

ACER E-ENABLING SERVICE BUSINESS INC.

Agenda of 2024 General Shareholders' Meeting

(Translation)

Date : 9 a.m., June 5th, 2024

Venue : Meeting room at 1F, 88, Sec. 1, Xintai 5th Rd.Xizhi, New Taipei City 221

Disclaimer

This is a translation of the 2024 General Shareholders' Meeting Agenda of ACER E-ENABLING SERVICE BUSINESS INC. (the "Company"). The translation is intended for reference only and nothing else, the Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the Agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Meeting Agenda

Date : 9:00 a.m., Wednesday, June 5th, 2024

Venue : Meeting room at 1F, 88, Sec. 1, Xintai 5th Rd.Xizhi, New Taipei City 221

Type: Physical Meeting

1. Report Items

- (1) Business Report for the Year 2023
- (2) Audit Committee's Review Report
- (3) Report on the Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2023

2. Proposed Items for Ratification and Discussion

- (1) Ratification Proposal of the Business Report and Financial Statements for the Year 2023
- (2) Ratification Proposal of Profit Appropriation for the Year 2023

3. Extemporaneous Motion

4. Meeting Adjourned

1. Report Items

(1) Business Report for the Year 2023

Explanatory Notes: Please refer to Attachment 1, pages 8 to 10.

(2) Audit Committee's Review Report

Explanatory Notes: Please refer to Attachment 2, page 11.

(3) To Report on the Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2023

Explanatory Notes:

- i. The Board of Directors approved the proposal of employees' 2023 profit sharing bonus and Board Directors' compensation on March 12, 2024. The employees' profit-sharing bonus and Board Directors' compensation are to be distributed in cash.
- ii. The total amount of employees' 2023 profit sharing bonus is NT\$78,000,000.
- iii. The total amount of Board Directors' 2023 compensation is NT\$800,000.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Business Report and Financial Statements for the Year 2023. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's Financial Statements for the year 2023, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow, have been audited by CPA Wei-Ming Shih and CPA Ching-Wen Kao of KPMG.
- (2) The Business Report for the year 2023 and the forementioned Financial Statements are attached hereto as Attachment 1, pages 8 to 10 and Attachment 3, pages 12 to 29, which have been approved by the Audit Committee and by the Board of Directors via resolution.
- (3) Please ratify.

Resolution:

Item 2

Proposal: Ratification Proposal of Profit Appropriation for the Year 2023. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's undistributed retained earnings at the beginning of the 2023 are NT\$ 300,620,056. After such amount added the PAT of 2023, set aside the legal reserve and reversed the special reserve according to law, the current distributable retained earnings are NT\$ 743,286,772, among which it is proposed to distribute the dividends of NT\$ 352,316,500 to the Shareholders and the remaining retained earnings of NT\$ 390,970,272 will be reserved for distribution next year.
- (2) All dividends will be distributed to the Shareholders whose names and respective shares are in these Shareholders' register on the ex-dividend record date, at a preliminary ratio of NT\$ 8.5 per share in cash. Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income.
- (3) Prior to the ex-dividend date for the distribution, should the cash distribution ratio require any adjustment due to amendment of laws or regulations, request by competent authorities, or any change of the numbers of the issued and outstanding shares, it is to authorize the Chairman with full power to adjust the distribution ratio.
- (4) The record date for ex-dividend is temporarily set on July 11th, 2024, and the distribution date is set on August 1th, 2024. Should the dates above be adjusted due to the amendment of laws or regulations, or request by competent authorities, the Chairman is authorized with full power to adjust accordingly.
- (5) Please refer to the Profit Appropriation Statement for 2023 (Attachment 4, page30).
- (6) Please ratify.

Resolution:

4. Extemporany Motion

5. Meeting Adjourned

Attachment 1

Business Report

Dear Shareholders,

Looking back in 2023, amidst challenges of high interest rates, inflation, geopolitical tensions by Russia-Ukraine conflict and Israel-Palestine conflict, as well as the disastrous impacts of extreme climate change, the global economy has faced considerable hurdles. Taiwan, situated in a region of high geopolitical risk, has been particularly affected by the tug-of-war between the United States and China in trade and politics. Additionally, the slow economic recovery of China, Taiwan's largest export destination, coupled with weak overall demand has led to prolonged destocking of inventory which was a consequence of bulk stocking by manufacturers during the pandemic. As a result, Taiwan's exports encountered a continuous decline for 12 months, marking the lowest economic growth since the financial crisis. The economic downturn has also affected the B2B market, which AEB focuses on, by cutting costs to cope with economic uncertainty, thus affecting corporate IT investment.

From another perspective, the post-pandemic new economy has brought people's lives and work more and more dependent on cloud, which in turns has accelerated businesses transforming themselves towards cloud. At the end of 2022, OpenAI launched the generative AI application, ChatGPT, opening the dawn of AI age and setting up a new round of technology competition. The global research firm IDC predicts that spending on AI related technology will exceed \$500 billion by 2027. Under the impetus of generative AI, the AI platform market in Taiwan is expected to grow from \$66.9 million in 2023 to \$83.9 million in 2024, with a staggering annual growth rate of 25.4%. This demonstrates the potential of generative AI, which is bound to have a transformative impact on various industries. AEB aims to take the position as "enterprise generative AI accelerator," offering proven Gen AI services with best practices in Data Governance, Cloud Adoption, and AI Platform. We believe the services will speed up AI utilization of enterprises, achieving deeper digital transformation and enhancing business resilience in the face of uncertainty.

