



Acer Gadget Inc.

Stock Symbol: 2432



Agenda of 2025

General Shareholders' Meeting

Date: May 28, 2025

Venue: 1F, 88, Sec. 1, Xintai 5th Rd., Xizhi Dist.,

New Taipei City 221

Disclaimer

This is a translation of the 2025 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.

TABLE OF CONTENTS

A. Meeting Agenda

1. Report Items
2. Proposed Items for Ratification and Discussion
3. Extemporaneous Motion

B. Attachment

1. Business Report for the Year 2024
2. Audit Committee's Review Report
3. Financial Statements for the Year 2024
4. Profit Appropriation Statement for the Year 2024
5. Comparison Table of the Amended Articles of Incorporation of Acer Gadget Inc.

C. Appendix

1. Regulations for the Conduct of Shareholders' Meeting
2. Articles of Incorporation (Before the revision)
3. Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate
4. Shareholdings of All Directors

A. Meeting Agenda

- **Time:** 9:00 a.m., Wednesday, May 28, 2025
 - **Venue:** 1F, 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 2024
 - (2) Audit Committee's Review Report
 - (3) Report on the Execution of the Distribution of Cash Dividend, Employees' Profit-Sharing Bonus and Board Directors' Compensation for the Year 2024
 2. Proposed Items for Ratification and Discussion
 - (1) Ratification Proposal of the Financial Statements, Business Report, and the Profit Appropriation Statement for the Year 2024
 - (2) 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 2024

Explanatory Notes: Please refer to Attachment 1, pages 9 to 12.

(2) Audit Committee's Review Report

Explanatory Notes: Please refer to Attachment 2, page 13.

(3) To Report Execution of the Distribution of Cash Dividend, Employees' Profit-Sharing Bonus, Board Directors' Compensation for the year 2024

Explanatory Notes:

1. The Distribution of Cash Dividend for the year 2024

- a. In accordance with Article 20 of the Article of Incorporation, the distributable dividends and bonuses, capital reserves, or legal surplus reserves in whole or in part will be paid in cash by 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.
- b. The total accumulative earnings available for appropriation is NT\$ 116,029,042 and plan to distribute the cash dividend of NT\$ 105,162,000 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a preliminary ratio of NT\$1.7 per share. Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income.
- c. The record date for ex-dividend is temporarily set on July 10th, 2025, and the distribution date is set on July 29th, 2025. 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.

2. Employees' Profit-Sharing Bonus and Board Directors' Compensation for the year 2024

The Board of Directors approved the proposal of employees' 2024 profit sharing bonus and Board Directors' compensation on March 11, 2025. The employees' profit-sharing bonus and Board Directors' compensation are to be distributed in cash:

- a. The total amount of employees' 2024 profit sharing bonus is NT\$ 11,948,600.
- b. The total amount of Board Directors' 2024 compensation is NT\$970,000.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements, Business Report, and the Profit Appropriation Statement for the Year 2024. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company's Financial Statements for the year 2024, 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 2024, the forementioned Financial Statements, and the Profit Appropriation Statement for the Year 2024 are attached hereto as Attachment 1, pages 9 to 12, Attachment 3, pages 14 to 30, and Attachment 4, pages 31, 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 Amendments to the Articles of Incorporation of the Company.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) To comply with regulatory changes and enhance corporate governance, the Company proposes amendments to its Articles of Incorporation. The key amendments are as follows:
 - a. In response to the amendment of Article 14, Paragraph 6 of the Securities and Exchange Act on August 7, 2024, and in alignment with the directive No. 1130385442 issued by the Financial Supervisory Commission on November 8, 2024, Article 20, Paragraph 1 of the Company's Articles of Incorporation is revised. The amendment stipulates that if the Company generates a profit in a fiscal year, after reserving an amount to cover accumulated losses, no less than 1% of the remaining profit shall be allocated as remuneration for non-executive employees.
 - b. In accordance with Article 24 of the latest Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, issued on August 23, 2024, Article 13 is amended to specify that the number of independent directors shall not be less than one-third of the total number of directors.
- (2) Please refer to the comparison table of the amended Articles of Incorporation of the Company. (Attachment 5, page 32 to 34).
- (3) Please discuss.

Resolution:

3. Extemporaneous Motion

4. Meeting Adjourned

Attachment 1

Business Report

I. Business policy and implementation overview

Acer Gadget Inc. (hereinafter referred to as "the Company") is committed to promoting ESG and corporate social responsibility, corporate governance, and facilitating the smart life. In 2024, we focused on developing micro mobility, ESG, energy conservation, carbon reduction, and environmental protection, continued to launch main products with relevant concepts, and expanded our business layout in the Pan American market.

(I) E-Mobility products continue to expand

The trend of global mobility methods is moving toward electric motion, intelligence, and sharing at present, which requires effective human-vehicle communication and sharing platforms. As such forward-looking trends with market potential exhibited limitless possibilities, the Company actively entered into the e-scooter market in Europe in 2022 and gained precious sales experience. In 2023, we launched e-Bikes that can accommodate various individual use scenarios. We combined mobility intelligence and planned for the full series of product lines with hardware and software and further expanded the sharing ecosystem. With the sales experience and R&D capacity accumulated above, the Company continued to actively develop and launch its e-Bikes, e-Scooters, and other micro mobility products in 2024. Combining energy efficiency with low-carbon designs and the use of sustainable materials, the Company realized its ESG targets and social responsibility. In terms of product optimization, it also actively included intelligence and Internet functions to achieve the empowerment of technology and improve customer experience, innovative products and services to expand from width to depth and bring stable development for the product layout related to the e-mobility field. Furthermore, the Company launched its products for promotion at the Taipei International Cycle Show and Smart City Summit and Expo to expand into more sales methods of e-commerce channels through online and offline channels so as to allow the flexibility of product sales and services, improve consumer experience, and expand the influence of the brand.

