alliance (RBA), our component specifications and procurement procedures are all in compliance with standard written or fair contracts so that suppliers can focus on ethical management and offer the best quality and reasonable prices. Through influence on suppliers and cooperative relationships, we promote certain issues in its upstream supply chain, including RoHS, process and quality control, workers’ rights, health and safety, and prohibition of child labor. We also have communication channels in place with suppliers to ensure they also follow the RBA policies to reduce risks of non-conformity with relevant regulations. This shows that we do put emphasis on CSR.</p> <ol style="list-style-type: none"> 1. Supplier policies: We carry out the risk assessment based on overall performance of the supply quality (ISO 9001), delivery time, price, capability for green products (QC080000), implementation of RBA 	<p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>policy, etc. of the suppliers, purchase raw materials from the suppliers in different areas, and regularly make the supplier evaluation. These policies help ensure the stable supply quality of products and satisfy the customer needs as well as the hazardous substances free (HSF) requirements.</p> <p>2. Supplier assessment: We have incorporated the RBA's five regulations regarding the labor, health and safety, environmental protection, ethical standards and management systems into the annual evaluation. During the beginning phase, the manufacturers that have factories with a certain scale and are able to observe our RBA requirements are the first ones to be accepted. We will continue to expand the scope of our evaluation to get in line with the international trend with the suppliers and gradually enhance the suppliers' sustainability management capability. For the supplier evaluation and rating results, please refer to the Corporate Sustainability Report.</p> <p>3. Supplier commendation: We hold an annual supplier conference to not only present our sustainable management philosophy and sustainability-related information but also periodically commend the excellent suppliers for their great performance, thereby showing the spirit of "good partnership".</p>	
V. Does your company use internationally accepted standards or guidelines for preparation of reports as reference in preparing the Corporate Sustainability Report and other reports disclosing non-financial information of the company? Do the aforementioned reports receive assurance or guarantee opinions from any third-party verifying agency?	V	<p>The Company considers domestic and foreign sustainability and industry trends and identifies issues of concern to stakeholders through materiality analysis to form the focuses of information disclosure in the report. At the same time, the report editor follows the eight reporting principles required by GRI Standards and uses the materiality, inclusivity, responsiveness and impact under the 2018 AA1000 Accountability Principles Standard (APS) as the basis for the preparation of the report.</p> <p>The 2024 Sustainability Report is verified by an independent and credible third party, British Standards Institution (BSI), in accordance with the AA1000AS v3 Assurance Standard (2008) and Type 1 assurance engagement in the 2018 Addendum. The result shows compliance with the moderate assurance standard and the assurance under GRI Standards. For BSI's third-party verification statement, please see the Independent Assurance Statement in the appendix of the Corporate</p>	We are in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item of Implementation	Status of implementation		Differences with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
<p>VI. In the event the company has established its own sustainable development principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between the actual implementation and the company's sustainable development principles: The actual implementation of sustainable development in Apacer has been completely in line with our "Sustainable Development Best Practice Principles", and there have been no differences.</p> <p>The Board of Directors approved the establishment of the "CSR Best-Practice Principles" in April 2016, and amended the Principles in April 2020 to strengthen the implementation of our corporate social responsibility. In May 2023, the Company changed the title of the "CSR Best-Practice Principles" to the "Sustainable Development Best-Practice Principles" in line with the latest amendments of the "Corporate Sustainability Best-Practice Principles for TWSE/GTSM Listed Companies." The new version is used as a basis for the management of the Company's economic, environmental, and social risks and impacts, and for the implementation of improvements. There is no deviation up to now.</p>		<p>Sustainability Report. https://www.apacer.com/zh-tw/normaldownload/download-report. The 2024 Sustainability Report was approved by the Board of Directors on July 24, 2025.</p>	
<p>VII. Other important information helpful for the implementation of sustainable development: For detailed information, please see our annual Corporate Sustainability Reports on our website:https://www.apacer.com/zh-tw/esgoverview/esg-overview</p>			

(V-1) Climate-related information of listed companies
 1. Implementation of climate-related information

Item		Status of implementation					
(I)	Describe board and management oversight and governance of climate-related risks and opportunities.	(I)	Sustainable Development Committee: This is Apacer's highest climate change risks and opportunities management organization with the Chairman acting as the chair. It reviews the implementation and planning of the work related to climate change and reports to the Board of Directors every year.				
		(II)	Describe how the identified climate risks and opportunities affect the Company's business, strategy and finances (short-term, medium-term, long-term).				
		Risk/ opportunity	Description	Financial impact level	Impact Statement	Response strategies	
		Risk 1	Compulsory declaration	Direct	Regulations established by international or domestic governments to control greenhouse gas emissions and require companies to perform inventories, declaration, and verification.	<ul style="list-style-type: none"> Formulate policies and commit to greenhouse gas management. Continue to independently conduct external audit and reporting. 	
		Risk 2	Product labeling regulations and standards	Indirect	Regulations established by international or domestic governments that require products to be labeled with information related to climate change mitigation or adaptation, or govern the required labels or marks to be attached to products.	<ul style="list-style-type: none"> Product design optimization a) plan and design products of low power consumption; b) accelerate the adoption of packaging with less plastics Plan to build an LCA model 	
		Opportunity 1	Transport mode	Indirect	Use high-efficiency transportation methods or high-performance or low-emission vehicles, and optimize routes and operations.	Relocate the existing warehouse to reduce cross-regional transportation costs and carbon emissions.	
		Opportunity 2	Changes in customer behavior	Indirect	Customer behavior is changing, leading to different considerations when choosing products or services.	The Company has consistently invested in low-power, high-reliability designs for both industrial-grade and consumer products, contributing to lower energy consumption and reduced resource waste throughout the product lifecycle, ultimately enhancing market competitiveness, brand value, and long-term operational stability.	

Item	Status of implementation
(III) Describe the impact of extreme climate events and transition actions on the finance.	(III) There is no corresponding assessment.
(IV) Describe how identification, assessment and management processes of climate risk are integrated into the overall risk management system.	(IV) In order to understand the risks that climate change may bring to the Company, Apacer performs identification and ranking of climate-related risks/opportunities through the department head in charge based on the Task Force on Climate Related Financial Disclosures (TCFD) to understand what risks/opportunities may have an impact on Apacer, and reports the final material risks and opportunities to the chair for approval.
(V) If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, and analysis factors used and the major impact on the finance shall be stated.	(V) Apacer will refer to climate change research reports of international organizations and combine it with the climate risk and opportunity matrix to incorporate energy conservation, carbon reduction, water conservation and other sustainable management plans in the Company's business policies.
(VI) If there is a transformation plan to manage climate-related risks, describe the contents of the plan, and the indicators and goals used to identify and manage physical and transition risks.	(VI) Significant impact of relevant risks can be identified through risk identification based on "impact level" and "likelihood of occurrence".
(VII) If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	(VII) There is no corresponding assessment.
(VIII) If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information shall be stated. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information shall be stated. The source and quantity of offset carbon reduction credits or the quantity of RECs shall be stated.	(VII) There is no corresponding plan. (VIII) There is no corresponding plan.
(IX) Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans.	(IX) In accordance with the laws and regulations, we proactively perform greenhouse gas inventory and verification for the parent company in an early manner, and establish reduction targets, strategies, and specific action plans. Please refer to 1-1, 1-2, and the official website for details. (https://www.apacer.com/zh-tw/pageguide/performance-overview .)

1-1 Greenhouse gas inventory and assurance status in the most recent two years
 1-1-1 Information of greenhouse gas inventory

Describe the greenhouse gas emissions (tCO₂e), intensity (tCO₂e/NT\$1 million) and data coverage in the most recent two years
 The parent company on the individual financial statements shall be inventoried starting in 2026, and the subsidiaries on the consolidated financial statements shall be inventoried starting in 2027.

The Company's greenhouse gas emission in the last two years is described as follows:

	2023		2024 (self-assessment results)	
	Emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	Emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)
Scope 1	122.9475		125.8207	
Scope 2	1,672.2789		1,673.6566	
Subtotal	1,795.2264	0.2291	1,799.4773	0.1548
Scope 3	416.5320		394.0105	
Total	2,211.7584	0.2291	2,193.4878	0.1548

Note: The emissions data for 2024 has been externally assured, while the emissions data for 2025 is based on the Company's internal self-inventory results. (As no updated electricity emission factor is currently available, the 2024 factor has been used for calculation.)

1-1-2 Information of greenhouse gas assurance

Describe the assurance status in the most recent two years and up to the publication date of this annual report, including the scope, institution, criteria and opinion of the assurance.

The parent company on the individual financial statements shall be assured starting in 2028, and the subsidiaries on the consolidated financial statements shall be assured starting in 2029.

Assurance scope:

APACER TECHNOLOGY INC. at No.32, Zhongcheng Rd., Tucheng Dist., New Taipei City 236, Taiwan R.O.C.

Period covered by GHG emissions verification: January 1, 2024 to December 31, 2024

Period covered by GHG emissions verification: January 1, 2025 to December 31, 2025

Assurance institution:

Bureau Veritas Certification (Taiwan) Co., Ltd.

Assurance standards and assurance opinions:

Based on the process and procedures conducted, we conclude that the GHG statement for Category 1 and 2 is materially correct and is a fair representation of the GHG data and information, and is prepared in accordance with the ISO 14064-1:2018. Levels of Reasonable Assurance in Compliance Verification Agreements.

There is no evidence that the GHG statement for Category 3 is not materially correct and is not a fair representation of GHG data and information and has not been prepared in accordance with the ISO 14064-1:2018 Levels of Limited Assurance in Compliance

Verification Agreements.

It is our opinion that APACER TECHNOLOGY INC. has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries

2-1 Greenhouse gas reduction goals, strategies, and specific action plans

Describe the base year for reduction of greenhouse gases and reduction data, reduction goals, strategies and specific action plans, and achievement status of the reduction goals.

Carbon reduction goals

Base year: 2022

Inventory area: The inventory area is Apacer's headquarters in Tucheng District, New Taipei City.

Scope of calculation: Category 1 and Category 2 combined

Short-term carbon reduction goals: A 0.1% reduction by 2025 and a 0.2% reduction by 2026, both compared to 2022.

Mid-term carbon reduction goals: A 0.2% annual reduction from 2027 to 2029.

Long-term carbon reduction goals: A 0.2% annual reduction from 2030 to 2035.

Main reduction strategies and specific measures

1. Improve energy efficiency
 - ✓ Use energy-saving equipment
 - ✓ Optimize production process
 - ✓ Conduct energy monitoring and managementAchievement status:
 - Greenhouse gas emissions decreased by 2.62% in 2023 and 7.52% in 2024, compared to 2022 as the base year (Scope 1 and 2 emissions only).
 - In 2025 (self-reported), emissions decreased by 7.30% compared to the baseline year 2022, based on Scope 1 and 2 emissions only.
2. Design carbon reduction products: Develop carbon reduction products (ongoing)

(VI) Implementation status of ethical corporate management, deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations:

Item for evaluation	Description		Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>1. Development of ethical management policies and programs</p> <p>(I) Does your company establish ethical management policies adopted by the Board of Directors? Does your company clearly specify, in its regulations and external documents, the ethical management policies and practice and the commitment of the Board of Directors and the management to rigorous and thorough implementation of those policies?</p> <p>(II) Does your company establish a risk assessment mechanism against unethical conduct to analyze and assess, on a regular basis, business activities within its business scope which are at a higher risk of involving unethical conduct, and accordingly establish programs to prevent unethical conduct? Do such programs include at least measures to prevent the acts specified under Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p>	V	<p>(I) The Company’s ethical management policies adopted by the Board of Directors, together with the programs of “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”, have been established and disclosed on our intranet and extranet. Meanwhile, the Board of Directors and management have signed the commitment to implement the ethical management policies.</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
<p>(II) Does your company establish a risk assessment mechanism against unethical conduct to analyze and assess, on a regular basis, business activities within its business scope which are at a higher risk of involving unethical conduct, and accordingly establish programs to prevent unethical conduct? Do such programs include at least measures to prevent the acts specified under Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p>	V	<p>(II) We have built effective systems for accounting and internal control; the auditors regularly examine the extent of compliance with these systems. Also, to prevent unethical conduct, the “Procedures for Ethical Management and Guidelines for Conduct” that include the preventive measures specified under Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” have been developed.</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Item for evaluation	Description		Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
(III) Does your company specify, in the programs for prevention of unethical conduct, the operational procedures, code of conduct, punishment for violations and complaint systems? Have such programs been implemented and regularly reviewed and revised?	V	(III) We have formulated the “Procedures for Ethical Management and Guidelines for Conduct” to regulate unethical conduct and preventive measures. In addition, it is stipulated in our “Work Rules” that in the event of conclusive evidence showing any employee has “engaged in jobbery, embezzlement of public funds, or acceptance of bribes/commissions”, or “concurrently conducted any external business that is in conflict with our operations and affects our interests, with the circumstances deemed grave”, we may terminate the labor contract without prior notification. Thus, the Company implements relevant systems and regulations, and reviews the implementation status of the aforementioned programs through regular meetings.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
2. Implementation of ethical management (I) Does your company assess the past records of the counterparties regarding ethics? Do contracts between the company and the counterparties include clear clauses governing ethical conduct? (II) Does your company have a special unit as subordinate to the Board of Directors for the implementation of corporate ethical management? Does the unit regularly report (at least annually) to the Board of Directors regarding the ethical management policies and unethical conduct prevention programs and the supervision and implementation thereof?	V V	(I) The Company has become a member of the RBA (Responsible Business Alliance) since 2017. All the counterparties of the Company are required to sign the “Commitment to Compliance with RBA Standards”. (II) Our talent development unit serves as the responsible unit for the implementation of corporate ethical management. It coordinates with each relevant unit to implement ethical management within the scope of the unit’s functions, and regularly reports (at least once a year) to the Board of Directors on the supervision and implementation of ethical management policies and unethical conduct prevention programs. The Company’s “Ethical Corporate Management Policies” were adopted at the board meeting held on November 5, 2020. The following implementation items of ethical management are reported at the board meeting on a regular basis every year according to Article 5 of the “Procedures for Ethical Management and Guidelines for Conduct”: <ul style="list-style-type: none"> ● Incorporation of ethical management values into the Company’s business strategy ● Regular analysis of unethical conduct risks ● Check-and-balance mechanisms for supervision of activities with higher unethical conduct risks 	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Item for evaluation	Description		Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
(III) Does your company have policies against conflicts of interest and provide proper channels through which explanations may be given? Has the company implemented them?	V	<ul style="list-style-type: none"> ● Promotion and training with respect to ethical management policies ● Planning of a whistle-blowing system ● Assistance for the Board of Directors and management in the audit and assessment of preventive measure effectiveness ● Declaration of compliance with ethical management <p>(III) The Company has established the “RBA Handbook” and the “Code of Ethical Conduct” to clearly specify the provisions, standards, and policies for preventing the circumstances of conflicts of interest. Personnel are required to report to their immediate superiors, managers of the talent development unit, or the Board of Directors in the event that they have learned of or are facing similar circumstances.</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(IV) Does your company establish effective systems for accounting and internal control to ensure the implementation of ethical management? Do the company’s internal auditing units formulate relevant audit plans based on the results of assessment on the risks of unethical conduct and accordingly audit the compliance with the unethical conduct prevention programs? Or are audits conducted by commissioned CPAs?	V	<p>So far, we have not found any material violation.</p> <p>(IV) In accordance with the competent authority’s updates of regulations, letters and directives, Apacer revises its accounting and internal control systems on a regular or ad hoc basis to meet operational requirements. The auditing units make audit plans and conduct audits accordingly as per the relevant regulations to check the implementation of the systems.</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(V) Does your company regularly hold internal and external education and training sessions regarding ethical management?	V	<p>(V) Our regulations governing ethical management have been included as part of the internal education and training for employees.</p> <p>In 2025, internal employees were provided with ethical management training sessions that covered prevention of insider trading, privacy protection, labor, health and safety, environmental health, ethical standards, management systems, and other issues related to RBA. The Chairman and CSO promoted concepts at the beginning of the in-person trainings, and the number of employees in the group participating in the sessions totaled 524, totaling 524</p>	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Item for evaluation	Description		Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
		person-hours. A supplier conference for external suppliers was held to emphasize the importance of ethical management, addressing issues related to labor, health and safety, environmental health, ethical standards, management systems, and other RBA-related topics. A total of 53 participants attended the conference.	
III. Functioning of the whistleblowing system (I) Does your company have concrete systems for whistleblowing and rewards? Does your company have convenient channels in place for whistleblowing and has it appointed appropriate personnel to deal with the persons who are the subject of whistleblowing? (II) Does your company establish standard operating procedures for investigation of matters reported by whistleblowers, measures to be taken following the conclusion of investigation and relevant mechanisms for confidentiality? (III) Does your company take any measures to protect whistleblowers from improper treatment as a result of their whistleblowing?	V	(I) We have established the “Whistleblowing System,” which clearly states whistleblowing and reward systems and stipulates that the managers of the auditing and talent development units are designated as the persons responsible for these matters. (II) The “Whistleblowing System” includes relevant investigation procedures, subsequent defect improvement measures and mechanisms for confidentiality. (III) The “Whistleblowing System” includes a clear list of whistleblower protection measures to prevent whistleblowers from being treated improperly as a result of whistleblowing. Any whistleblowing report is processed in accordance with the rules governing the system.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
IV. Strengthening disclosure of information Does your company disclose the contents of its ethical management principles and outcome of implementation on its website and the Market Observation Post System?	V	The Company has disclosed the “Ethical Corporate Management Best-Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” on the official website. Also, we turn the relevant results into quantitative data for continuous analysis and assessment of the implementation of ethical	In compliance with the Ethical Corporate Management Best Practice Principles for

Item for evaluation	Description		Differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
		management policies, in order to enhance the effectiveness of our corporate ethical management.	TWSE/GTSM Listed Companies.
V.	In the event your company has established its own ethical management best practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between the implementation of ethical management and the company's own ethical management best practice principles: None.		
VI.	<p>Other important information helpful for understanding the implementation of your company's ethical management: (such as review and amendment of the company's own ethical management best practice principles)</p> <ol style="list-style-type: none"> The Company continued to revise our "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" according to the updated government regulations and reported them to the shareholders' meeting in 2020 to achieve the goal of corporate governance and ethical management. Besides, we hold a supplier conference annually to clarify our policy of corporate ethical management to our suppliers and get their commitment to it. As of the board meeting held on December 18, 2025, we have not received any report regarding violation of the relevant codes and conduct guidelines. 		

(VII) Other important information helpful for increasing understanding of the Company's corporate governance may be disclosed along with the above information:

1. As our business scale grows and the need for control and management of foreign subsidiaries arises, we have continued to review and establish relevant regulations, procedures and internal implementation rules to enhance operational performance and strengthen risk control, with the aim to achieve better implementation of corporate governance. In recent years, following the establishment or amendment of relevant laws and standards by the competent authority in charge of securities, and taking into account practical business needs, Apacer has established the following regulations:

- "Articles of Incorporation",
- "Rules of Procedure for Shareholders' Meetings",
- "Director Election Regulations",
- "Rules of Procedure for Board of Directors Meeting",
- "Procedures for Acquisition or Disposal of Assets",
- "Procedures for Endorsements/Guarantees",
- "Procedures for Loaning Funds to Others",
- "Regulations on Engaging in Commercial Foreign Exchange Risk Management Related Financial Products",
- "Regulations Governing the Transactions among Related Parties".

The following implementation rules have also been established as basis of all internal operations:

- "Rules Governing the Scope of Responsibilities of Independent Directors",
- "Regulations Governing the Management of Financial and Non-financial Information",
- "Regulations Governing the Management of Liabilities, Commitments and Contingencies",
- "Code of Ethical Conduct",
- "Ethical Corporate Management Best Practice Principles",
- "Procedures for Ethical Management and Guidelines for Conduct",
- "Management Procedures for Handling Material Insider Information and Prevention of Insider Trading",
- "Subsidiary Management Regulations",
- "Corporate Governance Best Practice Principles",
- "Sustainable Development Best Practice Principles",
- "Rules Governing the Whistleblowing System",
- "Guidelines for Evaluating the Performance of the Board of Directors,"
- "Risk Management Policies and Procedures,"
- "Regulations Governing the Management of Seals".

Internally, we notify all employees of the latest regulations and rules through announcement and publishes them on the internal website. They are simultaneously posted on our official website and can be searched for. The training of new employees also includes courses for the promotion of these regulations and rules.

2. Our personnel responsible for financial information transparency have received certificates designated by the competent authority, as follows:

Certificate	No. of person(s)	
	Internal audit	Financial accounting
Certified Public Accountant (CPA) of the Republic of China (Taiwan)	1	3
Certified Internal Auditor (CIA)	2	0

(VIII) The status of the implementation of internal control systems shall include the disclosure of the following matter(s):

1. Declaration on the Internal Control System:

Please visit the MOPS website (<https://mops.twse.com.tw/mops/#/web/home>), click “Single Company” then select “Company Rules/Internal Control” and “Internal Control Statement Announcement” under “Corporate Governance.” (Website:<https://mops.twse.com.tw/mops/#/web/t06sg20>)

2. If review of the internal control system has been conducted by entrusted CPAs, the CPAs’ review report must be disclosed: None.

(IX) Important resolutions of the Shareholders’ Meeting and BoD meetings during the most recent FY until the date on which the annual report was printed:

1. Important resolutions of the Shareholders’ Meeting

Date of meeting	Meeting resolutions	Status of implementation
2025.05.22	The Company’s 2024 business report and financial statements were adopted.	The proposal was adopted without revision.
	Proposal for amendment of the “Articles of Incorporation” was adopted.	The proposal was adopted without revision. The changes were registered on June 12, 2025.
	Proposal for issuance of employee restricted stock in FY 2025 was adopted.	The proposal was adopted without revision.

2. Important resolutions of the Board of Directors

Term of the Board of Directors	Time	Proposal
1st meeting in 2025	2025.02.20	<p>(I) Proposal for distribution of the remuneration for employees and directors in FY 2024 was adopted.</p> <p>(II) Proposal for issuance of employee restricted stock in FY 2025 was adopted.</p> <p>(III) Jason Yin and Steven Shih, the CPAs of KPMG Taiwan, were commissioned to act as the CPAs of the Company's financial statements, and the evaluation of their independence and competence as well as the resolution of their remuneration were adopted.</p> <p>(IV) The business report and self-prepared financial statements of FY 2024 were adopted.</p> <p>(V) Proposal for distribution of the profit of FY 2024 was adopted.</p> <p>(VI) Distribution of cash from capital reserve of the Company was adopted.</p> <p>(VII) Proposal for planned issuance of the "Declaration on the Internal Control System" of FY 2024 was adopted.</p> <p>(VIII) Proposal for planned establishment of the "Internal Control System for Sustainable Information Management" for the "Other Management Control Cycles" was adopted.</p> <p>(IX) Proposal for planned establishment of the "Control Procedure for Basic-Level Employee Reward Management" for the "Labor and Wage Cycle" was adopted.</p> <p>(X) Proposal to convene the annual general meeting of shareholders in FY 2025 was adopted.</p>
2nd meeting in 2025	2025.04.17	<p>(I) The quarterly consolidated financial statements for the first quarter of FY 2025 were adopted.</p> <p>(II) Proposal for planned acquisition of convertible preferred shares issued by NEO Semiconductor, Inc. was adopted.</p> <p>(III) The amendment to the Company's Articles of Incorporation was adopted.</p>
3rd meeting in 2025	2025.04.21	<p>(I) Proposal for planned implementation of the 1st buyback of the Company's treasury stocks in FY 2025 was adopted.</p>
4th meeting in 2025	2025.07.24	<p>(I) The quarterly consolidated financial statements for the second quarter of FY 2025 were approved.</p> <p>(II) Proposal for amendment to the Company's Whistleblower Case Processing Regulations was adopted.</p> <p>(III) Proposal for amendment to the Rules Governing the Issuance of Restricted Stock Award Shares for Employees in 2025 was adopted.</p> <p>(IV) Proposal for the Company's employee restricted stock allocation for fiscal year 2025 was adopted.</p> <p>(V) Proposal for adjustment of the salary of managers in 2025 was adopted.</p> <p>(VI) The 1st buyback of the Company's treasury stocks for cancellation in FY 2025 and determination of the record date for capital reduction were adopted.</p> <p>(VII) Proposal for the preparation of the Company's 2024 Sustainability Report was adopted.</p>

Term of the Board of Directors	Time	Proposal
5th meeting in 2025	2025.11.06	(I) The quarterly consolidated financial statements for the third quarter of FY 2025 were approved. (II) The internal audit plan of FY 2026 was adopted. (III) The Company's 2025 property acquisition (including the subsidiary UD info Corp.) was approved.
6th meeting in 2025	2025.12.18	(I) The Company's strategic development and operational plans for FY 2026 were adopted. (II) Proposal for application to financial institutions for the credit line and transaction limit for hedging financial products in FY 2026, as well as renewal of the contract. (III) Proposal for amendment to the Company's "Articles of Incorporation". (IV) Proposal for definition of the scope for the Company's basic-level employees. (V) Proposal for distribution of the performance bonus for managers in 2025. (VI) Proposal for allocation of remuneration to managers in 2025. (VII) Proposal for distribution of the Employee Stock Ownership Trust for managers in FY 2026.
1st meeting in 2026	2026.02.25	(I) Proposal for distribution of the remuneration for employees and directors in 2025. (II) Proposal for evaluation of the Company's ESG performance results and adjustments to the number of employee restricted shares for 2025. (III) The business report and self-prepared financial statements of FY 2025 were approved. (IV) Jason Yin and Steven Shih, the CPAs of KPMG Taiwan, were commissioned to act as the CPAs of the Company's financial statements, and their independence, competence, and remuneration were evaluated. (V) Proposal for distribution of the profit for 2024. (VI) Proposal for planned issuance of the "Declaration on the Internal Control System" of 2025. (VII) Proposal for application to financial institutions for the credit line and transaction limit for hedging financial products in FY 2026, as well as additional loans. (VIII) The Company plans to issue the first domestic unsecured convertible bonds to meet market demand and strengthen the working capital. (IX) Matters related to the application for listing common stocks issued through initial private placement in 2022. (X) Proposal to convene the annual general meeting of shareholders in FY 2026.

- (X) In the event that any director or supervisor expressed a dissenting opinion regarding any of the important resolutions adopted by the BoD during the most recent FY as of the date on which the annual report was printed, and that the opinion was recorded or delivered in writing, please describe its main content: None.

III. Information on CPA professional fees

- (I) Disclosure of the amounts of the audit and non-audit fees paid to CPAs, the CPAs' firm and any of its affiliates, and the details of the non-audit services:

Unit: NT\$ thousand

Accounting firm	Name of CPA	CPA's audit period	Audit professional fees	Non-audit professional fees (Note)	Total	Remarks
KPMG Taiwan	Jason Yin	2025	4,310	1,155	5,465	-
	Steven Shih					

Note: The non-audit services are for the audit and certification of profit-seeking enterprise income tax returns, transfer pricing reports, and review of employee restricted stocks.

- (II) In the event that the accounting firm has been changed and that the amount of audit professional fees paid during the FY when the change occurs is lower than that paid during the previous FY, the amounts before and after the change and the reasons must be disclosed: N/A
- (III) In the event the amount of audit professional fees is reduced by at least 10% in comparison with the previous FY, the amount, percentage and reasons of the reduction must be disclosed: N/A.

IV. Information on the change of CPAs

- (I) On the predecessor CPAs:

Date of change	April 17, 2024			
Reasons and description of change	In line with the needs for adjusting the positions of the CPAs at KPMG Taiwan, and starting from Q1 of FY 2024, the original CPA team consisting of Philip Tang and Steven Shih was replaced by the team consisting of Jason Yin and Steven Shih.			
The commissioner or CPA terminates or declines the commission	Parties	CPA	Commissioner	
	Circumstance	N/A	N/A	
	(Extension of) Commission was declined	N/A	N/A	
Opinions and reasons for audit reports issued during the most recent two years, excluding those issued without reservations	None			
Any differences in opinions with the issuers?	Yes		Accounting principles or practice	
			Disclosure of financial reports	
			Scope or steps of audits	
			Other	
	None	V		
		Description		
Other matters for disclosure	None			

(II) On the successor CPAs:

Accounting firm	KPMG Taiwan
Name of CPA	CPAs Jason Yin and Steven Shih
Date of commissioning	April 17, 2024
Matters regarding which the successor CPAs were consulted, and which were related to the accounting treatment or accounting principles of specific transactions; matters regarding which the successor CPAs were consulted, and which were related to the opinions that might be issued on financial reports; results of these matters	None
Written opinions of the successor CPAs on matters regarding which the predecessor CPAs have expressed dissenting opinions	None

(III) Letters of reply from the predecessor CPAs: N/A.