Increasing demand for cloud and digital transformation from corporates and the rapid development of generative AI contributed to the growth of AEB's revenue and profits as compared to previous year. The 2023 business achievement, thanks to the concerted efforts of all our colleagues, are outlined as follows:

Unit: K NT\$

Item	Year	2023	2022	Increase (Decrease)	
				Amount	%
Operation Result	Revenue	7,550,746	7,189,523	361,223	5.02%
	Gross Profit	1,035,772	963,967	71,805	7.45%
	Operation Income	606,854	518,066	88,788	17.14%
	Net Income	501,328	436,771	64,557	14.78%

Item	Year	2023	2022
		Return on Assets	9.10%
Return on Equity	26.79%	32.79%	
Operating Income to Equity Ratio	146.41%	124.99%	
Pre-tax Net Income to Equity Ratio	152.48%	132.07%	
Net Income Ratio	6.64%	6.08%	
Earnings per Share	12.10	11.35	

AEB continues to invest in cloud, generative AI, and cybersecurity technologies on top of its exceptional performance, earning recognition and certification from global first tier vendors. For example, AEB is the first Taiwan partner to achieve Microsoft Cloud Solution Provider (MCP) Program in six major solution areas and the only one to be certified by Microsoft with four Advanced Specialization in cybersecurity so far. Moreover, one of the few partners in Taiwan was selected to join the Microsoft Copilot Jumpstart program where it gets firsthand experiences of Copilot user practices. Numerous projects were successfully deployed for local governments and enterprises of various vertical. In particular, the project "National Examination Digital Platform" AEB built with Taiwan Examination Yuan was bestowed as the Outstanding Educational Technology of 2023 ASOCIO ICT Award, further proved that our technical and service capabilities are well-recognized by our customers.

Looking ahead to 2024, the global economy still faces many uncertainties that will hinder its pace of recovery: unclear economic prospects in the United States and China, geopolitical risks of various regions, crisis in the Red Sea, unfair green subsidies, and extreme climate causing fluctuation of demand and prices in energy and agricultural raw material supply, etc. However, we believe that the trend of enterprises using cloud technology and generative AI for digital transformation to strengthen business resilience will remain unchanged. Especially

with the imminent establishment of data centers by major Public Cloud Providers in Taiwan, we see vast business opportunity presented as both public sector and private sector, whether it's startup or corporate, looking to upgrade their resilience with a more flexible and cloud-native IT environment.

AEB will continue to evolve around its positioning as “Smart and Digital Enterprise Enabler” and focus on three main aspects in the future: 1) Expand cloud service: with the in-house developed iCMP- intelligent Cloud Management Platform, AEB is now a cloud managed service provider and also capable of meeting the urgent needs of enterprises for FinOp, multi-cloud and hybrid cloud. MDR (Managed Detection and Response) service is added to the Platform that provides customers the wholly views of their cloud security. 2) Provide “AI Accelerator Service” to enterprise accounts where they can enjoy AEB’s Center of Excellence of Azure Open AI and Microsoft Copilot. And expanding in "data backup and disaster recovery" services to enable corporate customers to secure the last mile of information security while on their journey of digital transformation. 3) AEB has established a subsidiary company in China, aiming to enhance service for our customers. AEB will also collaborate with customers’ supply chain transfers to promote overseas deployment, implement regional business strategies, and seize opportunity for business expansion to Southeast Asian countries to achieve continuous growth in revenue and profits.

Finally, we are deeply gratified to your unwavering support and encouragement. We sincerely wish you all healthy and successful in 2024.

Chairman

President

Chief Financial Officer

Jason Chen

Sandy Chou

Kevin Cheng

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and the Proposal for Profit Appropriation. The CPA Steven Shih and Lilian Kao from KPMG were retained to audit AEB's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for Profit Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer E-Enabling Service Business Inc. in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Acer E-Enabling Service Business Inc.

Convener of the Audit Committee: H.T. Chou

March 12th, 2024

Attachment 3

Independent Auditors' Report

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

Audit Opinions

We have audited the accompanying financial statements of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries, which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section. We were independent of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by our accountants to be communicated on the audit report are as follows:

I. Revenue recognition

For the accounting policy for the revenue recognition, please refer to the consolidated financial statement Note 4 (14) Revenue from contracts with customers; for the description of the judgment involved in the revenue recognition timing, please refer to the consolidated financial statement Note 5.

Description of Key Audit Matters:

Sales revenue of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries is recognized as sales revenue when the control of the product is transferred to the customer. According to the needs of individual customers, the products agreed and the trading conditions are different, resulting in different timing of fulfilling the performance obligation, which often requires individual evaluation to determine the appropriate timing of revenue recognition. Therefore, whether revenue is recognized in the appropriate period is important to our audit of the financial statements.

How the matter was addressed in our audit:

In relation to the key audit matters above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of the Company's internal controls over the timing of revenue recognition; assessing whether revenue is recognized based on the trade terms with

customers through reviewing the related sales contracts or other trade documents and the accuracy of the timing of revenue recognition and the performance obligation satisfied to customers; performing a sample test of sales transactions taking place before and after the balance sheet date to ensure that revenue was recognized in the appropriate period.

Other matters

We have audited the parent company only financial statements of ACER E-ENABLING SERVICE BUSINESS INC. for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission. The internal control system necessary for the preparation of the report shall ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include assessing ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries' ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Suspension of business, or no other practicable solution other than liquidation or suspension of business.

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

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries' internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries to cease to continue as a going concern.

- V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

Assets		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 2,756,948	49	2,399,258	45
1140	Contract assets - current (Note 6(15) and 7)	94,209	2	75,916	1
1170	Notes and accounts receivable, net (Note 6(3) and (15))	2,159,668	38	1,937,751	36
1180	Accounts receivable - Related parties (Note 6(3), (15) and 7)	43,302	1	47,614	1
1206	Other receivable - Other	748	-	1,292	-
1210	Other receivables - Related parties (Note 7)	-	-	4,500	-
1300	Inventories (Note 6(4))	294,749	5	438,805	8
1410	Prepayments and other current assets	4,967	-	2,968	-
1476	Other financial assets - current (Note 6(1))	-	-	200,000	4
Total current assets		5,354,591	95	5,108,104	95
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	20,100	1	24,892	1
1550	Investment under equity method (Note 6(5))	9,738	-	10,785	-
1600	Property, plant and equipment (Note 6(6) and 7)	4,381	-	1,537	-
1755	Right-of-use assets (Note 6(7) and 7)	63	-	18,845	-
1780	Intangible assets (Note 6(8) and 7)	2,533	-	3,697	-
1840	Deferred income tax assets (Note 6(11))	42,502	1	40,974	1
1920	Refundable deposits	187,427	3	184,290	3
Total non-current assets		266,744	5	285,020	5
Total assets		\$ 5,621,335	100	5,393,124	100

