

Listed Code : 2432

Acer Gadget Inc.

Agenda of 2024 General Shareholders' Meeting

(Translation)

Date: May 29, 2024

www.acergadget.com

Venue:

Oriental Science Park Building D

(3F, 88, Sec. 1, Xintai 5th Rd.,

Xizhi Dist., New Taipei City 221)

Disclaimer

This is a translation of the 2024 General Shareholders' Meeting Agenda of Acer Gadget 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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A. Programme

1. Call Meeting to Order
2. Report Items
3. Proposed Items for Ratification and Discussion
4. Extemporaneous Motion
5. Meeting Adjourned

B. Meeting Agenda

Time: 9:00 a.m., Wednesday, May 29, 2024

Venue: Oriental Science Park Building D

(3F, No.88, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City)

Meeting Type: Hybrid Shareholders' Meeting (Physical shareholders' meeting with assistance of video conferencing)

Video Conference Platform: The eServices Platform of Taiwan Depository Clearing Corporation (Website: <https://stockservices.tdcc.com.tw>)

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

(3) Discussion of the Amendments to the Articles of Incorporation of the Company

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:

- a. 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.
- b. The total amount of employees' 2023 profit sharing bonus is NT\$11,379,600.
- c. The total amount of Board Directors' 2023 compensation is NT\$920,000.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report. (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 Lilian Kao and CPA Ken Tang 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 resolved by the Board of Directors.
- (3) Please ratify.

Resolution:

Item 2

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

Explanatory Notes:

- (1) At the beginning of the Year 2023, the undistributed earnings of the Company amounted to NT\$0. After considering the net profit after tax for the Year 2023 and setting aside statutory surplus reserves in accordance with the law, the distributable earnings for this period amounted to NT\$109,137,910. It is proposed to distribute dividends to shareholders in the amount of NT\$102,069,000. After distribution, the remaining undistributed earnings at the end of the period total NT\$7,068,910, which will be retained for distribution in future years.
- (2) All shareholder dividends will be distributed in cash to shareholders, calculated based on the proportion of shares held by shareholders as recorded in these Shareholders' register on the ex-dividend record date. It is currently proposed to distribute cash dividends of NT\$1.65 per share. 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 June 24, 2024, and the distribution date is set on July 23, 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) The Profit Appropriation Statement for the Year 2023 are attached hereto as Attachment 4, pages 30.
- (6) Please discuss.

Resolution:

Item 3

Proposal: Discussion of the Amendments to the Articles of Incorporation of the Company.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Due to the National Communications Commission abolishing the business license for Type II telecommunications enterprises under the Telecommunications Act, and the Company has established an Audit Committee to replace the supervisor, as well as in compliance with the provisions of the Company Act, it is proposed to amend certain provisions of the Articles of Incorporation of the Company. Please refer to the comparison table of the amended Articles of Incorporation of the Company. (Attachment 5, page 31 to 40).
- (2) Please discuss.

Resolution:

3. Extemporaneous Motion**4. Meeting Adjourned**

Attachment 1

Business Report

I. Business policy and implementation overview

The Company, formerly known as E-TEN Information Systems, was established in 1986 at a time when GadgeTek, a subsidiary of the parent company, Acer, was focusing on smart wearables and 3C peripherals that improve lifestyles. Both companies took implementing cross-industry integration and providing solutions and products that improve lifestyles as the business core. Therefore, in order to integrate the group's resources, Acer's board of directors approved the merger of the two companies in mid-2021, with the Company as the surviving company and GadgeTek as the dissolved company.

After the merger, the Company has focused on "using technology to promote a smart life style." Our main products are smart device products, including computer peripherals, gaming peripherals, smart wearables, and smart mobility products. We have also branched out into the field of smart applications based on traditional computer peripheral components by developing smart computer peripherals, as well as sportswear and bags.

In recent years, we have been actively developing cross-industry integrated products, such as the smart wearable products with optimized electronic payment models, "Smart Prayers Beads" and "ePay Cross" in the early days, and the "Predator Thronos" and relevant gaming peripherals that have made esports training popular in Taiwan. These items have been selling well in the past. Due to the beginning of the pandemic in 2020, the Company's "Xplova E-Scooter", "NOZA Smart Trainer," and cycling apparel, bags, and accessories were sold well in Europe and Asia in 2021, building the Company's confidence in developing smart mobile product lines. Our eScooter launched in 2022 and our electric-assist bicycle and eKinekt that converts kinetic energy to electricity rolled out in 2023 are innovative products developed by the Company using supply chain resources. In general, in addition to the growth in the sales of PC peripherals, which has benefited from the trend of using AI PCs, the Company's record revenue in 2023 was created with the help of the launch of the best-selling new products of the smart mobility product line.

II. Business plan implementation outcomes

In May 2023, the Company was approved for a cash capital increase by issuing new shares prior to listing, increasing the paid-in capital from NTD 600,000,000 to NTD 618,600,000. With the injection of

capital resources, we continue to invest in the R&D and launch of new products for our three major product lines, PC peripherals, apparel and bags, and smart mobility services.

As we have considered ESG and AI/big data as development strategies and benefited from the gradual recovery of PC market conditions, the demand for short-term orders in the second and third quarters and the better-than-expected recovery of gaming PC market conditions in the second half of the year have driven the growth of our PC peripheral product sales and further boosted our overall business at the end of the year. In addition, our smart mobility product line includes eScooter, ebii electric-assist bicycle, and eKinekt. With big sales in the European market, the eScooter series had the strongest revenue growth among the items in 2023. The Company achieved record-high YoY growth in December and Q4 2023. The Company's revenue in December 2023 reached NTD 260 million, with an annual growth of 62.3%, which was also an all-time high in a single month and drove quarterly revenue to NTD 596 million, with a YoY growth of 55.6%. Our annual revenue reached NTD 2.086 billion, with a growth of 25.5% compared to 2022.

III. Financial income and expenses and profitability

Item [↵]	2023 [↵]		2022 [↵]		NTD thousand [↵]
	Amount [↵]	%	Amount [↵]	%	YoY
Operating revenue [↵]	\$ 2,085,866	100%	\$ 1,662,340	100%	25%
Operating cost [↵]	(1,760,547)	-84%	(1,402,799)	-84%	26%
Gross operating profit [↵]	325,319	16%	259,540	16%	25%
Operating expenses [↵]	(217,308)	-10%	(165,614)	-10%	31%
Operating profit [↵]	108,011	5%	93,927	6%	15%
Non-operating revenue and expenses [↵]	23,068	1%	26,746	2%	-14%
Profit before tax [↵]	131,079	6%	120,672	7%	9%
Income tax benefits (expenses) [↵]	(9,814)	0%	14,639	1%	-167%
Current net profit [↵]	\$ 121,265	6%	\$ 135,311	8%	-10%

IV. Profitability analysis

The Company's net revenue reached a record high of NTD 2,085,866 thousand in 2023, with an increase of NTD 423,526 thousand from NTD 1,662,340 thousand in 2022, and both revenue and gross operating profit grew by 25% YoY. The one-time IPO fee for applying for listing in 2023 and the pre-launch R&D expenses for new products such as an electric-assist bicycle and eKinekt that converts kinetic energy to electricity made

operating expenses increase from NTD 165,614 thousand in 2022 to NTD 217,308 thousand in 2023, with an increase of NTD 51,694 thousand. In 2023, the operating profit was NTD 108,011 thousand, showing an increase of NTD 14,084 thousand from NTD 93,927 thousand in 2022. An injection of NTD 23,068 thousand of exchange interest, interest revenue, and investment dividend revenue into the non-operating revenue had the profit before tax reach NTD 131,079 thousand. NTD 9,814 thousand of income tax expenses were recognized in the current period, resulting in an profit before tax of NTD 121,265 thousand, with a decrease of NTD 14,046 thousand from NTD 135,311 thousand in 2022.