- V. The Company's Chairman of the Board, President, or any managerial officer in charge of finance or accounting operations who has, in the most recent year, held a position at the accounting firm of its CPA or its related companies: None.
- VI. Change of shares transferred and pledged for directors, supervisors, managers and any shareholder holding more than 10% of the company's shares during the most recent FY as of the date on which the annual report was printed
1. Change of shares for directors, supervisors, managers and major shareholders

Unit: Share

Title	Name	2025		As of March 30, 2026	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
Chairman and CSO	Austin Chen	-	-	-	-
Director & CEO	Chang Chia-Kun	-	-	4,205	-
Vice Chairman & President	Chen Ming-Ta	-	-	2,806	-
Director	Teddy Lu	-	-	-	-
Director	George Huang	-	-	-	-
Director	Haydn Hsieh	-	-	-	-
Director	Acer Corporation	18,000	-	-	-
Directors' corporate representative	Victor Chien	-	-	-	-
Independent Director	Max Wu	-	-	-	-
Independent Director	Philip Peng	-	-	-	-
Independent Director	Cathy Han	-	-	-	-
Vice President	Luo Rong-Fa	13,000	-	1,403	-
Vice President	Huang Mei-Hui	(34,000)	-	2,455	-
Vice President	Luo Xue-Ru	(56,000)	-	2,455	-

Title	Name	2025		As of March 30, 2026	
		No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged	No. of increase (decrease) of shares held	No. of increase (decrease) of shares pledged
CTO	Li Jun-Chang	2,945	-	2,104	-
CFO	Lai Zi-Wen	-	-	2,104	-
Senior Head	Yin Hua-Jun	(24,000)	-	2,104	-
Senior Head	Yu Yao-tse	17,696	-	2,104	-
Deputy Head of Accounting	Huang Yi-cheng	(4,000)	-	1,403	-

2. Information on share transfer: None.
3. Information on share pledge: None.

VII. Information on the top 10 shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship:

March 30, 2026 Unit: Share; %

TOP 10 SHAREHOLDERS	NO. OF SHARES HELD		SHARES HELD BY SPOUSE OR MINOR CHILDREN		SHARES HELD IN THE NAME OF OTHERS		THE TITLE OR NAME AND RELATION IN CASE OF THE TOP 10 SHAREHOLDERS WHO ARE RELATED PARTIES TO EACH OTHER, IN A SPOUSAL RELATIONSHIP OR WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relation	
Acer Inc.	11,906,000	9.29%	-	-	-	-	-	-	-
Phison Electronics Corp.	10,554,580	8.24%	-	-	-	-	-	-	-
HSBC Custody – Morgan Stanley International Limited Segregated Account	6,178,140	4.82%	-	-	-	-	-	-	-
Advantech Corporate Investment Ltd.	6,041,000	4.71%	-	-	-	-	-	-	-
Teddy Lu	5,699,906	4.45%	-	-	-	-	-	-	-
HSBC Bank Custody – Goldman Sachs International Investment Segregated Account	4,885,773	3.81%	-	-	-	-	-	-	-
JPMorgan Chase Bank Custody – JPMorgan Securities Limited Investment Segregated Account	4,455,031	3.48%	-	-	-	-	-	-	-
Citibank Custody – Barclays Capital SBL/PB Investment Segregated Account	2,186,000	1.71%	-	-	-	-	-	-	-
Citibank Custody – UBS Europe SE Investment Segregated Account	2,170,341	1.69%	-	-	-	-	-	-	-
Chen Ming-Ta	1,992,846	1.56%	-	-	180,000	0.14%	-	-	-

VIII. Shares held by the Company and the directors, supervisors, managerial officers, and business that the Company directly or indirectly controls in the same invested business and their shareholding ratio

March 30, 2026 Unit: Share; %

Invested business	Company' s investment		Investments of directors, supervisors, managers and directly or indirectly controlled business		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Apacer Memory America Inc.	20,000	100%	-	-	20,000	100%
Apacer Technology B.V.	79,513	100%	-	-	79,513	100%
Apacer Technology Japan Corp.	200	100%	-	-	200	100%
Apacer Technology (BVI) Inc.	2,635,775	100%	-	-	2,635,775	100%
Kingdom Corporation Limited	5,000,000	100%	-	-	5,000,000	100%
Apacer Technologies Private Limited	28,799	99.65%	100	0.35%	28,899	100%
Apacer Electronics (Shanghai) Co., Ltd.	Note 1	100%	-	-	Note 1	100%
Shenzhen Qinjing Technology Co., Ltd.	Note 2	99%	-	-	Note 2	99%
UD info Corp.	4,931,960	68.54%	2,264,220	31.46%	7,196,180	100%

Note 1: Amount of contribution USD 500,000.

Note 2: Amount of contribution RMB 4,985,714.

Three. Financing

I. Capital and share

(I) Capital sources

1. Capital sources

As of March 30, 2026
Unit: Share/NT\$ thousand

M/Y	price (dollar)	Authorized capital stock		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capital sources	Property other than cash as substitute for share price	Approval date and document no.
2025/10	10	200,000,000	2,000,000	128,129,266	1,281,293	Note	None	2025.10.13 Jing-Shou-Shang-Zi No. 11430127250

Note: In 2025, the Company will retire treasury shares by repurchasing its own shares.

2. Type of shares

As of March 30, 2026
Unit: Share

Type	Authorized capital stock				Remarks
	Outstanding shares		Unissued shares	Total	
	Issued	Private placement			
Common stock	111,088,266	17,041,000	71,870,734	200,000,000	

3. Information on the general declaration system: None.

(II) Major shareholders

March 30, 2026

Major shareholder	Share	Number of shares held (share)	Shareholding ratio (%)
Acer Inc.		11,906,000	9.29%
Phison Electronics Corp.		10,554,580	8.24%
HSBC Custody – Morgan Stanley International Limited Segregated Account		6,178,140	4.82%
Advantech Corporate Investment Ltd.		6,041,000	4.71%
Teddy Lu		5,699,906	4.45%
HSBC Bank Custody – Goldman Sachs International Investment Segregated Account		4,885,773	3.81%
JPMorgan Chase Bank Custody – JPMorgan Securities Limited Investment Segregated Account		4,455,031	3.48%
Citibank Custody – Barclays Capital SBL/PB Investment Segregated Account		2,186,000	1.71%
Citibank Custody – UBS Europe SE Investment Segregated Account		2,170,341	1.69%
Chen Ming-Ta		1,992,846	1.56%

(III) Dividend policy and implementation status

1. Apacer's dividend policy

Our earnings, if any, shown on the final annual account are distributed as follows:

- (1) Pay taxes.
- (2) Make up losses of previous years.

- (3) Appropriate 10% as legal earnings reserve, except when the legal reserve of the Company has already reached the total capital.
- (4) Appropriation or reversal of special reserve as required by law or the competent authority.
- (5) If there is any surplus left, a provision of retained earnings is made depending on the long-term development plans and the stability of the financial structure of the Company. The Board of Directors then draws up the proposal for the distribution of the surplus left in the current year in combination with the unpaid earnings of the previous years. Where the distribution is performed by issuing new shares, the distribution shall be subject to the resolution of the shareholders' meeting; where distribution is performed in cash, the distribution shall be subject to a resolution made by a majority of directors at a meeting at which more than two-thirds of the directors are present, and shall be reported to the shareholders' meeting. The Company shall not distribute dividends or bonuses when there is no profit, unless the distribution is made with the reserves pursuant to relevant laws and regulations.

The dividend policy of the Company must be established in consideration of the overall environment of the industry, development phase, demand for funds and financial supports in the future, and relevant plans. Earnings to be distributed may be paid using cash or stocks. The payment ratio is about 60%~90% of the earnings after tax if there are no important investment plans or any special circumstances. The cash dividend must not be less than 10% of the total amount of the dividend.

2. Dividend distribution proposed at the current shareholders' meeting:

The distribution of earnings in 2025 was approved by the Board of Directors on February 25, 2026. A cash dividend of NT\$576,581,697 will be distributed to the shareholders.

- (IV) The influence of the stock grants proposed at the current shareholders' meeting on the operation performance and EPS of the Company: N/A

- (V) Remuneration to employees and directors

1. Percentage or scope of the remuneration for employees and directors according to the Articles of Incorporation:

Where there is profit in any fiscal year, 4% or more of the profit must be appropriated as remuneration for employees. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered. More than 5% of the employee remuneration amount referred to in the preceding paragraph shall be appropriated for the distribution of employees' remuneration for the lowest-level employees. Employees' remuneration may be distributed in the form of cash or stock, and employees eligible for the distribution may include the employees of the affiliated companies who meet the requirements specified by the Board of Directors.

The Board of Directors is authorized to determine the compensation recommended by the Remuneration Committee for any director with reference to the extent of his/her involvement in and value of his/her contribution to the operation of the Company and the standards of the industry in Taiwan and overseas regardless of the Company's profits or losses. Where there is any profit in a fiscal year, no more than 1.4% of the profit shall be appropriated as

remuneration to directors. Where the Company has any accumulated loss, the remuneration must be appropriated from the balance after such accumulated loss has been covered. The criteria for allocation of the remuneration must be recommended by the Remuneration Committee to the Board of Directors for approval. The procedures for determining remuneration are evaluated in accordance with the “Regulations Governing the Distribution of Remuneration for Directors”.

- The current estimation base of remuneration for employees and directors, calculation base for the distribution of compensation in stock, and methods for handling the difference between actually distributed and estimated amounts:

The amounts of the remuneration to the Company’s employees and directors are estimated by multiplying the Company’s net profit before tax of the current period prior to the deduction of the remuneration to the employees and directors with the respective percentages to be adopted by the Company for distribution of the remuneration. The remuneration is stated as the operating expenses of the current period. The difference, if any, between the actually distributed and estimated amounts is recognized as the loss/profit of the next year.

- Information on the distribution of the remuneration to employees and directors in 2025 approved by the Board of Directors

Unit: NT\$

Disclosed Information	Amount
Remuneration to be distributed to employees - Cash	\$122,066,000
Remuneration to be distributed to employees - Shares	-
Remuneration to be distributed to directors	\$16,291,000

Note: Information related to the distribution of profit in 2025 can be accessed through the Market Observation Post System.

- Actual distribution of the remuneration to employees and directors in 2024:

Distribution of the remuneration to employees and directors in 2024 was adopted at the Board of Directors on February 20, 2025. The approved distribution was not different from the estimate. The details are described below:

Unit: NT\$

Profit Distribution for FY 2024	Actual distribution	Book estimation	Difference
Remuneration distributed to employees - Cash	32,559,000	32,559,000	-
Remuneration distributed to employees - Shares	-		
Remuneration distributed to directors	4,927,000	4,927,000	-

5. Names of the top-10 employees receiving the highest remuneration from the profit of 2024 and the distribution:

Unit: NT\$

Title	Name	Share amount	Cash amount	Total	The total amount in net income after tax (%)
Chairman and CSO	Austin Chen	-	7,516,000	7,516,000	2.69%
Director & CEO	Chang Chia-Kun				
Vice Chairman & President	Chen Ming-Ta				
Vice President	Huang Mei-Hui				
Vice President	Luo Xue-Ru				
CTO	Li Jun-Chang				
CFO	Lai Zi-Wen				
Senior Head	Yin Hua-Jun				
Senior Head	Yu Yao-tse				
Senior Head	Xie Zheng-Zhong				

(VI) Status of stock repurchase by the Company: Completed

March 30, 2026

Repurchase batch	5th
Repurchase purpose	To safeguard the Company's credit and shareholders' equity
Repurchase period	April 22, 2025 to June 19, 2025
Repurchase price range	NT\$32 to NT\$55
Type and quantity of shares repurchased	600,000 common shares
Amount of shares repurchased	NT\$28,793,079
Number of shares canceled or transferred	600,000 shares
Cumulative number of the Company's shares held	0 shares
Percentage of accumulative number of the Company's shares held in the total number of issued shares (%)	0%

Note: The Company's repurchased shares were canceled on October 13, 2025.

II. Status of corporate bonds

Type of corporate bond	The first domestic unsecured convertible bonds.
Issue date	As of the date on which the annual report was printed, it has not yet been issued.
Par value	NT\$100,000 every 1,000 shares
Issuance and trading venue	Issued in Taiwan
Issue price	As of the date on which the annual report was printed, it has not yet been issued.
Total amount	NT\$1 billion
Interest rate	Coupon rate 0%
Duration	3 years; Maturity date: As of the date on which the annual report was printed, it has not yet been issued.
Guaranteeing company	None
Trustee	E.SUN Commercial Bank, Ltd.

Underwriting company	KGI Securities Co. Ltd.
Certifying lawyer	Lawyer Ya-Wen Chiu, H&C Law Firm
CPA	CPAs Jason Yin and Steven Shih of KPMG Taiwan
Repayment terms	Save where bondholders convert the bonds into ordinary shares of the Company in accordance with Article 10 of the Company's First Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Regulations, or the Company redeems the bonds in advance in accordance with Article 18 of the Regulations, or the Company repurchases and cancels the bonds through a securities firm, the Company will repay the bonds in cash at face value upon maturity. The payment will be made within 10 business days (including the 10th business day) upon maturity. If the aforementioned date falls on the day when the Taipei Exchange is closed, it will be moved to the next business day.
Outstanding principal	NT\$1 billion
Redemption or early repayment clause	Please refer to the Company's terms for the issuance and conversion of the first domestic unsecured convertible bonds.
Restrictive clauses	None
Name of credit rating agency, rating date, corporate bond rating result.	None
Other rights reserved.	The amount of common stocks, overseas depositary receipts, or other securities converted (exchanged or subscribed) as of the annual report publication date. As of the date on which the annual report was printed, it has not yet been issued.
	Issuance and conversion (exchange or subscription) regulations Please refer to the Company's terms for the issuance and conversion of the first domestic unsecured convertible bonds.
Issuance and conversion (exchange or subscription) regulations, potential dilution of equity due to issuance conditions and their impact on existing shareholders' equity	The Company has chosen to raise funds through convertible bonds, which will effectively reduce and postpone equity dilution, and therefore will not have a material impact on shareholder equity. When convertible bonds are converted into common stocks, liabilities will be reduced and shareholder equity will increase, which in turn will increase net value per share. Therefore, this is better for existing shareholders in the long run.
Name of the exchange's entrusted custodian institution	N/A

III. Status of preferred stock

None.

IV. Status of overseas depositary receipts

None.

V. Status of employee stock option certificates

None.

VI. Status of employee restricted stock

- (I) For any restricted employee rights that have not yet fully met the vesting conditions, the effective date of the new share issuance with the competent authority, the total number of shares, the issuance date, the number of issued shares, the number of shares still available for issuance, the issuance price, the vesting conditions, the restricted rights, the custody status, the handling method for not meeting the vesting conditions, the number of shares already recalled or repurchased, the number of shares with released restrictions, the number of shares with unreleased restrictions, the percentage of shares with unreleased restrictions to the total issued shares, and the impact on shareholders' equity.

March 30, 2026

Type of employee restricted stock	First (session) employee restricted shares issued in 2025																
Effective date and total shares	July 1, 2025, Total number of shares: 1,485,000																
Issue date	Not yet issued																
Number of issued employee restricted shares	Not yet issued																
Number of employee restricted shares that can be issued	Not yet issued																
Issue price	Not yet issued																
Employee restricted shares issued Number of shares as a percentage of total issued shares	Not yet issued																
Vesting conditions of employee restricted stock	<p>After being allocated restricted stock award shares, employees must meet the following conditions to become vested:</p> <ol style="list-style-type: none"> 1. Still employed and providing labor services at the expiration date of each vested period. 2. No violation of any contract signed with the Company or the Company's work rules during the vested period. 3. Achieve the company performance indicators and employee performance indicators set by the Company. <ol style="list-style-type: none"> (1) Company performance indicators Based on the 2024 consolidated financial statements audited and certified by the CPAs, the Company's earnings per share (EPS) shall meet any of the following conditions: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="2">Based on the earnings per share in 2024</th> </tr> <tr> <th>Company performance indicators</th> <th>Number of shares allocated</th> </tr> </thead> <tbody> <tr> <td>150% achieved</td> <td>1,350,000 shares allocated</td> </tr> <tr> <td>140% achieved</td> <td>1,260,000 shares allocated</td> </tr> <tr> <td>130% achieved</td> <td>1,170,000 shares allocated</td> </tr> <tr> <td>120% achieved</td> <td>1,080,000 shares allocated</td> </tr> <tr> <td>110% achieved</td> <td>990,000 shares allocated</td> </tr> <tr> <td>100% achieved</td> <td>900,000 shares allocated</td> </tr> </tbody> </table>	Based on the earnings per share in 2024		Company performance indicators	Number of shares allocated	150% achieved	1,350,000 shares allocated	140% achieved	1,260,000 shares allocated	130% achieved	1,170,000 shares allocated	120% achieved	1,080,000 shares allocated	110% achieved	990,000 shares allocated	100% achieved	900,000 shares allocated
Based on the earnings per share in 2024																	
Company performance indicators	Number of shares allocated																
150% achieved	1,350,000 shares allocated																
140% achieved	1,260,000 shares allocated																
130% achieved	1,170,000 shares allocated																
120% achieved	1,080,000 shares allocated																
110% achieved	990,000 shares allocated																
100% achieved	900,000 shares allocated																

	<p>(2) Employee performance indicator The personal and job performance of any employee who has been granted restricted stock award shares shall fulfill the personal performance criteria set by the Company during the period until expiry of the vesting period. Failure to fulfill the personal performance criteria will be deemed as non-fulfillment of the vesting conditions.</p> <p>(3) ESG outcomes The Company sets the maximum number of shares that can be vested each year to 110% (i.e., the total number of shares issued under this Rule is 1,485,000). 100% of them are calculated as shares that can be vested based on the company performance indicators, and then the Remuneration Committee evaluates the Company's ESG performance as an adjustment item and adjusts the number of shares that can be vested within the range of plus or minus 10%. (The calculation is conducted up to 1 share; those less than 1 share shall be canceled unconditionally.)</p> <p>4. Years of service After achievement of the company and employee performance, the maximum percentages of shares that can be vested for the year are as follows:</p> <p>(1) For any full-time employee who has provided service for at least one year following the date of allotment and remains on the job, and has not violated the employment contract, work rules, or requirements of the Company, the calculation is based on 50% of the number of distributable shares.</p> <p>(2) For any full-time employee who has provided service for at least two years following the date of allotment and remains on the job, and has not violated the employment contract, work rules, or requirements of the Company, the calculation is based on 50% of the number of distributable shares.</p>
<p>Restricted rights of employee restricted stock</p>	<p>1. The restricted award stock shares shall be immediately delivered to the trust/custody institution. Before fulfillment of the vesting conditions, the employees shall not ask the custodian to return the employee restricted stock for any reasons or through any ways.</p> <p>2. During the vested period, employees shall not sell, pledge, transfer, give, set, or otherwise dispose of their restricted award stock shares.</p> <p>3. In addition to the aforementioned restrictions, other rights derived from the restricted award stock shares received by an employee, including but not limited to the right to receive dividends, bonuses, and capital reserves, and the right to subscribe for new shares issued by the Company in cash, shall be the same as the common shares issued by the Company before the vesting conditions are met. The relevant procedures shall be carried out in accordance with the trust/custody contract.</p> <p>4. Before fulfillment of the vesting conditions, the trust/custody institution is commissioned to present, propose, make statements, exercise voting rights and other matters related to shareholders' equity at the</p>

	<p>Company's shareholders' meetings on behalf of employees.</p> <p>5. If the Company reduces capital for reasons other than statutory capital reduction, such as reducing capital in cash or carrying out capital reduction to offset losses, during the vested period, the restricted award stock shares for employees shall be reduced in proportion to the capital reduction. In case of capital reduction in cash, the returned cash must be delivered to the trust/custody account, and the employee may receive the payment only after meeting the vesting conditions. However, the Company will recall the cash if the vesting conditions are not met.</p>
Custody of employee restricted stock	Employee restricted shares allocated to employees must be delivered to the trust until the vesting conditions are met. After the vesting conditions are met, the vested shares will be transferred from the trust account to the employees' personal securities accounts.
Handling procedure for employees' non-fulfillment of the vesting conditions after allotment or subscription of employee restricted shares	If the vesting conditions are not met for any allocated employee restricted shares, the Company will repurchase and cancel all such shares without compensation.
Number of recovered or purchased employee restricted shares	Not yet issued
Number of employee restricted shares from which the restriction has been removed	Not yet issued
Number of employee restricted shares from which the restriction has not been removed	Not yet issued
Ratio of number of employee restricted shares from which the restriction has not been removed to the total issued shares (%)	Not yet issued
Effect on shareholders' equity	The possible dilution of the Company's earnings per share is limited, so there is no significant impact on shareholders' equity.

- (II) Names of managers who acquired employee restricted shares and the top ten employees who acquired them as of the date on which the annual report was printed, and details of acquisition: As of the date on which the annual report was printed, no employee restricted shares have been issued.

VII. Status of new share issuance in connection with mergers and acquisitions

None.

VIII. Implementation status of financing plans

- (I) The Company issued new shares through a private placement to increase capital in 2024. The funds raised were all utilized by the Company; the planned benefits have been achieved.
- (II) The Company will issue the first domestic unsecured convertible corporate bonds in 2026. The following details the implementation of the planned use of funds:
1. Approval letter from the competent authority: As of the date of on which the annual report was printed, no approval letter has been obtained from the Financial Supervisory Commission.

2. Total capital required for this project: NT\$1,010,000 thousand.
3. Source of capital: The Company will issue 10,000 domestic unsecured convertible corporate bonds, each with a par value of NT\$100,000, for a total face value of NT\$1,000,000,000 through a public offering via auction. The minimum bid is set at 101% of the face value, the term is 3 years, and the coupon rate is 0%. The total amount to be raised is estimated at NT\$1,010,000 thousand, with the actual amount subject to the auction results.
4. Project, expected progress, and anticipated benefit

Unit: NT\$1,000

Project	Scheduled completion date	Total funds needed	Expected fund utilization progress
			Q2 2026
Replenish working capital	Q2 2026	1,010,000	1,010,000
Anticipated benefit		<p>The Company's planned fundraising amount for this round is NT\$1,010,000 thousand, which will be used to bolster working capital. Based on the average borrowing rate of 2.02% as of December 31, 2025, the Company estimates interest expense savings of approximately NT\$10,201 thousand from July to December 2026, and approximately NT\$20,402 thousand annually thereafter. This will moderately reduce the Company's financial burden and strengthen its debt repayment capabilities, lowering the reliance on financial institution loans and increasing capital flexibility, ultimately benefiting the Company's overall operations and development.</p>	

Four. Overview of Business Operation

I. Business activities

(I) Business scope

1. Major business
 - (1) Memory module
 - (2) Flash memory
 - (3) Others
2. Operating proportion

Unit: NT\$ thousand

Product	2025	
	Sales amount	Sales percentage
Flash memory	5,354,880	48.14%
Memory module	5,615,089	50.48%
Other	153,635	1.38%
Total	11,123,604	100.00%

3. Current product categories

- A. The RAM module covers the desktop, laptop, and overclocking memory modules
- B. Special memory modules for IPCs, servers, printers, network products, and routers
- C. USB Disk Module (UDM)
- D. Industrial USB2.0 & USB3.1 flash drives
- E. PCIe / SATA/ATA Disk Module (E3.S /E1.S /M.2 /SDM / mSATA /ADM)
- F. PCIe / SATA/ATA Disk Chip (BGA SSD / SDC/ADC)
- G. PCIe U.2 / SATA3.0 2.5"/1.8" SSD
- H. CorePower™ SSD: Abnormal power failure protection SSD
- I. SLC-lite, SLC-liteX product line
- J. The SSDWidget real-time monitoring hardware, CoreSnapshot quick backup-restore SSD, and CoreRescue technology enable quick triggering and implementation of the SSD auto backup and recovery functions.
- K. Anti-vulcanization SATA / PCIe M.2 SSD (solid-state drive)
- L. PCIe CFx Card/Industrial CF Card/CFast Card/Embedded SD, microSD Card
- M. WORM (Write Once Read Many) Card & Drive
- N. Consumer and industrial eMMC
- O. SDHC/SDXC UHS-I U1 Card, High Speed U3 V30 SDHC/SDXC, UHS-II U3 V90 SDXC Card
- P. microSDHC UHS-I U1 card, High-Speed UHS-I U3 V30 A1 and A2 microSDHC /SDXC card, microSD V30 A1 Gaming Card, microSDXC Express Card, compatible with Raspberry Pi microSD card
- Q. USB 2.0 & USB 3.2 Gen 1 flash drive, USB3.2 Gen 1 Type-C mobile flash drive
- R. 2.5" SATAIII, mSATA, M.2 and PCIe interface SSD
- S. External SSD, compatible with MagSafe Magnetic External SSD

- T. USB 3.2 Gen 1 mobile hard drive and military-grade shock-resistant mobile hard drive
- U. Rugged Systems PCIe U.2 SSD
- V. Enterprise SATA3.0 M.2, 2.5” SSD /PCIe U.2/U.3, M.2/M.3, E1.S SSD
- W. USB 3.0 SSD Module
- X. Anti-vulcanization memory module
- Y. Rugged DDR4 XR-DIMM Module
- Z. 32-Bits DDR4 SODIMM Module
- AA. DDR4 2933/3200 memory module
- BB. High speed DDR4 2666/2933/3200 wide-temperature memory module
- CC. DDR4 32GB UDIMM/SODIMM ECC DIMM ECC SODIMM memory module
- DD. Rugged DDR4 XR-LRDIMM Module
- EE. DDR5 4800/5600 UDIMM/SODIMM/ECC DIMM/ECC SODIMM memory module
- FF. DDR5 overclocking memory module/DDR5 RGB overclocking memory module
- GG. DDR5 6400 CUDIMM module
- HH. DDR5 5600 48GB UDIMM/SODIMM/ECC DIMM/ECC SODIMM memory module
- II. DDR5 5600 REG DIMM server memory module
- JJ. DDR5 5600 wide-temperature memory module
- KK. DDR5 Fully Lead-Free Memory Module
- LL. DDR5 6400 CSODIMM memory module
- MM. DDR5 6400 ECC CUDIMM/ECC CSODIMM memory module
- NN. DDR5 6400 REG DIMM server memory module
- OO. DDR5 64GB CUDIMM/CSODIMM/ECC CUDIMM/ECC CSODIMM/REG DIMM Memory Module
- PP. Luminance meter / Light meter
- QQ. Industrial IoT solutions (Industrial 4.0 machine networking and plant-wide planning & construction, smart manufacturing environment monitoring and management systems, XR simulation training and industrial safety applications, customized active smart disaster prevention systems)
- RR. Smart automated solutions (customized AI+AOI optical inspection system, planning and building of smart automated defect inspection equipment and automated production line/packaging station, ODM design and development services for optical inspection equipment)
- SS. Cholesterol e-paper (module, open frame, full unit)

4. New products to be developed
 - (1) USB 3.2 Gen2 USB & USB4
 - (2) Storage SSDs used by servers: PCIe U.2, U.3 SSD / BGA SSD / M.3 module / EDSFF module
 - (3) Gen5 PCIe SSD RGB
 - (4) PCIe Gen5x4 SSD 、USB3.2 Gen 2x2 portable SSD
 - (5) All-In-One water cooling Dual Pump Solution
 - (6) DDR5 CAMM2 memory module
 - (7) DDR5 9000+MHz overclocking memory module
 - (8) DDR5 MRDIMM multi-access dual In line memory module
 - (9) LPDDR5X CAMM2 server memory module
 - (10) DDR5 7200 CUDIMM/ CSODIMM
 - (11) DDR5 7200 ECC CUIDMM/ ECC CSODIMM
 - (12) DDR5 7200 REG DIMM
 - (13) DDR5 GraTherX Thermal Solution

(2) Overview of the industry

Our major business includes manufacture and sale of DRAM modules and NAND flash products.