(continued on next page)

		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2130	Contract liabilities (Note 6(15) and 7)	\$ 1,776,517	32	1,617,561	30
2170	Notes and accounts payable	1,074,362	19	1,211,887	23
2180	Accounts payable - Related parties (Note 7)	117,372	2	103,720	2
2200	Other payables (Note 6(16))	434,759	8	419,215	8
2220	Other payables - Related parties (Note 7)	7,961	-	10,614	-
2230	Current income tax liabilities	73,788	1	66,337	1
2280	Lease liabilities - current (Note 6(9) and 7)	63	-	18,869	-
2399	Other current liabilities	32,441	1	19,496	-
Total of current liabilities		3,517,263	63	3,467,699	64
Non-current liabilities:					
2580	Lease liabilities - non-current (Note 6(9) and 7)	-	-	132	-
2640	Net defined benefit liabilities (Note 6(10))	138,734	2	142,257	3
2645	Guarantee deposits received	2,846	-	2,476	-
Total non-current liabilities		141,580	2	144,865	3
Total liabilities		3,658,843	65	3,612,564	67
Equity (Note 6(12) and (13)):					
3110	Common stock	414,490	7	414,490	8
3200	Capital reserve	628,098	12	628,098	12
Retained earnings:					
3310	Legal reserve	126,485	2	82,807	1
3320	Special reserves	37,867	1	52,846	1
3350	Undistributed earnings	801,947	14	640,186	12
3400	Other equity	(46,395)	(1)	(37,867)	(1)
Total equity		1,962,492	35	1,780,560	33
Total liabilities and equity		\$ 5,621,335	100	5,393,124	100

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (Notes 6(15), 7 and 14)	\$ 7,550,746	100	7,189,523	100
5000	Cost of revenue (Notes 6(4), (6), (8), (10), (16), 7, and 12)	(6,514,974)	(86)	(6,225,556)	(87)
	Gross profit	1,035,772	14	963,967	13
	Operating expenses (Notes 6(3), (6), (7), (8), (9), (10), (13), (16), 7 and 12)				
6100	Selling expenses	(285,614)	(4)	(303,164)	(4)
6200	General and administrative expenses	(80,314)	(1)	(80,121)	(1)
6300	Research and development expenses	(60,107)	(1)	(58,560)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(2,883)	-	(4,056)	-
	Total operating expenses	(428,918)	(6)	(445,901)	(6)
	Net operating profit	606,854	8	518,066	7
	Non-operating income and expenses (Note 6(5), (9) and (17)):				
7100	Interest revenue	24,030	-	6,673	-
7020	Other gains and losses	353	-	22,525	1
7050	Financial cost	(70)	-	(499)	-
7770	Share of profit of affiliated companies under equity method	843	-	660	-
	Total non-operating income and expenses	25,156	-	29,359	1
	Net income before tax	632,010	8	547,425	8
7950	Less: Income tax expenses (Note 6(11))	(130,682)	(1)	(110,654)	(2)
	Net income for the period	501,328	7	436,771	6
	Other comprehensive income (Note 6(12)):				
	Items not reclassified into profit or loss				
8310	Remeasurement of defined benefit plan	(4,706)	-	24,253	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(4,792)	-	(4,424)	-
8349	Income tax related to item that will not be reclassified to profit or loss	941	-	(4,850)	-
	Total of items not reclassified into profit or loss	(8,557)	-	14,979	-
	Items that may be reclassified subsequently to profit or loss				
8360	Exchange differences on translation of foreign operations	29	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	29	-	-	-
	Other comprehensive income in the current period	(8,528)	-	14,979	-
	Total comprehensive income for the period	\$ 492,800	7	\$ 451,750	6
	Net income attributable to:				
8610	Owner of the parent company	\$ 501,328	7	436,771	6
		\$ 501,328	7	\$ 436,771	6
	Total comprehensive income attributable to:				
8710	Owner of the parent company	\$ 492,800	7	451,750	6
		\$ 492,800	7	\$ 451,750	6
	Earnings per share (Unit: NTD, Note 6(14))				
9750	Basic earnings per share	\$	12.10	\$	11.35
9850	Diluted earnings per share	\$	12.00	\$	11.16

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Equity attributable to owners of the parent company

	Retained earnings						Other equity				Total equity attributable to owners of the parent company	Total equity
	Common stock Share capital	Capital reserve	Legal Reserves	Special Reserves	Unallocated Earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Re-measurement of defined benefit plan	Total		
Balance as of January 1, 2022	\$ 364,490	32,033	49,088	32,577	457,872	539,537	-	(2,454)	(50,392)	(52,846)	883,214	883,214
Net income for the period	-	-	-	-	436,771	436,771	-	-	-	-	436,771	436,771
Other comprehensive income in the current period	-	-	-	-	-	-	-	(4,424)	19,403	14,979	14,979	14,979
Total comprehensive income/loss for the period	-	-	-	-	436,771	436,771	-	(4,424)	19,403	14,979	451,750	451,750
Appropriation approved by the stockholders:												
Legal reserve	-	-	33,719	-	(33,719)	-	-	-	-	-	-	-
Special reserve	-	-	-	20,269	(20,269)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(200,469)	(200,469)	-	-	-	-	(200,469)	(200,469)
Capital increase in cash	50,000	589,692	-	-	-	-	-	-	-	-	639,692	639,692
Compensation cost of employee share options	-	6,373	-	-	-	-	-	-	-	-	6,373	6,373
Balance as of December 31, 2022	414,490	628,098	82,807	52,846	640,186	775,839	-	(6,878)	(30,989)	(37,867)	1,780,560	1,780,560
Net income for the period	-	-	-	-	501,328	501,328	-	-	-	-	501,328	501,328
Other comprehensive income in the current period	-	-	-	-	-	-	29	(4,792)	(3,765)	(8,528)	(8,528)	(8,528)
Total comprehensive income/loss for the period	-	-	-	-	501,328	501,328	29	(4,792)	(3,765)	(8,528)	492,800	492,800
Appropriation approved by the stockholders:												
Legal reserve	-	-	43,678	-	(43,678)	-	-	-	-	-	-	-
Special reserve	-	-	-	(14,979)	14,979	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(310,868)	(310,868)	-	-	-	-	(310,868)	(310,868)
Balance as of December 31, 2023	\$ 414,490	628,098	126,485	37,867	801,947	966,299	29	(11,670)	(34,754)	(46,395)	1,962,492	1,962,492