V. Research and development status

Global enterprises are moving towards a net zero carbon future. The Company responds with green sustainability practices and smart technology. In addition to the two main product lines of computer peripherals & apparel and bags with steady growth, we will continue to roll out new products using eco-friendly materials, combine AI and big data R&D capabilities, and create diversified application product lines and new micro-mobility solutions by using the advantages of cross-industry alliances and innovative business models in order to build a more complete zero-carbon urban mobility ecosystem for cities in the future.

In the future, the Company will keep our focus on innovative applications of smart devices and strive for outstanding performance in the field of micro-mobility vehicles. In early 2023, we further expanded our electric-assist bicycle series enabled by artificial intelligence. Our first-launched Acer ebii electric-assist bicycle with an innovative environmental protection concept and AI technology provides a personalized riding experience through machine learning, and has won major international design awards in 2023, including Time's Invention of the Year, Japan's Good Design Award, and Taiwan Excellence Award. Its ebiiGO application integrating big data has also been recognized by the German Red Dot Design Award. ebii became popular in the market immediately after its launch. We will keep increasing shipment momentum to further boost our business performance.

More importantly, looking to the future, we will incorporate our ESG blueprint that is gradually taking shape into the Company's innovative product planning and unique technology design. Through various patent applications and forward market analysis, innovation, design and technology are connected. From breadth to depth, we will create a stable pathway in the field of ESG-related products.

Chairman of Board



Corporate Officer

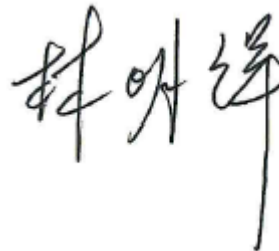


Accounting Officer



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. CPA Lilian Kao and CPA Ken Tang from KPMG were retained to audit AGT'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 AGT 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 Gadget Inc.

Convener of the Audit Committee: Lin Ming-hui

March 12, 2024



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Independent Auditors' Report

To the Board of Directors Acer Gadget Inc.:

Opinion

We have audited the consolidated financial statements of Acer Gadget Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acer Gadget 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 Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Acer Gadget Inc. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Key audit matters for Acer Gadget Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

1. Revenue recognition

Refer to Note 4(o) for the accounting policies on revenue recognition and Note 6(p) for related disclosures of revenue recognition, respectively, to the consolidated financial statements.

Description of key audit matter:

Acer Gadget Inc. and its subsidiaries deal with customers located in different geographic areas worldwide and have various trade terms with customers. Revenue is recognized at the timing of transferring control of goods to customers, which is identified based on each individual sale transaction and trade term. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures including, among others, testing Acer Gadget Inc. and its subsidiaries' internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between Acer Gadget Inc. and its subsidiaries and their customers as well as performing a sample test of related transaction documents; performing analysis of revenue fluctuation of major customers and performing a sample test on sales transactions that took place before and after the balance sheet date to assess the accuracy of the timing of revenue recognition.

2. Valuation of inventories

Refer to Note 4(h) for the accounting policies on inventory valuation, Note 5(a) for the uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(d) for the details of the write-down of inventories, respectively, to the consolidated financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the fierce market competition of innovative computer peripheral devices and intelligent life consumer products, Acer Gadget Inc. and its subsidiaries' product price may fluctuate rapidly. Furthermore, the stocks for products may not meet customers' demands thus becoming obsolete. These factors expose Acer Gadget Inc. and its subsidiaries to significant level of uncertainty particularly in the area of estimating net realizable value, which is subject to management's judgments. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, evaluating whether valuation of inventories was accounted for in accordance with Acer Gadget Inc. and its subsidiaries' accounting policies; obtaining the inventory aging report, analyzing the fluctuation of inventory aging and selecting samples to verify the accuracy of inventory aging classification; and testing the net realizable value of inventories to evaluate the reasonableness of inventory provisions.

Other Matter

Acer Gadget Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued unmodified audit opinion and unmodified opinion with emphasis of matter paragraph, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 with the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Acer Gadget Inc. and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Acer Gadget Inc. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Acer Gadget Inc. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. 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.
2. 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 Gadget Inc. and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Gadget 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 Gadget Inc. and its subsidiaries to cease to continue as a going concern.

5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Acer Gadget 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 of the current period 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 Kao, Ching-Wen and Tang, Chia-Chien.