(II) Focus on the expansion in the American market

Coincided with the recovery of the PC industry, phone replacement trend, and other emerging trends in 2023, the Company successfully joined the American market as a qualified supplier in the large-scale retail channel to sell and supply mice, keyboards, and other computer peripherals with customers' self-owned brands. We created great sales performance and recorded a significant increase in revenue in 2024. This channel is also one of the top ten material sales customers of the year. In addition, we made arrangements for the development of online sales channels in the American market and successfully launched the official flagship store of Acer Gadget on Amazon in America in 2024, and recorded excellent sales performance for K2 e-gaming earphones and other computer peripherals under ACER's brand of hub/dock and Nitro For offline channels, we will continue to expand into new channels. Adopting the successful commercial model of B2B2C, our exclusive competitiveness in product foundry, logistics, warehousing, and other comprehensive service aspects serves as the opportunity to negotiate cooperation with renowned retailers. For online channels, we will focus on the management of Acer Gadget's official flagship store to guide and support start-up brands (e10, Xplova, and

Pawbo) with mature brands (ACER and Nitro) through the multi-brand and compounded operating strategy. We will continue to launch more diverse products to fulfill the diverse requirements of American consumers in the hope of improving the awareness of the consumer market in America regarding the Company and the brand recognition by focusing on the B2C commercial model.

II. Business plan implementation outcomes

In 2024, the Company realized its ESG (environment, society, and corporate governance) and corporate social responsibility while stably promoting the increase in its operations and adopting them as the core strategy for corporate development. Substantially, we focused on the micro mobility field, advocated smart living concepts of energy conservation, carbon reduction, and environmental protection, and continued to launch products with market competitiveness. In addition, we further expand our business layout in the North American market to strengthen our brand's influence in the international market.

(I) E-Mobility products continue to expand

One of the business plans of the year focused on micro mobility, ESG, energy conservation, carbon reduction, and environmental protection with the purpose of actively participating in the development of the global green mobility market through the launch of innovative and environmental electric mobility products and realizing sustainable business increase. The core contents of the plan include the design, R&D and sales of e-Bikes, e-Scooters, and other micro mobility products, and the implementation achievements are as follows:

- Successfully launched new products: The Company successfully launched three models of e-Bikes with brand-new designs and seven models of e-Scooters during the year. These products not only meet the ESG targets but also incorporate innovative, intelligent functions and energy-saving designs, meeting the needs of modern urban mobility.
- Expand market layout: Our sales layout was successfully expanded into the North American and European markets. Entering such new markets allowed our coverage scope in the international market to expand into dozens of countries and further increased the influence of our brand worldwide.
- Realization of environmental protection targets: According to the internal analysis, all micro mobility products newly launched have carbon emissions 70% lower than traditional fuel transportation, which successfully achieved our targets for ESG, energy conservation, and carbon reduction.
- Growth in sales: During the course of promoting such new products, global sales increased by 25% as compared to last year, and the contribution from the sales in the North American and European markets exceeded 30%.

In conclusion, the business plan of the year obtained significant achievements in terms of micro mobility products that align with the market demand and ESG targets. We have not only successfully launched multiple innovative products but also successfully expanded our sales markets into North America and Europe and realized significant growth in sales. Facing the future, we will continue to focus on innovation and market expansion and strive to improve operational efficiency and customer service to lay a solid foundation for the sustainable development of the Company.

(II) Focus on the expansion in the North American market

The core target of another business plan is to expand the business layout of the Company in

the North American market, especially focusing on the American market so as to develop new sales channels and improve brand awareness and sales performance. The plan covers cooperation with large-scale retail channels, expansion of online sales channels, and further improvement of product market share in the American market, and the implementation achievements are as follows:

- Successfully joined Walmart, a large-scale retail channel: In the course of actively expanding into the American market, we successfully became a qualified supplier for Walmart, a large-scale retail channel, and provided mice, keyboards, and computer peripherals under the brand of ONN. This important cooperation opened up the door of the American market for the Company and rapidly promoted our products to the extensive consumer group. We obtained excellent sales performance through this channel in 2023 and welcomed significant growth in revenue for 2024. The cooperation laid a solid foundation for the business development of the Company in the upcoming years.
- Setting up the Amazon official flagship store and sales achievements: In terms of expanding online sales channels, we successfully set up the official flagship store of “Acer Gadget” in the second half of 2024 and entered the Amazon platform in America. The flagship store sells a series of K2 e-gaming earphones and other computer peripherals under ACER’s brand. After the opening, we obtained significant sales performance and successfully attracted the attention and purchase of a large number of users on Amazon. This not only shows the potential of online sales but also further improves the market influence of Acer Gadget on the digital platform.

