ACER GADGET INC.

Regulations of Foreign Exchange Risk Management and Structured Deposit

1. Purpose

   According to the Company's "Procedures of Asset Acquisition and Disposal", these Procedures are hereby specified to manage foreign currency receivable, payable, asset & liability; to hedge the risk due to FX and interest rate fluctuation.

2. Scope

   2-1 ACER E-ENABLING SERVICE BUSINESS INC.

   2-2 Subsidiary (as defined by Regulations Governing the Preparation of Financial Reports by Securities Issuers)

3. Principal and Guideline

   3-1 Products:

       3-1-1 Forex Financial Instruments:

           The products limit to Spot, Forward, Option and FX Swap. Any exception needs the approval from Board of Directors.

       3-1-2 Structured Deposit:

           When investing in structured deposit, the products are limited to the ones which offer principal protection or with similar feature, namely the principal will be repaid in full at maturity even if the underlying financial asset, product or benchmark underperforms. Board approval is required when engaging in other structured products.

   3-2 Strategy:

       For hedge purpose and the use of short-term idle funds which is not yet reached the payment period only, no speculation is allowed.

   3-3 Responsibility:

       3-3-1 Business:

           Exposure forecast.

       3-3-2 Finance:

           Market update、judgment for FX trend & risk, FX product knowledge, regulations, exposure, confirmation, reports, and information providing.

   3-4 Performance evaluation:

       The accounting unit shall regularly assess net profit and loss and provide evaluation reports on interest and exchange rate positions to the authorized supervisor as the basis for management and performance evaluation and adjustments and improvements of the hedging strategy.

3-5 Amount:

3-5-1 Forex Financial Instruments:

The hedge amount cannot exceed the net exposure of outstanding asset & liability plus the exposure for coming twelve months forecast. Any hedge amount exceeds six months forecast shall be approved by CFO and President. Any hedge amount exceeds twelve months forecast for special requirement shall be approved by CFO and President, and report to Chairman.

3-5-2 Structured Deposit:

The total transaction amount cannot exceed US$ 6 million, the duration of each transaction cannot exceed 90 days.

3-6 Loss Limit:

The losses limit authorization table of FX deals and structured deposit on aggregate and individual contract was set up according to the exposure.

Authorization	Losses limit % on aggregate or individual contract	
	Forex Financial Instruments	Structured Deposit
Chairman	20%	15%
President	15%	10%
CFO	10%	5%

If the loss amount reach the above limit, should report to the person with authority promptly and the authorized manager should give competent instruction; if the loss amount reach 25% and company should publicly announce by regulations and submit the relevant information to the Audit Committee and Board of Directors.

4. Procedure

4-1 Authorization:

The authorization table is based on the Company's revenue growth and the exposure changes. It is established with the approval of CFO and President, and shall be handled in accordance with Article 8. The same procedure applies to any amendments. The authorization table, as shown in (Attachment 1), is used to control the Company's operations and positions according to these limits.

4-2 Execution:

The trading and risk management require professional knowledge so it should be responsible by highly professional personnel.

5. Accounting Policy

The accounting policy is based on the current financial accounting standard and regulation. The Company also provides necessary reports periodically and calculates realized and unrealized profit or loss for management's review.

6. Internal Control

6-1 Risk Management

6-1-1 Credit Risk Management: Dealing counterparties are limited to those banks that are selected after risk evaluation. The approval of CFO and President are required for amendment.

6-1-2 Market/Price Management: Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled by financial department on a regular basis.

6-1-3 Liquidity Risk Management: Liquidity risk shall be controlled by restricting counterparties to those who have adequate facility, sufficient information, capital and sizable trading capacity to enter into transactions in main markets around the world.

6-1-4 Cash Flow Management: In order to ensure the stability of the Company's operating capital turnover, the source of funds for derivatives transactions is limited to its own funds, and its operating amount should consider the forecasted capital needs.

6-1-5 Operating Risk Management: Transaction personnel shall strictly adhere to the authorized limit and operating procedures to reduce risks in operations.

6-1-6 Legal Risk Management: Any legal documents in respect of financial derivative transactions shall first be reviewed by the legal department before being executed to control legal risk.

6-2 Internal Control

6-2-1 The persons in charge of dealing, settlement (Finance Dept.) and confirmation (Accounting Dept.) should be different.

6-2-2 The dealing person (Finance Dept.) should submit the FX slip and contract to the person in charge of confirmation (Accounting Dept.) for record.

6-2-3 The person in charge of confirmation (Accounting Dept.) should check the details with counterparty banks periodically.

6-3 Evaluation

CFO should review the strategy and performance with relevant persons periodically. The Company shall assess its derivative trading positions at least once a week. Hedging transactions conducted to meet business requirements shall be assessed at least twice a month. Assessment reports shall be submitted to President.

7. Audit

Internal auditors should understand the appropriateness of the internal control, investigate whether the dealing procedure follow the "Procedures of acquiring or disposing of assets" or not and generate the auditing report. The report in writing should be submitted to audit committee and Board of Directors if any violation.

8. Establishment and Amendment of Regulations

8-1 These regulations shall be established with the approval of more than half of all members of the Audit Committee and a resolution passed by the Board of Directors, followed by submission to the shareholders' meeting for approval. The same procedure shall apply for any amendments. If any director expresses dissent, which is recorded or stated in writing, the Company shall forward the dissenting information to the Audit Committee.

8-2 If the regulations are not approved by more than half of all members of the Audit Committee, they may be approved by more than two-thirds of all directors, and the Audit Committee's resolution shall be recorded in the minutes of the Board meeting.

8-3 The term "all members of the Audit Committee" in the preceding paragraphs and the term "all directors" in the preceding paragraph refer to the actual number of members currently in office.

9. The Regulations were enacted on May 5, 2022.

   The first amendment was made on November 11, 2022.

The Authorization Table

(Attachment One)

This authorization table was set up according to Article 4-1 of "Regulations of Foreign Exchange Risk Management and Structured Deposit".

1. FX Authorization:

	Daily Amount
Chairman	USD20,000,000 and above
President	above USD10,000,000 but less than USD20,000,000
CFO	USD10,000,000 and below

The daily transaction amount should be approved by the person with authority. The transaction in the currency other than USD should be converted to USD and still follow the above table.

2. Structured Deposit Authorization:

	Each Deposit	Total Amount of Deposit Before Maturity
Chairman	USD2,000,000 and above	above USD4,000,000 but less than USD6,000,000
President	above USD1,000,000 but less than USD2,000,000	above USD2,000,000 but less than USD4,000,000
CFO	USD1,000,000 and below	USD2,000,000 and below

3. Others

The products limit to Spot、Forward、Option & FX Swap. Any exception needs the approval from the Board of Directors.