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

ACER GADGET INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 889,139	48	893,125	59	2130 Contract liabilities—current (note 6(p))	\$ 41,566	2	39,713	3
1170 Accounts receivable, net (notes 6(c) and (p))	80,593	4	48,911	3	2170 Accounts payable	384,107	22	291,475	19
1181 Accounts receivable from related parties (notes 6(c), (p) and 7)	357,660	19	255,115	17	2180 Accounts payable to related parties (note 7)	20,842	1	1,353	-
1200 Other receivables	1,241	-	1,216	-	2209 Other payables (note 6(q))	82,815	5	92,813	6
1210 Other receivables from related parties (note 7)	-	-	929	-	2220 Other payables to related parties (note 7)	6,422	-	11,714	1
130X Inventories (note 6(d))	102,964	6	106,942	7	2230 Current income tax liabilities	4,917	-	7,961	-
1479 Prepayments and other current assets	65,945	4	19,248	1	2250 Provisions—current (note 6(i))	7,802	-	11,230	1
Total current assets	<u>1,497,542</u>	<u>81</u>	<u>1,325,486</u>	<u>87</u>	2280 Lease liabilities—current (notes 6(h) and 7)	3,165	-	1,208	-
Non-current assets:					2365 Refund liabilities—current (note 7)	14,258	1	6,528	-
1517 Financial assets measured at fair value through other comprehensive income—non-current (note 6(b))	281,591	15	124,240	8	2399 Other current liabilities	1,092	-	1,059	-
1600 Property, plant and equipment (note 6(e))	505	-	709	-	Total current liabilities	<u>566,986</u>	<u>31</u>	<u>465,054</u>	<u>30</u>
1755 Right-of-use assets (note 6(f))	3,567	-	1,199	-	Non-current liabilities:				
1760 Investment property (note 6(g))	6,315	-	6,446	1	2527 Contract liabilities—non-current (note 6(p))	730	-	998	-
1780 Intangible assets (note 7)	1,906	-	2,471	-	2570 Deferred income tax liabilities (note 6(l))	17,479	1	13,123	1
1840 Deferred income tax assets (note 6(l))	19,617	1	21,051	1	2580 Lease liabilities—non-current (notes 6(h) and 7)	427	-	-	-
1975 Net defined benefit assets (note 6(k))	46,887	3	45,913	3	2645 Guarantee deposits received	1,500	-	1,500	-
1980 Refundable deposits (note 8)	1,801	-	1,856	-	Total non-current liabilities	<u>20,136</u>	<u>1</u>	<u>15,621</u>	<u>1</u>
1990 Other non-current assets	987	-	1,330	-	Total liabilities	<u>587,122</u>	<u>32</u>	<u>480,675</u>	<u>31</u>
Total non-current assets	<u>363,176</u>	<u>19</u>	<u>205,215</u>	<u>13</u>	Equity (note 6(m)):				
					Common stock	618,600	33	600,000	39
					Capital surplus	422,373	23	413,737	27
					Retained earnings:				
					Legal reserve	67,318	4	53,985	4
					Special reserve	39,259	2	-	-
					Retained earnings	121,263	6	133,344	9
					Total retained earnings	227,840	12	187,329	13
					Other equity	4,783	-	(151,040)	(10)
					Total equity	<u>1,273,596</u>	<u>68</u>	<u>1,050,026</u>	<u>69</u>
Total assets	<u>\$ 1,860,718</u>	<u>100</u>	<u>\$ 1,530,701</u>	<u>100</u>	Total liabilities and equity	<u>\$ 1,860,718</u>	<u>100</u>	<u>\$ 1,530,701</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACER GADGET INC. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (notes 6(p), 7 and 14)	\$ 2,085,866	100	1,662,340	100
5000	Cost of revenue (notes 6(d), (i), 7 and 12)	(1,760,547)	(84)	(1,402,799)	(84)
	Gross profit	<u>325,319</u>	<u>16</u>	<u>259,541</u>	<u>16</u>
	Operating expenses (notes 6(c), (e), (f), (g), (h), (k), (n), (q), 7 and 12):				
6100	Selling expenses	(83,839)	(4)	(67,782)	(4)
6200	Administrative expenses	(71,337)	(4)	(51,918)	(3)
6300	Research and development expenses	(62,109)	(3)	(45,630)	(3)
6450	Expected credit loss	(23)	-	(284)	-
	Total operating expenses	<u>(217,308)</u>	<u>(11)</u>	<u>(165,614)</u>	<u>(10)</u>
	Operating income	<u>108,011</u>	<u>5</u>	<u>93,927</u>	<u>6</u>
	Non-operating income and loss (notes 6(h), (j), (r) and 7):				
7100	Interest income	10,419	1	2,538	-
7190	Other income	8,251	-	12,466	1
7020	Other gains and losses	4,478	-	11,782	-
7050	Finance costs	(80)	-	(40)	-
	Total non-operating income and loss	<u>23,068</u>	<u>1</u>	<u>26,746</u>	<u>1</u>
	Income before income tax	<u>131,079</u>	<u>6</u>	<u>120,673</u>	<u>7</u>
7950	Income tax benefit (expense) (note 6(l))	<u>(9,816)</u>	<u>-</u>	<u>14,639</u>	<u>1</u>
	Net income	<u>121,263</u>	<u>6</u>	<u>135,312</u>	<u>8</u>
	Other comprehensive income (loss) (note 6(m)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	-	-	4,794	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	157,351	7	(43,924)	(2)
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	(959)	-
	Total items that will not be reclassified subsequently to profit or loss	<u>157,351</u>	<u>7</u>	<u>(40,089)</u>	<u>(2)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(1,528)	-	830	-
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	<u>(1,528)</u>	<u>-</u>	<u>830</u>	<u>-</u>
	Other comprehensive income (loss), net of income tax	<u>155,823</u>	<u>7</u>	<u>(39,259)</u>	<u>(2)</u>
	Total comprehensive income for the year	<u>\$ 277,086</u>	<u>13</u>	<u>96,053</u>	<u>6</u>
	Net income attributable to:				
8610	Shareholders of the Parent	\$ 121,263	6	133,344	8
8615	Former owner of organizational restructuring under common control	-	-	1,968	-
		<u>\$ 121,263</u>	<u>6</u>	<u>135,312</u>	<u>8</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	\$ 277,086	13	94,085	6
8715	Former owner of organizational restructuring under common control	-	-	1,968	-
		<u>\$ 277,086</u>	<u>13</u>	<u>96,053</u>	<u>6</u>
	Earnings per share (in New Taiwan dollars) (note 6(o)):				
9750	Basic earnings per share				
	Shareholders of the Parent	\$ 1.98		3.00	
	Former owner of organizational restructuring under common control	-		0.04	
	Basic earnings per share	<u>\$ 1.98</u>		<u>3.04</u>	
	Diluted earnings per share				
	Shareholders of the Parent	\$ 1.97		2.95	
9850	Former owner of organizational restructuring under common control	-		0.04	
	Diluted earnings per share	<u>\$ 1.97</u>		<u>2.99</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACER GADGET INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent												
	Retained earnings				Other equity				Total equity attributable to shareholders of the Parent	Equity attributable to former owner of organizational restructuring under common control	Total equity		
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income				Remeasurements of defined benefit plans	Total
Balance at January 1, 2022	\$ 125,397	348,324	143,269	-	(89,284)	53,985	(201)	(106,444)	(5,136)	(111,781)	415,925	430,161	
Net income in 2022	-	-	-	-	133,344	133,344	-	-	-	-	133,344	135,312	
Other comprehensive income (loss) in 2022	-	-	-	-	-	-	830	(43,924)	3,835	(39,259)	(39,259)	(39,259)	
Total comprehensive income (loss) in 2022	-	-	-	-	133,344	133,344	830	(43,924)	3,835	(39,259)	94,085	96,053	
Appropriation of earnings:													
Legal reserve used to offset accumulated deficits	-	-	(89,284)	-	89,284	-	-	-	-	-	-	-	
Capital surplus transferred to common stock	174,603	(174,603)	-	-	-	-	-	-	-	-	-	-	
Capital increase by cash	300,000	240,000	-	-	-	-	-	-	-	-	540,000	540,000	
Organizational restructuring under common control	-	-	-	-	-	-	-	-	-	-	-	(16,204)	
Share-based compensation cost	-	16	-	-	-	-	-	-	-	-	16	16	
Balance at December 31, 2022	600,000	413,737	53,985	-	133,344	187,329	629	(150,368)	(1,301)	(151,040)	1,050,026	1,050,026	
Net income in 2023	-	-	-	-	121,263	121,263	-	-	-	-	121,263	121,263	
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(1,528)	157,351	-	155,823	155,823	155,823	
Total comprehensive income (loss) in 2023	-	-	-	-	121,263	121,263	(1,528)	157,351	-	155,823	277,086	277,086	
Appropriation of earnings:													
Legal reserve	-	-	13,333	-	(13,333)	-	-	-	-	-	-	-	
Special reserve	-	-	-	39,259	(39,259)	-	-	-	-	-	-	-	
Cash dividends distributed to shareholders	-	-	-	-	(80,752)	(80,752)	-	-	-	-	(80,752)	(80,752)	
Share-based compensation cost	-	124	-	-	-	-	-	-	-	-	124	124	
Cash distributed from capital surplus	-	(18,248)	-	-	-	-	-	-	-	-	(18,248)	(18,248)	
Capital increase by cash	18,600	26,760	-	-	-	-	-	-	-	-	45,360	45,360	
Balance at December 31, 2023	\$ 618,600	422,373	67,318	39,259	121,263	227,840	(899)	6,983	(1,301)	4,783	1,273,596	1,273,596	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACER GADGET INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ <u>131,079</u>	<u>120,673</u>
Adjustments:		
Adjustments to reconcile profit or loss:		
Interest income	(10,419)	(2,538)
Depreciation	5,667	3,916
Amortization	665	164
Expected credit loss	23	284
Interest expense	80	40
Dividend income	(6,965)	(10,629)
Share-based compensation cost	124	16
Loss on disposal of property, plant and equipment	<u>-</u>	<u>32</u>
Total adjustments for profit or loss	<u>(10,825)</u>	<u>(8,715)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(31,705)	76,441
Accounts receivables from related parties	(102,545)	(60,479)
Other receivables	(25)	(203)
Other receivables from related parties	929	245
Inventories	3,978	(10,804)
Prepayments and other assets	(45,535)	(6,295)
Net defined benefit assets	<u>(974)</u>	<u>(1,572)</u>
Total changes in operating assets	<u>(175,877)</u>	<u>(2,667)</u>
Changes in operating liabilities:		
Accounts payable	92,632	31,433
Accounts payable to related parties	19,489	(10,470)
Other payables	(9,998)	(28,899)
Other payables to related parties	(5,292)	(13,409)
Refund liabilities	7,730	(5,854)
Contract liabilities	1,585	(8,475)
Other current liabilities	33	(1,836)
Provisions	<u>(3,428)</u>	<u>3,916</u>
Total changes in operating liabilities	<u>102,751</u>	<u>(33,594)</u>
Total changes in operating assets and liabilities	<u>(73,126)</u>	<u>(36,261)</u>
Cash provided by operations	47,128	75,697
Interest received	10,419	2,538
Interest paid	(80)	(40)
Income taxes paid	<u>(7,889)</u>	<u>(2,142)</u>
Net cash flows provided by operating activities	<u>49,578</u>	<u>76,053</u>