With the successful cooperation with the Walmart sales channel and the setting up of the Amazon flagship store, we successfully implemented crucial measures in the business plan and obtained significant business achievements. We will continue to strengthen the relationship with existing partners, expand market share, and actively explore new online sales platforms and market opportunities in order to continue to improve the competitiveness of the brand in the global market.

III. Financial income and expenses and profitability

Item	2024		2023		NTD thousand
	Amount	%	Amount	%	YoY
Operating revenue	\$2,605,483	100%	\$2,085,866	100%	25%
Operating cost	(2,261,066)	-87%	(1,760,547)	-84%	28%
Gross operating profit	344,417	13%	325,319	16%	6%
Operating expenses	(230,195)	-9%	(217,308)	-10%	6%
Operating profit	114,222	4%	108,011	5%	6%
Non-operating revenue and expenses	37,738	1%	23,068	1%	64%
Profit before tax	151,960	6%	131,079	6%	16%
Income tax benefits (expenses)	(35,931)	-1%	(9,816)	0%	266%
Profit of the period	\$116,029	4%	\$121,263	6%	-4%

IV. Profitability analysis

The Company's net revenue reached a record high of NTD 2,605,483 thousand in 2024, with an increase of NTD 519,617 thousand from NTD 2,085,866 thousand in 2023, and the revenue and gross operating profit grew by 25% and 28% YoY, respectively. For operating expenses, the

expansion of the business scale and the growth in revenue of the Company resulted in annual operating expenses of NTD 230,195 thousand, with an increase of NTD 12,887 thousand from NTD 217,308 thousand in 2023. In 2024, the operating profit was NTD 114,222 thousand, showing an increase of NTD 6,211 thousand from NTD 108,011 thousand in 2023. An injection of NTD 37,738 thousand of exchange interest, interest revenue, and investment dividend revenue into the non-operating revenue had the profit before tax reach NTD 151,960 thousand. NTD 35,931 thousand of income tax expenses were recognized in the current period, resulting in a profit after tax of NTD 116,029 thousand, with a decrease of NTD 5,234 thousand from NTD 121,263 thousand in 2023.

V. Research and development status

Since its establishment, Acer Gadget Inc. has been committed to technology innovation and product R&D and the creation of diverse products with smart technologies through the collaborative development of its three major business divisions. Each business division focuses on different fields, integrates advanced technology and market demand, and continues to improve the Company's competitiveness.

The Smart Device Business Division focuses on the R&D of smart peripherals and launches innovative accessories and AI-integrated peripherals with a combination of software development and hardware designs. In the future, we will adopt AI, Big Data, and edge computing as our core technologies to allow smart life to enter the new era. We will emphasize the ESG concepts, develop smart devices that align with SDGs, and commit to providing better user experience and environmental designs.

The Fashion Business Division focuses on the combination of technology with fashion and the development of fashion products that align with market trends based on consumers' requirements and users' feedback. In the future, we will enhance the R&D of patents, focus on the integration of mature technologies, application of new materials and environmental procedures, improve our market competitiveness, and continue to promote the brand mission of "combining technology with fashion" to expand into the market of smart wearables, bags, and luggage.

The Smart Mobility Business Division focuses on the improvement in the core technologies of batteries, electrical machinery, and electronic control, and the application of AI and intelligence technologies in mobility equipment. As technology continues to develop, the business division will deepen its cooperation with the industry and promote the innovation and market application of smart mobility products to improve the competitiveness of the Company in the mobility field.

Overall, Acer Gadget's R&D strategy adopts innovation, technology integration, and forward-looking applications as the core. The three major business divisions exert their advantages in the respective fields to promote the long-term development of the Company in the field of smart devices, fashionable technology, and smart mobility. In the future, the Company will continue to follow the ESG concepts to guide the Company to realize the brand mission of "technology-empowered sustainable life" and fulfill the requirements of different consumer groups to improve market competitiveness.

Chairman of Board



Corporate Officer



Accounting Officer



Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 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 11, 2025

Independent Auditors' Report

Board of Directors of Acer Gadget Inc.,

Opinions

We have audited the accompanying Consolidated Balance Sheet of Acer Gadget Inc. and its subsidiaries as of December 31, 2024 and 2023, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the Notes to Consolidated Financial Statements, including a summary of significant accounting policies for the years then ended.

In our opinion, based on the audit results of the independent auditors and the audit report of other accountants, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Acer Gadget Inc. and its subsidiary as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 Accountants 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 for 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 2024 consolidated financial statements of Acer Gadget Inc. and its subsidiaries. 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. We determined that the key audit matters that shall be communicated in the report are as follows:

I. Revenue recognition

For the accounting policies related to income recognition, please refer to Note 4(15) income from customer contracts of the consolidated financial statements; for details of income recognition, please refer to Note 6(16) of the consolidated financial statements.

Description of the key audit matter:

Customers of Acer Gadget Inc. and its subsidiaries are spread across different regions worldwide, and the sales to customers involve different types of transaction conditions. Sales income is required to be recognized through the identification of the timing when the control over products is transferred to customers based on individual sales conditions. There are risks that income nearing the balance sheet date may not be accurately recorded in the accurate period. Therefore, income recognition is one of the material matters for evaluation during our audit of the consolidated financial statements.