In the process of the memory modules, DRAM (Dynamic Random Access Memory) is bound onto a PCB according to a layout design. The PCB is then embedded in a motherboard for connection with other compatible functions to increase the processing speed and memory capacity of the computer. Regarding the cost structure, the price of DRAM occupies 80%-90% of the product on average (calculation based on 8GB PC standard module). Hence, the fluctuation of the DRAM market is in close relationship with the prosperity and recession of the memory module industry. The development trend of the DRAM market is the first factor to be understood for analyzing the status quo and feature of the memory module industry.

The flash memory is used in digital products for storage of information. Thanks to the non-volatile semi-conductor technology, flash memory can be used as a storage media for the information that needs permanent retention and amendment. For example, the programed instruction storage of the Set-top-box and EDRs as well as the applications for the storage of mass data for the digital cameras, smartphones, PC applications, SSDs, POSs and IoT applications are all in close relation with the flash memory.

Hence, the development trends in the DRAM and flash memory industries have an interlocking relationship with our main products of memory modules. The DRAM and memory module markets as well as the status quo of the flash memory industry are described below.

1. Overview of the DRAM market

(1) Market scale

According to the global semiconductor market forecast of the World Semiconductor Trade Statistics Organization (WSTS) released on December 2, 2025, the global semiconductor revenue is expected to grow by 22.5% year-on-year in 2025, reaching US\$772 billion, and will further grow by 26.3% in 2026, approaching the US\$1 trillion mark and reaching US\$975

billion. However, the growth will slow down in 2027 and 2028.

WSTS analysis indicates that this year's growth is mainly driven by strong demand for AI applications and data center infrastructure, which boosted demand for logic chips and memory chips. Logic chip revenue is expected to increase by 37.1% year-on-year, making it the category with the largest increase. Memory chip revenue follows closely with an increase of 27.8% year-on-year. Revenue from sensors, microprocessors, analog chips, and optoelectronic components also saw varying degrees of growth. However, due to weak demand in the automotive sector, revenue from discrete components decreased by 0.4% year-on-year.

According to the report of TrendForce Corp., the revenue of the DRAM industry in Q4 2025 was US\$535.8 billion, growing by 29.4% from the previous quarter, primarily due to substantial rise in the contract price for conventional DRAM.

In the fourth quarter of 2025, Samsung demonstrated a strong resurgence in the DRAM market, with revenue increasing by 43.0% to US\$19.3 billion and market share rising to 36%, reclaiming the leading position. It was the most aggressive in its pricing strategy, with average selling prices up roughly 40% quarter-over-quarter, taking the lead among the top three manufacturers. This was largely attributable to the highest revenue share from high-unit-price Server DRAM among the top three, coupled with a single-digit percentage increase in HBM shipments.

In contrast, SK Hynix's revenue rose to US\$17.22 billion, up 25.2% quarter-over-quarter, but its market share declined to 32.1%, dropping to second place. With the highest proportion of HBM and relatively stable contract prices, the average selling price increased by approximately 25%. However, in terms of shipment structure, its HBM3e 12hi and DDR5 RDIMM performed well, with large-capacity RDIMM shipments increasing significantly by around 50%.

Micron's revenue increased 12.4% to US\$11.98 billion, but it had lower transaction prices due to earlier contract negotiations, resulting in a limited selling price growth of around 17%, while its market share declined to 22.4%.

For Taiwanese manufacturers, Nanya's revenue increased significantly by 54.7% to US\$970 million, driven by soaring contract prices for DDR4 and DDR3, as well as proactive customer inventory building. Its average selling price rose by over 30%. Winbond's revenue rose 33.7% quarter-over-quarter to US\$297 million, primarily due to increased shipments of its 20nm DDR4 4Gb products. Revenue from PSMC's house-brand DRAM increased slightly by 0.6% to US\$33 million. The company is taking a conservative approach to sales amid rising prices, and it plans to further expand supply after securing a technology license from Micron. (See Table 1)

In summary, DRAM prices rose sharply in the fourth quarter of 2025 across all traditional categories, significantly boosting the profits of major manufacturers. Samsung's operating profit margin jumped from 38% to 57%, while SK Hynix and Micron achieved 69% and 55%, respectively. Nanya saw its margin increase from 6.0% to 39.1%. Looking ahead to 1Q26, with contract price increases continuing to accelerate, we expect to see further gains in profitability for major OEMs. (See Table 2)

Unit: Millions of US\$

Ranking	Company	Revenue			Market Share	
		4Q25	3Q25	QoQ (%)	4Q25	3Q25
1	Samsung	19,300	13,500	43.0%	36.0%	32.6%
2	SK hynix	17,221	13,750	25.2%	32.1%	33.2%
3	Micron	11,975	10,650	12.4%	22.4%	25.7%
4	CXMT	3500	2400	45.8%	6.5%	5.8%
5	Nanya	970	627	54.7%	1.8%	1.5%
6	Winbond	297	222	33.7%	0.6%	0.5%
7	PSMC	33	33	0.6%	0.1%	0.1%
	Others	282	217	30.0%	0.5%	0.5%
Total		53,578	41,399	29.4%	100.0%	100.0%

Note 1: 3Q25 - USD 1 = KRW 1,387; USD 1 = TWD 29.93

Note 2: 4Q25 - USD 1 = KRW 1,449; USD 1 = TWD 31.0

Source: TrendForce Corp., March 2026

Table 1 2025Q4 DRAM operating income ranking by brand

Company	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Samsung	22%	37%	33%	30%	28%	25%	38%	57%
SK hynix	33%	45%	50%	52%	54%	55%	58%	69%
Micron	7%	13%	22%	29%	31%	32%	43%	55%
Nanya	-31%	-23%	-31%	-43%	-44%	-43%	6%	39%

Source: TrendForce Corp., February 2026

Table 2 2025Q4 DRAM operating income ranking by supplier

(2) Development of products

DRAM is an assistant of the processor chip, and is a temporary storage location for data that the processor is processing. It is mainly used in electronic products. DRAM is classified into different categories including Commodity DRAM, Server DRAM, Specialty DRAM and Mobile DRAM.

Commodity DRAM is the standard DRAM with PC related products as the major applications, such as DTs and NBs. Some low-end tablet PCs also use Commodity DRAM for price considerations.

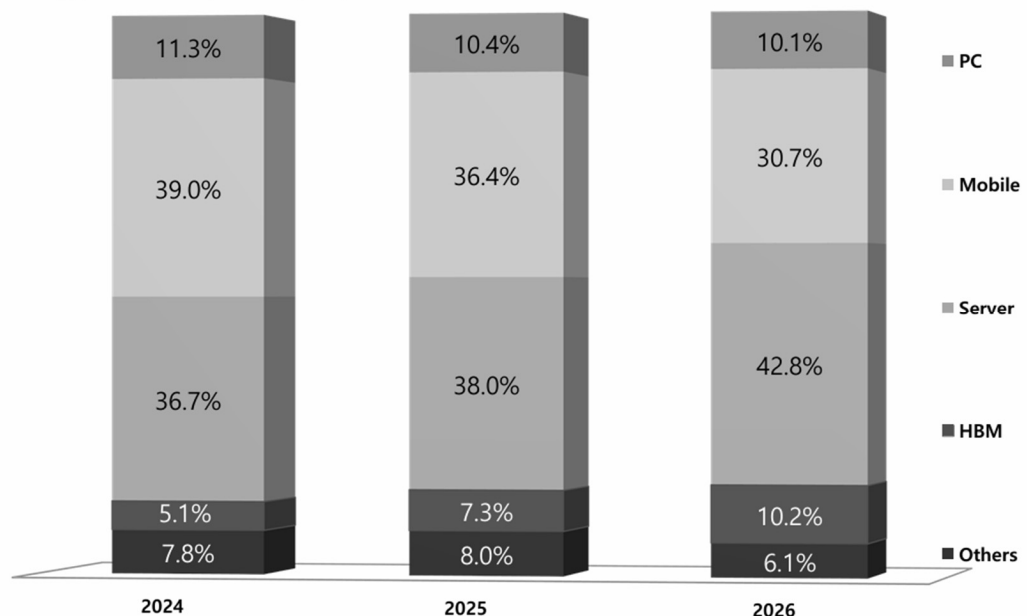
Server DRAM, usually used in servers, has benefited from demands for cloud computing, big data and IoT. The demand for servers or DRAM in standalone servers is growing year by year. Data center and server applications are the key markets where DRAM suppliers will actively make current and future investments. Driven by the simultaneous bit growth in shipments and DRAM in standalone servers, as well as the growing AI demand in 2025, server applications occupied the largest proportion in the 2025 global DRAM shipment.

Specialty DRAM is a niche DRAM with the distinctive features that it is directly embedded in end products and can be customized to according to different needs to solve memory-related product issues. Its application fields are very extensive, including (1) computers and related peripheral equipment, such as tablets, monitors, printers, and projectors, as well as related adapters, connectors, optical disk drives, hard drives, solid-state drives (SSDs), and

other products; (2) consumer electronics, such as televisions, multimedia and other consumer electronics products; the product also belongs to the application category of niche memory, including digital TVs, DVD players, set-top boxes, digital cameras, game consoles, smart speakers, and other products; (3) communication equipment connections, such as mobile communication devices, routers, modems, optical fiber networks, wireless access hotspots (Wi-Fi), base stations, power line communication networks, monitoring systems, the Internet of Things, online audio and video services (OTT) and other products; (4) automotive electronic equipment, such as in-car CDs, DVDs, navigation systems, instrument panels, audio systems, car cameras, driving assistance systems, and other products; and (5) industrial electronic equipment, including monitoring systems, POS systems, smart meters, human-machine interface (HMI) platforms, and other industrial electronic equipment, which also utilize niche memory.

Mobile DRAM is a mobile application primarily used in mobile device products. Most of the Mobile DRAM series use LPDDR4 and LPDDR5 to meet the low power requirements of mobile device products. Smartphones and middle to high end tablets are the major applications of the Mobile DRAM. Some notebooks use this memory to meet their low power requirements. Most of the Apple MacBook series use Mobile DRAM instead of Commodity DRAM.

Mobile devices have played a role that drives the growth of the global semiconductor market in recent years, and their built-in functions have become more diversified. In addition, many brands of smartphones have emphasized the performance of the multi-camera function, therefore increasing the demand for low-power features. As a result, Mobile DRAM used in mobile devices has seen its demand rise greatly and it, along with Server DRAM, have become the two mainstream products for DRAM application. (See Fig. 1)



Source: inSpectrum, January 2026

Fig. 1 Estimated proportion of WW DRAM applications

In response to the rise of the HBM (High Bandwidth Memory), the DRAM manufacturers call the DRAM products other than HBM conventional DRAMs. The above-mentioned Commodity DRAM, Server DRAM, Specialty DRAM and Mobile DRAM are conventional DRAMs.

Benefiting from the AI demand, HBM has become an important driver of the DRAM industry. The HBM and its applications are described below:

A. What is High Bandwidth Memory (HBM)?

High Bandwidth Memory (HBM) is a 3D stacked memory technology. Multiple layers of DRAM chips are stacked vertically using the Through-Silicon Via (TSV) technology and combined with base logic dies to form a tight package of high bandwidth and low power consumption. Compared to conventional GDDR memory, the design of HBM provides a higher data transmission rate with lower power consumption, making it an ideal choice for high-performance computing (HPC), artificial intelligence (AI), graphics processing units (GPUs), data centers, and other high-computing applications.

B. The main applications of HBM include the following:

(A) Graphic Processing Unit (GPU)

GPU is one of the earliest applications of HBM. As the demand for high-resolution 4K and 8K games, virtual reality (VR), and AI training grows, the conventional GDDR memory (such as GDDR5, GDDR6) is difficult to satisfy the needs in terms of bandwidth and performance. Therefore, AMD and Nvidia are the first two companies that apply HBM technology to high-end GPUs.

(B) Artificial Intelligence (AI) and Machine Learning (ML)

As AI and machine learning models become more and more complex, the demand for calculation increases significantly. For example, the GPT model of OpenAI and AlphaFold of Google DeepMind require large-scale computing resources. HBM can provide extremely high bandwidth to improve the efficiency of AI training.

Currently, many AI training accelerators (such as Nvidia H100, AMD MI300, and Google TPU) use HBM technology to reduce memory obstacles and increase AI training and inference speed. The development of HBM3 and HBM4 will further increase the AI processing speed. This makes them an important component of AI supercomputing in the future.

(C) High-Performance Computing (HPC)

High-Performance Computing (HPC) applications, such as weather forecasting, genetic research, financial analysis, and oil exploration, require high computing power and memory bandwidth. The conventional DDR and GDR memory may easily become performance obstacles in the HPC environment. The high-frequency bandwidth and low-latency characteristics of HBM can significantly improve computing efficiency. The low power consumption of HBM can help reduce the operating cost of the supercomputer and improve energy efficiency. This makes HBM the key memory technology for the HPC systems in the future.

(D) Data Center and Cloud Computing

With the development of cloud computing and data centers, the demand for high-efficiency and low-consumption memories is growing. HBM can be used to accelerate servers and cloud AI services. For example,

Cloud platforms such as AWS, Google Cloud, and Microsoft Azure use the HBM to accelerate AI inference, data analysis, and visual calculations.

The database and the big data processing platforms (such as Oracle Exadata and SAP HANA) need HBMs to improve the query speed and data processing capability

The tight packaging design of HBM can reduce the space requirements of the data centers and increase server density. This makes HBM the ideal choice for cloud AI and big data analysis.

(E) Network Communication and 5G/6G Infrastructure

With the development of 5G and future 6G networks, communication equipment needs to process a large amount of real-time data, and the high bandwidth of the HBM products can satisfy the needs of such applications. For example:

Base station equipment: 5G/6G base stations need to process high-speed data transmission. HBM can be used for signal processing and data storage.

Network switch: The HBM can increase the data center switch's packet processing capability and improve network performance.

The low power consumption of the HBM can help reduce the energy consumption of 5G devices, making them more in line with the green environmental protection trend.

(F) Autonomous driving and Edge Computing

The autonomous driving must be able to process a large amount of data from cameras, radar, and LiDAR sensors in a real-time manner. The high bandwidth of the HBM products can effectively enhance the AI calculation performance for vehicles.

Edge computing devices can use the HBM to increase their real-time data processing capability and be applied in smart factories, medical image analysis and other fields.

C. Future development of HBM:

With the advancement of the HBM3 and HBM4 technology, the applications of HBM will extend to be may other applications. The main development trends include:

Higher bandwidth: The estimated bandwidth of HBM3 is 1.2TB/s, and bandwidth of HBM4 is expected to exceed 2TB/s.

Lower power consumption: The new generation of HBMs uses advanced process technology (such as 3nm and 2nm) to reduce power consumption and improve performance.

More applications: In addition to the fields of HPC, AI, and autonomous driving, HBM can be introduced to the consumer market, such as high-end laptops and game consoles. Although HBM is still a high-cost memory technology, with the maturity of the manufacturing

technology and the increase in demand, it is expected that HBM will become the mainstream memory standard for high-performance computing.

(3) Overview of major DRAM suppliers

A. Operating revenue in Q4 2025 and future development

According to the report of TrendForce Corp., Samsung took first place with US\$19.3 billion in revenue, a quarterly increase of 43%, leading other major manufacturers. This growth is mainly attributable to a significant increase in shipments of Server DRAM and HBM, coupled with higher average selling prices due to contract price adjustments. In terms of product structure, Samsung's server DRAM revenue share has risen to 45-50%, making it a core growth driver, while Mobile DRAM remains stable at 20-25%. The share of PC and consumer products has fallen to 30-35% due to weak demand.

SK Hynix's revenue for the quarter was US\$17.2 billion, a 25% increase quarter-over-quarter. While Server DRAM and HBM continued to grow, the rise in average selling price was limited as high-priced products already made up a significant portion of sales. In terms of product structure, the proportion of Server DRAM increased to 35-40%, while Mobile DRAM remained at 10-15% due to limited price increases. The share of PC and consumer products declined to 49% as annual pricing negotiations for HBM lacked sequential growth.

Micron's revenue reached \$12 billion, a 12% increase quarter-over-quarter. The Server DRAM ratio has remained steady at 40-45%, Mobile DRAM increased slightly to 20-25%, while the share of PC and consumer products declined to 35-40% due to relatively slower price increases.

Nanya Tech's revenue was US\$970 million, up 55% quarter-over-quarter. Benefiting from order transfers and rising DDR4 prices, consumer DRAM accounted for 65-70% of its production, while mobile DRAM fell to 10-15% as capacity shifted toward DDR4.

Winbond's revenue reached US\$300 million, up 34% quarter-over-quarter, driven by rising prices for DDR3 and small-capacity DDR4. DRAM revenue now accounts for 48% of total revenue.

PSMC's DRAM-related revenue was US\$140 million, a 5% increase quarter-over-quarter, primarily due to higher foundry pricing. The proportion of its business from DRAM has been raised to 34%.

CXMT's revenue reached US\$3.5 billion, up 46% quarter-over-quarter. While Mobile DRAM remains the core business (accounting for 55-60%), the proportion of Server DRAM has increased significantly from 5-10% to 15-20%.

JHICC will continue to supply the Chinese domestic consumer market. While DDR4 production capacity has seen a slight increase, its global market share remains below 1%, and its manufacturing technology still lags significantly behind that of leading manufacturers.

B. Process evolution of DRAM fabs

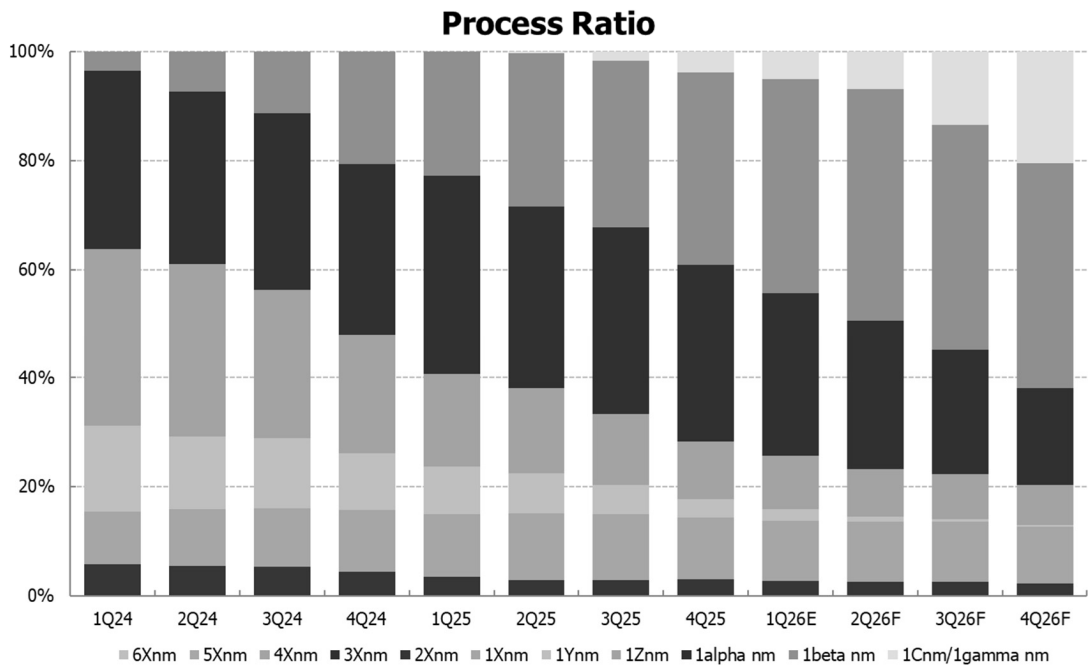
The schedule of mass production that uses advanced processes is inconsistent among DRAM fabs. However, the three major suppliers have terminated 1ynm and 1znm products. The main mass production

processes of Samsung, SK Hynix, and Micron in 2025 were 1a/1 α nm and 1b/1 β nm. The 1b/1 β nm process will be the main focus for mass production in 2025. DRAM fabs have begun to introduce the 1c nm or 1 γ nm process. (See Table 3 and Fig. 2)

Company	Current Generation	Under Transition	Next Generation	Ready Schedule
Samsung	1Anm/1Bnm	1Bnm	1Cnm	2H25
SK Hynix	1Anm/1Bnm	1Bnm	1Cnm	2H25
Micron	1anm/ β nm	1 γ nm	1 γ nm	1H25
Nanya	1Bnm	1Cnm		2026
Changxin	10G4	10G5		2026

Source: inSpectrum, February 2026

Table 3 Evaluation of the DRAM process



Source: TrendForce Corp., February 2026

Fig. 2 DRAM process ratio

C. Increase in HBM capital expenditure and capacity planning

SK hynix stated that the demand for high-end memory chips is increasing due to the emergence of GenAI, and this will be the main driver of its growth. The company expects the sales of HBM chips to double in 2025. HBM chips currently account for 40% of the DRAM revenue. The cooperation with the leading AI players, such as Nvidia, has enabled SK hynix to lead Samsung and Micron in the field of HBM technology. The growth rate of revenue in Q4 was 75%, reaching up to KOW 19.8 trillion. This reflects the leading position of SK hynix in the AI chip market.

Micron's capital expenditure is expected to be about US\$14 billion (\pm US\$500 million) in 2025, mainly for expansion of HBM processes and back-end operations, factory construction, and R&D.

Samsung and SK hynix are the leaders of the HBM production plan this year. Samsung plans to increase its total HBM capacity to about 130K (including TSV) by the end of this year, while SK hynix aims to increase its target to about 120K depending on the verification progress and customer orders.

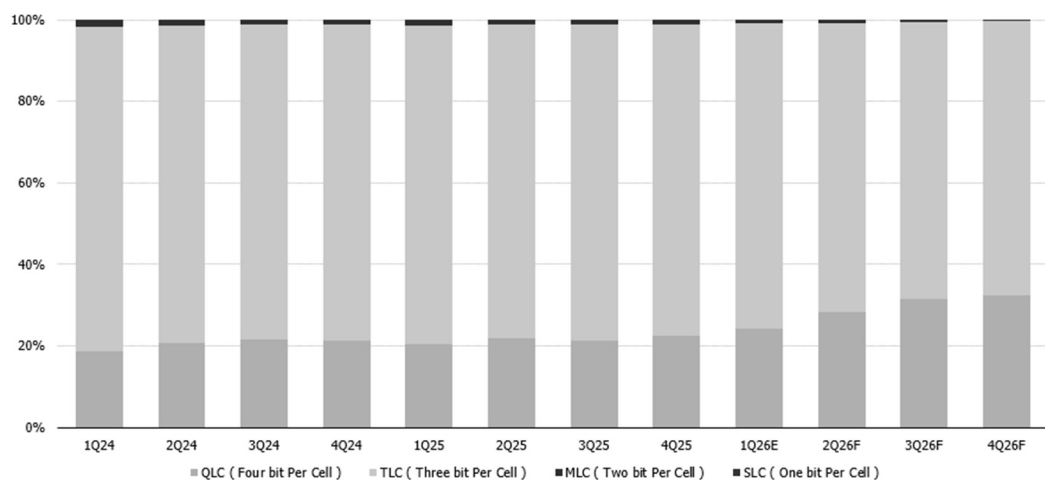
2. Current status of the flash memory market

(1) Market scale

In the first quarter of 2025, the market experienced oversupply due to the traditional slow season, delays in the release of NVIDIA's new chips, and sluggish demand for enterprise SSDs. Even though PCs and mobile phones previously experienced production peaks, the primary focus in the first quarter was still inventory digestion, forcing suppliers to adopt aggressive price cuts and reduce production. This led to a significant 15-20% decline in average selling price (ASP) for the quarter. A shift in market sentiment occurred in the second quarter. Wafer contract prices began to rebound as some manufacturers experienced losses and reduced production. Meanwhile, due to strong demand driven by Chinese consumer subsidies, PC manufacturers pulling in shipments ahead of U.S. tariffs, and the ramp-up of NVIDIA Blackwell chips alongside a recovery in AI server demand, 2Q25 showed strong momentum despite being a traditionally slow season. As we enter the second half of 2025, while the positive impact of US-China policies waned and consumer electronics growth slowed, investment in AI infrastructure remained robust, with manufacturers continuing to prioritize resources for server applications. Starting in September, capacity shortages in hard disk drives (HDDs) exceeding 26TB forced North American cloud service providers (CSPs) to further increase their demand for enterprise SSDs. Coupled with a surge in commercial replacements due to the end of support for Windows 10, the overall contract prices stabilized in the third quarter. In the fourth quarter, the rapid adoption of inference AI and AI agents drove a surge in demand for large-capacity storage. With limited upstream capacity for high-capacity hard drives (HDDs), customer orders were increasingly shifting to QLC SSD alternatives, resulting in a seller's market and a 33-38% quarter-on-quarter increase in average selling prices (ASP) during the fourth quarter. Looking forward to the first quarter of 2026, demand for AI agent services and general-purpose servers is expected to continue its rapid surge. However, a capacity shortage resulting from suppliers' past reductions in capital expenditure means the existing supply is unable to keep pace with the explosive order growth. With manufacturers expanding production cautiously and lacking spare capacity, the market is likely to experience a significant supply-demand imbalance. To secure uninterrupted production, buyers will be forced to accept high prices, and the average contract price in the first quarter of 2026 is forecast to rise by 85-90%.

The growth rate of the global bit output was 13.2% in 2025, with all manufacturers consistently allocating resources to the high-margin AI sector. Samsung is committed to shifting production capacity to V8 (236L) and V9 (286L) processes, with a particular focus on bolstering the supply of 16TB+

TLC enterprise SSDs for AI inference servers (AI Inference Server). The company is restarting R&D on V9 (286L) QLC to meet growing demand for large-capacity storage while accelerating the phase-out of older 2D NAND and reallocating resources to DRAM. SK Hynix achieved double-digit shipment growth in the fourth quarter of 2025, leveraging the strength of its Solidigm subsidiary in QLC technology. The company's 2026 capital expenditure will prioritize the transition of V9 (321L) TLC and QLC technologies, with a goal of exceeding 50% process share by year-end. After Micron strategically withdrew from the highly competitive mobile market, it focused on high-margin SSDs and continued to advance the application of QLC technology in AI server platforms. KIOXIA benefited from strong server demand and its transition to BiCS8 (218L), and plans to begin mass production of BiCS9 (120L) 512Gb TLC, developed on the BiCS5 (112L) platform, in 2026. Originally focused on retail, SanDisk capitalized on the industry shortage, with its cloud and edge computing revenue increasing 26% quarter-over-quarter in Q4 2025. From a technical perspective, by the fourth quarter of 2025, SLC accounted for a maximum of about 0.03% of NAND Flash bit output due to the significant increase in 3D production. MLC represented approximately 1.1%, while products at 2XX L and above climbed to 45%. Meanwhile, 1YY L and 1XX L products declined to around 26.5% and 18%, respectively. In terms of architecture, TLC still dominated with a share of over 77%, but QLC was gradually increasing to 23%. Looking ahead to 2026, demand in the SLC market will be relatively stable. KIOXIA, Micron, and the Taiwanese manufacturer, Winbond, will continue to maintain SLC supplies, accounting for approximately 0.02% of total NAND Flash bit output, with MLC accounting for around 0.3%. To cope with the development of 128TB ultra-high-capacity products, suppliers will significantly increase QLC production, and annual bit output growth is expected to reach 20% in 2026. By the end of 2026, the process structure is expected to be further optimized: 1XX L and 1YY L will be reduced to 9% and 16.5%, respectively, while 2XX L and 2YY L will account for 46% and 21%, and 3XX L will represent 6.5%. It is estimated that in the fourth quarter of 2026, TLC and QLC production will be adjusted to a ratio of 67:32. (Fig. 3)



Source: TrendForce Corp., February 2026

Fig. 3 Global NAND flash production analysis by product structure

According to the operating revenue of NAND Flash manufacturers in 4Q 2025 (See Table 4):

Samsung: It is fully accelerating its transition to the V9 (286L) process. The initial small-volume production has begun smoothly at the P4L plant. In order to optimize resource allocation, the company resolved to accelerate the retirement of the 2D MLC production lines and redirect resources to DRAM production. Looking ahead, the V9 (286L) series is slated for mass production in the first half of 2026, with a focus on QLC PCIe Gen 5 solutions for large-capacity needs and TLC PCIe Gen 6 enterprise SSDs targeting ultimate performance. These high-specification storage solutions are primarily designed to seamlessly align with the high-speed transmission bandwidth requirements of data centers following the release of NVIDIA's next-generation GPU platform in the second half of 2026.