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACER GADGET INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows (Continued)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
Cash flows from investing activities:		
Additions to property, plant and equipment	(186)	(279)
Decrease in refundable deposits	55	699
Decrease in other receivables from related parties	-	70,000
Additions to intangible assets	(100)	(2,433)
Dividends received	<u>6,965</u>	<u>10,629</u>
Net cash flows provided by investing activities	<u>6,734</u>	<u>78,616</u>
Cash flows from financing activities:		
Decrease in guarantee deposits received	-	(46)
Payment of lease liabilities	(5,130)	(3,468)
Cash dividends distributed to shareholders	(99,000)	-
Capital increase by cash	45,360	540,000
Organizational restructuring under common control	<u>-</u>	<u>(16,204)</u>
Net cash flows provided by (used in) financing activities	<u>(58,770)</u>	<u>520,282</u>
Effect of exchange rate changes	<u>(1,528)</u>	<u>830</u>
Increase (decrease) in cash and cash equivalents	(3,986)	675,781
Cash and cash equivalents at beginning of year	<u>893,125</u>	<u>217,344</u>
Cash and cash equivalents at end of year	<u><u>\$ 889,139</u></u>	<u><u>893,125</u></u>

See accompanying notes to consolidated financial statements.



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Independent Auditors' Report

To the Board of Directors Acer Gadget Inc.:

Opinion

We have audited the parent-company-only financial statements of Acer Gadget Inc. (the “Company”), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying 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 Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. 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.

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows:

1. Revenue recognition

Refer to Note 4(o) for the accounting policies on revenue recognition and Note 6(q) for related disclosures of revenue recognition, respectively, to the parent-company-only financial statements.

Description of key audit matter:

The Company deals with customers located in different geographic areas worldwide and has various trade terms with customers. Revenue is recognized at the timing of transferring control of goods to customers, which is identified based on each individual sale transaction and trade term. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures including, among others, testing the Company's internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between the Company and its customers as well as performing a sample test of related transaction documents; performing analysis of revenue fluctuation of major customers and performing a sample test on sales transactions that took place before and after the balance sheet date to assess the accuracy of the timing of revenue recognition.

2. Valuation of inventories

Refer to Note 4(g) for the accounting policies on inventory valuation, Note 5(a) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(d) for the details of the write-down of inventories, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the fierce market competition of innovative computer peripheral devices and intelligent life consumer products, the Company's product price may fluctuate rapidly. Furthermore, the stocks for products may not meet customers' demands thus becoming obsolete. These factors expose the Company to significant level of uncertainty particularly in the area of estimating net realizable value, which is subject to management's judgments. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, evaluating whether valuation of inventories was accounted for in accordance with the Company's accounting policies; obtaining the inventory aging report, analyzing the fluctuation of inventory aging and selecting samples to verify the accuracy of inventory aging classification; and testing the net realizable value of inventories to evaluate the reasonableness of inventory provisions.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of 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 parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the 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 of the current period 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 Kao, Ching-Wen and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2024

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent-company-only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)
ACER GADGET INC.

Parent-Company-Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022		December 31, 2023		December 31, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (note 6(a))	\$ 849,203	48	814,973	56	2130		36,711	2
1170 Accounts receivable, net (notes 6(c) and (q))	80,593	4	48,911	4	2170		316,582	18
1180 Accounts receivable from related parties (notes 6(c), (q) and 7)	249,876	14	224,422	15	2180		20,842	1
1200 Other receivables	1,241	-	1,216	-	2200		81,947	5
1210 Other receivables from related parties (note 7)	-	-	929	-	2220		5,462	-
130X Inventories (note 6(d))	102,964	6	106,942	7	2230		-	-
1479 Prepayments and other current assets	65,666	4	19,016	1	2250		6,404	-
Total current assets	<u>1,349,543</u>	<u>76</u>	<u>1,216,409</u>	<u>83</u>	2280		3,165	-
Non-current assets:					2365		11,548	1
1517 Financial assets measured at fair value through other comprehensive income—non-current (note 6(b))	281,591	16	124,240	9	2399		1,092	-
1550 Investments accounted for using the equity method (note 6(e))	64,766	4	46,583	3			<u>483,753</u>	<u>27</u>
1600 Property, plant and equipment (note 6(f))	505	-	709	-	Total current liabilities			
1755 Right-of-use assets (note 6(g))	3,567	-	1,199	-	Non-current liabilities:			
1760 Investment property (note 6(h))	6,315	-	6,446	1	Contract liabilities—non-current (note 6(q))		730	-
1780 Intangible assets (note 7)	1,906	-	2,471	-	Deferred income tax liabilities (note 6(m))		17,479	1
1840 Deferred income tax assets (note 6(m))	19,617	1	21,051	1	Lease liabilities—non-current (notes 6(i) and 7)		427	-
1975 Net defined benefit assets (note 6(l))	46,887	3	45,913	3	Guarantee deposits received		1,500	-
1980 Refundable deposits (note 8)	1,801	-	1,856	-	Total non-current liabilities			
1990 Other non-current assets	987	-	1,332	-	Total liabilities		<u>20,136</u>	<u>1</u>
Total non-current assets	<u>427,942</u>	<u>24</u>	<u>251,800</u>	<u>17</u>	Equity (note 6(n)):		<u>503,889</u>	<u>28</u>
					Common stock		618,600	35
					Capital surplus		422,373	24
					Retained earnings:			
					Legal reserve		67,318	4
					Special reserve		39,259	2
					Retained earnings		121,263	7
					Total retained earnings		227,840	13
					Other equity		4,783	-
					Total equity		1,273,596	72
Total assets	<u>\$ 1,777,485</u>	<u>100</u>	<u>\$ 1,468,209</u>	<u>100</u>	Total liabilities and equity		<u>\$ 1,777,485</u>	<u>100</u>

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER GADGET INC.

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (notes 6(q) and 7)	\$ 1,652,784	100	1,458,833	100
5000	Cost of revenue (notes 6(d), (j), 7 and 12)	(1,354,490)	(82)	(1,213,981)	(83)
	Gross profit	298,294	18	244,852	17
	Operating expenses (notes 6(c), (f), (g), (h), (i), (l), (o), (r), 7 and 12):				
6100	Selling expenses	(80,403)	(5)	(66,482)	(4)
6200	Administrative expenses	(70,968)	(4)	(51,580)	(4)
6300	Research and development expenses	(62,109)	(4)	(45,631)	(3)
6450	Expected credit loss	(23)	-	(284)	-
	Total operating expenses	(213,503)	(13)	(163,977)	(11)
	Operating income	84,791	5	80,875	6
	Non-operating income and loss (notes 6(f), (i), (k), (s) and 7):				
7100	Interest income	9,336	1	1,666	-
7190	Other income	6,965	-	10,629	-
7020	Other gains and losses	4,516	-	11,782	1
7375	Share of profits of subsidiaries	19,711	1	11,184	1
7050	Finance costs	(80)	-	(40)	-
	Total non-operating income and loss	40,448	2	35,221	2
	Income before income tax	125,239	7	116,096	8
7950	Income tax benefit (expense) (note 6(m))	(3,976)	-	19,216	1
	Net income	121,263	7	135,312	9
	Other comprehensive income (loss) (notes 6(l), (m) and (n)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	-	-	4,794	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	157,351	10	(43,924)	(2)
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	(959)	-
	Total items that will not be reclassified subsequently to profit or loss	157,351	10	(40,089)	(2)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(1,528)	-	830	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(1,528)	-	830	-
	Other comprehensive income (loss), net of income tax	155,823	10	(39,259)	(2)
	Total comprehensive income for the year	\$ 277,086	17	96,053	7
	Net income attributable to:				
8610	Shareholders of the Parent	\$ 121,263	7	133,344	9
8615	Former owner of organizational restructuring under common control	-	-	1,968	-
		\$ 121,263	7	135,312	9
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	\$ 277,086	17	94,085	7
8715	Former owner of organizational restructuring under common control	-	-	1,968	-
		\$ 277,086	17	96,053	7
	Earnings per share (in New Taiwan dollars) (note 6(p)):				
9750	Basic earnings per share				
	Shareholders of the Parent	\$	1.98		3.00
	Former owner of organizational restructuring under common control	-			0.04
	Basic earnings per share	\$	1.98		3.04
9850	Diluted earnings per share				
	Shareholders of the Parent	\$	1.97		2.95
	Former owner of organizational restructuring under common control	-			0.04
	Diluted earnings per share	\$	1.97		2.99

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER GADGET INC.