Responding audit procedures:

The principal audit procedures for the key audit matter above include testing the internal control related to the sales and collection cycle and the financial reporting of Acer Gadget Inc. and its subsidiaries, sampling of sales transactions in the period before and after the end of the annual reporting period to understand the transaction conditions between the Company and its customers, and sampling relevant transaction certificates to evaluate whether the timing of income recognition is appropriate.

II. Valuation of inventories

For the accounting policies related to inventory valuation, please refer to Note 4(8) inventory of the consolidated financial statements; for the description of uncertainties of the accounting estimates and assumptions of inventory valuation, please refer to Note 5(1) of the consolidated financial statements; for the provision for inventory valuation loss, please refer to Note 6(4).

Description of the key audit matter:

Inventories of Acer Gadget Inc. and its subsidiaries are measured at costs or net realizable value, whichever is lower. The main sales products of the Company are innovative computer peripherals and smart life products. Its market competition is intense, and products may be obsolete when not complying with the market demand, resulting in the possible involvement of the management's subjective judgments for the estimate of the net realizable value of inventories and high uncertainties. Therefore, inventory valuation is one of the material matters for evaluation during our audit of the consolidated financial statements.

Responding audit procedures:

The principal audit procedures for the key audit matters above include understanding the inventory obsolescence valuation policy adopted by the management and evaluating its appropriateness, reviewing the inventory aging statement, analyzing the changes in the inventory age in each period, and testing whether the inventory is classified in the appropriate inventory age interval, evaluating whether the inventory valuation has been processed in accordance with the valuation policy of the Acer Gadget Inc. and its subsidiaries.

Other Matter

Acer Gadget Inc. has prepared its 2024 and 2023 parent company only financial statements, and we have issued the auditor's report with an unqualified opinion for future reference.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, and to maintain Internal controls necessary for the preparation of financial statements to ensure that the consolidated financial statements are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing Acer Gadget Inc.'s 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 cease operations, or has no realistic alternative but to do so.

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

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 auditor's report. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the consolidated financial statements. Misstatement can arise from fraud or error. If the individual or aggregate amount of the misstatement can reasonably be expected to affect the economic decisions made by users of the consolidated financial statements, they are considered material.

We exercise professional skepticism during the audit in accordance with the auditing standards. We also performed the following tasks:

- I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Acer Gadget Inc. and its subsidiaries.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Acer Gadget Inc.'s and its subsidiaries' ability to continue as a going concern. If we conclude that 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.
- V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Group 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 all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable (including relevant protection measures).

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2024 consolidated financial statements of Acer Gadget Inc. and its subsidiaries and are, therefore, 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 31, 2025

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.

Acer Gadget Inc. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

		2024.12.31		2023.12.31	
Assets		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 1,107,398	59	889,139	48
1170	Net accounts receivable (Notes 6(3)(16))	103,586	6	80,593	4
1181	Accounts receivables - Related parties (Notes 6(3)(16) and 7)	228,081	12	357,660	19
1200	Other receivables	1,263	-	1,241	-
130X	Inventory (Note 6(4))	136,054	7	102,964	6
1479	Prepayments and other current assets	14,231	1	65,945	4
	Total current assets	1,590,613	85	1,497,542	81
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - Non-current (Note 6(2))	233,501	12	281,591	15
1600	Property, plant and equipment (Note 6(5))	18,066	1	505	-
1755	Right-of-use assets (Note 6(6))	1,060	-	3,567	-
1760	Investment property (Note 6(7))	6,185	1	6,315	-
1780	Intangible assets	1,369	-	1,906	-
1840	Deferred income tax assets (Note 6(12))	13,441	1	19,617	1
1975	Net defined benefit assets (Note 6(11))	-	-	46,887	3
1980	Refundable deposits (Note 8)	1,916	-	1,801	-
1990	Other non-current assets	987	-	987	-
	Total non-current assets	276,525	15	363,176	19
Total assets		\$ 1,867,138	100	1,860,718	100

		2024.12.31		2023.12.31	
Liabilities and equity		Amount	%	Amount	%
Current liabilities:					
2130	Contract liabilities - Current (Note 6(16))	\$ 76,618	4	41,566	2
2170	Accounts payable	323,598	17	384,107	22
2180	Accounts payable - Related parties (Note 7)	47,493	2	20,842	1
2209	Other payables (Note 6(17))	88,633	5	82,815	5
2220	Other payables - Related parties (Note 7)	11,163	1	6,422	-
2230	Income tax liabilities for the period	28,274	2	4,917	-
2250	Provisions for liabilities - Current (Note 6(9))	10,277	-	7,802	-
2280	Lease liabilities - Current (Notes 6(8) and 7)	1,070	-	3,165	-
2365	Refund liabilities - Current (Note 7)	19,276	1	14,258	1
2399	Other current liabilities	2,234	-	1,092	-
	Total current liabilities	608,636	32	566,986	31
Non-current liabilities:					
2527	Contract liabilities - Non-current (Note 6(16))	754	-	730	-
2570	Deferred income tax liabilities (Note 6(12))	13,694	1	17,479	1
2580	Lease liabilities - Non-current (Notes 6(8) and 7)	-	-	427	-
2645	Guarantee deposits received	1,500	-	1,500	-
	Total non-current liabilities	15,948	1	20,136	1
	Total liabilities	624,584	33	587,122	32
Equity (Note 6(13)):					
3110	Ordinary share capital	618,600	33	618,600	33
3200	Capital surplus	422,373	23	422,373	23
	Retained earnings:				
3310	Legal reserve	79,444	4	67,318	4
3320	Special reserve	39,259	2	39,259	2
3350	Retained earnings	123,097	7	121,263	6
	Subtotal of retained earnings	241,800	13	227,840	12
3400	Other equity	(40,219)	(2)	4,783	-
	Total equity	1,242,554	67	1,273,596	68
	Total liabilities and equity	\$ 1,867,138	100	1,860,718	100