Kioxia: Plans to continue ramping up production of BiCS8 (218L) by 2026, mass-produce BiCS9 (120L) 512Gb TLC based on BiCS5 (112L), and release test samples of the next-generation BiCS10 (332L) before the end of 2026. For technological innovations, the company utilizes XL-FLASH combined with SLC technology and a newly developed controller to create an SSD delivering exceptional random read performance. Samples are expected in 2026, targeting the needs of AI high-speed computing. In addition, Kioxia had sent samples of **122TB** and **245TB** enterprise SSDs (using **BiCS8 2Tb QLC**) to customers for verification by the end of 2025. It is simultaneously promoting mobile products that support **UFS 4.1** specifications to solidify its position in the high-performance mobile device market.

SanDisk: Focuses on transitioning to BiCS8 (218L) and developing products with 2Tb QLC, with BiCS8 (218L) accounting for 70% of output by the fourth quarter of 2026. Benefiting from industry supply constraints, SanDisk successfully filled the gap in the server market, driving a 64% increase in its data center business revenue. The company plans to further increase the sales proportion of cloud and OEM markets by 2026.

Micron: Plans to continue increasing QLC production capacity and expanding G9 (276L) supply, with an estimated 18% year-over-year bit output growth rate in 2026. Currently, the 122TB/245TB QLC enterprise SSDs manufactured by Micron using G9 are undergoing validation with Hyperscale customers, and PCIe Gen4 QLC client SSDs have been adopted by PC OEMs. However, due to the Singapore plant prioritizing support for DRAM/HBM, NAND flash expansion is limited in the short term, with new capacity not expected to come online until 2028 at the earliest.

SK Group (SK Hynix & Solidigm): Driven by strong demand for its 128TB and 30/60TB QLC enterprise SSDs, Solidigm will expand G4 (144L)/G5 (192L) production capacity to 95K units per month starting from the fourth quarter of 2025. Its technology transfer will focus on V9 (321L), and production is expected to exceed 40% of total output in the fourth quarter of 2026. In addition, the SK Group is planning to launch a 245TB QLC enterprise SSD based on this process to meet the massive storage demands of generative AI.

Unit: Millions of US\$

Company	Revenue		Market Share (%)	
	4Q25	QoQ (%)	4Q25	3Q25
Samsung	6,600.0	15.4%	32.3%	32.9%
SK Group (SK hynix + Solidigm)	3,526.6	5.7%	19.0%	21.1%
Kioxia	2,841.0	33.1%	15.3%	13.3%
Micron	2,423.0	15.4%	13.0%	13.5%
SanDisk	2,308.0	21.4%	12.4%	12.0%
YMTC	1,350.0	35.0%	7.3%	6.3%
Others	136.6	22.6%	0.7%	0.7%
Total	18,584.2	17.8%	100.0%	100.0%

Note 1: 3Q25 average exchange rate: USD/JPY exchange rate: 1:147.5; USD/KRW exchange rate: 1:1,386.9

Note 2: 4Q25 average exchange rate: USD/JPY exchange rate: 1:154.1; USD/KRW exchange rate: 1:1,448.8

Source: TrendForce Corp., March 2026

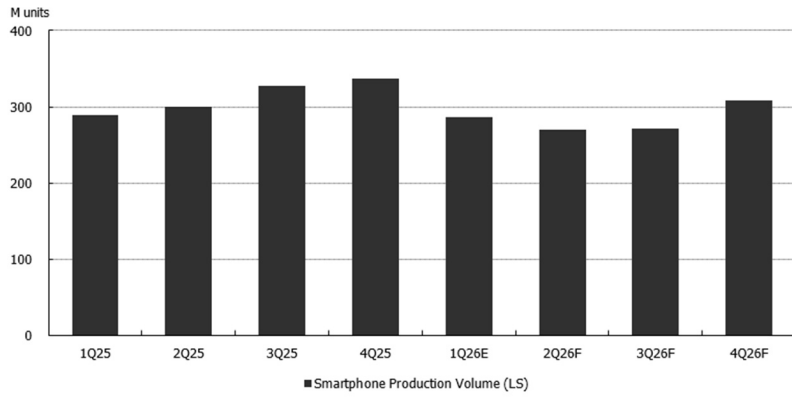
Table 4 2025 Q4 global NAND Flash brand manufacturers ranking by operating revenue

(2) Development of products

Flash memory is generally used in ordinary consumer electronics such as smartphones, notebooks, tablets, flash drives, memory cards and SSDs. As the process technology of NAND Flash continues evolving and the unit capacity cost keeps declining, its use has become widespread in smartphones, embedded devices and industrial control applications. In recent years, demand for SSDs used in big data storage and notebooks has gone up, and the use of 5G communication technologies and smart devices has grown fast. Furthermore, applications of and demand for data storage has greatly increased in smart homes, smart appliances, smart speakers, smart digital signages, in-vehicle recorders, vehicle navigation systems, smart wearable devices, drones, automated ordering systems, self-checkout systems, reality technologies (VR/AR/SR/MR), future AI, big data, edge computing and cloud storage. Main applications:

A. Smartphones:

The shipment volume of smartphones in the global market was approximately 1.25 billion units in 2025, demonstrating a recovery trend of a slow start followed by strong growth. Momentum was particularly strong in the second half of the year, driven by flagship product launches and growth in emerging markets. However, with the rising costs of DRAM and NAND, coupled with supply shortages in the fourth quarter, this pressure will continue to weigh on the growth through 2026. To offset the high cost of components, brand manufacturers are actively shifting to a profit-focused strategy by streamlining their low-margin entry-level product lines, optimizing hardware specifications, and aggressively pushing the market toward high-end models. They aim to focus development in 2026 on improving profitability and operational efficiency in the face of the rising cost. (See Fig. 4)

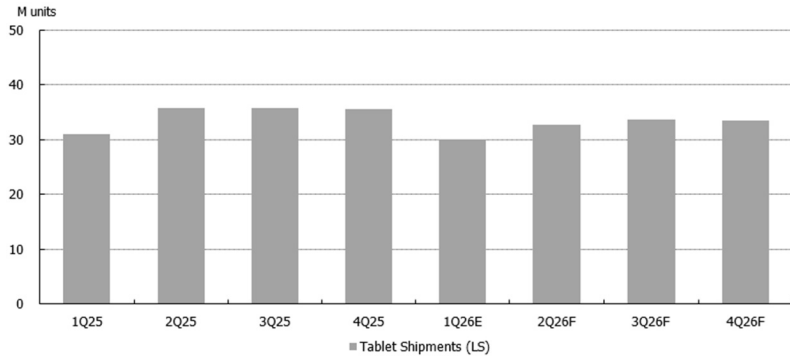


Source: TrendForce Corp., February 2026

Fig. 4 2025–2026F global smartphone shipment volume

B. Tablet PC:

According to Omdia research, the global tablet market experienced a strong recovery in 2025, reaching 162 million units shipped, with particularly strong growth in the Middle East, Eastern Europe, and Asia Pacific. A double-digit increase was achieved in all of these regions. The shipment peak in the fourth quarter was driven by holiday demand and the impact of suppliers building up inventory ahead of schedule in anticipation of a memory shortage. However, the volatile memory price will be a severe test in 2026, forcing brand manufacturers to make difficult choices between maintaining market share and profitability. The growth momentum in the future will be highly concentrated in specific areas, including upgrade cycles for high-end flagship models in mature markets and educational tenders in emerging markets. Overall, tablet computer demand in 2026 will face increasing downward pressure, and market gains will diminish gradually. **(Fig. 5.)**



Source: TrendForce Corp., February 2026

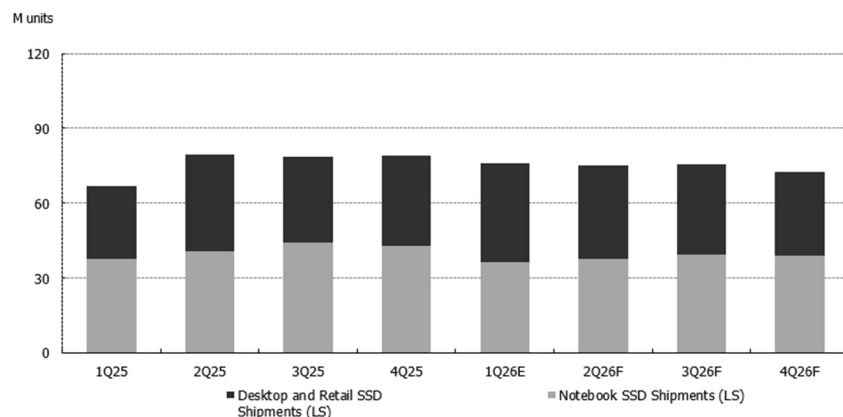
Fig. 5 2025–2026F global tablet PC shipment

C. SSD:

Client SSDs were fully adopted in NB applications between 2025 and 2026, achieving 100% adoption. However, as 512GB becomes the mainstream standard, general usage needs are becoming saturated, which significantly limits the drive for capacity growth. According to TrendForce data, the average capacity of client SSDs used in notebooks in 2025 was 687GB. However, it is estimated to decrease to 668GB in

2026 due to high NAND Flash prices, representing a 2.9% decline, with further reductions possible.

In terms of interface technology, the rollout of PCIe 5.0 faces the dual challenges of “performance surplus” and “high cost.” For most users, PCIe 4.0 offers sufficient speed for gaming and everyday tasks, making an upgrade feel unnecessary. Coupled with the fact that PCIe 5.0 requires high-end motherboards and processors, and presents heat dissipation challenges due to its high power consumption, its market share is growing slowly. As a result, PCIe 4.0 will remain the mainstream standard in 2025, with PCIe 5.0 penetration at around 5%. It is projected to only increase gradually, up to 10% by 2026. In addition, manufacturers are shifting their QLC production capacity to the more profitable enterprise market to maintain profitability while reducing capital expenditures. In response to the demand for AI inference and massive cold data storage, U.S. cloud service providers (CSPs) are actively replacing traditional HDDs with large-capacity enterprise-grade QLC SSDs, and are even willing to pay a premium to lock in supply. Under the original factory’s “profit-first” allocation strategy, the supply of QLC for client SSDs is expected to be severely constrained, forcing a slowdown in their structural transformation progress in 2026. (Fig. 6)



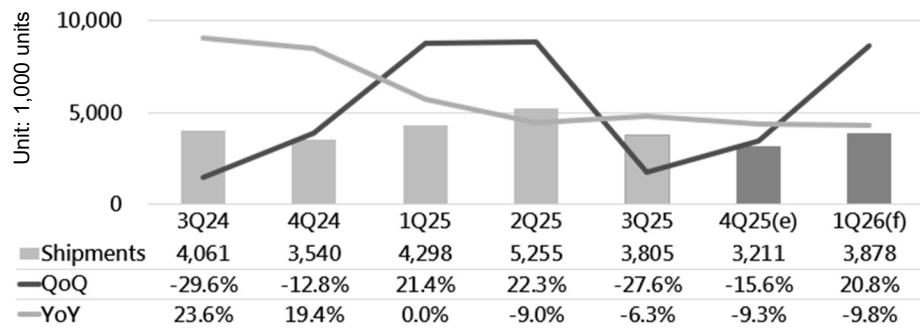
Source: TrendForce Corp., February 2026

Fig. 6 2025–2026F global Client SSD shipment volume

D. Chromebook and tablet-like NB Chromebook:

After three consecutive years of weak shipments, Chromebooks saw a turning point in 2025, with total shipments climbing back to 19.5 million units. The resurgence of tenders in the education market contributed significantly to this growth, which exceeded two million units compared to the previous year. Technologically, Google has announced a deep integration between Android and Chrome OS, expected to debut in new devices in 2026. As the market expands, Intel’s longstanding dominance is facing challenges, with major players in both the x86 and Arm camps (including AMD, Qualcomm, and MediaTek) actively moving to establish a presence. Looking ahead to 2026, despite the negative impact of memory shortages and price increases on the PC industry, and with market expectations becoming more conservative, Google is expected to maintain shipment volumes of 19.5 million units,

thanks to the strong value proposition of Chromebooks, demonstrating resilience against a downturn. (See Fig. 7)



Source: DIGITIMES research, February 2026

Fig. 7 2024–2026 Q1 Global Chromebook shipment volume and growth rate

E. Game console:

According to Research Nester data, the industry surpassed US\$29.2 billion in 2025. North America is projected to capture 44.4% of global revenue by 2035, solidifying its position as the market leader, driven by its mature gaming culture, advanced technological infrastructure, and high purchasing power. There are two core factors driving this wave of growth:

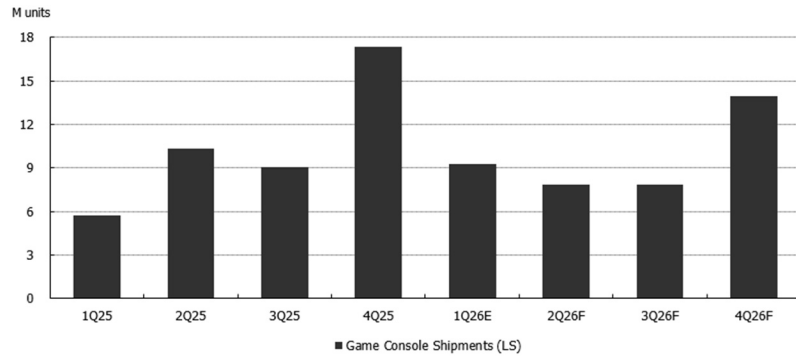
First is the evolution of the business model and the enhancement of social features. With the optimization of the global network environment and the increasing demand for interactive experiences among consumers, online competitive and collaborative games have become increasingly popular. Meanwhile, the rise of subscription services like Xbox Game Pass and PlayStation Plus, combined with cloud streaming technology, has not only changed the traditional software sales model but also enhanced the overall game ecosystem’s stickiness. Players are no longer playing in isolation, they are immersed in a highly social online community.

The second is the commercialization of e-sports and live streaming platforms. The popularization of esports, substantial sponsorships, and the sale of media broadcasting rights have greatly increased public awareness of competitive gaming. In order to pursue extreme gaming performance, the demand for high-performance servers is growing in the market. In addition, the diversification of game content creation and a variety of gaming events have further boosted the global visibility of hardware brands.

What is worth noting is that the functional positioning of game consoles is undergoing a fundamental shift. By the end of 2035, non-game applications are expected to represent approximately 64.3% of the market. Modern consoles like the PS5 or Nintendo Switch widely support streaming services such as Netflix, YouTube, and Spotify, making them a central hub for family entertainment, social networking, and multimedia.

However, the industry still faces potential challenges. The impact on hardware pricing strategies and gaming business profitability remains highly uncertain due to the soaring costs of core components like

memory. The proportion of memory costs in mainstream consoles such as the Switch 2, PS5, and Xbox X has risen to 23%–42%, significantly compressing profit margins. Impacted by the shortage of components, TrendForce estimates that global shipments will decline by 4.4% in 2026, and market penetration may stagnate. In response to cost pressures, Sony may delay the release of new products, while Nintendo is considering a price increase. These developments will be key variables for supply chains and brand manufacturers to monitor closely in the years ahead. (See Fig. 8)

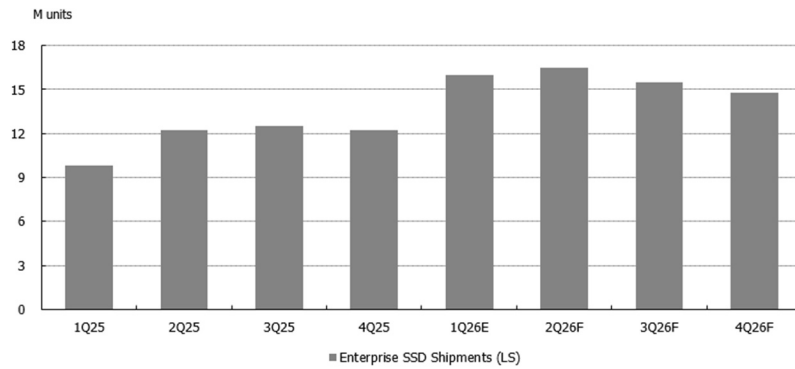


Source: TrendForce Corp., February 2026

Fig. 8 2025–2026F global game console shipment volume

F. Enterprise SSD (collectively referring to the SSD installed in the server):

As the computing power of AI servers doubles each year, data transmission speed is becoming the deciding factor. To keep pace with the strong performance of Nvidia and AMD’s next-generation chips, the latest PCIe 6.0 interface is gaining traction, with the related products expected to officially enter the server market in 2026. The demand for storage equipment has also risen with the popularization of AI inference services (such as chatbots). Despite continuous technological advancements, the mainstream PCIe 4.0 interface is expected to continue supporting large-capacity storage products until 2027 due to its consistently stable performance. It is worth noting that traditional HDDs are facing unprecedented challenges. Facing the “high frequency, low latency” quick read requirement for AI, traditional HDDs have hit a bottleneck in both capacity scaling and cost optimization. In contrast, QLC SSDs offer huge potential as replacements for HDDs, thanks to their smaller form factor, higher storage density, and lower power consumption. In particular, when data centers upgrade to ultra-high-speed network specifications, using SSDs is the only way to ensure the system doesn’t stall. In addition, as AI becomes better at processing long-form content, the demands on the system’s “memory” capacity increase. This has prompted a renewed surge in demand for high-capacity enterprise SSDs of 16TB or greater, becoming a core pillar supporting data center operations. (See Fig. 9)

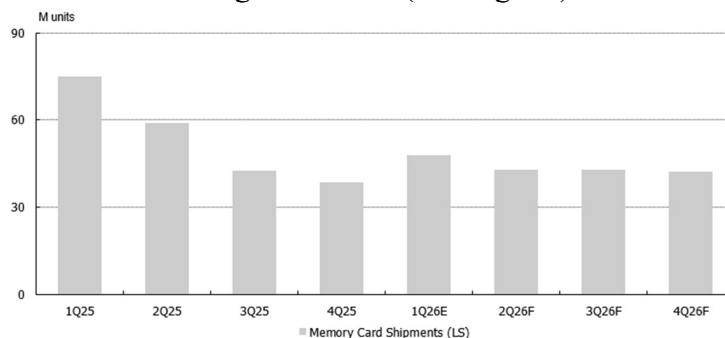


Source: TrendForce Corp., February 2026

Fig. 9 2025–2026F global Enterprise SSD shipment volume

G. Memory card:

The global memory card market is expanding steadily. It is projected to grow from US\$18.51 billion in 2025 to US\$19.24 billion in 2026. With the advancement of technology, the market will continue to grow at a compound annual growth rate of 3.9%, reaching US\$27.15 billion by 2035. Currently, high-capacity cards of 64GB or greater account for half of the market share. Thanks to the growing popularity of 4K/8K imagery, drones, and professional cameras, user demand for faster transmission speeds and greater storage capacity has surged, driving development of SD Express specifications and SDUC technology, which supports up to 128TB SD cards. In addition, many image creators and photographers have adopted UHS-III ultra-high-speed technology in pursuit of more efficient and stable storage solutions. (See Fig. 10)



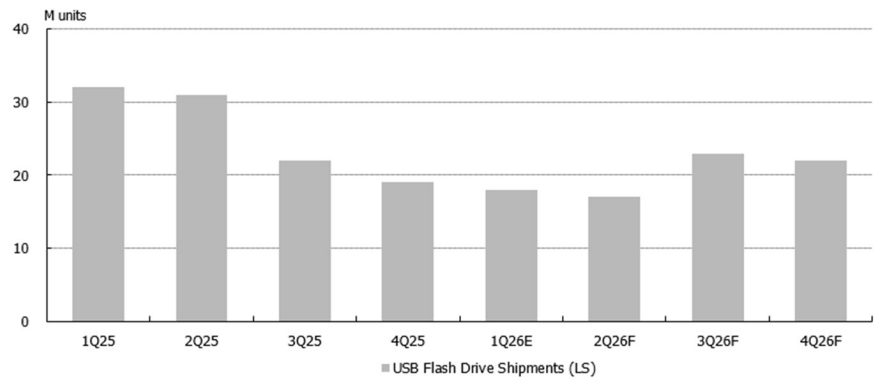
Source: TrendForce Corp., February 2026

Fig. 10 2025–2026F global memory cards shipment volume

H. USB flash drive:

Driven by demand from individuals and businesses for portable storage, the global USB flash drive market reached US\$6.14 billion in 2025, with the Asia-Pacific region accounting for nearly 40% of the total. The mainstream capacity is mostly between 64GB and 128GB, and USB 3.0 interfaces account for nearly half the market. As AI development drives up NAND Flash costs, the market is expected to shift toward high-end, high-capacity products in 2026. While this will raise average selling prices and squeeze the entry-level market, the overall industry remains poised for growth despite the volatility. According to IndexBox forecasts, the compound annual growth rate is projected to be around 3.8% between 2026 and 2035. In the future, Type-C ports with high-security encryption

and TB-level high-capacity products will become mainstream, further driving growth in the high-end storage market. (See Fig. 11)



Source: TrendForce Corp., February 2026

Fig. 11 2025–2026F global flash drive shipment volume

I. Automobile market:

The global auto memory chip market reached US\$4.76 billion in 2023. With the high level of autonomous driving technology, the market is expected to grow to US\$10.25 billion in 2028. The automotive storage market has become an important high growth field for the semiconductor industry. In 2023, automotive memories accounted for approximately 8–9% of the automotive semiconductors. They are expected to increase to 10–11% by 2028. This is mainly due to technological innovation, which has enabled the use of advanced memory chips in automotive applications at a faster rate. Currently, NAND Flash is widely used in ADAS, IVI and CID for storage of continuous data. As the automotive electronic architecture shifts to a five-domain integration structure, the NAND storage demand for each vehicle may exceed 2TB in the next 3 to 5 years, providing the main growth momentum for automotive central computing. In addition, the modern digital cockpit needs efficient storage solutions to cope with massive data requirements and ensure compliance with regulatory standards. Thanks to the high-speed transmission, low latency, and flexible expansion of PCIe technology, it has gradually become popular in the automotive industry. Compared to UFS, the sequential and random read/write performance of PCIe is more advantageous, making it more and more popular in the next generation of IVI automotive platform. In addition, the PCIe interface protocol is more efficient than other technologies. It has error detection and reporting functions and can improve data transmission stability. The scalable link width of the PCIe (x1 - x16) allows the vehicle manufacturer to shorten the development time more flexibly and accelerate the time to market. The autonomous driving technology and high-end ADAS require data from 20 sensors, including cameras, radars, and optical sensors. The low latency and high computing power of PCIe technology play a key role in processing massive data and aiding the development of smart driving technology.

According to data from TrendForce, the global new energy vehicle market is expected to peak at 20.53 million units in sales in 2025 (a year-on-year increase of approximately 26%). However, as it enters 2026, sales are forecast to reach 23.4 million units due to the impact of the

policy shifts, with growth slowing to 14%. The factors affecting 2026 sales are: The new Chinese subsidy mechanism, based on sales price ratios, will disadvantage lower-priced vehicles. The U.S. federal subsidy may be phased out entirely. However, Germany’s resumption of subsidies without origin restrictions could benefit Chinese-made electric vehicles. Simultaneously, the U.S. is highly likely to reopen negotiations for the USMCA renewal in 2026, and an aggressive withdrawal strategy could significantly increase cross-border logistics costs and severely disrupt the North American supply chain.

Regarding hardware supply, while increasing vehicle intelligence has led to a significant rise in demand for memory from automakers, and they are facing supply fluctuation pressures, memory represents only 1-5% of the total vehicle cost. Therefore, automakers are now prioritizing a “stable supply” to ensure the timely launch of new vehicles and uninterrupted function updates. The sales rankings and market shares of BEVs (Battery Electric Vehicles) and PHEVs (Plug-In Hybrid Electric Vehicles) are shown in Table 5.

BEV & PHEV sales ranking and market share in 2025

Rank	BEV	Market Share	PHEV	Market Share
1	BYD	15.6%	BYD	31.5%
2	Tesla	11.7%	Geely	6.3%
3	SAIC-GM-Wuling	6.3%	AITO	5.9%
4	Geely	6.0%	Chery	5.7%
5	Leapmotor	3.5%	Li Auto	5.2%
6	Volkswagen	3.2%	Mercedes-Benz	3.2%
7	Xpeng	3.1%	BMW	3.0%
8	Xiaomi	3.0%	Changan	2.8%
9	BMW	2.4%	Lynk & Co	2.7%
10	Changan	2.1%	Volvo cars	2.6%

Source: TrendForce March 2026

Table 5 BEV & PHEV sales ranking and market share in 2025

(3) Main flash memory suppliers’ status

A. Process transfer schedule of flash memory

2D NAND Flash will be stuck at 14–15 nanometers. Due to the difficulty in miniaturizing the subsequent production process, manufacturers will not continue 2D NAND Flash miniaturization. Manufacturers prioritized upgrading their production process techniques and accelerating mass production of 3D NAND. In 2025, the proportion of 1XX layer products was 23.9%, the proportion of 1YY layer products was 28.8%, and the proportion of the 2XX layer was nearly 40%. Looking ahead to 2026, the production capacity of 2XX and 2YY is expected to grow. In terms of output, 2XX will account for nearly 46.5% in Q4 of 2026, 1XX will account for a smaller proportion of 9%, and 1YY will drop to 16.5%. **(For detailed description of the 2D/3D**

product technologies of manufacturers, see Fig. 12)

- a. Samsung: Adopt a 2D NAND production cut strategy in the fourth quarter of 2025, reducing bit shipments by approximately 10% quarter-over-quarter, and shifting focus to enterprise SSDs. At present, the Company is accelerating the adoption of the V8 (236L) process and actively transitioning to V9 (286L) technology. V8 (236L) is expected to be the mainstream technology by 2026. At present, the P4L plant has begun small-scale production of the V9 (286L) process and is expected to enter mass production in the first half of 2026. This process will focus on developing large-capacity QLC PCIe Gen 5 and high-performance TLC PCIe Gen 6 enterprise SSDs. With the launch of NVIDIA's new GPU platform in the second half of 2026, these large-capacity enterprise SSDs are expected to ship in volume to meet the demanding high-speed data transfer needs of AI applications.
- b. Kioxia/Sandisk: Kioxia's Kitakami Plant No. 2 has officially commenced production, focusing on expanding capacity for its BiCS8 (218L) process. The company has delivered 122TB and 245TB enterprise SSD samples that adopt BiCS8 2Tb QLC technology to customers for verification by the end of 2025, and it is also actively promoting BiCS8 (218L) products supporting UFS 4.1 for the mobile device market to meet the high-performance demands of smartphones. In terms of technological evolution, the BiCS9 (120L) 512Gb TL product based on BiCS5 (112L) was sampled in the third quarter of 2025 and is expected to enter mass production at the end of the first quarter of 2026. Compared to the current BiCS6 (162L), BiCS9 delivers a 61% and 12% improvement in write and read performance, respectively, thanks to the latest CMOS technology. Power consumption is also significantly optimized, by approximately 30%. In addition, Kioxia also plans to produce higher-end BiCS10 (332L) samples by the end of 2026. On the other hand, SanDisk is aggressively ramping up the production capacity of its BiCS8 (218L), with a goal of exceeding 70% output share in the fourth quarter of 2026. Benefiting from the current industry supply shortage, SanDisk is experiencing a turnaround in the server market: two large cloud service providers (Hyperscalers) are currently in the validation phase, with additional server manufacturers and storage equipment OEMs expected to begin validation in 2026. As the certification process progresses, SanDisk is poised to substantially increase its sales share in the cloud service provider (CSPs) and server OEM markets by 2026 to improve its product profitability.
- c. SK Hynix: The company focuses on V9 (321L) technology transfer, with the process expected to account for over 40% of output by the end of 2026, and plans to leverage this process to launch a 245TB ultra-high-capacity QLC enterprise SSD product, addressing the growing demand for large-capacity storage in generative AI applications among cloud service providers (CSPs).
- d. Micron: In the third quarter of 2025, the company announced it would cease development of mobile NAND Flash, strategically pivoting to high-bandwidth memory (HBM) and enterprise SSDs

with higher gross margins. Micron expects bit shipments to grow 18% in 2026 by focusing resources on high-profit markets, with key expansions in its G9 (276L) process technology and QLC product line.