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings			Other equity					Equity attributable to former owner of organizational restructuring under common control	Total equity		
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income				Remeasurements of defined benefit plans	Total
							(201)	(106,444)				
Balance at January 1, 2022	\$ 125,397	348,324	143,269	-	(89,284)	53,985	-	-	-	14,236	430,161	
Net income in 2022	-	-	-	-	133,344	133,344	-	-	-	1,968	135,312	
Other comprehensive income (loss) in 2022	-	-	-	-	-	-	830	(43,924)	3,835	-	(39,259)	
Total comprehensive income (loss) in 2022	-	-	-	-	133,344	133,344	830	(43,924)	3,835	1,968	96,053	
Appropriation of earnings:												
Legal reserve used to offset accumulated deficits	-	-	(89,284)	-	89,284	-	-	-	-	-	-	
Capital surplus transferred to common stock	174,603	(174,603)	-	-	-	-	-	-	-	-	-	
Capital increase by cash	300,000	240,000	-	-	-	-	-	-	-	-	540,000	
Share-based compensation cost	-	16	-	-	-	-	-	-	-	-	16	
Organizational restructuring under common control	-	-	-	-	-	-	-	-	(16,204)	(16,204)	(16,204)	
Balance at December 31, 2022	600,000	413,737	53,985	-	133,344	187,329	629	(150,368)	(1,301)	-	1,050,026	
Net income in 2023	-	-	-	-	121,263	121,263	-	-	-	-	121,263	
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(1,528)	157,351	-	-	155,823	
Total comprehensive income (loss) in 2023	-	-	-	-	121,263	121,263	(1,528)	157,351	-	-	277,086	
Appropriation of earnings:												
Legal reserve	-	-	13,333	-	(13,333)	-	-	-	-	-	-	
Special reserve	-	-	-	39,259	(39,259)	-	-	-	-	-	-	
Cash dividends distributed to shareholders	-	-	-	-	(80,752)	(80,752)	-	-	-	-	(80,752)	
Share-based compensation cost	-	124	-	-	-	-	-	-	-	-	124	
Cash distributed from capital surplus	-	(18,248)	-	-	-	-	-	-	-	-	(18,248)	
Capital increase by cash	18,600	26,760	-	-	-	-	-	-	-	-	45,360	
Balance at December 31, 2023	\$ 618,600	422,373	67,318	39,259	121,263	227,840	(899)	6,983	(1,301)	-	1,273,596	

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER GADGET INC.**Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 125,239	116,096
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation	5,667	3,916
Amortization	665	164
Expected credit loss	23	284
Interest income	(9,336)	(1,666)
Share-based compensation cost	124	16
Dividend income	(6,965)	(10,629)
Interest expense	80	40
Share of profit of subsidiaries	(19,711)	(11,184)
Loss on disposal of property, plant and equipment	-	32
Total adjustments for profit or loss	<u>(29,453)</u>	<u>(19,027)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(31,705)	60,648
Accounts receivables from related parties	(25,454)	(35,859)
Other receivables	(25)	(203)
Other receivables from related parties	929	245
Inventories	3,978	(10,804)
Prepayments and other assets	(45,487)	(6,065)
Net defined benefit assets	<u>(974)</u>	<u>(1,572)</u>
Changes in operating assets	<u>(98,738)</u>	<u>6,390</u>
Accounts payable	60,319	22,573
Accounts payable to related parties	19,489	(10,470)
Other payables	(10,292)	(29,463)
Other payables to related parties	(3,627)	(14,048)
Refund liabilities	9,277	(6,739)
Contract liabilities	10,440	(14,572)
Provisions	(1,793)	3,534
Other current liabilities	<u>33</u>	<u>(83)</u>
Changes in operating liabilities	<u>83,846</u>	<u>(49,268)</u>
Total changes in operating assets and liabilities	<u>(14,892)</u>	<u>(42,878)</u>
Cash provided by operations	80,894	54,191
Interest received	9,336	1,666
Interest paid	(80)	(40)
Income taxes paid	<u>(3,884)</u>	<u>(646)</u>
Net cash flows provided by operating activities	<u>86,266</u>	<u>55,171</u>

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER GADGET INC.**Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
Cash flows from investing activities:		
Additions to property, plant and equipment	(186)	(279)
Decrease in other receivables from related parties	-	70,000
Additions to intangible assets	(100)	(2,433)
Decrease in refundable deposits	55	699
Dividends received	<u>6,965</u>	<u>10,629</u>
Net cash flows provided by investing activities	<u>6,734</u>	<u>78,616</u>
Cash flows from financing activities:		
Decrease in guarantee deposits received	-	(46)
Payment of lease liabilities	(5,130)	(3,468)
Cash dividends distributed to shareholders	(99,000)	-
Capital increase by cash	45,360	540,000
Organizational restructuring under common control	<u>-</u>	<u>(16,204)</u>
Net cash flows provided by (used in) financing activities	<u>(58,770)</u>	<u>520,282</u>
Increase in cash and cash equivalents	34,230	654,069
Cash and cash equivalents at beginning of year	<u>814,973</u>	<u>160,904</u>
Cash and cash equivalents at end of year	<u><u>\$ 849,203</u></u>	<u><u>814,973</u></u>

See accompanying notes to parent-company-only financial statements.

Attachment 4

Acer Gadget Inc. 2023 Statement of Profit Appropriation

	Unit : NT\$
Beginning Balance of Un-appropriated Retained Earnings	\$ 0
Plus : 2023 Net Income after Tax	121,264,344
Deduct : Legal Reserve	(12,126,434)
Appropriation Items	\$ 109,137,910
Cash Dividends to Shareholders	(102,069,000)
Ending Balance of Un-appropriated Retained Earnings	\$ 7,068,910

Chairman of Board



Corporate Officer



Accounting Officer



Attachment 5

Acer Gadget Inc. 「Articles of Incorporation」 Comparison Table of Amended Articles