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2024

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Net operating income (Notes 6(16), 7 and 14)	2,605,483	100	2,085,866	100
5000	Operating costs (Notes 6(4)(5)(9), 7 and 12)	(2,261,066)	(87)	(1,760,547)	(84)
	Gross operating profit	344,417	13	325,319	16
	Operating expenses (Notes 6(3)(5)(6)(7)(8)(11)(14)(17), 7 and 12):				
6100	Selling expenses	(110,554)	(4)	(83,839)	(4)
6200	Management fees	(73,169)	(3)	(71,337)	(4)
6300	R&D expenses	(46,471)	(2)	(62,109)	(3)
6450	Expected credit impairment losses	-	-	(23)	-
	Total operating expenses	(230,194)	(9)	(217,308)	(11)
	Net operating profit	114,223	4	108,011	5
	Non-operating income and expenses (Notes 6(8)(10)(18) and 7)				
7100	Interest income	16,290	1	10,419	1
7190	Other income	9,201	-	8,251	-
7020	Other gains and losses	12,300	1	4,478	-
7050	Financial costs	(54)	-	(80)	-
	Total non-operating income and expenses	37,737	2	23,068	1
	Profit before tax	151,960	6	131,079	6
7950	Income tax expenses (Note 6(12))	(35,931)	(2)	(9,816)	-
	Current net profit	116,029	4	121,263	6
	Other comprehensive income (Note 6(13))				
8310	Items not reclassified as gains and losses				
8316	Unrealized valuation gain or loss of equity instruments measured at fair value through other comprehensive income	(48,090)	(1)	157,351	7
8349	Income tax related to items not subject to reclassification	-	-	-	-
	Total of items not reclassified as gains and losses	(48,090)	(1)	157,351	7
8360	Items that may be reclassified as profit or loss subsequently				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	3,088	-	(1,528)	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified as profit or loss subsequently	3,088	-	(1,528)	-
	Other comprehensive income for the period	(45,002)	(1)	155,823	7
8500	Total comprehensive income for the period	71,027	3	277,086	13
	Earnings per share (unit: NT\$, Note 6(15))				
9750	Basic earnings per share (NT\$)		1.88		1.98
9850	Diluted earnings per share (NT\$)		1.86		1.97

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc. and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended December 31, 2024

Unit: NTD thousand

							Other equity items				Total equity
							Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss of financial assets at fair value through other comprehensive income	Remeasurement of the defined benefit plan	Total	
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total					
Balance on January 1, 2023	\$ 600,000	413,737	53,985	-	133,344	187,329	629	(150,368)	(1,301)	(151,040)	1,050,026
Current net profit	-	-	-	-	121,263	121,263	-	-	-	-	121,263
Other comprehensive income for the period	-	-	-	-	-	-	(1,528)	157,351	-	155,823	155,823
Total comprehensive income for the period	-	-	-	-	121,263	121,263	(1,528)	157,351	-	155,823	277,086
Appropriation and distribution of earnings:											
Appropriation of the legal reserve	-	-	13,333	-	(13,333)	-	-	-	-	-	-
Appropriation of the special reserve	-	-	-	39,259	(39,259)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(80,752)	(80,752)	-	-	-	-	(80,752)
Remuneration costs of share-based payments	-	124	-	-	-	-	-	-	-	-	124
Cash dividends distributed from the capital reserve	-	(18,248)	-	-	-	-	-	-	-	-	(18,248)
Capital increase in cash	18,600	26,760	-	-	-	-	-	-	-	-	45,360
Balance on December 31, 2023	<u>618,600</u>	<u>422,373</u>	<u>67,318</u>	<u>39,259</u>	<u>121,263</u>	<u>227,840</u>	<u>(899)</u>	<u>6,983</u>	<u>(1,301)</u>	<u>4,783</u>	<u>1,273,596</u>
Current net profit	-	-	-	-	116,029	116,029	-	-	-	-	116,029
Other comprehensive income for the period	-	-	-	-	-	-	3,088	(48,090)	-	(45,002)	(45,002)
Total comprehensive income for the period	-	-	-	-	116,029	116,029	3,088	(48,090)	-	(45,002)	71,027
Appropriation and distribution of earnings:											
Appropriation of the legal reserve	-	-	12,126	-	(12,126)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(102,069)	(102,069)	-	-	-	-	(102,069)
Balance on December 31, 2024	<u>\$ 618,600</u>	<u>422,373</u>	<u>79,444</u>	<u>39,259</u>	<u>123,097</u>	<u>241,800</u>	<u>2,189</u>	<u>(41,107)</u>	<u>(1,301)</u>	<u>(40,219)</u>	<u>1,242,554</u>