At present, Micron’s 122TB and 245TB large-capacity enterprise QLC SSDs, built on G9 (276L), are undergoing verification by major cloud service providers (Hyperscalers); on the consumer side, its PCIe Gen4 QLC SSDs have successfully been adopted by PC OEMs. Despite prioritizing DRAM and HBM production at its Singapore plant, which limits NAND flash expansion in the short term, with new capacity not expected until 2028, Micron maintains stable pricing and long-term competitiveness thanks to its excellent yields and technology upgrades, even with its smaller production scale.

- e. Solidigm: Thanks to strong market demand for 128TB and 30/60TB QLC enterprise SSDs, Solidigm will expand production capacity for its G4 (144L) and G5 (192L) processes to 95,000 units per month starting from the fourth quarter of 2025.
- f. YMTC: Affected by international geopolitical factors, the promotion of YMTC’s enterprise SSDs has become slower than that of its global peers. This difficulty will turn around in 2026. As cloud service giants in China, such as Alibaba, Tencent, and Huawei accelerate the development of in-house components, these manufacturers begin to purchase enterprise-grade NAND flash particles from YMTC to assemble their own branded SSDs. This approach not only avoids complex finished product verification processes but also boosts YMTC’s bit shipment share in the enterprise market, which is projected to exceed 20% in 2026. In addition to its roots in NAND Flash, YMTC is actively expanding into the DRAM market, with plans to begin mass production of LPDDR5 in 2026, marking its official entry into the mainstream storage sector. In line with the trend of high-performance computing, the company is planning to invest in HBM R&D. Through horizontal integration of its product lines, YMTC will gradually advance toward the goal of “China localization.”

Vendors	2024		2025		2026	
	1H	2H	1H	2H	1H	2H
SAMSUNG	14nm (MLC/TLC)					
	V8, 236L (TLC) ★		V9, 286L (TLC/QLC)			
SK hynix	14nm (MLC/TLC)					
	V8, 238L (TLC/QLC)		V9, 321L (TLC/QLC) ★			V10, 375L
SOLIDIGM	G5, 192L FG (QLC)			G6, 240L (TLC/QLC)		
KIOXIA SANDISK	15nm (MLC/TLC)					
	B1CS6, 162L (TLC/QLC)		B1CS8, 218L (TLC/QLC) ★		B1CS9, 264L (TLC/QLC)	B1CS 10, 332L
micron	16nm (MLC/TLC)					
	G8, 232L (TLC/QLC)	G9, 276L (TLC/QLC)				G10, 459L
YMTC	X3, 232L (TLC/QLC)	X4, 160L		X4, 260L ★		X5, 3XX L
	19nm (SLC/MLC)					
MXIC	96L (TLC)					192L (TLC)
<small>Note: ★ Indicates the supplier's current primary technology. Source: TrendForce, Jan. 2026</small>						
<small>2D NAND 92/96L 1XX L 1YY L 2XX L 2YY L 3XX L 3YY L 4XX L</small>						

Source: TrendForce Corp., January 2026

Fig. 12 NAND Flash 2D/3D product technologies of manufacturers

B. Supply-demand development of the industry

In 2025, Micron and Samsung will actively promote the 2XX-layer production capacity. The focus of other suppliers will be 1XX and 1YY, and the proportion of 2XX will increase. In the fourth quarter of 2025, the total of 2XX/1YY-layer products accounted for 71.3% and the 1YY-layer products dropped slightly to 26.5%. The 1XX-layer dropped to 18%. Due to the surging demand for large-capacity storage driven by generative AI applications, major suppliers are continuing to promote QLC technology, with QLC accounting for 22.5% of the production in the fourth quarter of 2024.

In the first half of 2025, the manufacturer successfully corrected the supply-demand imbalance through strategic production cuts, bringing the inventory back to a healthy level. After entering the third quarter, boosted by the recovery of both general servers and AI servers, demand for enterprise SSDs strengthened significantly, and pricing showed a moderate increase: the enterprise SSD price rose by approximately 3–8%, Client SSDs price by 5-10%, and wafer price by 8-13%. In the fourth quarter, the mass production of NVIDIA Blackwell chips drove a new round of AI infrastructure deployment among cloud service providers (CSPs), and a shift in orders away from HDDs led to a surge in demand for enterprise SSDs. However, the consumer market (PCs, smartphones) encountered the following challenges:

Pressure on cost: Rising prices of components (memory, CPU, and panels) were eroding overall product profits.

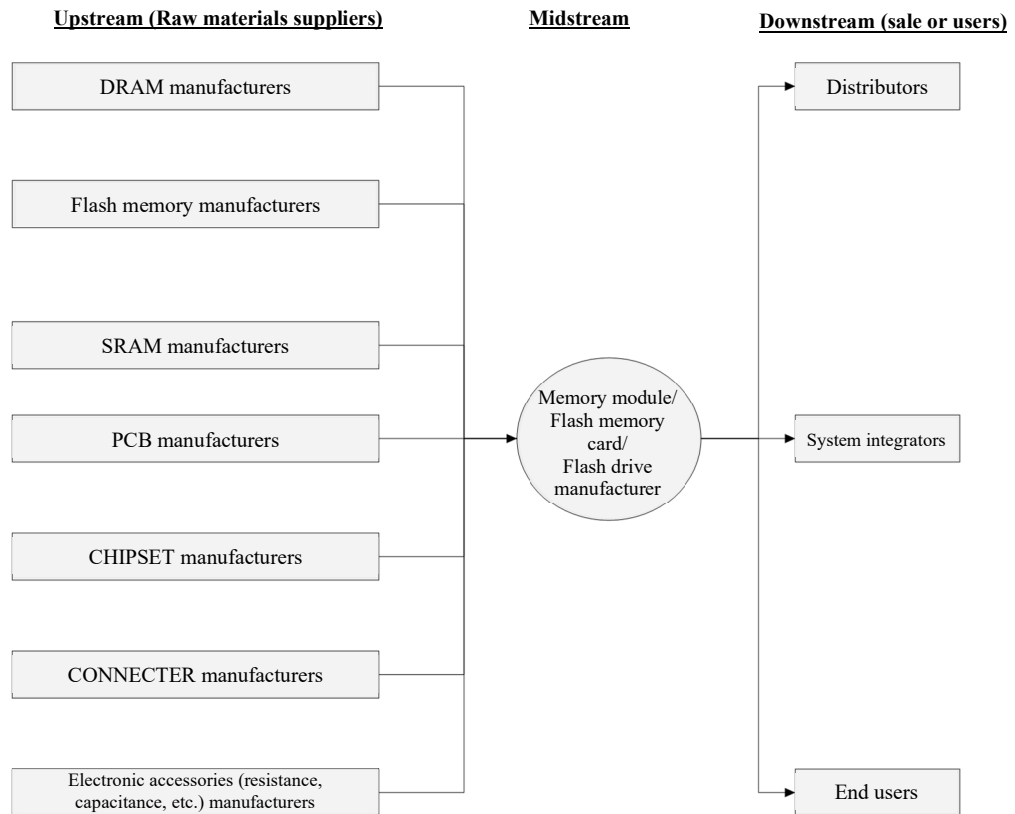
Supply shortage: Original manufacturers shifted toward a profit-oriented approach and reduced the supply to the consumer market, resulting in the production side facing the risk of material shortages.

Weak end-user demand: Inflation factors were shifting consumer budgets toward necessities, leading to a postponed replacement cycle of electronic products.

As a result of this imbalance, the price in the fourth quarter surged dramatically, with wafer prices increasing by 145–150%, and other SSDs and eMMC/UFS increasing by more than 20%.

Looking ahead to 2026, major manufacturers will ramp up QLC production. In terms of technology upgrades, Kioxia is accelerating the shift to 2XX-layer production capacity and reducing the production of 1XX-layer products, resulting in a significant increase in the proportion of 1YY and 2XX products. TLC will remain mainstream in the market. Its proportion will be more than 70% for the entire year.

2. The relationship between up, middle, and downstream in the industry



3. The development trend of each product

(1) Development trend of memory modules

With the rapid development of technology, the performance, capacity, power, and technological structure of memory modules continue to evolve to meet the needs of artificial intelligence (AI), cloud computing, 5G, and the Internet of Things (IoT). The following is the main development trend of memory modules:

A. Continuous improvement of capacity and density

As the semiconductor process technology advances, the density of memory chips continues to increase. For example, the DRAM process has advanced from 20nm to 10nm with more advanced nodes, which allows a single module to accommodate more memory units. Currently, the capacity of consumer-grade single module has reached 64GB and the capacity of server-grade DRAM has reached 256GB or even higher. The current R&D plan includes a 512GB prototype.

B. Popularity of DDR5 and subsequent standard development

When entering the market in 2021, DDR5 memory offer higher bandwidth (up to over 8400 MT/s), lower power consumption, and better power management capabilities than DDR4 and DDR5. As DDR5 gradually becomes the mainstream of the market, the industry begins to plan the DDR6 standards. Its bandwidth may exceed 12,800 MT/s to meet the needs of future high-performance computing.

C. More demand for LPDDR low power-consumed memory

The demand for low power-consumption memory is increasing for mobile devices, IoT, and edge computing devices. This gives rise to the continued development of the LPDDR series (such as LPDDR5X and LPDDR6). This type of memory has lower voltage requirements and high-performance. It is suitable for smartphones, notebooks, autonomous driving AI systems, etc.

D. HBM (High Bandwidth Memory) has become a key component of AI and HPC (High-Performance Computing).

The technology of HBM (High Bandwidth Memory) improves the bandwidth of memory using a 3D stacking approach. The product is applicable to high-performance applications such as AI, HPC and data centers. HBM3 has entered the market and HBM4 is under development. They are expected to provide higher bandwidth, lower latency and better energy efficiency to meet the needs of AI model training and cloud computing.

E. Memory structure reform led by CXL technology

Compute Express Link (CXL) is an emerging memory expansion technology. It enables heterogeneous computing units such as CPU, GPU and FPGA to share memory resources. CXL allows the memory module to expand from the conventional DIMM interface to the PCIe interface, thereby improving the system's flexibility and performance. In the future, CXL will change the structure of servers and cloud memory architectures, and will realize more efficient allocation of computing resources.

F. The rise of AI and compute-in-memory technology

The conventional memory is only used for storing data, but AI training and inference require a large amount of data to be computed, and this frequently leads to data transmission delays and power consumption problems. To address these challenges, the industry is developing Compute-in-Memory (CIM) technology, allowing memory to store and calculate simultaneously, thereby improving AI computing efficiency and reducing power consumption.

The development trend of memory modules covers higher capacity, higher bandwidth, lower power consumption, and a more flexible framework to ensure coping with the challenges brought about by AI, high-performance computing, and cloud technology in the future. With the advancement of DDR5, HBM, CXL, and AI memory technologies, we will for sure enter an era of more powerful and efficient computing.

(2) Development trend of flash memory

A. Compared to PCIe 4.0, the PCIe 5.0 has better performance in terms of efficiency, but is still limited by the high cost and NB heat dissipation challenges. Hence, the increase of the penetration rate is limited in the coming years. However, with the development of AI, the market has gradually introduced more cost-effective PCIe 5.0 products and actively improved heat dissipation technology. According to Micron's observation, it is estimated that the proportion of PCIe Gen5 will reach 10% by 2026 in terms of its introduction in PCs. In addition, the cost gap between QLC and TLC is increasing at the same capacity, so

manufacturers are accelerating their deployment of QLC products. The shipment of QLC client SSDs is expected to account for 35% in 2025 and further increase to 43% in 2026. This will gradually become the mainstream of the market.

- B. As the shipment of Nvidia's Blackwell series of SSDs increased, the demand for AI training servers with 8TB SSDs has also risen. This, along with the fact that China's DeepSeek is increasing the deployment of its AI servers, is expected to drive the demand for SSDs in 2025. The trend of using enterprise SSDs with a capacity of more than 30TB will continue. The mainstream capacity is expected to be upgraded to 60TB in the first half of the year. These will drive the average capacity of enterprise SSDs to increase to 5.8TB. Due to the advantage of transmission speed, the market share of the enterprise SSDs will continue to grow. According to TrendForce, by 2025 Q4, the shipment of the PCIe 5.0 interface products is expected to exceed 50%.
- C. According to a survey conducted by Counterpoint Research, the penetration rate of mobile phones with AI is expected to reach 43% by 2027 thanks to the rapid development of AI technology, and more than 1 billion devices will be used in the world. This trend will accelerate the innovation of memory technology and promote market demand. The introduction of AI technology has transformed smartphones from entertainment devices into a multi-functional platform that can provide productivity. Users can generate briefings and graphics through voice commands, or make a reservation using the AI assistant. Although AI computing relies on the cloud, the demand for high-efficiency memory will gradually increase thanks to the increasing sophistication of the models. From the view of memory specification, the memory capacity of a mobile phone was about 4GB to 8GB in the past. However, GenAI mobile phones have significantly increased their requirements for memory capacities. Apple believes that the memory capacity should be more than 8GB and Google suggests 12GB or more. Therefore, the memory capacity of the mobile products made in recent years has been increased. For example: Only the Pro series of the iPhone 15 is equipped with AI functions mainly due to the limited memory capacity. However, the entire iPhone 16 series has been upgraded to 8GB. Google Pixel 8 is equipped with 8GB and Pixel 9 is upgraded to 16GB. At least a 14GB memory is required to run an AI model with 7 billion parameters. To meet higher storage requirements, mobile phone brands are actively increasing their storage capacity. However, this also drives the hardware costs. It has been reported that Apple may adopt QLC NAND Flash memory in the model with a storage capacity of 1TB or more to balance the performance and cost.
- D. Taken all together, the biggest demand in NAND Flash servers, such as the promotion of the capacity of smart phones, tablet PCs and SSD. The IoT trend is leading a rapid growth of intelligent devices, and with the increasing demands and applications for data storage for 5G deployment, smart robots, smart appliances, smart speakers, and wearable devices, Internet of Cars, vehicle navigation systems, smart wearable devices, drones, big data computing, edge computing, and future AI devices, the growth of NAND Flash applications is something to look forward to.

(III) Techniques and research development status

1. The R&D expenses in the recent years and as of the date on which the annual report is printed

Unit: NT\$ thousand

Year	2024	2025	As of 30 March 2026
R&D expenses	180,702	234,749	214,843

2. R&D status of Apacer

Devoted to applications of memory and storage technologies, Apacer's memory module and SSD technologies and products cater to the consumer, commercial, and industrial markets. We are accumulating storage technologies and capabilities, developing a deep understanding of the demand for memory storage applications, and continuing to invest resources in the R&D of hardware, software, firmware, institutions, and design. In particular, we are innovating SSD storage modules for industrial applications. Moreover, based on our comprehensive knowledge of the firmware and structure of SSD storage, we can swiftly provide customized storage solutions to meet the practical requirements of our customers and expedite the progress of their projects. Based on research and development in core storage technology, we enhance product stability and reliability, and help customers address system and data storage challenges. To meet the growing demand for green energy efficiency, we have developed a new generation of storage energy regulation technology, delivering precise performance and power consumption control through software and hardware optimization. Based on trends in the development of storage interfaces, we are more actively devoted to developing PCIe (PCI Express) SSD storage technology to meet the requirements for the transmission interfaces of the next generation.

Strategies for developing new technologies and products include the integration and innovation of memory and SSD applications. With these, we actively satisfy our customers' applications and provide them with thorough solutions, invest resources continuously, and cooperate with internationally leading companies to develop automated optoelectronic testing equipment, proactively establish IIoT and intelligent IoT platforms, and promote these in the relevant industrial application fields. R&D of technologies in new fields is implemented toward the development of green products, including the application products related to electronic paper, to provide full-color displays and various innovative products.

In addition to designing and developing formats with higher compatibilities to meet different requirements, we are also devoted to developing strategies for mobile SSD storage and the development of products related to mobile digital storage applications. We brought out many kinds of high-speed flash drives, external hard drives, and multi-purpose flash drives.

As for R&D, we have been granted 170 approved patents for our products in Taiwan and other countries. 35 patent applications are currently pending.

3. R&D outcomes

Year	R&D outcomes
2025	1. PT25R-Pi HAT SSD (for AIoT) - featuring hardware-triggered backup and restore. Smart factory, edge computing, and Raspberry Pi platform Supporting CoreSnapshot 2 and allowing automatic backups/restores via a physical button to ensure data integrity.

Year	R&D outcomes
	<ol style="list-style-type: none"> <li data-bbox="496 203 1433 353">2. PV250-M280 CoreEnergy - CoreEnergy energy consumption adjustment technology. Adjustment mode: Offering a 5-step hardware DIP switch and 27 advanced software fine-tuning modes (ranging from Performance to Ultra ECO). Providing a precise balance of performance and power consumption for demanding high-temperature and battery-powered systems. <li data-bbox="496 353 1433 504">3. PV25V-M280 CoreVolt 2 (Voltage Protection) - A hardware-integrated real-time voltage monitoring system featuring a tantalum polymer capacitor. Monitoring function: Monitoring voltage anomalies within the last 7 days in conjunction with the SSDWidget. The backup mechanism is triggered immediately upon unstable input voltage, and it supports a wide temperature range (-40°C to +85°C). <li data-bbox="496 504 1433 631">4. PV25D-M280/M242 (rugged system) PCIe Gen4x4 rugged design. Security level: Supporting MIL Erase (NSA9-12), Instant Keychange, hardware destruction (Destroy), and TCG Opal 2.0. It is designed for extreme environments like aerospace and national defense, offering high capacity and top-tier data security. <li data-bbox="496 631 1433 759">5. Full-color cholesterol e-paper (13.3") – Integrated MCU, WiFi/BT module, RTC, and TCON. The static display doesn't use power, and a single charge allows for over 1,000 page turns. It supports remote content updates and scheduled playback in BMP format, aligning with the ESG sustainability trends. <li data-bbox="496 759 1433 909">6. NOX DDR5 CUDIMM (e-sports collaboration) - Developed in collaboration with leading domestic laptop manufacturers and features a built-in CKD (Clock Driver). Data transmission speed: Up to 9000 Mt/s in overclocking applications. Power stability and optimal performance during high-speed operations are ensured by the PMIC. <li data-bbox="496 909 1433 1037">7. DDR5 MRDIMM (AI server) – Featuring MRCD clock driving and MDB data buffering technology. Transmission speed: Up to 8800 Mbps and supporting high-temperature environments up to 125°C. The bandwidth is doubled, specifically designed for high-performance AI computing and real-time big data processing. <li data-bbox="496 1037 1433 1164">8. LPDDR5 CAMM2 (for AI PCs) - A horizontally compressed connection technology (Compression Attached). Transmission speed: Starting at 6400 Mbps, at speeds up to 8533 Mbps or higher. It shortens the signal transmission distance to address the signal attenuation challenges of thin devices running generative AI. <li data-bbox="496 1164 1433 1238">9. CoreRescue ASR – Auto Self-Recovery technology integrates a Watchdog mechanism. The system automatically triggers a CoreSnapshot restore upon failure to ensure 24/7 system uptime. <li data-bbox="496 1238 1433 1328">10. CoreRescue NSR – Namespace Self-Recovery technology It optimizes the reduction path by integrating the multi-namespace concept, enabling a wider range of use cases. <li data-bbox="496 1328 1433 1417">11. CoreSnapshot 3G – Evolved second-level backup and recovery technology. It supports multiple backups and recoveries, allowing users to set the latest state as a recovery point whenever necessary to shorten deployment time. <li data-bbox="496 1417 1433 1491">12. CoreSecurity 2 – Advanced data security erasure framework. It supports various erasure methods, including AES_KeyChange, Quick/Full/Mil-erase, and Destroy. <li data-bbox="496 1491 1433 1753">13. AS741 USB4 External SSD – Winner of the 2026 Taiwan Excellence Award, supporting up to 40 Gbps ultra-fast transmission speeds. It is currently the smallest USB4 SSD on the market, supporting the USB-C interface and offering plug-and-play functionality across devices. The product passed the MIL-STD-810G military drop test; the silicone protective case offers shockproof, drop-proof, and scratch-resistant protection, with integrated cable management and a lanyard attachment point. The company uses non-toxic, eco-friendly silicone materials, and reduces carbon emissions and electronic waste through simplified manufacturing processes and mold integration. <li data-bbox="496 1753 1433 1933">14. AC236 ECO portable external hard drive (ESG sustainable solution) – The industry's first product made from 100% PCR recycled plastic, fully embodying sustainability and environmental protection, from packaging to the drive itself. The ultimate thin and light design offers exceptional portability. The built-in intelligent power management effectively reduces energy consumption and extends hardware lifespan. <li data-bbox="496 1933 1433 1998">15. Patented encapsulated graphene heat dissipation technology - Apacer's patented encapsulated graphene heat sink overcomes the traditional limitation of single-sided

Year	R&D outcomes
	<p>coverage in graphene heat sinks. It eliminates the risk of electrical short circuits commonly seen in graphene heat sinks, ensuring stable operation in complex circuit environments. The complete enclosure design ensures accurate and tight installation even in extremely narrow spaces. The heat exchange surface area is maximized to significantly improve heat dissipation. The product is specially designed for high-end storage devices and embedded systems requiring high stability and generating high heat.</p> <p>16. The first “fully lead-free” SSD (PV250-M280) in the industry – Fully lead-free process technology. It uses lead-free resistors and low-temperature solder paste in the SMT process to proactively position for the green supply chain opportunities following the expiration of the EU RoHS exemption while balancing high performance with environmental sustainability.</p> <p>17. AI+AOI intelligent optical inspection equipment – Featuring independently developed AI defect identification technology, integrating optical inspection and mechanical design. It includes XR devices (mini LED panels), biopharmaceutical vials (liquid level and labeling), food packaging (seal integrity), and semiconductor material testing.</p> <p>18. microSD Express memory card (supporting Switch 2) – Supporting the latest microSD Express specifications and is backward compatible with UHS-I. The product targets the needs of next-generation game consoles (e.g., Switch 2) and delivers a high-speed access experience comparable to SSDs.</p> <p>19. Smart Disaster Prevention and ESG Energy Management System – Integrating IoM, XR-based inspection applications, and environmental monitoring. The product provides proactive intelligent disaster prevention and ESG monitoring to help build efficient, safe, and low-carbon smart manufacturing factories.</p>

(IV) Intellectual Property

In the era of the knowledge economy, ownership and utilization of intellectual property rights have become an important indicator of corporate competitiveness, in addition to products and technologies. To encourage continuous innovation and the accumulation of intellectual property rights among employees, thereby strengthening market position and improving profitability, the Company’s intellectual property strategy is formulated by integrating business objectives with R&D resources. The main intellectual property management plan includes patent management and trademark management, as described below:

1. Intellectual Property Management Plan

(1) Patent Management Measures

- Maintain a high level of R&D capability through patent applications
- Monitor competitors’ patents to reduce infringement risks

(2) Trademark Management Measures

- Maintain and utilize trademarks to enhance brand visibility

2. Patent Management Strategy

The Company’s patent management strategy includes patent landscape deployment, development of offensive patents to enhance competitiveness, balancing quality and quantity in patent filings, and monitoring competitors’ technological development.

To build a strong patent portfolio, the Company implements a disclosure review mechanism, a patent innovation incentive program, and a patent ideation competition to encourage high-quality patent output. For offensive patents, the Company regularly reviews filed patents to assess their value and explore potential commercialization opportunities.

To ensure both quality and quantity of patent filings, an in-house intellectual property specialist is responsible for managing all outsourced patent matters, and

regular meetings are held to review patent control status for management review. In terms of competitor monitoring, the Company regularly tracks and analyzes competitors' patent technologies to understand their strategic positioning, enabling early identification of design-around strategies and timely market entry. In addition, the Company actively promotes intellectual property education and talent development. Through case sharing and analytical discussions, R&D personnel are trained to enhance awareness of patent infringement risks and reduce potential exposure. Legal and intellectual property personnel are also encouraged to participate in external seminars and workshops to continuously strengthen their professional knowledge.

3. Trademark Management Strategy

Trademarks are not only intangible assets of the Company but also closely related to brand visibility, channel marketing, and corporate image. To ensure comprehensive trademark management, the Company's legal and intellectual property teams work with external trademark consultants to manage multinational trademark applications and maintenance.

Internally, regular trademark meetings are held to track global application and maintenance progress, and to make appropriate decisions regarding disputes or monitoring results. Externally, trademark clearance searches are conducted prior to trademark filings, use of brand identifiers, or press release issuance to avoid infringement risks.

4. Implementation Status

The Company reports intellectual property matters to the Board of Directors at least once a year. The most recent report was presented on December 18, 2025. Key implementation results include:

- (1) Two Patent Development Committee meetings held
- (2) Conducted a training session on "Introduction to Patents and Commercialization"

5. Intellectual Property Portfolio and Results

- (1) Trademarks: As of the end of December 2025, the Company has successfully registered the "Apacer" trademark in 60 countries. The gaming brand "ZADAK" has been registered in 9 countries.
- (2) Patents: As of the end of December 2025, the Company maintains 170 active patents, including 98 in Taiwan, 54 in China, and 18 in the United States, with an additional 35 patent applications pending.

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

1. Short-term business development plan

The upstream shortage of memory raw materials, fueled by the growing AI trend, is driving breakthrough operational growth. However, we continue to implement a business strategy focused on "active expansion" and "consolidating achievements." For the two major sectors of industrial control and consumer products, we aim to "strengthen the position in industrial control" and "expand the distribution network" to solidify the industrial control customer base and develop a diverse range of consumer partnerships. Details are as follows:

(1) Active promotion:

- A. Develop innovative application solutions: We develop corresponding products and technologies for specific application areas. Products and technologies launched in 2025 include CoreEnergy energy consumption regulation technology and CoreVolt 2 voltage stabilization technology. These address customer pain points in rugged applications, transportation,

- smart factories, servers, and networking. The Company continues to launch trend-aligned storage products such as fully lead-free DRAM and SSD, and MRDIMM, to increase customer loyalty.
- B. Actively expand consumer channels in Europe and the U.S.: We continue to cultivate high-end storage products for overseas consumer markets, including portable SSDs, NAS SSDs, and high-performance memory cards. These products show promise in Europe, the U.S., and India, so we are leveraging trade shows and advertising to reach potential customers.
 - C. Make good use of data to increase brand benefits: Based on the market development needs, we strengthen advertising placement and trade show participation, optimize website information, and nurture potential customer leads. All of these enhance brand exposure and drive potential business results. Simultaneously, we leverage feedback data from marketing campaigns to refine marketing strategies for optimal effectiveness.
 - D. Developing key customers in specific fields: We develop products and technologies that address customer pain points in various areas. For instance, we've launched microSD and PCIe SSDs specifically for Raspberry Pi users, integrating our value-added technologies to raise the competitive barrier and boost both operational efficiency and brand recognition.
- (2) Maintaining achievements and profits
- A. Continue to enhance product portfolios: While the memory shortage is expected to persist in the short term, it is necessary to develop products to meet the growing demand from AI. Therefore, we need to both maintain our existing product lines and introduce new products to extend our overall product range. In addition, we have launched fully lead-free DRAM and SSDs, as well as USB flash drives made from 100% recycled plastics, to meet the global demand for innovative sustainability. We continue to develop products and technologies tailored to specific market needs.
 - B. Increase social media exposure: To improve engagement with target consumers, we have developed strategic content and advertising strategies for key social media platforms like LinkedIn, Instagram, Facebook, and YouTube. The primary goal is to attract potential audiences and build brand awareness, ultimately leading to potential partnerships.
 - C. Expanding global consumer reaches: In addition to strengthening partnerships in regions like Asia Pacific (including India) and Europe, we will seek out new potential customers to increase our market share. For specific product lines, such as SSDs dedicated to NAS, the sales team has specific target markets and aims to increase market exposure and share through sustained, long-term project implementation.
 - D. Strengthening existing customer cooperation: Due to the high customization of industrial control products, it is difficult to replace suppliers once there is a cooperation relationship. Therefore, the continuous development of products and update of specifications are crucial for maintaining a competitive edge. Considering that the recent supply shortages are likely to continue in the short term, coordinating

inventory and ensuring a stable supply chain are currently our top priorities.