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Net income before tax for the period	\$ 632,010	547,425
Adjustments:		
Income and expenses		
Depreciation expense	20,411	24,019
Amortization expense	5,837	7,596
Expected credit impairment loss	2,883	4,056
Interest expense	70	499
Interest revenue	(24,030)	(6,673)
Dividend income	-	(1,199)
Share-based payment for remuneration	-	6,373
Gains on rent concessions	-	(3,136)
Investment interests recognized using the equity method	(843)	(660)
Gain on lease modification	-	(255)
Total income and expense	<u>4,328</u>	<u>30,620</u>
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in financial assets mandatorily measured at fair value through profit or loss	-	191
Contract assets	(18,293)	(14,750)
Notes and accounts receivable	(224,800)	(170,409)
Accounts receivable - related parties	4,312	12,876
Other receivables - Related parties	4,500	(2,686)
Inventory	144,056	(128,348)
Prepayments and other current assets	(1,999)	(392)
Total net changes in assets related to operating activities	<u>(92,224)</u>	<u>(303,518)</u>
Net changes in liabilities related to operating activities:		
Accounts payable	(137,525)	321,520
Accounts payable - related parties	13,652	10,030
Other payables	15,544	(44,639)
Other payables - Related parties	(2,653)	811
Contract liabilities	158,956	122,987
Other current liabilities	12,945	(5,847)
Net defined benefit liability	(8,229)	6,062
Total net changes in liabilities related to operating activities	<u>52,690</u>	<u>410,924</u>
Total net changes in assets and liabilities related to operating activities	<u>(39,534)</u>	<u>107,406</u>
Total adjustment items	<u>(35,206)</u>	<u>138,026</u>
Cash inflow from operations	596,804	685,451
Interest received	24,574	5,381
Interest paid	(70)	(499)
Income tax paid	(123,818)	(133,372)
Net cash inflow from operating activities	<u>497,490</u>	<u>556,961</u>

(continued on next page)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows (continued from previous page)
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flow from investing activities:		
Acquisition of investments under equity method	-	(10,125)
Acquisition of property, plant and equipment	(4,473)	(211)
Acquisition of intangible assets	(4,673)	(5,388)
Decrease (increase) in refundable deposits	(3,137)	15,684
Decrease (increase) of other financial assets	200,000	(200,000)
Dividends received	1,890	1,199
Net cash inflows (outflows) from investing activities	189,607	(198,841)
Cash flow from financing activities:		
Lease principal repayment	(18,938)	(18,452)
Increase in guarantee deposits received	370	44
Distribution of cash dividends	(310,868)	(200,469)
Capital increase in cash	-	639,692
Net cash (outflow) inflow from financing activities	(329,436)	420,815
Effect of exchange rate changes on cash and cash equivalents	29	-
Increase in cash and cash equivalents in the current period	357,690	778,935
Opening balance of cash and cash equivalents	2,399,258	1,620,323
Closing balance of cash and cash equivalents	\$ 2,756,948	2,399,258

Independent Auditors' Report

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

Audit Opinions

We have audited the parent company only financial statements of ACER E-ENABLING SERVICE BUSINESS INC.(the Company), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section. We were independent of the Company in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by our accountants to be communicated on the audit report are as follows:

I. Revenue recognition

For the accounting policy for the revenue recognition, please refer to the parent company only financial statement Note 4 (14) Revenue from contracts with customers; for the description of the judgment involved in the revenue recognition timing, please refer to the parent company only financial statement Note 5.

Description of Key Audit Matters:

Sales revenue of the Company is recognized as sales revenue when the control of the product is transferred to the customer. According to the needs of individual customers, the products agreed and the trading conditions are different, resulting in different timing of fulfilling the performance obligation, which often requires individual evaluation to determine the appropriate timing of revenue recognition. Therefore, whether revenue is recognized in the appropriate period is important to our audit of the financial statements. How the matter was addressed in our audit:

In relation to the key audit matters above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of the Company's internal controls over the timing of revenue recognition; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents and the accuracy of the timing of revenue recognition and the performance obligation satisfied to customers; performing a sample test of sales transactions taking place before and after the balance sheet date to ensure that revenue was recognized in the appropriate period.

Responsibilities of Management and Those Charged with Governance for the parent company only

financial statements

The responsibility of the management is to prepare the appropriate parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, the management's responsibilities also include assessing the Company 's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Suspension of business, or no other practicable solution other than liquidation or suspension of business.

Those charged with governance (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2024

Assets		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 2,714,019	48	2,399,258	45
1140	Contractual liabilities - current (Note 6(15) and 7)	94,209	2	75,916	1
1170	Notes and accounts receivable, net (Note 6(3) and (15))	2,147,188	38	1,937,751	36
1180	Accounts receivable - Related parties (Note 6(3), (15) and 7)	48,347	1	47,614	1
1206	Other receivable - Other	748	-	1,292	-
1210	Other receivables - Related parties (Note 7)	-	-	4,500	-
1300	Inventories (Note 6(4))	292,073	5	438,805	8
1410	Prepayments and other current assets	4,792	-	2,968	-
1476	Other financial assets - current (Note 6(1))	-	-	200,000	4
Total current assets		5,301,376	94	5,108,104	95
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	20,100	-	24,892	1
1550	Investment under equity method (Note 6(5))	55,459	1	10,785	-
1600	Property, plant and equipment (Note 6(6))	4,295	-	1,537	-
1755	Right-of-use assets (Note 6(7) and 7)	63	-	18,845	-
1780	Intangible assets (Note 6(8))	2,533	-	3,697	-
1840	Deferred income tax assets (Note 6(11))	42,502	1	40,974	1
1920	Refundable deposits	187,427	4	184,290	3
Total non-current assets		312,379	6	285,020	5
Total assets		\$ 5,613,755	100	5,393,124	100