After Revision	Before Revision	Reason for Revision
<p>Article 2</p> <p>The scope of business of the Company shall include the following:</p> <p>(1) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</p> <p>(2) CC01070 Wireless Communication Mechanical Equipment Manufacturing</p> <p>(3) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing</p> <p>(4) CC01110 Computer and Peripheral Equipment Manufacturing</p> <p>(5) CC01120 Data Storage Media Manufacturing and Duplicating</p> <p>(6) CD01050 Bicycles and Parts Manufacturing</p> <p>(7) E605010 Computer Equipment Installation</p> <p>(8) E701010 Telecommunications Engineering</p> <p>(9) F113020 Wholesale of Electrical Appliances</p> <p>(10) F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>(11) F113070 Wholesale of Telecommunication Apparatus</p>	<p>Article 2</p> <p>The scope of business of the Company shall include the following:</p> <p>(1) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</p> <p>(2) CC01070 Wireless Communication Mechanical Equipment Manufacturing</p> <p>(3) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing</p> <p>(4) CC01110 Computer and Peripheral Equipment Manufacturing</p> <p>(5) CC01120 Data Storage Media Manufacturing and Duplicating</p> <p>(6) CD01050 Bicycles and Parts Manufacturing</p> <p>(7) E605010 Computer Equipment Installation</p> <p>(8) E701010 Telecommunications Engineering</p> <p>(9) F113020 Wholesale of Electrical Appliances</p> <p>(10) F113050 Wholesale of Computers and Clerical Machinery Equipment</p> <p>(11) F113070 Wholesale of Telecommunication Apparatus</p>	<p>In accordance with the regulations of the competent authority of the target industry, "G902011 Type II Telecommunications Business " is deleted.</p>

After Revision	Before Revision	Reason for Revision
(12) F401010 International Trade	(12) F401010 International Trade	
(13) F213010 Retail Sale of Electrical Appliances	(13) F213010 Retail Sale of Electrical Appliances	
(14) F213030 Retail Sale of Computers and Clerical Machinery Equipment	(14) F213030 Retail Sale of Computers and Clerical Machinery Equipment	
(15) F213060 Retail Sale of Telecommunication Apparatus	(15) F213060 Retail Sale of Telecommunication Apparatus	
(16) F106060 Wholesale of Pet Food and Supplies	(16) F106060 Wholesale of Pet Food and Supplies	
(17) F206050 Retail Sale of Pet Food and Supplies	(17) F206050 Retail Sale of Pet Food and Supplies	
(18) F399040 Retail Sale No Storefront	(18) F399040 Retail Sale No Storefront	
(19) F102170 Wholesale of Foods and Groceries	(19) F102170 Wholesale of Foods and Groceries	
(20) F203010 Retail Sale of Food, Grocery and Beverage	(20) F203010 Retail Sale of Food, Grocery and Beverage	
(21) F106020 Wholesale of Daily Commodities	(21) F106020 Wholesale of Daily Commodities	
(22) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies	(22) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies	
(23) F113030 Wholesale of Precision Instruments	(23) F113030 Wholesale of Precision Instruments	
(24) F114040 Wholesale of Bicycle and Component Parts Thereof	(24) F114040 Wholesale of Bicycle and Component Parts Thereof	
(25) F206020 Retail Sale of daily commodities	(25) F206020 Retail Sale of daily commodities	
(26) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies	(26) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies	
(27) F214040 Retail Sale of Bicycle and Component Parts Thereof	(27) F214040 Retail Sale of Bicycle and	

After Revision	Before Revision	Reason for Revision
<p>(28) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>(29) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>(30) F108031 Wholesale of Medical Devices</p> <p>(31) F208031 Retail Sale of Medical Apparatus</p> <p>(32) I301010 Information Software Services</p> <p>(33) I301020 Data Processing Services</p> <p>(34) I301030 Electronic Information Supply Services</p> <p>(35) I501010 Product Designing</p> <p>(36) I103060 Management Consulting</p> <p>(37) JE01010 Rental and Leasing</p> <p>(38) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</p>	<p>Component Parts Thereof</p> <p>(28) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>(29) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories</p> <p>(30) F108031 Wholesale of Medical Devices</p> <p>(31) F208031 Retail Sale of Medical Apparatus</p> <p>(32) G902011 Type II Telecommunications Enterprise</p> <p>(33) I301010 Information Software Services</p> <p>(34) I301020 Data Processing Services</p> <p>(35) I301030 Electronic Information Supply Services</p> <p>(36) I501010 Product Designing</p> <p>(37) I103060 Management Consulting</p> <p>(38) JE01010 Rental and Leasing</p> <p>(39) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval</p>	
<p>Article 3</p> <p>The Company may, for its business operations or other investment matters, make endorsements or issue guarantees. The total amount of investment made by the Company shall be exempt from the restriction under Article 13 of the</p>	<p>Article 2-1</p> <p>The Company may, for its business operations or other investment matters, make endorsements or issue guarantees. The total amount of investment made by the Company may exceed forty percent of the amount of</p>	<p>Amend the article number and the text of the article in accordance with the Company Act.</p>

After Revision	Before Revision	Reason for Revision
Company Act.	its own paid-up capital.	
Article 4 (Omitted)	Article 3 (Omitted)	Amend the article number
Article 5 (Omitted)	Article 4 (Omitted)	Amend the article number
<p>Article 6 The total amount of the Company capital stock is NT\$ 1,200,000,000 divided into 120,000,000 shares at par value of NT\$10 per share, within which the Board of Directors is authorized to issue shares in installments. NT 30,000,000 of the aforesaid total capital stock, divided into 3,000,000 shares, is reserved and authorized to the Board of Directors to issue for exercising employee stock options.</p> <p>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.</p> <p>If shares or employee stock options are issued to employees at a price lower than the market price (per share net value), or if shares are transferred to employees at an average price lower than the actual repurchase price, it shall only be done after obtaining the consent of a shareholders' meeting attended by shareholders representing more than half of the total issued shares, with the approval of more</p>	<p>Article 5 The total amount of the Company capital stock is NT\$ 1,200,000,000 divided into 120,000,000 shares at par value of NT\$10 per share, within which the Board of Directors is authorized to issue shares in installments. NT 30,000,000 of the aforesaid total capital stock, divided into 3,000,000 shares, is reserved and authorized to the Board of Directors to issue for exercising employee stock options.</p> <p>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.</p> <p>After public offering, if shares or employee stock options are issued to employees at a price lower than the market price (per share net value), or if shares are transferred to employees at an average price lower than the actual repurchase price, it shall only be done after obtaining the consent of a</p>	<p>Amend the article number and delete the text of "After public offering" in response to the Company has been public company.</p>

After Revision	Before Revision	Reason for Revision
than two-thirds of the voting rights of the attending shareholders .	shareholders' meeting attended by shareholders representing more than half of the total issued shares, with the approval of more than two-thirds of the voting rights of the attending shareholders .	
Article 7 (Omitted)	Article 6 (Omitted)	Amend the article number
Article 8 All matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by law.	Article 7 After public offering, all matters concerning shares shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies except as otherwise provided by law.	Amend the article number and text.
CHAPTER IV – DIRECTORS AND COMMITTEE	CHAPTER IV – DIRECTORS, SUPERVISORS AND COMMITTEE	The Company has established an Audit Committee to replace the supervisor, hence the deletion of the term 'supervisor'.
Article 9 Shareholders' meetings of the 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 in accordance with the laws. 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. The	Article 8 Shareholders' meetings of the 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 in accordance with the laws. Special meetings shall be convened, whenever deemed necessary in accordance with the law. A shareholders meeting shall be convened in accordance with the Company Act. A notice to convene a meeting of shareholders and the notice	Amend the article number and text in accordance with relevant laws and regulations.