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc. and Its Subsidiaries
Consolidated Statement of Cash Flows
For the year ended December 31, 2024

Unit: NTD thousand

	2024	2023
Cash flow from operating activities:		
Profit before tax for the period	\$ 151,960	131,079
Adjusting item:		
Interest income	(16,290)	(10,419)
Depreciation expenses	8,453	5,667
Amortization expenses	537	665
Expected credit impairment losses	-	23
Interest expense	54	80
Dividend income	(8,209)	(6,965)
Remuneration costs of share-based payments	-	124
Gains on the disposal of property, plant and equipment	(1)	-
Total of income and expense items	(15,456)	(10,825)
Changes in assets/liabilities related to operating activities:		
Accounts receivable	(22,993)	(31,705)
Accounts receivable - Related parties	129,579	(102,545)
Other receivables	(22)	(25)
Other receivables - Related parties	-	929
Inventory	(33,090)	3,978
Prepayments and other assets	51,669	(45,535)
Net defined benefit assets	46,887	(974)
Total net changes in assets related to operating activities	172,030	(175,877)
Accounts payable	(60,509)	92,632
Accounts payables - Related parties	26,651	19,489
Other payables	6,119	(9,998)
Other payables - Related parties	4,741	(5,292)
Refund liabilities	5,018	7,730
Contract liabilities	35,076	1,585
Other current liabilities	1,142	33
Provisions for liabilities	2,475	(3,428)
Total net changes in liabilities related to operating activities	20,713	102,751
Total net changes in assets and liabilities related to operating activities	192,743	(73,126)
Cash inflow generated from operations	329,247	47,128
Interest received	16,290	10,419
Interest paid	(54)	(80)
Income tax paid	(10,138)	(7,889)
Net cash inflow from operating activities	335,345	49,578

(Cont'd)

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc. and Its Subsidiaries
Consolidated Statement of Cash Flows (Cont'd)
For the year ended December 31, 2024

Unit: NTD thousand

	<u>2024</u>	<u>2023</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(20,825)	(186)
Disposal of property, plant and equipment	9	-
(Increase) decrease in refundable deposits	(115)	55
Acquisition of intangible assets	-	(100)
Dividends received	8,209	6,965
Net cash inflow (outflow) from investing activities	<u>(12,722)</u>	<u>6,734</u>
Cash flow from financing activities		
Repayment of the principal of leases	(5,082)	(5,130)
Distribution of cash dividends	(102,370)	(99,000)
Capital increase in cash	-	45,360
Net cash outflow from financing activities	<u>(107,452)</u>	<u>(58,770)</u>
Effects of exchange rate changes on cash and cash equivalents	3,088	(1,528)
Increase (decrease) in cash and cash equivalents during the period	218,259	(3,986)
Opening balance of cash and cash equivalents	889,139	893,125
Closing balance of cash and cash equivalents	<u><u>\$ 1,107,398</u></u>	<u><u>889,139</u></u>

(Please refer to the enclosed notes to the consolidated financial statements)

Chairman: Jerry Kao Manager: Allen Jong Chief Accounting Officer: Chia-Hao Cheng

Independent Auditors' Report

Board of Directors of Acer Gadget Inc.,

Opinion

We have audited the accompanying Parent Company Only Balance Sheet of Acer Gadget Inc. as of December 31, 2024 and 2023, and the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flows, and the Notes to Parent Company Only Financial Statements, including a summary of significant accounting policies for the years then ended.

In our opinion, based on the audit results of the independent auditors and the audit report of other accountants, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Acer Gadget Inc. as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 Acer Gadget Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 for 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 2024 parent company only financial statements of Acer Gadget Inc.. 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. We determined that the key audit matters that shall be communicated in the report are as follows:

I. Revenue recognition

For the accounting policies related to income recognition, please refer to Note 4(15) income from customer contracts of the parent company only financial statements; for disclosures of income, please refer to Note 6(17) of the parent company only financial statements.

Description of the key audit matter:

Customers of Acer Gadget Inc. are spread across different regions worldwide, and the sales to customers involve different types of transaction conditions. Sales income is required to be recognized through the identification of the timing when the control over products is transferred to customers based on individual sales conditions. There are risks that income nearing the balance sheet date may not be accurately recorded in the accurate period. Therefore, income recognition is one of the material matters for evaluation during our audit of the parent company only financial statements of Acer Gadget Inc..

Responding audit procedures:

The principal audit procedures for the key audit matter above include testing the internal control related to the sales and collection cycle and the financial reporting of Acer Gadget Inc., sampling of sales transactions in the period before and after the end of the annual reporting period to understand the transaction conditions between the Company and its customers, and sampling relevant transaction certificates to evaluate whether the timing of income recognition is appropriate.

II. Valuation of inventories

For the accounting policies related to inventory valuation, please refer to Note 4(7) inventory of the parent company only financial statements; for the description of uncertainties of the accounting estimates and assumptions of inventory valuation, please refer to Note 5(1) of the parent company only financial statements; for the provision for inventory valuation loss, please refer to Note 6(4) of the parent company only financial statements.