(3) Accelerating the growth and transforming operational benefits

In order to strengthen the Company's competitiveness, we have continued to invest in emerging fields in recent years, establishing the Emerging Application Division and the Electronic Paper Business Division. The Emerging Application Division primarily focuses on the two major special applications of IIoT and intelligent equipment. The IIoT service items include smart disaster prevention systems and ESG equipment testing programs. The latter combines optical testing and development-related equipment to provide integrated services, from design planning to equipment manufacturing. The operating strategy has been bearing fruits over the past few years, and we will continue to meet customer needs. Electronic paper is the future trend. We enter the market with environmentally friendly and energy-saving products, and plan to expand partnerships in the e-paper ecosystem. At the same time, we develop energy-saving signages for the transportation, medical, and smart city sectors.

(4) Cultivation of outstanding talents and accumulation of growth capital

The prevalence of AI and labor shortages are changing how companies approach hiring. Businesses need to think strategically about future talent management and retention. The Company has long championed its A+EAPs Employee Assistance Program, offering a diverse range of support to comprehensively address employees' needs, including food, clothing, housing, transportation, and leisure, to help them achieve a healthy work-life balance. Meanwhile, the Company has established a comprehensive talent development system encompassing employee training programs, a talent pipeline, and a mentorship program. This system offers tailored professional development and skills enhancement based on different roles and career stages to strengthen the overall competitiveness of the organization. In addition, we actively foster a friendly work environment, encourage employee participation in sports clubs, and promote a corporate culture of holistic well-being, thereby enhancing employee loyalty and retention, and attracting top talent to build critical human capital for the Company's long-term, sustainable growth.

2. Long-term business development plan

In response to the long-term operational needs of the enterprise, and to strengthen sustainable competitiveness and address the industrial changes driven by the development of AI, the Company has developed four core operational capabilities: focusing on key areas, investing in future technologies, transforming operations with AI, and forging strategic partnerships. All of these will be key drivers of the Company's mid- and long-term growth. Meanwhile, in response to global sustainable development trends, we formulate ESG (Environmental, Social, and Governance) related policies and annual goals through our Sustainable Development Committee, integrating sustainable governance with operational strategies as a guide for our long-term business development and decision-making strategies. The key points of relevant plans are as follows:

(1) Plan for long-term sustainable development.

From the CSR Committee to the Sustainable Development Committee, we have consistently dedicated ourselves to the long-term development of the Company, as well as contribution to society and the environment. The

Sustainable Development Committee acts directly under the instructions of the Chairman, who is also the chair of the Committee, with the CEO serving as the secretary. There is also an ESG implementation group and a risk management group. Sustainability reports in Chinese and English are published regularly each year. The ESG Promotion Team plans annual implementation goals and regularly reviews performance from five aspects: corporate governance, employees, environment, customers and suppliers, and communities, and reports to the board of directors at the end of the year. Risk management encompasses both operational risks and climate change risks. By regularly assessing potential risks and opportunities, we develop solutions to mitigate/eliminate risks or leverage opportunities to drive operational growth, ensuring that the Company remains adaptable to change.

(2) Focus on key areas

With a positive outlook on the development of Edge AI, we continue to adjust our industrial control product strategy and gradually shift the R&D focus to products and technical solutions that support edge computing needs. For both consumer and industrial applications, we focus on real-world use cases to deliver integrated solutions. In the industrial control field, we focus on seven key application areas, including smart manufacturing, national defense, healthcare, servers, and network communications. We also develop corresponding products and technologies to meet the performance, stability, and environmental adaptability requirements of Edge AI. We are actively expanding into high-value markets in Europe and the U.S., with key accounts as the target. In the future, we will continue to enhance our competitive edge in Edge AI industrial control applications through product optimization and specification upgrades. The Company will deepen collaboration with strategic partners like Advantech and Acer in both product and technology development, enhance product recognition and design-in projects, and jointly develop the European and American markets to drive long-term business growth.

(3) Deployment of future technologies

R&D is the key to building a long-term competitive advantage for a company. We continue to invest in developing and recruiting R&D talents, strengthen our R&D capabilities through institutionalized mechanisms, and encourage employees to submit patent ideas annually. Over the years, the Company has accumulated over 100 patents in the three major areas of embedded systems, innovative applications, and consumer products, covering key markets, including Taiwan, China, and the U.S. At the same time, we closely monitor the trends in memory technology development, and can quickly respond to the specifications of the next generation in both the DRAM and NAND Flash sectors to launch products that can meet market demands, maintaining our technical competitiveness.

In addition, the Company is actively investing in the research and development of automated optical inspection technology and equipment, and integrating IoT and smart applications to develop highly integrated intelligent solutions. Simultaneously, we are expanding into emerging technology fields such as full-color e-paper displays, in the hope of creating growth momentum for the future of the Company through forward-looking R&D.

(4) AI-based transformation of operations

With the growing adoption of AI, businesses are increasingly becoming AI-driven. In consideration of this and the information security issues that have received attention in recent years, Apacer has continued to invest in software and hardware upgrades and system development since 2018. In addition to optimizing information security, we have laid the foundation for digital transformation. At present, the Company has begun building an internal AI knowledge management system and piloting AI agents for use in daily workflows. We will continue to evaluate and introduce additional AI tools to further improve operational efficiency.

(5) Strategic partner alliance

In 2022, Apacer completed the acquisition of UD info Corp. through a share swap, officially making it a subsidiary and bringing in Acer as a new strategic partner. By 2024, Advantech joined as a private equity partner, alongside long-term collaborator Phison Electronics, to establish a partnership structure of three private equity and strategic partners. Through strategic alliances, we are able to introduce diverse industry perspectives and resources, strengthen overall competitiveness, and become a key driver of the Group's operational growth. Looking to the future, we will continue to seek strategic partners with complementary strengths, build an industrial ecosystem through alliances, and extend value chain collaboration to create a long-term stable foundation for growth.

II. Market and production and sales status

(I) Market analysis

1. Sales region for major products

Unit: NT\$ thousand

Region \ Year		2024		2025	
		Sales amount	%	Sales amount	%
Domestic sales		1,483,722	18.93%	3,449,499	31.01%
International sales	America	890,189	11.36%	977,315	8.79%
	Europe	1,302,740	16.62%	1,737,454	15.62%
	Asia	4,094,562	52.25%	4,864,611	43.73%
	Other	65,946	0.84%	94,725	0.85%
Subtotal		6,353,437	81.07%	7,674,105	68.99%
Total		7,837,159	100.00%	11,123,604	100.00%

2. Market share

The Company engages in the production and sales of memory modules and flash memory products. There are many companies engaging in these products. Due to the fact that the production scales of these companies are different, there are no professional and comprehensive industry ranking statistics. Apart from us, domestic companies engaging in the production and sales of DRAM products with a certain scale include ADATA, Transcend, Team Group, Silicon Power, and Innodisk. The revenues and market shares of the Company and aforementioned companies are listed in the following table. The ratio of operating revenues of the Company to the operating revenues of the aforementioned companies in 2025 was 9.25%.

Unit: NT\$ thousand

Name of Company	Net Operating Revenues	Market Share
Apacer	11,123,604	9.25%
ADATA	53,087,430	44.13%
Transcend	17,125,453	14.24%
Team Group	20,428,449	16.98%
Silicon Power	4,258,375	3.54%
Innodisk	14,261,262	11.86%
Total	120,284,573	100.00%

Source: All companies' 2025 consolidated or individual financial reports that have been certified by CPAs

3. Market supply and demand status and growth in the future
 - (1) Market supply, demand status, and growth of DRAM in the future
 - A. Supply and demand status:

As AI applications extend from LLM training to inference, the focus of cloud service providers (CSPs) has shifted from AI servers to general-purpose servers. This trend is shifting the focus of memory procurement from HBM3e, LPDDR5X, and high-capacity RDIMM to a wider range of RDIMM specifications, encouraging suppliers to actively increase their orders.

On the supply side, current fab inventory levels are generally low and new production is largely prioritized for the large-capacity RDIMM needed for AI servers. This makes it difficult for PC OEMs and smartphone manufacturers to meet their demand, resulting in only a single-digit percentage QoQ increase in overall traditional DRAM shipments. Given the large supply-demand gap, bargaining power has clearly shifted to suppliers, pushing up traditional DRAM contract prices significantly by 45% to 50%. Including HBM, the overall contract price increase has reached 50% to 55%, indicating that prices across all product categories are accelerating.

In addition, niche suppliers are continuing to adjust the production ratio of DDR3 and DDR4 in response to the ongoing severe shortage of DDR4, resulting in consumer DRAM experiencing the most significant price increases. In the server segment, strong follow-on orders and high purchasing power among buyers have led to a greater price increase for Server DRAM compared to PC and mobile device memory.

- B. Growth potential of DRAM applications in the future

DRAM is a key component in the trend toward smart electronic products, and its application scenarios are becoming increasingly diverse with the growing adoption of technologies such as 5G, artificial intelligence, smart cities, and industrial automation.

Driven by increased AI infrastructure investment from North American cloud service providers (CSPs) and the dual forces of general-purpose server upgrades and scaling, the research firm inSpectrum forecasts 8.1% growth in global server shipments in 2026. (See Table 6)

For the AI server market in 2026, TrendForce Corp. notes that the primary drivers of growth include North American cloud CSPs, sovereign cloud initiatives raised by the governments of many countries, large CSPs accelerating the development of their own custom application-specific integrated circuits (ASICs), and edge AI computing

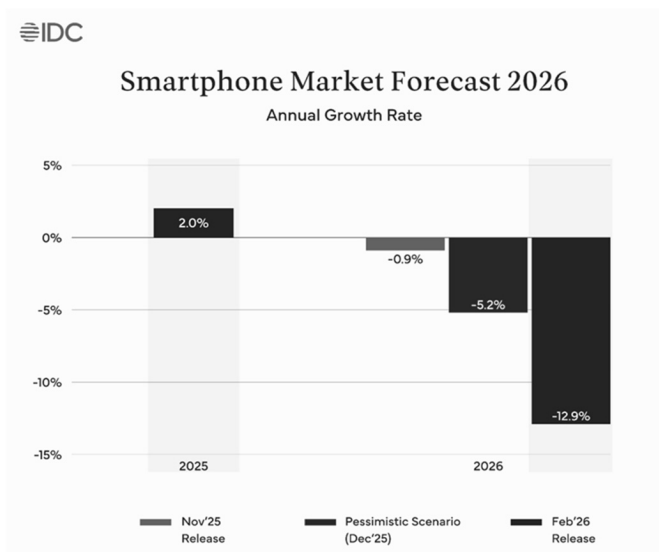
solutions. In terms of the distribution of AI chip usage, GPUs still hold the leading position at 69.7%, with models featuring NVIDIA GB300 expected to become the market mainstream. VR200 is expected to be shipped in a large quantity from the second half of the year.

Server DRAM		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	2025	2026F
Average Content	GB	827.8	878.8	933.8	998.8	1,100.0	1,217.1	1,350.6	1,505.0	911.5	1,295.4
	YoY	23.1%	24.8%	25.6%	29.2%	32.9%	38.5%	44.6%	50.7%	25.7%	42.1%
Server Shipment (Mn)		1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	2025	2026F
Foxconn	Unit	0.8	0.8	0.8	0.9	0.8	0.9	0.9	0.9	3.3	3.4
	YoY	10.6%	5.5%	2.6%	3.2%	6.3%	7.4%	5.8%	1.4%	5.3%	5.2%
Wistron	Unit	0.5	0.6	0.5	0.5	0.5	0.6	0.5	0.6	2.0	2.2
	YoY	3.7%	28.7%	4.0%	-5.1%	15.7%	-2.2%	6.7%	14.2%	7.2%	8.1%
Inventec	Unit	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.3	2.5
	YoY	10.6%	5.5%	2.6%	3.2%	9.1%	8.8%	8.7%	5.5%	5.3%	8.0%
Quanta	Unit	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	2.3	2.5
	YoY	7.9%	5.4%	0.2%	0.7%	10.7%	17.5%	10.2%	8.4%	3.4%	11.6%
Mitac	Unit	0.3	0.4	0.3	0.4	0.4	0.4	0.4	0.4	1.4	1.5
	YoY	6.2%	6.6%	1.6%	2.5%	10.1%	6.1%	6.4%	5.5%	4.1%	7.0%
Others	Unit	1.1	1.2	1.1	1.2	1.2	1.3	1.2	1.3	4.6	5.0
	YoY	7.9%	7.7%	2.1%	2.1%	11.7%	8.2%	9.1%	6.4%	4.8%	8.8%
Total	Unit	3.8	4.0	3.9	4.1	4.2	4.3	4.3	4.4	15.9	17.2
	YoY	8.1%	9.0%	2.2%	1.4%	10.4%	7.8%	8.0%	6.4%	5.0%	8.1%

Source: inSpectrum, February 2026

Table 6 WW Server Shipment & Content

The imbalance in supply and demand triggered by the AI boom in the second half of 2025 will lead to a sharp rise in DRAM prices. Because mobile phones are price-sensitive consumer products, their ability to pass on this rising price is limited, which will subsequently impact overall shipment performance. According to IDC's analysis, global smartphone shipments are forecast to decline 12.9% in 2026 (Fig. 13), marking the lowest level since 2013 and the largest year-over-year drop on record. This period of supply constraints is expected to persist until 2027, continuing to disrupt OEM product planning and time-to-market. The mobile phone market is not likely to return to a stable growth trajectory until new memory production capacity comes online.

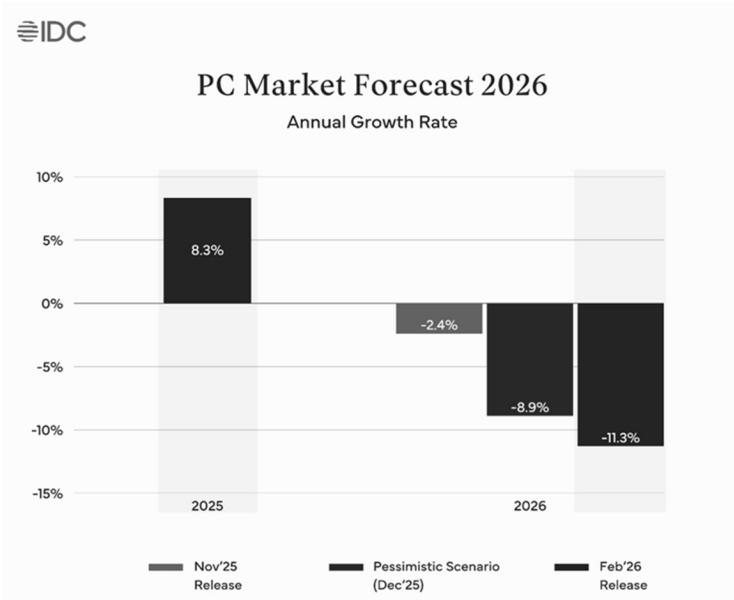


Source: IDC, February 2026

Fig. 13 Smartphone Market Forecast 2026

The PC market is equally affected. In its report in February 2026, IDC predicted that global PC shipments would fall by 11.3% (see Fig. 14) and drop to under 253 million units. Even with declining shipments, the market’s total sales value for the year is still expected to grow by 1.6% against the trend, thanks to a rise in average selling price (ASP), demonstrating a clear trend of falling volume and rising prices. Although the prices of terminal products have been gradually increased, the impact on consumers has not fully surfaced yet, leading to lower market visibility for the second quarter. OEM manufacturers are adopting a more cautious shipping strategy, while channels are hesitant to place large orders due to concerns about potential shortages.

Additionally, external geopolitical factors also add uncertainty to the market. For example, potential U.S. military intervention in a conflict involving Iran could disrupt logistics and transportation to European markets and weaken momentum in certain regions. Overall, with weak demand recovery and shifting price structures, global PC shipments are expected to remain flat in 2027. A substantial industry rebound is unlikely until 2028.



Source: IDC, February 2026

Fig. 14 PC Market Forecast 2026

(2) Market supply and demand status and growth of NAND flash in the future

A. Supply and demand status:

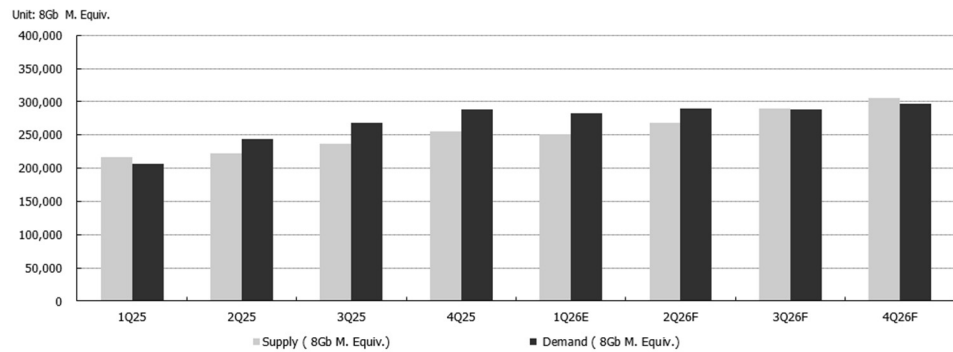
After a recovery in 2025, the NAND flash industry is expected to see the supply tighten and price rise in 2026. Different from past cycles driven by mobile phones or PCs, the core of this new wave of momentum lies in the expansion of AI applications from “model training” to “inference services,” which has led to a significant reduction in production capacity for consumer electronics. According to forecasts by IDC and TrendForce, bit supply growth is expected to be only around 15-17% in 2026, significantly lagging behind the 20-22% growth in demand. This supply-demand imbalance is expected to define the entire year.

Supply side:

After several years of significant losses, major manufacturers have been reluctant to expand production capacity. The Company’s investment focus has shifted from increasing wafer output to technology upgrades such as developing ultra-high layer 3D NAND, and to the more profitable HBM sector. Such a conservative supply strategy has resulted in an overall supply increase that hardly satisfies the explosive market demand. Demand side:

AI servers have become the largest consumer of NAND capacity. Cloud service providers (CSPs) are aggressively procuring enterprise SSDs to ensure expensive AI infrastructure deployments aren’t stalled by storage device shortages, leading to order volumes that far outstrip the current production capacity. It is understood that the supply quota for 2026 has been nearly exhausted, and some key customers have already begun discussing procurement agreements for 2027.

Under conditions of limited production capacity and no room for expansion, suppliers hold absolute pricing power, continuing to drive contract prices to record highs, while buyers have limited negotiating leverage to avoid production disruptions. (See Fig. 15)



Source: TrendForce Corp., February 2026

Fig. 25 2025–2026F NAND Flash Sufficiency

B. The growth potential for NAND FLASH application in the future

The rapid development of AI, Big Data, Internet of Things (IoT), 5G communication, and autonomous driving technologies has led to an increasing demand for high-efficiency storage solutions. Enterprise SSDs are widely used in data centers, cloud computing, and big data analysis applications. They are the main driver of the growth in the NAND Flash market. These applications require extremely high storage capacity, speed, and stability and will drive long-term market demand.

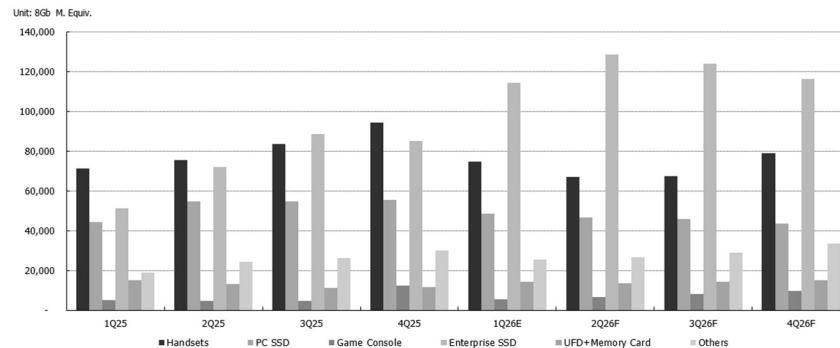
The popularization of AI model training and inference technology in 2026 will drive the exponential demand for storage devices featuring “high bandwidth and large capacity,” with enterprise SSDs performing particularly well. It is worth noting that cloud service providers (CSPs) are accelerating their transition to large-capacity QLC technology, replacing traditional storage architectures with higher-density QLC SSDs to support massive compute datasets. 128-256TB QLC SSDs will become the primary choice. According to CFM’s forecast, driven by AI and cloud computing, enterprise SSD bit demand is expected to surge approximately 50% in 2026 compared to the previous year.

The transformation of AI in smartphones is driving a structural upgrade of device storage specifications. For example, the iPhone 17’s base storage has increased to 256GB, a significant upgrade from previous models. It is expected that between 2025 and 2027, AI phones will drive the average storage capacity from the current mainstream of 128GB to a new standard of 256GB or even 512GB.

The advanced autonomous driving technology and ADAS (Advanced Driver Assistance System) applications are driving demand for high-bandwidth, durable automotive-grade NAND flash memory. Since passing stringent certifications like AEC-Q100 is required, this field boasts high technical barriers and strong profitability. The market is optimistic that automotive electronics will be one of the fastest-growing sectors for NAND expansion between 2025 and 2027, with an annual growth rate exceeding 30%.

As the functions of operating systems and application software become more complex, the demand for storage space in personal computers and notebooks is steadily increasing. In particular, the arrival of AI PCs will drive the mainstream capacity of notebooks from the current 256GB/512GB to 1TB and even 2TB, to support demanding local processing.

Furthermore, thanks to the popularization of 5G communications and IoT, the demand for data storage by edge computing equipment is growing rapidly. High reliability and low power consumption are critical in these application scenarios, opening up new and highly promising revenue opportunities for NAND suppliers beyond traditional consumer electronics. (See Fig. 16)



Source: TrendForce Corp., February 2026

Fig. 16 2025–2026F NAND Flash demand analysis by application

4. Competitive niches

(1) Global deployment to help business promotion

Apacer markets products globally under the own brand of “Apacer.” Headquartered in Taiwan, we have eight subsidiaries in the U.S., China, Japan, India, Europe, and Taiwan, enabling us to respond quickly to local market needs and provide customers with dedicated, professional services. In terms of market development strategies, the Company considers participation in major international trade shows a key component of our overall marketing and sales efforts. We integrate online marketing resources like social media and video communication, alongside collaboration with

offline channels and in-person marketing events, to consistently convey our brand message, expand our reach to potential customers, and ensure that our sales promotions are not constrained by geography or time.

(2) Turning startups into growth momentum

To strengthen the corporate sustainability strategy and expand diverse growth drivers, we are actively developing new business lines beyond our core memory module business, and have subsequently established the “Emerging Application Division” and the “Electronic Paper Business Division.” The Emerging Application Division centers its business around smart IoT, offering comprehensive planning for automated equipment integrating optical detection, and developing smart IoT system solutions for intelligent security management to enhance customer operational efficiency and management effectiveness. In response to the trends of environmental protection and energy saving, we have invested in the research and development of electronic paper products, targeting applications in transportation, healthcare, and retail advertising to drive the practical implementation of low-energy display technology. Through strategic investments in startups, we aim to enhance overall operational stability and foster long-term innovative growth engines to drive the future development of the Company.

(3) Deployment of patented technology for competitiveness

Patented technologies are the critical foundation for companies to build long-term competitive advantages. To systematically promote intellectual property development, we have established a patent development committee and implemented a patent incentive program to encourage employees to continue contributing to innovative research and development and technical ideation. By reviewing inventions through our patent review team, we assess R&D results for technological uniqueness and commercial viability to ensure substantial application value. The patent application strategy focuses primarily on deployment in Taiwan, China, and the U.S., and it is being gradually integrated into the commercialization process in line with the plans of each product center to strengthen the Company’s overall competitiveness and market protection. Currently, commercialized patents cover the fields of anti-sulfurization technology, snapshot backup technology, and ultra-fast heat dissipation technology.

(4) Planning of sustainable supply chains to meet requirements

In recent years, alongside geopolitical risks, the rise of AI has created more immediate supply shortages for the upstream supply chain. Beyond addressing short-term supply needs, it is necessary to monitor potential risks of supply and demand reversal. The main raw material for the Company, dynamic random access memory (DRAM) chips, is sourced from leading DRAM manufacturers globally. Flash memory chips are procured through a diversified sourcing strategy, and inventory levels are flexibly adjusted to mitigate the operational risks associated with market volatility. The same applies to other key components, for which primary and secondary suppliers are designated to enhance the supply chain’s resilience and stability in the face of unexpected disruptions. As sustainability issues, including green packaging, green manufacturing, environmental friendliness, energy saving, and carbon reduction, gain more importance among international brands, we

continuously assess and manage our Tier 1 and Tier 2 supplier lists. We are gradually building a long-term and systematic supply chain management mechanism, maintaining strong collaborative relationships with key domestic and international suppliers, and ensuring our partners comply with the relevant regulations and sustainable business practices throughout the supply chain. As for supplier evaluation systems highly valued by international brands, such as the RBA (Responsible Business Alliance Code of Conduct), we have implemented systems to ensure that our overall operations meet international customers' standards and sustainability expectations.

(5) Complete international certification to ensure compliance

In recent years, due to issues with supply chain sustainability, customers have required suppliers to hold qualified certifications. In addition to the basic ISO 9001, ISO 14001, ISO 45001, and IECQ QC 080000 certifications, we have conducted an ISO 14064-1 organizational greenhouse gas inventory since 2023. We obtained ISO 27001 information security management certification in 2024 and received certifications under other international standards in areas ranging from product management and environmental safety and health to greenhouse gas inventory and information security management. We also continue to voluntarily participate in CDP (Carbon Disclosure Project) and receive ratings. We will maintain the validity of our certifications and pursue additional certifications as required by law and in line with the trends to ensure our long-term competitiveness.

5. Favorable and unfavorable factors of development and countermeasures

(1) Favorable factors

A. Enhancement of operational resilience through parallel development of three core businesses.

We have adopted a differentiated business strategy, cultivating both the consumer and industrial markets to balance the impact of memory market cycles by leveraging the varying price sensitivity of different industries, thereby maintaining stable operations and profitability.

At the same time, the Company is actively developing new businesses such as smart applications to move beyond our existing business model centered on single memory modules and diversify our revenue streams. The goal is to cultivate these areas into key drivers of future revenue growth.

B. Continuous engagement in patent research and development to strengthen product competitiveness.

With over 20 years of operation, Apacer has accumulated more than 200 patents and continues to invest in R&D to expand its patent portfolio. The Company has dedicated personnel to assist with patent management and review to ensure intellectual property rights are not infringed upon. At the same time, we systematically assess the commercialization potential of patents, and leverage product differentiation design and highly customized services to translate R&D results into marketable, competitive advantages.

C. Stricter sustainability requirements and continuous alignment with international standards

As sustainability regulations become more diversified and demanding globally, brand customers are increasingly incorporating sustainability standards into their supplier procurement requirements. Companies must continuously review and adapt to the compliance needs of different markets and regions. Many customers now require their suppliers to comply with international standards such as RBA (Responsible Business Alliance Code of Conduct). As a result, we continue to maintain the validity of related certifications to ensure that our brand and products possess long-term sustainable competitive value beyond price competitiveness. In addition, the Company has launched fully lead-free products compliant with the EU regulations, proactively preparing ourselves for the market shift toward sustainability standards.

D. Alliance with strategic partners to develop global markets.

We will form strategic partnerships to strengthen our supply chain and market distribution network. At present, our main strategic partners include Phison Electronics, Acer, and Advantech, playing critical roles in the supply, distribution, and industrial control markets, respectively. Through cooperation with strategic partners in technology, products, and distribution channels, we continue to expand our market reach and application depth. In the future, we will actively seek more complementary partners to improve operational performance and create long-term value for shareholders.

(2) Unfavorable factors and countermeasures

A. International political and geopolitical risks are rising, and supply chain resilience has become a key consideration for customer procurement.