After Revision	Before Revision	Reason for Revision
<p>notice of the shareholders meeting to shareholders who own less than 1,000 shares of nominal stocks may be given by the Company in the form of a public announcement.</p> <p>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.</p>	<p>may, as an alternative, be given by means of electronic transmission, after obtaining the consent from the shareholders.</p> <p>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.</p> <p>The shareholders' meeting shall be conducted in accordance with the Regulations for the Conduct of Shareholders' Meeting established by the Company.</p>	
Article 10 (Omitted)	Article 9 (Omitted)	Amend the article number
<p>Article 11 Unless otherwise regulated by law, each shareholder of the Company owns one vote per share.</p> <p>The Company 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.</p>	<p>Article 10 Unless otherwise regulated by law, each shareholder of the Company owns one vote per share.</p> <p>After the Company becomes an emerging Stock/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.</p>	Amend the article number and delete the text of "After public offering" in response to the Company has been public company.
Article 12 (Omitted)	Article 11 (Omitted)	Amend the article number
Article 13 The Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of	Article 12 The Company shall have three (3) ~ seven (7) directors and two (2) ~ three (3) supervisors, to be elected	1. Amend the article number and the numbers

After Revision	Before Revision	Reason for Revision
<p>director with the candidate nomination system. The term of office for directors shall be three (3) years. The directors are eligible for re-election. 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.</p> <p>The profession qualifications of independent directors, and their holding shares number, non-competition limitation, determination of independence, nomination, election and other items requiring compliance shall be ascertained referring to regulations of the security authority.</p> <p>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.</p> <p>The Company may buy the Responsibility Insurance for the Directors who have to be responsible for the damages caused by their duties.</p> <p>The Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be obligated to perform</p>	<p>from the nominees listed in the roster of director with the candidate nomination system. The term of office for directors and supervisors shall be three (3) years. The directors are eligible for re-election. After public offering, 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.</p> <p>The profession qualifications of independent directors, and their holding shares number, non-competition limitation, determination of independence, nomination, election and other items requiring compliance shall be ascertained referring to regulations of the security authority.</p> <p>The Company may buy the Responsibility Insurance for the Directors and Supervisors who have to be responsible for the damages caused by their duties.</p> <p>After public offering, the Company may establish an Audit Committee in accordance with relevant laws and regulations, which shall be composed of all independent directors, and formulate the regulations for the exercise of its powers. From the date of the establishment of the Audit Committee, the provisions regarding supervisors of the Company shall cease to apply. The term of office for the</p>	<p>of directors , and delete the text of "After public offering" in response to the Company has been public company.</p> <p>2. Move the text of Article 13 (before revision) to this article.</p> <p>3. Delete the term 'supervisor' and explicitly state that the duties of the supervisor will be carried out by the Audit Committee.</p>

After Revision	Before Revision	Reason for Revision
those duties of Supervisors specified under the Company Act, Securities and Exchange Act and other relevant laws and regulations. The Board of Directors of the Company may establish various functional committees as required by laws and regulations or business needs. The professional qualifications of their members, the exercise of their powers, and related matters shall be handled in accordance with relevant laws and regulations, and shall be further determined by the Board of Directors.	<p>elected supervisors shall end on the date of the establishment of the first Audit Committee of the Company.</p> <p>The Board of Directors of the Company may establish various functional committees as required by laws and regulations or business needs. The professional qualifications of their members, the exercise of their powers, and related matters shall be handled in accordance with relevant laws and regulations, and shall be further determined by the Board of Directors.</p>	
	Article 13 The directors and supervisors' 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 or supervisors.	Move to Article 12 (after revision).
Article 17 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.	Article 17 The Board of Directors is authorized to determine the compensation for directors and supervisors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within the R.O.C. and overseas, no matter whether the Company has profit or suffered loss.	Delete 'supervisor' and revise the text of the article.
Article 20 Where there is profit at the end of each fiscal year, after covering the	Article 20 Where there is profit at the end of each fiscal year, after covering	1. Delete the text 'supervisor'.

After Revision	Before Revision	Reason for Revision
<p>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.</p> <p>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 the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors. Remuneration for directors is paid in cash.</p> <p>Where the Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous years, the 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, the Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount of the same may be allocated to shareholders as dividends and bonuses after the resolution of proposal, submitted by the Board of Directors, has been made by the shareholders' meeting .</p> <p>The distributable dividends and bonuses, capital reserves, or legal surplus reserves in whole or in part will be paid in cash by</p>	<p>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 and supervisors.</p> <p>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 the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors. Remuneration for directors and supervisors is paid in cash.</p> <p>Where the Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous years, the 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, the Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount of the same may be allocated to shareholders as dividends and bonuses after the resolution of proposal, submitted by the Board of Directors, has been made by the shareholders' meeting .</p>	<p>2. In accordance with Articles 240 and 241 of the Company Act, add section 4 to this article.</p>

After Revision	Before Revision	Reason for Revision
the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.		
<p>Article 23</p> <p>These Articles of Incorporation were approved on February 26, 1986</p> <p>The first amendment was approved on October 6, 2014. (omitted)</p> <p>The thirty-seventh amendment was approved on May 29, 2024.</p>	<p>Article 23</p> <p>These Articles of Incorporation were approved on February 26, 1986</p> <p>The first amendment was approved on October 6, 2014. (omitted)</p>	Updated revision date

Appendix 1

Acer Gadget Inc.

Regulations for the Conduct of Shareholders' Meeting

1. Except as otherwise specified in the Company Act or the relevant regulations or the Articles of Incorporation of the Company, this Regulations shall govern the conduct of Shareholders' Meetings of the Company.
2. Each shareholder 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.
3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance, unless otherwise specified by the applicable regulations, each share has one voting rights. The shares in attendance shall be calculated according to the shares indicated by the attendance book and attendance card handed in, plus the shares exercising voting right by the ways of written or electronic transmission.
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.
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; if such Shareholders' Meeting is called by more than two people, the person of presiding should be elected by the people who called such Shareholders' Meeting.

6. The Company may designate attorneys, certified-public-accountants, or relevant personnel to attend the Shareholders' Meeting.
7. The Company shall make an uninterrupted audio or video recording of the shareholders meeting, and shall retain the recorded materials of the for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
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 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 Act to adopt provisional resolutions, and then notify the shareholders about the provisional resolutions to reassemble a shareholders' meeting within a month. 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 Act, 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. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. 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 (or the number of attendant ID). 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.

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 representative 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, the amendments or extempore motions that has been fully explained and discussed 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. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

16. Unless otherwise provided for in the Company Act 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; if any opposition is raised, the person presiding or whose assignee shall announce the total shares in attendance voting for having a resolution with voting by the shareholders.
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.

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

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.

Before the scheduled agenda (including all extempore motions) have been resolved, if the place of holding shareholders' meeting can not be used for proceeding the meeting, the shareholders' meeting may have a resolution to proceed the meeting in another place.

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 on May 5, 2022.

First Amendment was approved on November 11, 2022.

Appendix 2

Acer Gadget Inc. Articles of Incorporation

CHAPTER I – GENERAL PROVISIONS

- Article 1 The Company shall be incorporated in accordance with the Company Act, and its name shall be 倚天酷基股份有限公司 in the Chinese language, and Acer Gadget Inc. in the English language.
- Article 2 The scope of business of the Company shall include the following:
- (1) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
 - (2) CC01070 Wireless Communication Mechanical Equipment Manufacturing
 - (3) CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
 - (4) CC01110 Computer and Peripheral Equipment Manufacturing
 - (5) CC01120 Data Storage Media Manufacturing and Duplicating
 - (6) CD01050 Bicycles and Parts Manufacturing
 - (7) E605010 Computer Equipment Installation
 - (8) E701010 Telecommunications Engineering
 - (9) F113020 Wholesale of Electrical Appliances
 - (10) F113050 Wholesale of Computers and Clerical Machinery Equipment
 - (11) F113070 Wholesale of Telecommunication Apparatus
 - (12) F401010 International Trade
 - (13) F213010 Retail Sale of Electrical Appliances
 - (14) F213030 Retail Sale of Computers and Clerical Machinery Equipment
 - (15) F213060 Retail Sale of Telecommunication Apparatus
 - (16) F106060 Wholesale of Pet Food and Supplies

- (17) F206050 Retail Sale of Pet Food and Supplies
- (18) F399040 Retail Sale No Storefront
- (19) F102170 Wholesale of Foods and Groceries
- (20) F203010 Retail Sale of Food, Grocery and Beverage
- (21) F106020 Wholesale of Daily Commodities
- (22) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (23) F113030 Wholesale of Precision Instruments
- (24) F114040 Wholesale of Bicycle and Component Parts Thereof
- (25) F206020 Retail Sale of daily commodities
- (26) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (27) F214040 Retail Sale of Bicycle and Component Parts Thereof
- (28) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (29) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (30) F108031 Wholesale of Medical Devices
- (31) F208031 Retail Sale of Medical Apparatus
- (32) G902011 Type II Telecommunications Enterprise
- (33) I301010 Information Software Services
- (34) I301020 Data Processing Services
- (35) I301030 Electronic Information Supply Services
- (36) I501010 Product Designing
- (37) I103060 Management Consulting
- (38) JE01010 Rental and Leasing
- (39) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

- Article 2-1 The Company may, for its business operations or other investment matters, make endorsements or issue guarantees. The total amount of investment made by the Company may exceed forty percent of the amount of its own paid-up capital.
- Article 3 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 4 Public announcements of the Company shall be made in accordance with the Company Act and other relevant rules and regulations of the R.O.C.