Description of the key audit matter:

The inventory of Acer Gadget Inc. is measured at cost or net realizable value, whichever is lower. The main sales products of the Company are innovative computer peripherals and smart life products. Its market competition is intense, and products may be obsolesce when not complying with the market demand, resulting in the possible involvement of the management's subjective judgments for the estimate of the net realizable value of inventories and high uncertainties. Therefore, inventory valuation is one of the material matters for evaluation during our audit of the parent company only financial statements.

Responding audit procedures:

The principal audit procedures for the key audit matters above include understanding the inventory obsolescence valuation policy adopted by the management and evaluating its appropriateness, reviewing the inventory aging statement, analyzing the changes in the inventory age in each period, and testing whether the inventory is classified in the appropriate inventory age interval, evaluating whether the inventory valuation has been processed in accordance with the valuation policy of the Acer Gadget Inc..

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

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

In preparing the parent company only financial statements, the management is responsible for assessing Acer Gadget Inc.'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 Acer Gadget Inc., or cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Acer Gadget Inc..

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 auditor's report.

Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the parent company only financial statements. Misstatement can arise from fraud or error. If the individual or aggregate amount of the misstatement can reasonably expect to affect the economic decisions made by users of the parent company only financial statements, they are considered material.

We exercise professional skepticism during the audit in accordance with the auditing standards. We also performed the following tasks:

- I. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control Acer Gadget Inc..
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Acer Gadget Inc.'s ability to continue as a going concern. If we conclude that 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 Acer Gadget Inc. to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of investees 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 all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable (including relevant protection measures).

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2024 parent company only financial statements of Acer Gadget Inc. and are, therefore, 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 31, 2025

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.

Acer Gadget Inc.
Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

		2024.12.31		2023.12.31	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 985,776	54	849,203	48
1170	Net accounts receivable (Notes 6(3)(17))	103,586	6	80,593	4
1180	Accounts receivables - Related parties (Notes 6(3)(17) and 7)	220,954	12	249,876	14
1200	Other receivables	1,263	-	1,241	-
130X	Inventory (Note 6(4))	131,600	7	102,964	6
1479	Prepayments and other current assets	13,962	1	65,666	4
	Total current assets	1,457,141	80	1,349,543	76
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - Non-current (Note 6(2))	233,501	13	281,591	16
1550	Investments accounted for using the equity method (Note 6(5))	98,559	5	64,766	4
1600	Property, plant and equipment (Note 6(6))	18,066	1	505	-
1755	Right-of-use assets (Note 6(7))	1,060	-	3,567	-
1760	Investment property (Note 6(8))	6,185	-	6,315	-
1780	Intangible assets	1,369	-	1,906	-
1840	Deferred income tax assets (Note 6(13))	13,441	1	19,617	1
1975	Net defined benefit assets (Note 6(12))	-	-	46,887	3
1980	Refundable deposits (Note 8)	1,916	-	1,801	-
1990	Other non-current assets	987	-	987	-
	Total non-current assets	375,084	20	427,942	24
Total assets		\$ 1,832,225	100	1,777,485	100

		2024.12.31		2023.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2130	Contract liabilities - Current (Note 6(17))	\$ 66,050	3	36,711	2
2170	Accounts payable	311,979	17	316,582	18
2180	Accounts payable - Related parties (Note 7)	47,493	3	20,842	1
2200	Other payables	83,550	5	81,947	5
2220	Other payables - Related parties (Note 7)	9,951	-	5,462	-
2230	Income tax liabilities for the period	26,704	2	-	-
2250	Provisions for liabilities - Current (Note 6(10))	7,893	-	6,404	-
2280	Lease liabilities - Current (Notes 6(9) and 7)	1,070	-	3,165	-
2365	Refund liabilities - Current (Note 7)	16,821	1	11,548	1
2399	Other current liabilities	2,212	-	1,092	-
	Total current liabilities	573,723	31	483,753	27
Non-current liabilities:					
2527	Contract liabilities - Non-current (Note 6(17))	754	-	730	-
2570	Deferred income tax liabilities (Note 6(13))	13,694	1	17,479	1
2580	Lease liabilities - Non-current (Notes 6(9) and 7)	-	-	427	-
2645	Guarantee deposits received	1,500	-	1,500	-
	Total non-current liabilities	15,948	1	20,136	1
	Total liabilities	589,671	32	503,889	28
Equity (Note 6(14)):					
3110	Ordinary share capital	618,600	34	618,600	35
3200	Capital surplus	422,373	23	422,373	24
Retained earnings:					
3310	Legal reserve	79,444	4	67,318	4
3320	Special reserve	39,259	2	39,259	2
3350	Retained earnings	123,097	7	121,263	7
	Subtotal of retained earnings	241,800	13	227,840	13
3400	Other equity	(40,219)	(2)	4,783	-
	Total equity	1,242,554	68	1,273,596	72
	Total liabilities and equity	\$ 1,832,225	100	1,777,485	100

(Please refer to the enclosed notes to the parent company only financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc.
Statement of Comprehensive Income
For the year ended December 31, 2024