(continued on next page)

		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2130	Contract liabilities (Note 6(15) and 7)	\$ 1,776,517	32	1,617,561	30
2170	Notes and accounts payable	1,069,357	19	1,211,887	23
2180	Accounts payable - Related parties (Note 7)	117,372	2	103,720	2
2200	Other payables (Note 6(16))	432,203	8	419,215	8
2220	Other payables - related parties (Note 7)	7,961	-	10,614	-
2230	Current income tax liabilities	73,825	1	66,337	1
2280	Lease liabilities - current (Note 6(9) and 7)	63	-	18,869	-
2399	Other current liabilities	32,385	1	19,496	-
Total of current liabilities		3,509,683	63	3,467,699	64
Non-current liabilities:					
2580	Lease liabilities - non-current (Note 6(9) and 7)	-	-	132	-
2640	Net defined benefit liabilities (Note 6(10))	138,734	2	142,257	3
2645	Guarantee deposits received	2,846	-	2,476	-
Total non-current liabilities		141,580	2	144,865	3
Total liabilities		3,651,263	65	3,612,564	67
Equity (Note 6(12) and (13)):					
3110	Common stock	414,490	8	414,490	8
3200	Capital reserve	628,098	11	628,098	12
Retained earnings:					
3310	Legal reserve	126,485	2	82,807	1
3320	Special reserve	37,867	1	52,846	1
3350	Undistributed earnings	801,947	14	640,186	12
3400	Other equity	(46,395)	(1)	(37,867)	(1)
Total equity		1,962,492	35	1,780,560	33
Total liabilities and equity		\$ 5,613,755	100	5,393,124	100

ACER E-ENABLING SERVICE BUSINESS INC.
Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (Note 6(15) and 7)	\$ 7,528,830	100	7,189,523	100
5000	Cost of revenue (Notes 6(4), (6), (8), (10), (16), 7, and 12)	(6,497,917)	(86)	(6,225,556)	(87)
	Gross profit	1,030,913	14	963,967	13
5920	Unrealized gross profit from sales	(13)	-	-	-
	Realized gross profit	1,030,900	14	963,967	13
	Operating expenses (Notes 6(3), (6), (7), (8), (9), (10), (13), (16), 7 and 12)				
6100	Selling expenses	(283,056)	(4)	(303,164)	(4)
6200	General and administrative expenses	(76,952)	(1)	(80,121)	(1)
6300	Research and development expenses	(60,107)	(1)	(58,560)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(2,883)	-	(4,056)	-
	Total operating expenses	(422,998)	(6)	(445,901)	(6)
	Net operating profit	607,902	8	518,066	7
	Non-operating income and expenses (Note 6(5), (9) and (17)):				
7100	Interest income	23,984	-	6,673	-
7020	Other gains and losses	(191)	-	22,525	1
7050	Financial cost	(70)	-	(499)	-
7375	Share of profit of subsidiaries and associates accounted for using the equity method	385	-	660	-
	Total non-operating income and expenses	24,108	-	29,359	1
	Net income before tax	632,010	8	547,425	8
7950	Less: Income tax expenses (Note 6(11))	(130,682)	(1)	(110,654)	(2)
	Net income for the period	501,328	7	436,771	6
	Other comprehensive income (Note 6(11) and (12)):				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	(4,706)	-	24,253	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(4,792)	-	(4,424)	-
8349	Income tax related to item that will not be reclassified to profit or loss	941	-	(4,850)	-
	Total of items not reclassified into profit or loss	(8,557)	-	14,979	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	29	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	29	-	-	-
	Other comprehensive income in the current period	(8,528)	-	14,979	-
	Total comprehensive income for the period	<u>\$ 492,800</u>	<u>7</u>	<u>451,750</u>	<u>6</u>
	Earnings per share (Unit: NTD, Note 6(14))				
9750	Basic earnings per share	<u>\$ 12.10</u>		<u>11.35</u>	
9850	Diluted earnings per share	<u>\$ 12.00</u>		<u>11.16</u>	

ACER E-ENABLING SERVICE BUSINESS INC.

Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Retained earnings					Other equity					
	Common stock Share capital	Capital reserve	Legal Reserves	Special Reserves	Unallocated Earnings	Total	Exchange differences from translation of foreign financial statements	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	Re- measurement of defined benefit plan	Total	Total equity
Balance as of January 1, 2022	\$ 364,490	32,033	49,088	32,577	457,872	539,537	-	(2,454)	(50,392)	(52,846)	883,214
Net income for the period	-	-	-	-	436,771	436,771	-	-	-	-	436,771
Other comprehensive income in the current period	-	-	-	-	-	-	-	(4,424)	19,403	14,979	14,979
Total comprehensive income for the period	-	-	-	-	436,771	436,771	-	(4,424)	19,403	14,979	451,750
Appropriation approved by the stockholders:											
Legal reserve	-	-	33,719	-	(33,719)	-	-	-	-	-	-
Special reserve	-	-	-	20,269	(20,269)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(200,469)	(200,469)	-	-	-	-	(200,469)
Capital increase in cash	50,000	589,692	-	-	-	-	-	-	-	-	639,692
Compensation cost of employee share options	-	6,373	-	-	-	-	-	-	-	-	6,373
Balance as of December 31, 2022	414,490	628,098	82,807	52,846	640,186	775,839	-	(6,878)	(30,989)	(37,867)	1,780,560
Net income for the period	-	-	-	-	501,328	501,328	-	-	-	-	501,328
Other comprehensive income in the current period	-	-	-	-	-	-	29	(4,792)	(3,765)	(8,528)	(8,528)
Total comprehensive income for the period	-	-	-	-	501,328	501,328	29	(4,792)	(3,765)	(8,528)	492,800
Appropriation approved by the stockholders:											
Legal reserve	-	-	43,678	-	(43,678)	-	-	-	-	-	-
Special reserve	-	-	-	(14,979)	14,979	-	-	-	-	-	-
Cash dividends	-	-	-	-	(310,868)	(310,868)	-	-	-	-	(310,868)
Balance as of December 31, 2023	\$ 414,490	628,098	126,485	37,867	801,947	966,299	29	(11,670)	(34,754)	(46,395)	1,962,492