The Russo-Ukrainian War continues, and the stalemate on the front lines keeps the regional security and energy/logistics uncertainty at a high level in Europe. Meanwhile, the fragile ceasefire in the Middle East continues to be disrupted by sporadic clashes, and the resulting regional risks are spilling over into global supply chains and eroding market confidence. In addition, ongoing security concerns in the Red Sea are continuing to disrupt Asian-European shipping routes, leading to detours and fluctuating transit times and freight rates, putting pressure on inter-regional delivery schedules and cost control. In view of the trends mentioned above, overseas brand customers are placing greater emphasis on suppliers' "substitutability" and "backup capacity." In addition to continuously expanding our second-tier supplier database and strengthening the stability of our existing supply chain, we are enhancing production flexibility through overseas collaborative manufacturing. Our current collaboration with local manufacturing partners in India primarily serves local demand, but we may evaluate it as a backup production option for the Asia-Pacific and European markets as market conditions change to mitigate regional risk concentration.

B. The cycle of memory supply and demand is intensifying, and rising raw material prices coupled with structural shortages are simultaneously driving up the cost pressure.

The Company's main raw materials are DRAM particles and NAND Flash particles. In recent years, external factors have led to price fluctuations and in turn affected the operating performance. In response

to the dual uncertainties of raw material costs and economic cycles, the Company's strategic focus is on the following aspects:

- a. Maintain a dual strategy for industrial control and consumer markets, and balance cost increases with profit margins by leveraging price sensitivity differences among customer segments.
 - b. Manage contract/spot prices in conjunction with inventory levels, and further optimize inventory turnover and procurement timing control during the price rising period to mitigate the risk of buying at peak prices while maintaining stable supply.
 - c. Strengthen market intelligence collection and trend prediction capabilities by integrating the signals of the research firms and suppliers with the frontline feedback from overseas subsidiaries to enhance sensitivity to price shifts and demand fluctuations.
 - d. Develop new businesses outside of memory modules (such as smart applications) as a mid- to long-term profit source to mitigate the impact of the single industry cycles on operations.
- C. Price wars are becoming commonplace and we are maintaining profitability through a strategy of "niche products + channel combinations + rapid sales."

Under the condition of competition in upstream raw materials, the memory module market is more prone to polarization. The entry-level and mainstream products continue to face intense price competition, while high-end and application-specific products require higher specification stability, lead times, and service integration. In the meantime, rapid increases in memory prices may compel some end users to lower specifications or delay purchases, making the price competition more irregular. Therefore, the corresponding methods are as follows:

- a. Develop large-volume and cost-effective application areas, such as POS cash register equipment, Raspberry Pi platform, and NAS storage equipment: Maintain the scale and turnover through project-based product lines and stable supply conditions.
 - b. Regional e-commerce combined with local channels: Leverage a more targeted channel strategy to improve reach and sales efficiency while mitigating price pressure from the reliance on a single channel.
 - c. High-value niche markets (e-sports players, content creators/photographers, etc.): Avoid competing on price with mainstream products, and build brand premium by offering differentiated specifications, designs, and integrated services.
 - d. Adjust shipping strategies dynamically: Accelerate inventory clearance and shorten inventory turnover days to reduce the risk of price declines during the period of rapid market fluctuation.
- D. Exchange rate fluctuation risks

Owing to the high export dependence of our Company, exchange rate fluctuations have a certain impact on our profits. Apacer keeps close and stable relationship with banks to effectively grasp the status of exchange rate fluctuations in time. We also assign personnel to collect exchange rate fluctuation information and prepare research report in order to control the timeliness of exchange rate fluctuation and adjust our

foreign currency asset and liability positions. Meanwhile, we use financial instruments to effectively respond to the impacts caused by exchange rate fluctuations.

(II) Important uses and production processes of our main products

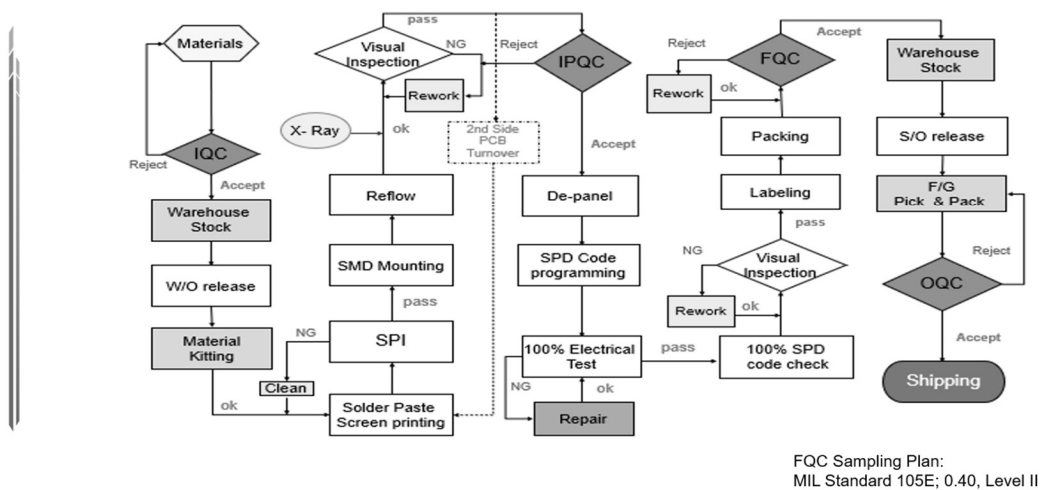
1. Important uses of the main products

Main products	Main uses
Memory module	Memory modules are various types of DRAMs printed on a circuit board via a circuit design, which are embedded in computer main boards and which are compatible with the computer functions, to expand the data processing capacity of the computer and accelerate data processing. They are widely used in industrial computers, automated equipment, gaming machines or consumer electronics such as personal computers, notebooks, servers, and workstations.
Flash memory	(1) Applied as information storage in portable digital products. Flash memory is the product of nonvolatile semiconductor technology and a modifiable storage medium that can be used permanently. Thanks to its small size, large capacity, easy portability, and high reliability, it is used in SSDs, smart phones and tablets. (2) Applied in embedded systems to replace traditional hard disks in industrial applications such as Thin Clients, medical devices, POS machines, surveillance systems, or military equipment. Consumer applications such as set-top boxes, game consoles, satellite navigation systems, etc.

2. Production processes

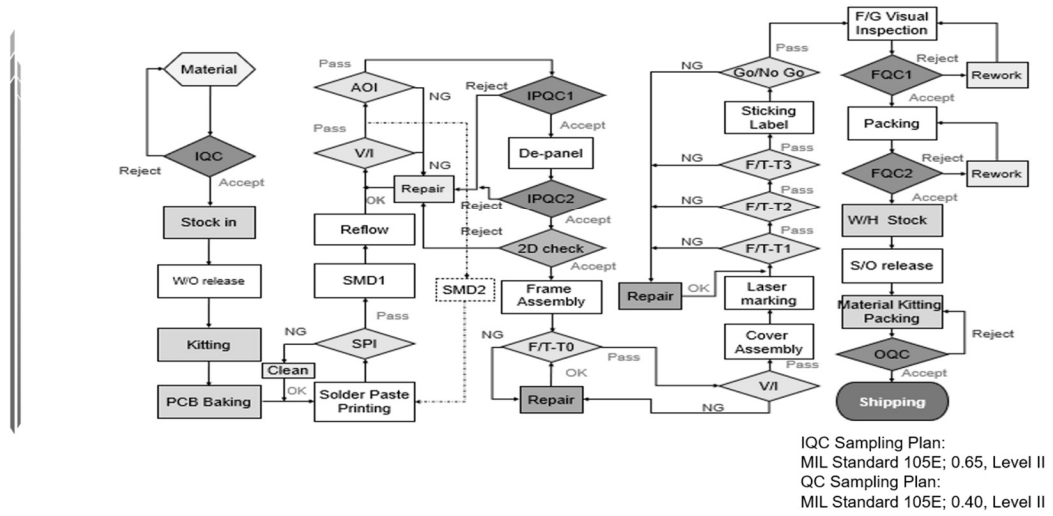
Apacer

DRAM Module Production Flow



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Embedded Flash Product Production Flow



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(III) Main raw material supply

Product name	Main raw material	Major suppliers	Supply situation
Memory modules, flash memory and related products	DRAM, Flash	Samsung, Phison Electronics, Maishidu Electronics (Hong Kong), World Peace International Group, among others	Normal

(IV) List of major suppliers and customers

- List of suppliers accounting for more than 10% of total procurement in either of the last two years:

Unit: NT\$ thousand

2024				2025			
Title	Amount	Annual net procurement ratio (%)	Relationship with the issuer	Title	Amount	Annual net procurement ratio (%)	Relationship with the issuer
A	1,362,679	22.15	Note	A	2,431,167	20.27	-
Other	4,790,602	77.85	-	Other	9,560,681	79.73	-
Net procurement amount	6,153,281	100.00		Net procurement amount	11,991,848	100.00	

Note: They are related parties of the Company before May 31, 2024.

2. List of customers accounting for more than 10% of total procurement in either of the last two years:

Unit: NT\$ thousand

2024				2025			
Title	Amount	Annual net sales ratio (%)	Relationship with the issuer	Title	Amount	Annual net sales ratio (%)	Relationship with the issuer
Alpha	360,737	4.60	Note	Alpha	1,546,934	13.91	Note
Other	7,476,422	95.40	-	Other	9,576,670	86.09	-
Net sales	7,837,159	100.00		Net sales	11,123,604	100.00	

Note: They are related parties of the Company after May 31, 2024.

- III. Number of employees, average years with our company, average age, and degree distribution ratio over the last two years and up to the date of annual report publication

Year		2024	2025	As of March 30, 2026
Number of employees	Direct personnel	163	173	171
	Indirect personnel	371	378	386
	Total	534	551	557
Average age		40	41	41
Average years with our company		9	9	9
Distribution of degrees	Doctoral degree	3	3	4
	Master's degree	101	102	104
	(Associate's) Bachelor's degree	340	349	352
	Senior high (vocational) school	86	93	93
	Below senior high (vocational) school	4	4	4

Note: The numbers indicated in the table above are those of Taiwan, including the subsidiary UD info Corp.

- IV. Environmental protection expenditure

During last year and this year to date, the total amount of losses (including compensation paid) and penalties. We also disclose future countermeasures (including improvement measures) and potential expenditures (including estimated amounts for potential losses, penalties, and compensations paid for future countermeasures; if difficult to estimate, describe the matters that are difficult to estimate): None.

- V. Cyber security management

- (I) Cyber security policy

The Company announced the information security policy in 2019 and adopted ISO 27001 in 2024, incorporating information security into the corporate governance and overall risk management framework. The Company regularly conducts information security training to enhance all employees' information security awareness and sense of responsibility. We prevent unauthorized access and data leakage, optimize access control systems and technical safeguards, and ensure the confidentiality, integrity, and accuracy of operational and customer data. The Company ensures the implementation of information security operating procedures, and regularly conducts internal and external audits with a continuous improvement

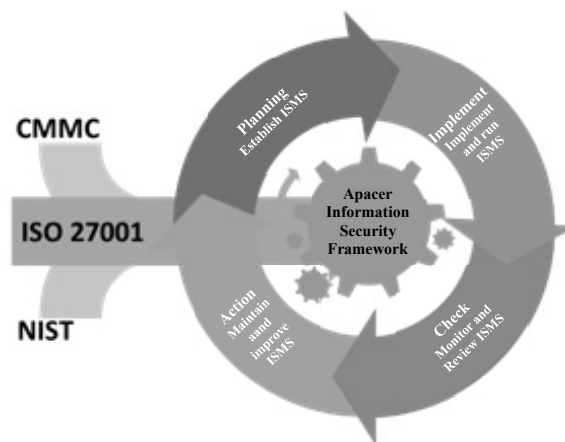
process. We manage key business service operations and backup mechanisms to maintain stable system performance and service availability, thereby ensuring business continuity and stakeholder confidence.

(II) Cyber security management structure

In response to internal and external threats as well as the requirements of stakeholders, the cybersecurity framework (NIST SP800-171) of the National Institute of Standards and Technology (NIST) and the Cybersecurity Maturity Model Certification (CMMC) requirements are introduced as control criteria to develop the information security management structure and relevant control requirements. We prioritize the control requirements and focus our attention on the implementation of control measures against high-risk threats.

1. Management model: Information security management system (ISMS)

The formed information security team integrates NIST SP800-171 and CMMC in the framework of the existing information security management system (ISMS) (see the figure below). It identifies risk attributes through risk evaluation every year to perform risk management and control the risks, so as to establish control regulations and carry out technical control measures. The maintenance and independent audit and review are performed in accordance with the developed regulations, and continuous improvements are made through the PDCA cycle. The information unit will continue executing vulnerability assessment for hosts, servers or network equipment used for audit management to check if there is any vulnerability or risk. We make plans, take actions, conduct audits, and proceed in compliance with the operations of the ISMS and improve our defense capabilities to avoid risks generated due to out-of-date defense technologies and to build a comprehensive information security system.

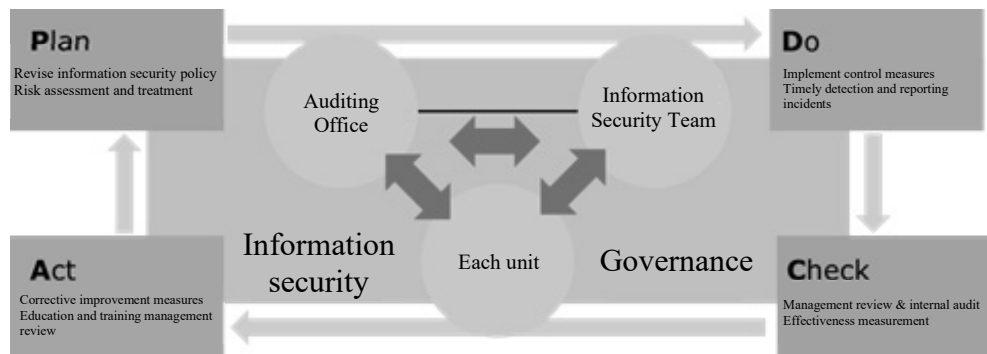


2. Operation of the information security organization and relevant control operations

We carry out information security control measures for our information assets, which are categorized into the following: information security management system, information security management for employees, asset classification management, system development and maintenance, system safety management, communication network management, access safety control, vulnerability detection and management, incident response management, and business continuity management. New categories are added in response to new risks and information security framework requirements. The measures under these categories performed based on the iterative PDCA cycle include:

- (1) Planning phase: Classification of information assets, risk evaluation, risk handling plans
- (2) Doing phase: Defense-in-depth strategies including physical security implementation, system/device security implementation, account and permission management, information security monitoring and maintenance
- (3) Checking phase: Internal audit, asset sampling and review, evaluation of the effectiveness of technological defense, external audit
- (4) Improvement phase: Corrections and improvements, management and review meetings
- (5) Information security awareness: announcements, new employee security training, phishing email simulations

The information security team reviews the information security policy every year and increases the information security awareness of employees on a continuous basis as information technology evolves. New employee orientation for information security is provided to train the employees for information security and make them aware of its importance. This will help the employees gain a correct understanding and knowledge, thereby facilitating the protection of information security.



(III) Specific management policies and investment in cyber security management

To respond to ISO27001 and CMMC, control measures are planned upon the integration, adjustment, and optimization of the relevant frameworks. Risk attributes are evaluated comprehensively in accordance with the information security control requirements covering multiple aspects. After risk evaluation, resources are invested to execute the control measures. In addition to the continuous promotion of information security measures, we maintain the implementation of a defense-in-depth strategy. Through the integration of existing maintenance procedures and the ongoing systematic monitoring of information security, the confidentiality, integrity, and availability of the Company's important assets can be ensured.

1. Outcomes of information security promotion

- (1) Information security certification: Maintained effective certification of the ISO 27001 information security management system. The certificate is valid from December 20, 2024 to December 19, 2027.
- (2) Amendment procedures and regulations: Revised and announced the information security procedures and regulations.
- (3) Training and announcement: Information security-related announcements were made. All new employees underwent information security training.
- (4) Internal audit: The Company passed information security-related audits and

no significant deficiencies were found. There were also no serious information security incidents leading to the violation of the information security policy, leakage of customer information, or penalties.

- (5) Phishing email drills: Completed the phishing email drills, and arranged specialized training and testing for colleagues who clicked or responded to phishing emails during the drills to strengthen their risk identification skills.
 - (6) Upgrading and replacing the Windows system: Completed the upgrade of employee computers from Windows 10 to 11, replaced computers that could not be upgraded to ensure that endpoint equipment meets the information security requirements, reduced system risks, and maintained overall operational safety.
 - (7) Latest reporting date: Reporting of the implementation to the Board of Directors on December 18, 2025.
2. Types of controls
- (1) Communication network safety: Improving wireless network authentication and encryption safety.
 - (2) System development and maintenance: Strengthening website and application protection as well as threat blocking.
 - (3) Vulnerability detection and management: Performing annual vulnerability assessment for high-risk hosts, planning for endpoint detection and response (EDR) protection and threat analysis.
 - (4) Disposal guidelines and communication network safety: Revising and amending the regulations governing the control and management of the ISMS continuously.
3. Specific management policies

Type	Description	Relevant measures
Permission management	Personnel account setting Personnel permission control	Personnel account management and review
Access control	Internal and external system access Data transmission control Control of physical equipment	Personnel access control and management, data leakage management, personnel remote access restriction, external storage device control, physical equipment access control, network access control
External threat	Antivirus and anti-hacking measures, network isolation	Regular virus and malware scanning, network firewalls, network isolation zones, external service risk scanning
Business continuity	Monitoring of the use of systems and networks Measures for business interruption recovery	Alerts for abnormal system operations, regular backup of data, off-site storage of tapes, remote server backup, periodical disaster recovery drills

- (IV) List the losses, possible impacts, and countermeasures caused by major information security incidents in the most recent year and up to the publication date of the annual report. The reasons should be stated in cases where the losses cannot be reasonably estimated: None. The Company continues to follow the information security management policy and take comprehensive protection measures, including

information security monitoring, vulnerability management, contingency mechanisms, and employee information security awareness training, to ensure the security of the information systems and data and reduce potential risks.

VI. Labor relations

(I) Below is a list of our company's employee welfare measures and education, training, retirement systems, with descriptions of their implementation status within as well as agreements between management and labor and the status of employees' rights and interests:

1. Protection of human rights and gender equality

As a responsible employer, Apacer prioritizes human rights, and provides a dignified and safe working environment for its employees. In accordance with the UN Sustainable Development Goals and international best practices, the Company is committed to upholding and respecting its employees' human rights, establishing a management system in alignment with the Responsible Business Alliance (RBA) standards, and promoting workplace diversity and gender equality. The Company prohibits discrimination based on race, color, age, gender, sexual orientation, nationality, disability, pregnancy, religion, political views, marital status, education, or any other characteristic protected by law.

2. Employee welfare measures

In 2017, Apacer integrated all the existing welfare measures, conducted a comprehensive assessment based on three main aspects – work, family, and health – and promoted new welfare measures. The “A+ EAPs Employee Assistance Program” was accordingly introduced and won the 2018 Work-Life Balance Award from the Ministry of Labor, the 2022 HR ASIA Best Companies to Work for in Asia, the 2023 Happy Enterprise Award from 1111 Job Bank, the 2024 Commonwealth Talent Sustainability Award, and the 2024 Friendly Migrant Worker Company Award from the Labor Affairs Department, New Taipei City Government. The Company was awarded the 2025 Excellence in Family-Friendly and Gender Equality in the Workplace by the Labor Affairs Department, New Taipei City Government.

(1) A⁺ Work

A. Flexible working hours and better than legal holidays

To provide care for the employees' families, we have a system of flexible working hours that allows employees not in production lines to freely adjust their working hours based on the conditions of their families. In addition, the Company provides benefits that go beyond legal requirements by offering a “birthday leave,” allowing employees to take one day of leave during their birthday month. This policy encourages employees to relax and spend meaningful time with family and friends on their special day.

B. Daily meals

For the employees' eating needs, we offer a meal allowance and have contracted quality vendors to provide nutritious, healthy and diverse meals. In addition, to give employees more choices for their diets, employees eating designated meals are entitled to a 50% subsidy for daily meals.

C. Weekly massage

To relieve employees' stress, we have contracted physically-handicapped, professional masseurs or masseuses to provide massage service twice a week.

(2) A⁺ Family

A. Lactation rooms

For the needs of breastfeeding mothers, we have built lovely and comfortable lactation rooms that won the Award for Excellent Breastfeeding and Nursing Rooms from the Department of Health, Taipei City Government.

B. Maternity allowance

To encourage employees to have children, any employee who has worked at Apacer for at least one year and has given birth to a child at Apacer is entitled to a maternity allowance of NT\$ 36,000 for each child. In 2025, 9 employees benefited, with total subsidies of NT\$234,000.

(3) A⁺ Health

A. Annual health examination

To strictly look after the health of employees, we provide an annual health examination to our employees for free. We have built a medical room with professional nurses to follow up on employees who have abnormal health conditions. We also arrange for such employees to visit in-plant doctors who will provide health consultation services. In 2025, a total of 475 employees participated in the annual health examination, and 52 consultations were conducted with the on-site occupational physician.

B. Fitness area

To help employees cultivate a good habit of doing exercise from time to time, we have established fitness areas of spinning bikes and aerobic exercises for clubs and employees.

(4) Workplace of sports

To help employees cultivate the good habit of doing exercise in the long term, we have created a "Let's Exercise" group and held sports competition events to encourage the active participation of our employees. The Company has acquired the Exercise Enterprise Certificate from the Sports Administration, Ministry of Education, for consecutive years.

(5) Large-scale events

To provide more activities for our employees to relieve their stress, in addition to the events organized by the Employee Welfare Committee for Dragon Boat Festival, Mid-Autumn Festival and company trips, spring parties and Family Day events have also been held.

(6) Group insurance

To provide more complete guarantees for our employees in addition to the statutory labor insurance and health insurance for employees, we have taken out group insurance for our employees and their families, including injury insurance, hospital treatment insurance, and cancer health insurance.

3. Employee education system

In response to the rapidly changing environment in and around our industry, our company provides education and training to its staff to develop the competencies needed to achieve our organizational goals and business strategies, to enhance their professional capabilities, and to boost their knowledge and energy, in order to respond to the challenges in our work. We deploy a range of hard skills and soft skills training for various positions and roles of our staff members in alignment with the organization's goals and strategies. Besides inviting external instructors and outstanding internal managers to teach, discuss, hold experience camps and share their experiences, we also regularly upgrade and assess the skill sets of our technicians. In addition, our staff is also encouraged to participate in public training courses organized by external professional organizations as another enriching avenue for continuous learning.

4. Employee training

(1) Training structure

In 2020, our Apacer Academy was established with the CEO serving as the principal. Nine institutes have been set up based on the competences, different functions and professions to develop training plans for all new and current employees. We hope to provide our staff, from new employees to managers, with transparent learning and development structure through the training courses of the institutes and further enhance their competency and competitiveness, so that the talent strategy goal of “attracting outstanding talents and developing future technologies to create a reliable employer brand” can be achieved.

The R&D and Technology Institute, Product and Project Management Institute, Sales and Marketing Institute, Planning Institute, Manufacturing and Quality Institute, Finance Management Institute, and Administration Management Institute were successively built in 2021, and the planning of the Leadership and Future Institute and the General Institute also started in the same year. In addition, the learning maps for all institutes and departments were established and linked to KPIs to meet the requirements of each institute. The “induction training” and “in-service training” courses were designed and the training results were reviewed on a regular basis. These results were linked directly to personal performance, bonus, and remuneration in the hope to systematically improve the competency and development of employees and increase their learning effectiveness and willingness.

(2) Training course

To plan courses that better meet needs, the talent development unit will interview department heads and employees, and conduct post-course surveys and learning assessments. During the annual training survey, department heads may put forward educational training requirements with regard to the learning map of each institute of the Apacer Academy to help employees achieve the business and development goals of the Company, and ensure that the competency and learning requirements are met more effectively.

Training is divided into new hire training, general employee training, talent development (including management training), ethics and compliance training, and training on sustainability issues, among others.

Training courses are divided into core courses, management courses, professional courses, and general courses. The general courses include new employee orientation, occupational safety training, and human rights training (Responsible Business Alliance), among others.

(3) Training effectiveness

The 2025 training results are as follows:

Course type	Number of participants	Total man-hours	Total cost (NT\$)
New staff training (including Induction occupational safety and health for new staff)	371	668	\$1,070,811
General training (including law-related training)	3,254	4,772	
Talent Training (including management training)	1,043	1,410	
External professional training	93	761	
Ethical management training, insider trading prevention training, and RBA training (Note) (including in-service occupational safety and health)	524	524	
ESG training	294	427	
Total	5,579	8,561	

Note: Including subsidiaries.

(4) Diversified learning and development

Every employee can enhance their professional capabilities through various channels. In the Company, there is on-the-job training, job coaching, job transfers, seminars, online learning, etc. Outside the Company, they can participate in study activities of professional organizations, short-term training courses of well-known domestic and foreign universities and training institutes, etc.

5. Sustainable business

Apacer is constantly striving to fulfill our commitment to becoming a good partner and promoting sustainability practices. Beyond maintaining stable operations, we respond to international ESG trends by proactively taking various measures and continue to move forward with confidence with the support of the strong brand culture and the core value of “good partnership.” To motivate senior managers to prioritize long-term overall performance results, and advance sustainable development and corporate social responsibility, all senior managers’ KPIs will include the sustainability (ESG) indicators starting from 2025. These will have a minimum weighting of 10%, and the performance results will be linked to salary and remuneration. The ESG indicators are as follows:

E: The Company achieves the annual targets of reduction in carbon emissions and hazardous industrial waste.

S: Human rights due diligence and occupational safety and health receive external third-party certification.

G: The Company’s corporate governance evaluation remains at or above industry standards.

Overall: Receiving recognition by winning external third-party sustainability

awards.

6. Employee Code of Conduct and Code of Ethics

Avoidance of Conflict of Interest: According to the Company's "Integrity Code of Conduct" and "Integrity Management Procedures and Behavior Guidelines," employees are strictly required to avoid actual or potential interference from personal interests with the Company's overall interests. In addition, a report is presented to the Board of Directors regarding the implementation of ethical management.

In 2025, we organized ethical management training sessions (including prevention of insider trading and privacy protection, as well as labor, health and safety, environmental health, ethical standards, management systems, and other RBA-related issues), with a total of 524 person-hours of participation.

In accordance with the norms of the "Internal Important Information Handling Operation Procedures," we regularly remind and require our employees to abide by these codes of conduct. The legal, audit, finance, information, and administrative departments also remind their staff from time to time of the key points of these behaviors, including norms relating to intellectual property rights protection and information security.

7. Gender equality and the prevention of sexual harassment

In accordance with the law, we have included norms on gender equality in the Company's "Work Rules" and have formulated the "Regulation on the Reporting and Punishment of Sexual Harassment in the Workplace" and "Regulations on Prevention, Reporting and Investigation of Sexual Harassment", which provide detailed behavioral standards and reporting channels and processes for employees to follow.

8. Retirement system and implementation status

For the stability of our employees' life in retirement, and in order to improve their working morale during employment, we have established the "Regulations Governing Employment, Separation, and Retirement" and provided a preferential retirement system in accordance with the law. Pursuant to the Labor Standards Act, we have established the "Workers' Pension Reserve Fund Supervision and Management Committee," and we have allocated pension reserve funds in accordance with the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" and actuarial reports. The funds are saved in a designated account at the Central Trust of China to protect the rights and interests of employees. Starting from July 2005, in response to the government's new pension system, 6% of the income of the employees who have chosen the new pension system will be transferred to their personal pension accounts as required by law. In 2025, the Company recognized pension expenses of NT\$462 thousand under the defined benefit plan (old labor pension scheme) and NT\$21,413 thousand under the defined contribution plan (new labor pension scheme).

The following early retirement requirements are applicable in accordance with the Labor Standards Act and as approved by the Ministry of Labor:

(1) Voluntary retirement (including early retirement)

Any employee to whom any of the following circumstances applies may apply for voluntary retirement:

A. The employee has worked at the Company for at least 15 years, and is

aged 55 or older.