CHAPTER II – CAPITAL STOCK

- Article 5 The total amount of the Company capital stock is NT\$ 1,200,000,000 divided into 120,000,000 shares at par value of NT\$10 per share, within which the Board of Directors is authorized to issue shares in installments.

NT 30,000,000 of the aforesaid total capital stock, divided into 3,000,000 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.

After public offering, if shares or employee stock options are issued to employees at a price lower than the market price (per share net value), or if shares are transferred to employees at an average price lower than the actual repurchase price, it shall only be done after obtaining the consent of a shareholders' meeting attended by shareholders representing more than half of the total issued shares, with the approval of more than two-thirds of the voting rights of the attending shareholders.

- Article 6 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 7 After public offering, all matters concerning shares shall be handled in

accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies except as otherwise provided by law.

CHAPTER III – SHAREHOLDERS' MEETINGS

Article 8 Shareholders' meetings of the 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 in accordance with the laws. Special meetings shall be convened, whenever deemed necessary in accordance with the law. A shareholders meeting shall be convened in accordance with the Company Act. 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.

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 shareholders' meeting shall be conducted in accordance with the Regulations for the Conduct of Shareholders' Meeting established by the Company.

Article 9 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 by the shareholder, in accordance with relevant rules and regulations of the R.O.C.

Article 10 Unless otherwise regulated by law, each shareholder of the Company owns one vote per share.

After the Company becomes an emerging Stock/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 11 Unless otherwise regulated by 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, SUPERVISORS AND COMMITTEE

Article 12 The Company shall have three (3) ~ seven (7) directors and two (2) ~ three (3) supervisors, to be elected from the nominees listed in the roster of director with the candidate nomination system. The term of office for directors and supervisors shall be three (3) years. The directors are eligible for re-election. After public offering, 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, determination of independence, 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 and Supervisors who have to be responsible for the damages caused by their duties.

After public offering, the Company may establish an Audit Committee in accordance with relevant laws and regulations, which shall be composed of all independent directors, and formulate the regulations for the exercise of its powers. From the date of the establishment of the Audit Committee, the provisions regarding supervisors of the Company shall cease to apply. The term of office for the elected supervisors shall end on the date of the establishment of the first Audit Committee of the Company.

The Board of Directors of the Company may establish various functional committees as required by laws and regulations or business needs. The professional qualifications of their members, the exercise of their powers, and related matters shall be handled in accordance with relevant laws and regulations, and shall be further determined by the Board of Directors.

Article 13 The directors and supervisors' 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 or supervisors.

Article 14 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 Company may have a vice chairman through the same way.

The chairman of the Board of Directors shall represent the Company in external matters.

- Article 15 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 Article 281 of the Company Act. Where a director is unable to attend the meeting of the Board of Directors, he/she 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. If the Company has independent directors, the independent directors should attend in person or appoint another independent director to attend on their behalf.
- Article 16 The meeting of the Board of Directors shall be convened in accordance with the Company Act and relevant regulations of competent authority; the notice of such meeting to each director may be provided in writing, by electronic mail or facsimile transmission. The meeting of the Board of Directors may be proceeded via visual communication network, a director attended a meeting of the Board of Directors via visual communication network, he/she shall be deemed to have attended such meeting in person.
- Article 17 The Board of Directors is authorized to determine the compensation for directors and supervisors, taking into account the extent and value of the services provided for the management of the Company 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 18 The Company may have one or several presidents and vice presidents. The appointment, removal, and compensation of the presidents and vice presidents shall be made in accordance with Article 29 of the Company Act.

CHPATER VI – ACCOUNTING

Article 19 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 20 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 and supervisors.

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 the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors. Remuneration for directors and supervisors is paid in cash.

Where the Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous years, the 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, the Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount of the same may be allocated to shareholders as dividends and bonuses after the resolution of proposal, submitted by the Board of Directors, has been made by the shareholders' meeting.

Article 21 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%) of 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.

CHAPTER VII – SUPPLEMENTARY PROVISIONS

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

Article 23 These Articles of Incorporation were approved on February 26, 1986

The first amendment was approved on March 22, 1986

The second amendment was approved on January 26, 1987

The third amendment was approved on April 3, 1987

The fourth amendment was approved on December 2, 1987

The fifth Amendment was approved on November 16, 1988

The sixth amendment was approved on November 10, 1989

The seventh amendment was approved on February 20, 1990

The eighth amendment was approved on June 29, 1990

The ninth amendment was approved on September 13, 1990

The tenth amendment was approved on November 5, 1990

The eleventh amendment was approved on March 27 , 1991

The twelfth amendment was approved on July 24, 1991

The thirteenth amendment was approved on May 26, 1992

The fourteenth amendment was approved on May 14,1993

The fifteenth amendment was approved on May 13,1994

The sixteenth amendment was approved on March 28 , 1995

The seventeenth amendment was approved on August 25, 1995

The eighteenth amendment was approved on May 27,1996

The nineteenth amendment was approved on May 23,1997

The twentieth amendment was approved on May 25,1998

The twenty-first amendment was approved on April 25,2000

The twenty-second amendment was approved on July 20, 2000

The twenty-third amendment was approved on May 15, 2001

The twenty-fourth amendment was approved on June 14, 2002

The twenty-fifth amendment was approved on June 9, 2005

The twenty-sixth amendment was approved on June 14, 2006

The twenty-seventh amendment was approved on June 15, 2007

The twenty-eighth amendment was approved on September 9, 2008

The twenty-ninth amendment was approved on June 30, 2010

The thirtieth amendment was approved on November 23, 2015

The thirty-first amendment was approved on December 10, 2019

The thirty-second amendment was approved on May 21, 2020

The thirty-third amendment was approved on December 10, 2020

The thirty-fourth amendment was approved on April 29, 2021

The thirty-fifth amendment was approved on August 3, 2021

The thirty-sixth amendment was approved on May 5, 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 allot shares for free during the year, so it is not applicable.

Appendix 4

Acer Gadget Inc. Shareholdings of All Directors as of March 31, 2024

Title	Name	Number of Shares
Chairman	Acer Incorporated	39,308,288
	Legal Representative: Jerry Kao	
Director	Acer Incorporated	39,308,288
	Legal Representative: Jason Chen	
Director	Acer Incorporated	39,308,288
	Legal Representative: Sophia Chen	
Independent Director	Jones Yu	1,740
Independent Director	Jian-Guang Wang	0
Independent Director	Lori King	0
Independent Director	Ming-hui Lin	0
Total		39,310,028

Note:

- (1) The current number of issued shares in the Company as of March 31, 2024 is 61,860,000 common shares.
- (2) As more than one-half of the total number of directors in our company are independent directors and an audit committee has been established in accordance with the law, the provisions requiring all directors and supervisors to hold a certain percentage of shares do not apply.