ACER E-ENABLING SERVICE BUSINESS INC.
Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flow from operating activities:		
Net income before tax for the period	\$ 632,010	547,425
Adjustments:		
Income and expenses		
Depreciation expense	20,402	24,019
Amortization expense	5,837	7,596
Expected credit impairment loss	2,883	4,056
Interest expense	70	499
Interest income	(23,984)	(6,673)
Dividend income	-	(1,199)
Share-based payment for remuneration	-	6,373
Gains on rent concessions	-	(3,136)
Investment interests recognized using the equity method	(385)	(660)
Gain on lease modification	-	(255)
Unrealized loss of sales	13	-
Total income and expense	4,836	30,620
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Decrease in financial assets mandatorily measured at fair value through profit or loss	-	191
Contract assets	(18,293)	(14,750)
Notes and accounts receivable	(212,320)	(170,409)
Accounts receivable - related parties	(733)	12,876
Other receivables - Related parties	4,500	(2,686)
Inventory	146,732	(128,348)
Prepayments and other current assets	(1,824)	(392)
Total net changes in assets related to operating activities	(81,938)	(303,518)
Net changes in liabilities related to operating activities:		
Accounts payable	(142,530)	321,520
Accounts payable - related parties	13,652	10,030
Other payables	12,988	(44,639)
Other payables - Related parties	(2,653)	811
Contract liabilities	158,956	122,987
Other current liabilities	12,889	(5,847)
Net defined benefit liability	(8,229)	6,062
Total net changes in liabilities related to operating activities	45,073	410,924
Total net changes in assets and liabilities related to operating activities	(36,865)	107,406
Total adjustment items	(32,029)	138,026
Cash inflow from operations	599,981	685,451
Interest received	24,528	5,381
Interest paid	(70)	(499)
Income tax paid	(123,781)	(133,372)
Net cash inflow from operating activities	500,658	556,961

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ACER E-ENABLING SERVICE BUSINESS INC.
Cash Flow Statement (continued from previous page)
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flow from investing activities:		
Acquisition of investments under equity method	(46,163)	(10,125)
Acquisition of property, plant and equipment	(4,378)	(211)
Acquisition of intangible assets	(4,673)	(5,388)
Decrease (increase) in refundable deposits	(3,137)	15,684
Decrease (increase) of other financial assets	200,000	(200,000)
Dividends received	1,890	1,199
Net cash inflows (outflows) from investing activities	143,539	(198,841)
Cash flow from financing activities:		
Lease principal repayment	(18,938)	(18,452)
Increase in guarantee deposits received	370	44
Distribution of cash dividends	(310,868)	(200,469)
Capital increase in cash	-	639,692
Net cash (outflow) inflow from financing activities	(329,436)	420,815
Increase in cash and cash equivalents in the current period	314,761	778,935
Opening balance of cash and cash equivalents	2,399,258	1,620,323
Closing balance of cash and cash equivalents	\$ 2,714,019	2,399,258

Attachment 4

Acer E-Enabling Service Business Inc. 2023 Statement of Profit Appropriation

	Unit: NT\$
Beginning Balance of Un-appropriated Retained Earnings	300,620,056
Plus:2023 Net Income after Tax	501,327,804
Deduct: Legal Reserve	(50,132,780)
Provision of Special Reserve	<u>(8,528,308)</u>
Accumulative earnings available for appropriation	<u>743,286,772</u>
Appropriation Items:	
Cash dividends to shareholders	<u>(352,316,500)</u>
Ending Balance of Un-appropriated Retained Earnings	<u><u>390,970,272</u></u>

President

Jason Chen

Manager

Sandy Chou

Head of Accounting
Department

Kevin Cheng

Appendix 1

Acer E-Enabling Service Business Inc.

Articles of Incorporation

CHAPTER I – GENERAL PROVISIONS

- Article 1 The Company shall be incorporated in accordance with the Company Law, and its name shall be 宏碁資訊服務股份有限公司 in the Chinese language, and Acer E-Enabling Service Business Inc. in the English language.
- Article 2 The scope of business of the Company shall include the following:
- (1) F113050 Wholesale of Computing and Business Machinery Equipment;
 - (2) F118010 Wholesale of Computer Software;
 - (3) F218010 Retail Sale of Computer Software
 - (4) F401010 International Trade;
 - (5) I199990 Other Consulting Service
 - (6) I301010 Information Software Services
 - (7) I301020 Data Processing Services
 - (8) I301030 Electronic Information Supply Services
 - (9) IZ09010 Management System Certification
 - (10) J399010 Software Publishing
 - (11) F119010 Wholesale of Electronic Materials
 - (12) F219010 Retail Sale of Electronic Materials
 - (13) F213030 Retail Sale of Computers and Clerical Machinery Equipment
 - (14) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
 - (15) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 - (16) F108031 Wholesale of Medical Devices
 - (17) F208031 Retail Sale of Medical Apparatus
- Article 3 The Company may, for its business operations or other investment matters, make endorsements or issue guarantees.
- Article 4 The total amount of investment made by the Company shall be exempt from the

restriction under Article 13 of the Company Law.

Article 5 The headquarters of the Company shall be located in Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, by a resolution adopted at a meeting by the board of directors, set up branch offices in Taiwan or abroad.

Article 6 Public announcements of the Company shall be made in accordance with the Company Law and other relevant rules and regulations of the R.O.C.

CHAPTER II – CAPITAL STOCK

Article 7 The total amount of this Company capital stock is NT\$ six hundred (600) million divided into sixty (60) million shares at par value of NT\$10 per share, within which the board of directors is authorized to issue shares in installments.