- B. The employee has worked at the Company for at least 25 years.
- C. The employee has worked at the Company for at least 10 years, and is aged 60 or older.
- D. If the number of years of service of the employee plus his/her age is over 65, he/she may apply for early preferential retirement, subject to approval by the CEO.

(2) Mandatory retirement

The Company may not force any employee to retire unless any of the following circumstances applies to the employee:

- A. The employee is aged 65 or older.
- B. The employee is physically or mentally disabled to the extent of being unable to work.

The mandatory retirement for employees who reach 65 years of age may be postponed by negotiation between the employer and the employee. If any employee performs any work of a special nature that is dangerous or requires heavy physical labor, the business unit may, in accordance with Article 54, paragraph 2 of the Labor Standards Act, apply on his/her behalf to the central competent authority for adjustment of the age under subparagraph 1 of the preceding paragraph. The adjusted age may not be below 55.

(3) Standards for pension payment

- A. With regard to any employee to whom the old pension system under the Labor Standards Act applies, or any employee who has chosen the new pension system under the Labor Pension Act and retained his/her seniority under the old system, the Company will make pension payment to the employee in accordance with the following standards:
 - a. Two bases will be given for each year of service of the employee. Where the number of years of service is over 15, one base will be given for each year. The total number of bases may not exceed 45. Any period less than six months will be counted as six months, and any period of or more than six months will be counted as one year.
 - b. If any employee has become insane or physically disabled as a result of performing his/her duties, he/she will receive an additional 20% payment of pension under the preceding paragraph. The pension base means the average monthly wage at the time of approval for retirement.
- B. For any employee to whom the new pension system under the Labor Pension Act applies, the Company has allocated 6% of his/her wage on a monthly basis to his/her personal pension account.

(4) Pension payment

Pension payable by the Company to any employee under the old system will be paid within 30 days from the date of retirement of the employee. Pension under the new system will be paid in accordance with the requirements of the Bureau of Labor Insurance.

9. Agreements between labor and management

The Company is committed to fostering a friendly and healthy workplace.

By emphasizing the harmony of labor and capital, and paying attention to the welfare of employees, the labor-capital relations of the Company have been good. There were no labor disputes this year.

10. Employee rights

We invest in labor relations from a perspective of co-existence and co-prosperity. Therefore, we place high value on employee opinions. Employees may communicate through formal and informal channels at any time to give feedback on issues in their lives and at work. Two-way communication enables the Company and employees to understand and support each other, build consensus, and create success.

(1) Labor-management meeting

We regularly hold labor-management meetings, where representatives from the employer and employees participate in two-way communication on our company's systems and employees' issues regarding company rules, the work environment, and safety and health. This negotiation model helps both parties to strengthen mutual trust and provides valuable input to the management.

(2) Employee Welfare Committee meetings

The Employee Welfare Committee holds meetings on a regular basis. It consists of members selected from among employees who are passionate about public welfare and are good communicators. Therefore, the committee's meetings offer management and labor insights into the welfare measures of the Company.

(3) Employee engagement survey

An employee engagement survey is held annually to assess results through eight key drivers: leadership, collaboration, compensation, development, work environment, promotion opportunities, sustainability, and company culture. This helps us understand employee commitment across three areas: values, effort, and retention. The implementation results and improvement plans for 2025 are as follows:

A. Implementation status: The questionnaire response rate is 73%; the employee engagement score is 82, representing a 2-point increase from 2024 and the highest score to date.

B. Improvement/enhancement plan: This survey indicates that some members of the management team could benefit from further development in leadership and professional skills. The following mechanisms and training programs have been planned to address these areas.

a. Leadership: A 180-degree cross-functional management competence evaluation mechanism was implemented. This evaluation complemented the traditional top-down reviews, addressing potential biases and enhancing overall assessment coverage.

b. Development capabilities: The team leader training courses were enhanced to improve the management skills of the production line supervisors.

- (II) Protection measures for the working environment and employees' personal safety
1. Specific measures for safety and health management
 - (1) Periodic review of the safety and health management system

The periodic review mechanisms of ISO 14001 ensure that all work processes are in line with international requirements.
 - (2) Evaluating risks and countermeasures

We periodically review each unit for unacceptable risks and non-compliance with regulations, after which we formulate safety and health management plans and risk control measures, and submit these outcomes results to the Safety and Health Committee for review.
 - (3) Safety and health training

We implement a self-management plan for safety and health as well as a safety and health education and training plan to reduce to only one occupational accident every year.
 - (4) Evaluation of the work environment

According to the “Implementation Rules for the Measurement of Labor Environments”, the committee must regularly have their company’s operating environment assessed by a qualified operating environment evaluation agency to determine whether the measurement result meet the statutory requirements. Any anomaly in the measurement results must be improved to ensure employee health.
 - (5) Healthcare and management

In accordance with the “Labor Health Protection Rules”, health inspections for general operations and for hazardous operations are carried out separately. The inspection items include chest X-ray, blood pressure, electrocardiogram, urine, blood, and biochemistry serum assays. Special inspections are conducted for special hazards at work such as free radiation, organic solvents, and the like, and implementations are carried out at different levels. With regard to hypertension, hyperlipidemia, abnormal blood glucose, abnormal body mass, and other metabolic syndromes. Our resident nurses use the “Personnel Risk Assessment Table” to assist people to mind their health status and to grow healthy living habits. In addition, external experts are regularly invited to share new and correct health knowledge through seminars to promote preventive care among employees.

We have a “Workplace Health Promotion Program” to create a relaxed and healthy workplace culture so that employees can build and enjoy a work environment that is happy for the body and mind. It not only reduces leave taken, staff turnover, and medical expenses, but also can bring down the incidence and cost of physical and mental health issues caused by injury and chronic diseases - a win-win result.
 2. Implement operational safety control
 - (1) In line with the requirements of safety and health regulations and the outcomes of our safety and health risk assessments, we have strict operations control and work permits for operations such as work at elevated height, with open fire, free radiation equipment, etc., and staff must follow these.

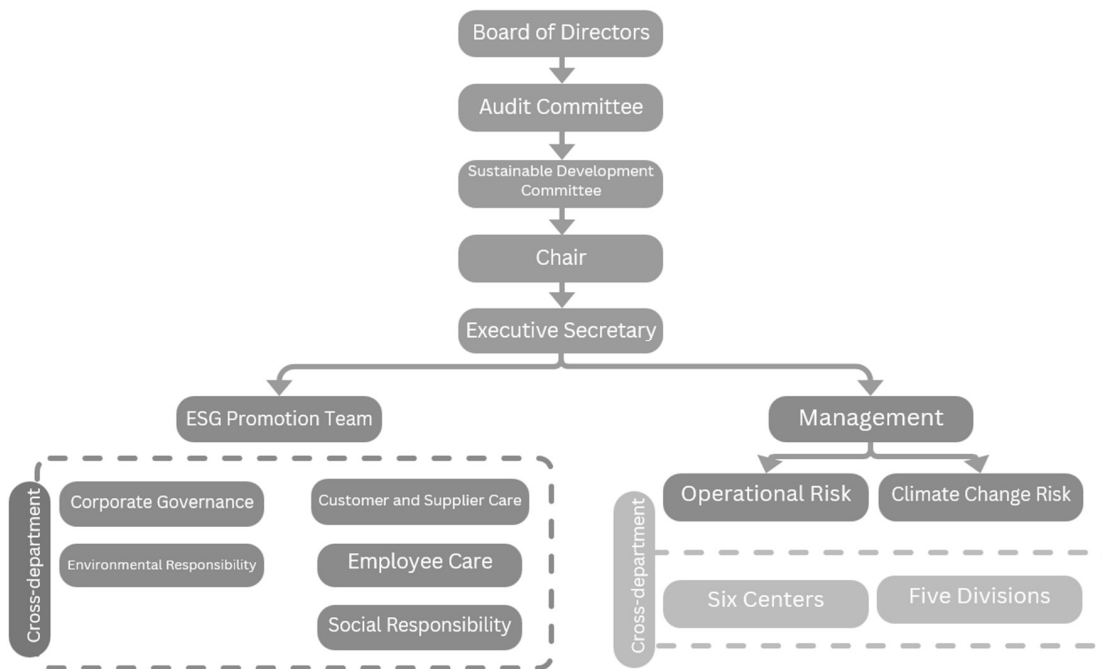
- (2) All machinery and equipment are legally qualified through regular inspections. Operators have professional licenses and regularly follow on-the-job training.
 - (3) All incidents (with or without injury and including false alarms) are reported and undergo follow-ups to eliminate potential hazards. In addition, equipment with moving parts, potentially dangerous process points, and protective devices are physically inspected, and improvement plans are formulated and implemented, to prevent injuries.
 - (4) Roaming inspectors in the plant compound inspect activities and environments along their routes, and also assist with support or rescue in the event of traffic accidents, emergencies, or major drills.
 - (5) To ensure that operators are not exposed to radiation hazards, periodic inspections of equipment are carried out. Also staff are required to wear anti-radiation gear and participate in radiation work health inspections. Based on radiation meter readings and medical check-ups, we monitor radiation doses and employee health conditions to prevent equipment anomalies from causing radiation damage to our staff.
- (III) List the total amount of losses due to labor disputes last year and this year to date. Also disclose estimated amounts and countermeasures for current and potential future events (if difficult to estimate, describe the matters that are difficult to estimate): The Company has harmonious labor relationships and has not suffered any losses due to labor disputes. Such losses are not expected to occur in the future.

VII. Important contracts

Nature of contract	Parties	Contract date	Main content	Restrictive clauses
Insurance contract	Union Insurance Co., Ltd.	2025/06/30–2026/06/30	Commercial fire insurance	None
Insurance contract	South China Insurance Co., Ltd.	2026/01/01–2026/12/31	Cargo insurance	None
Insurance contract	Hotai Insurance Co., Ltd.	2026/01/01–2026/12/31	Product liability insurance and public accident liability insurance	None
Insurance contract	Fubon Property and Casualty Insurance Co., Ltd.	2026/01/01–2027/01/01	Directors and Managers Liability Insurance	None

Five. Review and Analysis of the Financial Status and Financial Performance and Risks Issues

Risk management organization structure and functions:



- **Board of Directors and Audit Committee:** The Board of Directors serves as the Company’s highest decision-making body for sustainable development and risk management, while the Audit Committee oversees the implementation and operation of the Company’s sustainability and risk management practices..
- **Sustainable Development Committee:** Subordinate to the Chairman, the Company’s Sustainable Development Committee is the management unit for the implementation of risk management policies. It is responsible for the following actions for promoting corporate risk management:
 1. Development of risk management policies and relevant bylaws
 2. Implementation of the risk management policies approved by the Board of Directors
 3. Review of the issues related to corporate risk control
 4. Supervision of the overall implementation and coordination
 5. Analysis, prevention and monitoring of the overall risks, or control of the material risks
 6. Reporting to the Board of Directors (at least once a year)
- **Risk Management Team:** Subordinate to the Sustainable Development Committee and composed of the contact persons of different centers and directly subordinate divisions of the Company, it is responsible for carrying out the risk management actions, including the fundamental risk identification in all company operational dimensions, proposals of improvement/response strategies and control plans, and implementation of routine risk management.

I. Financial status

Unit: NT\$ thousand

Item	Year	2024	2025	Difference	
				Amount	%
Current assets		4,819,603	7,879,573	3,059,970	63.49%
Long-term investments		38,807	56,758	17,951	46.26%
Property, plant and equipment		904,937	906,516	1,579	0.17%
Right-of-use assets		40,719	56,725	16,006	39.31%
Intangible assets		205,134	182,814	(22,320)	(10.88)%
Other assets		203,225	206,381	3,156	1.55%
Total assets		6,212,425	9,288,767	3,076,342	49.52%
Current liabilities		1,506,166	4,033,603	2,527,437	167.81%
Non-current liabilities		81,605	102,684	21,079	25.83%
Total liabilities		1,587,771	4,136,287	2,548,516	160.51%
Share capital		1,287,292	1,281,292	(6,000)	(0.47)%
Capital reserve		1,155,419	1,115,655	(39,764)	(3.44)%
Retained earnings		2,122,299	2,711,837	589,538	27.78%
Other equities		(57,043)	(76,434)	(19,391)	33.99%
Treasury shares		-	-	-	-
Equity attributed to stockholders of the company		4,507,967	5,032,350	524,383	11.63%
Non-controlling interests		116,687	120,130	3,443	2.95%
Total equity		4,624,654	5,152,480	527,826	11.41%
Changes of more than 20%, or more than NT\$ 10 million are described below:					
<ol style="list-style-type: none"> Increase in “current assets” and “total assets”: Mainly due to strategic inventory buildup in anticipation of future market conditions. Increase in “long-term investments”: Mainly due to new investment in unlisted preferred stocks. Increase in “right-of-use assets”: Mainly due to the expiration and renewal of the office lease. Increase in “current liabilities” and “total liabilities”: Mainly due to strategic inventory buildup, leading to an increase in short-term borrowings and payables. Increase in “non-current liabilities”: Mainly due to the expiration and renewal of the office lease. Increase in “retained earnings”: Mainly due to an increase in net profit for the current period. Please refer to II.(II) for the financial performance analysis over the last two years. Increase in “other equities”: Mainly due to the recognition of loss from conversion differences in the financial statements of overseas business entities. 					

II. Financial performance

(I) Analysis of financial performance over the past two years

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	7,834,159	11,123,604	3,289,445	41.99%
Gross operating profit	1,301,205	2,307,581	1,006,376	77.34%
Operating income	306,911	1,024,043	717,132	233.66%
Non-operating revenue and expenses	42,101	54,321	12,220	29.03%
Net profit before tax	349,012	1,078,364	729,352	208.98%
Net profit for the current period	291,950	878,529	586,579	200.92%
Other comprehensive income for the current period (net income after taxes)	36,143	(24,649)	(60,792)	(168.20)%
Total comprehensive income for the current period	328,093	853,880	525,787	160.26%

Changes of more than 20%, or more than NT\$ 10 million are described below:

1. Increase in “operating revenue”: Mainly due to rising market demand for memory and a rapid reduction in supply, resulting in a substantial increase in memory prices.
2. Increase in “gross operating profit,” “operating income,” “net profit before tax,” “net profit for the current period,” and “total comprehensive income for the current period”: Mainly due to reduced supply of traditional products on the side of the memory manufacturers, which drove up gross profit due to increased finished product prices; and early inventory planning secured a low-cost inventory advantage, resulting in the growth in operating gross profit in 2025 compared to 2024.
3. Increase in “non-operating revenue and expenses”: Mainly due to the Company’s effective management of foreign currency positions, resulting in higher exchange gains as exchange rates fluctuated.
4. Increase in “other comprehensive income for the current period”: Mainly due to the recognition of losses from conversion differences in the financial statements of foreign operations and the re-measurement of defined benefit plans.

(II) The main factors influencing the expected sales volume in the coming year and the main factors for our company's expected continued growth or decline of our sales volume:

We will develop key applications and customers through customized products and value-added technologies. We will continue to actively increase the number of European and American consumer channels for high-end storage products while optimizing the marketing benefits of the Group by enhancing our social media exposure and implementing comprehensive marketing data management. Through the triple strategy of products, business and marketing, the Company expects to achieve the sales target in 2026.

With the Company’s long-term experience in the industrial control market, continuous innovation and R&D capabilities, and proactive expansion into consumer channels in Europe and the U.S., we expect the sales volume to remain robust in the next fiscal year. However, operating results will depend on the global economic environment, industrial supply and demand, and the competitive landscape. The Company will continue to strengthen its product competitiveness and supply chain management capabilities, and prudently respond to market changes to ensure stable operational development and create long-term value.

III. Cash flow

(I) Analysis of changes in cash flow over the past two years (consolidated):

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Operating activity	(154,849)	(2,053,538)	(1,898,689)	1,226.16%
Investment activity	98,364	873,786	775,422	788.32%
Financing activity	39,461	978,454	938,993	2,379.55%
Changes of more than 20%, or more than NT\$ 10 million are described below:				
<ol style="list-style-type: none"> The increase in net cash outflow from operating activities was primarily caused by increased purchasing due to the Company's early inventory build-up. The increase in net cash inflow from investment activities is mainly attributable to a reduction in time deposits for a period of three months or more, in accordance with the Company's capital planning and inventory policies. The increase in net cash inflow from financing activities is mainly due to increased short-term borrowings. 				

(II) Improvement plan for liquidity deficiency: In addition to cash inflow from operating activities, the Company will utilize bank loans and issue convertible corporate bonds to address any cash shortfalls.

(III) Cash flow analysis for the coming year:

Unit: NT\$ thousand

Cash balance at beginning of the period (1)	Expected annual cash inflow (2)	Expected annual cash outflow (3)	Cash surplus (deficiency) amount (1)+(2)+(3)	Remedy for cash shortage	
				Investment plan	Financial plan
852,913	16,521,968	(17,899,418)	(524,537)	-	Bank borrowings and issuance of convertible corporate bonds
<ol style="list-style-type: none"> Cash flow analysis for the coming year: <ol style="list-style-type: none"> Annual cash inflow: Mainly consisting of the expected cash inflow from the Company's operating activities. Annual cash outflow: Mainly used for material purchases, operating expenses, dividends payment, and tax payment. Ways to respond to expected cash shortages: In addition to using cash inflow from operating activities, the Company will issue the first domestic unsecured convertible bonds and obtain bank loans to finance operations. 					

IV. Impacts on financial operations from major capital expenditures in the coming year: None.

V. The reinvestment policy of the past year, reasons for profits or losses, the improvement plan and investment plan for the coming year:

(I) The effects of changes in interest rates and exchange rates and inflation on the profit and loss of the Company, as well as future countermeasures.

(II) Reasons for the major losses on the reinvestments: Our subsidiaries have already demonstrated their profitability, but due to rapid changes in the market and fierce competition, the current business growth rate of these reinvestments has slowed down. In the future, we will exert tighter control on certain processes to ensure higher profits.

(III) Investment plan for the coming year: The Company upholds the "Access the best" brand spirit and continues to promote one of the four major operational thrusts – the formation

of alliances with strategic partners – to provide Apacer with more diverse operational perspectives and competitiveness, thereby becoming a growth driver for the Group’s operations. In the future, we will keep on looking for suitable strategic partners to establish an industrial ecosystem based on the strategy of forming alliances and extend the benefits of partnership in the industrial value chain.

VI. Risk matters requiring analysis and evaluation

(I) The effects of changes in interest rates and exchange rates and inflation on the profit and loss of the Company, as well as future countermeasures.

1. Changes in interest rates

The Company’s financial structure is sound. Most bank loans are used for working capital, and fluctuations in interest rates have a limited impact on the Company’s overall business. Nevertheless, the Company will continue to monitor interest rate trends, and regularly evaluate and adjust the financing policies. In addition, short-term idle funds are primarily allocated to time deposits, supplemented by funds or bonds to enhance returns.

If the annual interest rate on bank borrowings increases or decreases by 1%, ceteris paribus, the Company’s consolidated income before tax in 2025 would decrease or increase by NT\$16,398 thousand.

2. Changes in exchange rates

The foreign exchange positions of our company are mainly in US dollars. Exchange rate risks stem from commercial transactions and recognized assets and liabilities. We will maintain our consistent and stable strategy and actively avoid foreign exchange risks to avoid exchange rate risk.

Unit: NT\$ 1,000; %

Item	Year	2025
Consolidated net operating income (A)		11,123,604
Consolidated net operating profit (B)		1,024,043
Consolidated net gains (losses) from foreign exchange (C)		36,518
(C)/(A)		0.33%
(C)/(B)		3.57%

3. Inflation

The operating status of our company last year and this year to the date has not been significantly affected by inflation.

(II) Policies on high-risk, high-leverage investments, capital lending, third-party or endorsed guarantees, and derivative commodity transactions, and the main reasons for profits or losses from these and future response measures

1. Our company engagement in high-risk, high-leverage investments: None.
2. Our company has not lent out, endorsed, or guaranteed any third-party funding.
3. Transaction of derivatives: Our transactions in derivative products are mainly hedging transactions, which are handled in accordance with the provisions regarding trading procedures for derivative financial products in the “Criteria for Handling Acquisition and Disposal of Assets”.

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

1. Our research and development plan for 2026 includes the following:

(1) Core technology for high-speed transmission

We will continue to invest in the development of industrial SSDs for PCIe Gen4 high-speed transmission interfaces. PCIe Gen4 is still the mainstream standard transmission interface for industrial applications. We will continue the development of diverse industrial storage applications and technologies for PCIe interfaces. In addition, we will invest in research and physical development related to PCIe Gen5 technology in the second half of the year, support the next generation of high-speed flash memory, and continue to dedicate R&D resources to the hardware, software, and firmware architecture technologies for solid-state drives. We expect to invest NT\$ 60,000 thousand in R&D for this area in 2026.

(2) Flash memory products for industrial applications

Focusing on the design and application technology of related solid state disk storage products, we research and develop embedded SATA, PCIe, and USB interface products and related value-added application software, firmware, and hardware, as well as industrial storage modules. SSDs have become the mainstream storage product in industrial and consumer applications, ensuring high reliability of data transmission and providing innovative value-added applications. This year, we will continue to develop SSD core technologies and innovative products to meet customer and market needs in different fields. We expect to invest NT\$ 50,000 thousand in R&D for this area in 2026.

(3) Random dynamic memory storage devices

In response to the era of big data analysis and the server storage market, the demand for high-speed data access will increase. As the system is further developed, the DDR5 has been officially introduced. We will continuously invest resources in the research, testing, and development of DDR5 random dynamic memory devices with new specifications, as well as the development of HBMs. We expect to invest NT\$ 45,000 thousand in R&D for this area in 2026.

(4) Industrial optical inspection and intelligent IoT architecture technology

In response to the development of the Industry 4.0 era and the Internet of Things, as well as the increase of industrial optical inspection requirements and applications and the demand for automation, we will continue to develop automated optical inspection devices to solve problems in industrial inspection applications. We will also invest resources in the R&D of inspection and IoT platform technologies to provide an automated platform system structure with well-integrated technologies and extensive industrial IoT applications. We expect to invest NT\$ 45,000 thousand in R&D for this area in 2026.

2. Estimated investments in R&D

Our R&D expenses in 2025 were NT\$ 234,749 thousand. We expect to invest NT\$ 202,215 thousand in research and development in 2026. Competition in the market for consumer and embedded storage, as well as innovative application products, is fierce. To keep our products competitive and stay ahead in the industry, we have become a manufacturer that continuously launches innovative products. The R&D expenditure accounts for a certain proportion of total revenue and is an important expense of the Company.

Looking to the future, in addition to developing memory and core SSD technologies and products for the consumer and industrial control markets, Apacer will focus on the development of industrial optical testing equipment and smart IoT products. The Company will actively deploy related core technology development

talent and increase R&D personnel, including engineers for the development of core firmware and hardware, mechanism design, and electromechanical integration, to improve the design capabilities and technical services of electromechanical equipment. In response to green design requirements, the Company will invest in the research and development of electronic paper applications and initiate market application research and product design in new domains.

3. The main factors affecting the success of R&D in the future
 - (1) Mastery of high-speed transmission core technologies and R&D of storage applications and algorithms.
 - (2) Software, firmware, hardware, mechanical, and system architecture R&D professionals with experience in equipment development.
 - (3) Electromechanical integration capabilities for software, firmware, hardware, mechanisms, and systems.
 - (4) Capabilities in storage product testing and verification, as well as system technical support.

- (IV) Changes in the important policies and laws in Taiwan and abroad impacting our finances, and measures taken in response

Our company has not been affected by changes in important policies and laws in Taiwan or abroad last year that have affected our finances or business. Our main sales markets are in Asia, Europe, and the Americas. The European region consists mostly of developed countries, whose laws and major policies are more stable than other regions, while the Americas are dominated by the United States, which in the short term should have no military or political risks. Therefore we do not expect that our company will be adversely impacted by changes in important policies and laws in Taiwan or abroad in the future.

- (V) Impacts from changes in technology (including cyber security risks) and the industry, and measures taken in response

Our company closely follows changes and developments in technologies in our industry. Thus over the past year there was no significant impact on our company's finances or business arising from changes in technology or the industry.

According to the annual inventory of information security incidents and risk evaluation results, there was no serious information security incidents in the most recent FY. However, in response to increasing external information security threats, the Company will continue to perform risk inventories for internal information assets with reference to serious information security incidents that occurred in Taiwan or abroad and develop risk handling plans to make continuous improvements.

- (VI) Impacts from changes in corporate or corporate crisis management, and measures taken in response

For many years, our company has taken great care to maintain a good corporate image and comply with the statutory requirements. A global marketing division is in place to manage our corporate image and establish monitoring mechanisms to stay informed. In the event of any situation that may affect our corporate image or legal compliance, a task force will be set up to formulate response measures. To date, there have been no incidents that could affect the corporate image.

- (VII) Expected benefits and potential risks from a merger or acquisition:

The Company had no mergers or acquisitions in 2025 or 2026 as of the publication date. In the future, should any relevant merger or acquisition plans arise, they will be processed in compliance with the applicable laws and regulations and the Company's internal management procedures. The Company will conduct a careful evaluation to

determine if a merger would yield tangible synergies, thereby safeguarding the rights and interests of existing shareholders.

(VIII) Expected benefits and potential risks from expanding our plant:

Our company has completed the integration of the management of our factory in Tucheng and the headquarters of our company. We have established company milestones and objectives for our company's sustainable business. As of the printing date of this annual report, our company has no plans to expand the plant.

(IX) Risks associated with any consolidation of purchasing or sales operations, and response measures:

Purchasing: We not only constantly collaborate with the existing business partners but also keep looking for and assess other prospective partners in an active manner, in order to reduce the risk of concentration. Also, alternative supply plans are in place for the material excesses and shortages in the market. Meanwhile, we make regular supplier evaluations more carefully to ensure stable supply quality and mitigate the impact of material excesses and shortages.

Sales: So far, the Company has been engaged in good cooperation with all customers. In addition to the existing stable customer sources, we also continue to develop new customer sources with our strengths, ensuring a steady and long-term operational growth while achieving the objective of risk distribution.

(X) Impacts and risks from large transfers of shares held by the Company's directors, supervisors, or large shareholders holding more than 10% of the shares, and response measures:

All the transfers of shares held by the Company's insiders have been reported as per the regulations of the competent authority. Meanwhile, there were no large transfers of shares.

(XI) Impacts and risks from changes our company's operating rights, and response measures: None.

(XII) Litigation and non-litigious events

1. Outcomes of major litigious, non-litigious, or administrative disputes last year or this year to date that have been determined or are still proceeding and that may have serious impact on shareholder income or share prices: None.

2. Outcomes of major litigious, non-litigious, or administrative disputes last year or this year to date involving our company's directors, supervisors, and large shareholders holding more than 10% of shares, that have been resolved or are still proceeding and that may have serious impact on shareholder income or share prices: None.

(XIII) Other major risks and response measures: None.

VII. Other important matters:

None.

Six. Special Items

I. Information on affiliated companies

(I) Consolidated business report of affiliated companies:

Please visit the MOPS website (<https://mops.twse.com.tw/mops/#/web/home>), click “Single Company” then select “Affiliate 3-Statement Files” under “Electronic Document Download.”

(Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(II) Consolidated financial statements of the affiliated enterprises: N/A.

(III) Affiliates report: N/A.

II. Private equity securities transactions during the most recent FY until the date on which the annual report was printed:

Please visit the MOPS website (<https://mops.twse.com.tw/mops/#/web/home>), click “Thematic Section” and then “Private Placement” under “Investor Section.”

(Website: <https://mops.twse.com.tw/mops/#/web/t116sb01>)

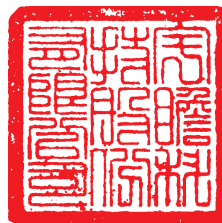
III. Other necessary additional statements:

None.

IV. Matters that have a significant impact on shareholders' income or securities prices as set forth in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent FY until the date on which the annual report was printed:

None.

Apacer Technology Inc.



Chairman: Austin Chen



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Apacer

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2025 Annual Report

Taiwan Stock Exchange Market Observation Post System: <https://mops.twse.com.tw>

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