NT sixty (60) million of the aforesaid total capital stock, divided into six (6) million shares, is reserved and authorized to the Board of Directors to issue for exercising employee stock options.

In case the Company issues employee stock options, transfer treasury stock to employees, issues new shares reserved for subscription by employees, and issues restricted stock for employees, the employees of subsidiaries of the Company may be included. Qualification requirements of the employees who are entitled to receive it may be set and specified by the Board of Director.

Article 8 After approval for registration, the share certificates of the Company shall be issued in registered form, signed by, and affixed with the seals of, the represented directors of the Company, and authenticated by the competent registrar.

The Company may not print its physical share certificate; however, the Company shall register the issued shares with a centralized securities depository enterprise, same as when the Company issues its securities.

Article 9 All matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by law.

CHAPTER III – SHAREHOLDERS' MEETINGS

Article 9 Shareholders' meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law. A notice to convene a meeting of shareholders and the notice may, as an alternative, be given by means of electronic transmission, after obtaining the consent from the shareholders. For the shareholders who own less the one thousand (1,000) shares of the Company, such notice may be given by a public notice.

The shareholders' meeting can be held by means of visual communication

network or other methods promulgated by the central competent authority, and the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

The convening and noticing of the shareholders' meeting of the Company shall be executed in accordance with the Article 172 of the Company Law.

Article 11 Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form, which shall specify the scope of proxy and be signed and sealed by the shareholder, in accordance with relevant rules and regulations of the R.O.C.

Article 12 Unless otherwise regulated by law, each shareholder of the Company owns one vote per share.

After the Company becomes an OTC/listed company, it shall provide electronic voting mechanism as one of the options for shareholders to exercise their voting rights in accordance with relevant rules and regulations of the R.O.C.

Article 13 Except as otherwise provided by the Company Law, a resolution may be adopted by the holders of a simple majority of the votes of the issued and outstanding capital stock represented at a shareholders' meeting at which the holders of a majority of issued and outstanding capital stock are present.

CHAPTER IV – DIRECTORS AND COMMITTEE

Article 14 This Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system, in accordance with Article 192-1 of the Company Law. The term of office for directors and supervisors shall be three (3) years. The directors are eligible for re-election. To comply with Article 14-2 of the Securities and Exchange Act, the Company shall establish at least three (3) independent directors, occupying equal to /exceeding seats of one fifth of the elected directors, to be included in the number of directors designated in the preceding paragraph. The profession qualifications of independent directors, and their holding shares number, non-competition limitation, nomination, election and other items requiring compliance shall be ascertained referring to regulations of the security authority.

The Company may buy the Responsibility Insurance for the Directors who have to be responsible for the damages caused by their duties.

The directors election of the Company is proceed with cumulative voting system, per share has election rights to elect the number of directors that should be elected, the votes may be focus on one nominator or dispatch to several nominators. The nominators who have majority of votes shall be elected as director.

The Company shall establish Audit Committee. The Audit Committee and its

member shall practice the liabilities of the supervisors specified in the Company Law, the Security and Exchange Act, and relevant rules and regulations of the R.O.C.

Article 15 The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on.

Unless otherwise specified in the Company Law, meetings of the Board of Directors shall be convened by the chairman of the Board of Directors. For convening a meeting of the Board of Directors, a notice shall set forth therein the subject(s) to be discussed at the meeting, such notice shall be given to each director no later than seven (7) days prior to the scheduled meeting date. The notice of the convening a meeting of the Board of Directors may be delivered by means of written letter, electronic mail, or facsimile transmission to each director.

Article 16 Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with the Company Law.

Where a director is unable to attend the meeting of the board of directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director.

The meeting of the Board of Directors may be proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 17 Unless otherwise provided for in the Company Law, resolutions of the board of directors shall be adopted by one-half of the directors at a meeting attended by one-half of the directors.

Article 18 For the purpose of the operations of the Company, the Board of Directors may establish functional committee. The establishment and the duties of any relevant committee shall apply to the relevant rules and regulations of the authorities.

Article 19 The Board of Directors is authorized to determine the compensation recommended by the Remuneration Committee for the directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas, no matter whether the Company has profit or suffered loss.

CHAPTER V – MANAGERS

Article 20 The Company may have one president and several vice presidents. The Appointment, removal, and compensation of the president and vice presidents

shall be made in accordance with Article 29 of the Company Law.

CHPATER VI – ACCOUNTING

Article 21 At the end of each business fiscal year, the following reports shall be prepared by the board of directors, and shall be submitted to the shareholders' meeting for approval:

- (1) Business Report;
- (2) Financial Report;
- (3) Proposal of Appropriation of Net Profit or the Covering of Losses.

Article 22 Where there is profit at the end of each fiscal year, after covering the accumulated losses, at least two percent (2%) of the profit shall be distributed as employees' compensation, and not greater than eight percent (8%) of the profit shall be distributed as remuneration of the directors.

The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.

Article 23 Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total paid-in capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses.

Article 24 The dividend policy of the Company depends on the current and future development plan, investment environments, concerning the interest of shareholders, etc.: therefore, share or cash dividends of the Company shall be distributed at least ten percent (10%) of yearly dividends. For the purpose of having a balance and steady dividend policy, the cash dividends shall not less than ten percent (10%) o the total dividend amount when distributing the dividend to the shareholders, except as otherwise the dividend is decided not to distribute with a consent adopted by the meeting of the Board of Directors and also approved by the shareholders' meeting. Provided the Company has no earning of the fiscal year, the Company shall not distribute share or cash dividends; however, in consideration of the financial, business and operational situations of the Company, the Company may distribute partial or all the legal reserve and the capital reserve in accordance with the regulations or rules of the relevant authorities.

CHAPTER VII – SUPPLEMENTARY PROVISIONS

Article 22 The Company Law and related regulations shall govern any matter not provided in the Articles of Incorporation.

Article 23 These Articles of Incorporation were approved on February 8, 2012

The first amendment was approved on October 6, 2014

The second amendment was approved on November 6, 2015

The third amendment was approved on June 5, 2017

The fourth amendment was approved on March 5, 2019

The fifth Amendment was approved on November 6, 2019

The sixth amendment was approved on May 26, 2020

The seventh amendment was approved on December 4, 2020

The eighth amendment was approved on June 14, 2022

Appendix 2

Acer E-Enabling Service Business Inc.

Regulations for the Conduct of Shareholders' Meeting

1. This Regulations shall govern the conduct of Shareholders' Meetings of the Company.
2. Each shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.

The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated according to the shares indicated by the attendance book and attendance card handed in, and the shares checked in on the virtual meeting platform, plus the shares exercising voting right by the way of electronic transmission.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares

represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

5. The Shareholders' Meeting shall be called by the Board of Directors. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors takes a leave or is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, or no vice-chairman is elected, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman does not appoint a designee.

In the event that a Shareholders' Meeting is called by a person other than the Board of Directors who is entitled by law to call a Shareholders' Meeting, that person shall preside over the meeting.

6. The Company may designate attorneys, certified-public-accountants, or relevant personnel to attend the Shareholders' Meeting.
7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Law, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

8. The person who presides over the Shareholders' Meeting shall call the meeting in session at the designated time of the meeting. However, such person may announce a postponement of the meeting if at the designated time shares in attendance fail to exceed half of the total issued and outstanding shares of the Company. Such a postponement of meeting shall not be made more than two times, with postponement(s) limiting to one hour in aggregate. If, after second such postponement, shares in attendance are less than a quorum but more than one-thirds of the total issued and outstanding shares, the shareholders may proceed with such meeting pursuant to Article 175 of the Company Law to adopt provisional resolutions.

Before the meeting is adjourned, if shares in attendance have reached a required quorum, the person presiding over the meeting may, pursuant to Article 174 of the Company Law, submit those provisional resolutions so adopted for a final resolution at the meeting.

9. If Shareholders' Meeting is called by the Board of Directors, the Board of Directors shall set the agenda of the meeting. The meeting shall proceed in accordance with the agenda so set by the Board of Directors unless otherwise changed by a resolution adopted at the meeting. During the meeting, the person presiding over the meeting may allocate an appropriate amount of time for recess. Unless otherwise adopted by a resolution, the person presiding over the meeting may not adjourn the meeting prior to the end of the agenda of the meeting. If the person presiding over the meeting declares the adjournment of the meeting in a manner in violation of the applicable rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution adopted by a majority of the voting rights represented by the shareholders attending said meeting to continue the proceeding of the meeting.
10. A shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and shareholder's account number. The person presiding over the meeting

shall determine the order to make such oral statements.

Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail.

No shareholders shall interfere with the shareholder who is making oral statement in any way unless the chairman of the meeting or the speaking shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraph do not apply.

11. Unless otherwise approved by the person presiding over the meeting, each shareholder may make oral statements only twice for a same proposal or addressing matter under deliberation; and the length each oral statement shall not exceed 5 minutes. Otherwise, the person presiding over the meeting may stop the shareholder from making further statements.
12. A legal entity acting as a proxy for a shareholder to attend the meeting may appoint only one representative to attend the meeting. If more than one representatives are appointed by such legal entity to attend the meeting, only one person elected among them may make oral statements on the same proposal.
13. The person presiding over the meeting may reply to the oral statements, or may designate appropriate person to reply to the oral statements made by shareholders in attendance.
14. The person presiding over the meeting may declare the suspension of discussing of a proposal as he/she may deem appropriate and may submit the proposal for adopting a resolution.
15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to supervise the voting process. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

16. Unless otherwise provided for in the Company Law or the Company's Articles of

Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

17. The person presiding over the meeting shall determine the order of voting on amendment proposals or substituted proposals accompanying with their original proposals. As soon as one of those proposals is adopted as a resolution, other proposals in conflict regarding the same matter shall be deemed denied and shall require no further voting.
18. The person presiding over the meeting may direct monitors (or security guards) to maintain order at the meeting. Monitors (or security guards) shall wear a badge marked "SECURITY" or "MONITOR" when performing their duties at the meetings.
19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Law shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed as described under the second paragraph, shareholders who have registered to participate in the affected shareholders meeting online and accomplished the process of registration without participating such postponed or resumed meetings, the attendance and votes, the rights of voting and election, shall be adopted in such postponed or resumed meetings.

For a meeting to be postponed or resumed as described in the preceding paragraph, the voting and results, and the election results which is announced the elected directors or supervisors shall not be rediscussed and resolved.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

For a meeting to be resumed as described in the preceding paragraph, shareholders attending the virtual shareholders meeting online, the attending of shares shall be adopted in the amount of the total attendance of shares in such meeting; however, shall be deemed to waive the voting rights of all items.

20. The applicable provisions of the Company Act, the relevant regulations and the Company's Articles of Incorporation shall govern any matter not provided herein.
21. This Regulations and any amendments thereto, shall become effective upon approval by the shareholders.
22. This Regulations was approved by the Extraordinary Shareholders' Meeting held on November 6, 2019.

First Amendment was approved by the General Shareholders' Meeting held on June 14, 2022.

Appendix 3

Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate

The Company did not issue free allotment shares this year, so it is not applicable.

Appendix 4

Acer E-Enabling Service Business Inc. Shareholdings of All Directors as of April 7, 2024

Title	Name	Number of Shares
Chairman	ACER BEINGWARE HOLDING INC. Legal Representative: Jason Chen	26,304,000
Director	ACER BEINGWARE HOLDING INC. Legal Representative: Meggy Chen	26,304,000
Director	ACER BEINGWARE HOLDING INC. Legal Representative: Maverick Shih	26,304,000
Independent Director	H.T. Chou	0
Independent Director	Michael Wang	0
Independent Director	M.C. Tzeng	0
Independent Director	David Yeh	0
Total		26,304,000 (Note)

Note: (1) The current number of issued shares in the Company as of April 7, 2024: 41,449,000 common shares.

(2) Given that the independent directors of the Company exceed one-half of the total director seats and an audit committee has been established legally, the provisions on the minimum percentage requirements for the shareholding respectively of all directors and supervisors shall not apply.