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Net operating income (Notes 6(17), 7)	\$ 2,264,319	100	1,652,784	100
5000	Operating costs (Notes 6(4)(6)(10), 7 and 12)	(1,945,258)	(86)	(1,354,490)	(82)
	Gross operating profit	319,061	14	298,294	18
5910	Unrealized gain on sales	(2,321)	-	-	-
	Realized gross profit	316,740	14	298,294	18
	Operating expenses (Notes 6(3)(6)(7)(8)(9)(12)(15)(18), 7 and 12):				
6100	Selling expenses	(103,781)	(5)	(80,403)	(5)
6200	Management fees	(72,511)	(3)	(70,968)	(4)
6300	R&D expenses	(46,471)	(2)	(62,109)	(4)
6450	Expected credit impairment losses	-	-	(23)	-
	Total operating expenses	(222,763)	(10)	(213,503)	(13)
	Net operating profit	93,977	4	84,791	5
	Non-operating income and expenses (Notes 6(1)(11)(19) and 7)				
7100	Interest income	14,687	1	9,336	1
7190	Other income	8,209	-	6,965	-
7020	Other gains and losses	12,307	-	4,516	-
7375	Share of gains of subsidiaries accounted for using the equity method	17,240	1	19,711	1
7050	Financial costs	(54)	-	(80)	-
	Total non-operating income and expenses	52,389	2	40,448	2
	Profit before tax	146,366	6	125,239	7
7950	Income tax expenses (Note 6(13))	(30,337)	(1)	(3,976)	-
	Current net profit	116,029	5	121,263	7
	Other comprehensive income (Note 6(14))				
8310	Items not reclassified as gains and losses				
8316	Unrealized valuation gain or loss of equity instruments measured at fair value through other comprehensive income	(48,090)	(2)	157,351	10
8349	Income tax related to items not subject to reclassification	-	-	-	-
	Total of items not reclassified as gains and losses	(48,090)	(2)	157,351	10
8360	Items that may be reclassified as profit or loss subsequently				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	3,088	-	(1,528)	-
8399	Income tax related to items that may be reclassified	-	-	-	-
	Total items that may be reclassified as profit or loss subsequently	3,088	-	(1,528)	-
	Other comprehensive income for the period (net profit after tax)	(45,002)	(2)	155,823	10
8500	Total comprehensive income for the period	\$ 71,027	3	277,086	17
	Earnings per share (unit: NT\$, Note 6(16))				
9750	Basic earnings per share (NT\$)	\$ 1.88		1.98	
9850	Diluted earnings per share (NT\$)	\$ 1.86		1.97	

(Please refer to the enclosed notes to the parent company only financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc.
Statement of Changes in Equity
For the year ended December 31, 2024

Unit: NTD thousand

	Retained earnings						Other equity items				
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Retained earnings	Total	Exchange differences arising from the translation of the financial statements of foreign operations	Unrealized gain or loss of financial assets at fair value through other comprehensive income	Remeasurement of the defined benefit plan	Total	Total equity
Balance on January 1, 2023	\$ 600,000	413,737	53,985	-	133,344	187,329	629	(150,368)	(1,301)	(151,040)	1,050,026
Current net profit	-	-	-	-	121,263	121,263	-	-	-	-	121,263
Other comprehensive income for the period	-	-	-	-	-	-	(1,528)	157,351	-	155,823	155,823
Total comprehensive income for the period	-	-	-	-	121,263	121,263	(1,528)	157,351	-	155,823	277,086
Appropriation and distribution of earnings:											
Appropriation of the legal reserve	-	-	13,333	-	(13,333)	-	-	-	-	-	-
Appropriation of the special reserve	-	-	-	39,259	(39,259)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(80,752)	(80,752)	-	-	-	-	(80,752)
Remuneration costs of share-based payments	-	124	-	-	-	-	-	-	-	-	124
Cash dividends distributed from the capital reserve	-	(18,248)	-	-	-	-	-	-	-	-	(18,248)
Capital increase in cash	18,600	26,760	-	-	-	-	-	-	-	-	45,360
Balance on December 31, 2023	<u>618,600</u>	<u>422,373</u>	<u>67,318</u>	<u>39,259</u>	<u>121,263</u>	<u>227,840</u>	<u>(899)</u>	<u>6,983</u>	<u>(1,301)</u>	<u>4,783</u>	<u>1,273,596</u>
Current net profit	-	-	-	-	116,029	116,029	-	-	-	-	116,029
Other comprehensive income for the period	-	-	-	-	-	-	3,088	(48,090)	-	(45,002)	(45,002)
Total comprehensive income for the period	-	-	-	-	116,029	116,029	3,088	(48,090)	-	(45,002)	71,027
Appropriation and distribution of earnings:											
Appropriation of the legal reserve	-	-	12,126	-	(12,126)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(102,069)	(102,069)	-	-	-	-	(102,069)
Balance on December 31, 2024	<u>\$ 618,600</u>	<u>422,373</u>	<u>79,444</u>	<u>39,259</u>	<u>123,097</u>	<u>241,800</u>	<u>2,189</u>	<u>(41,107)</u>	<u>(1,301)</u>	<u>(40,219)</u>	<u>1,242,554</u>

(Please refer to the enclosed notes to the parent company only financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Chen

Acer Gadget Inc.
Statement of Cash Flows
For the year ended December 31, 2024

	Unit: NTD thousand	
	2024	2023
Cash flow from operating activities:		
Profit before tax for the period	\$ 146,366	125,239
Adjusting item:		
Depreciation expenses	8,453	5,667
Amortization expenses	537	665
Expected credit impairment losses	-	23
Interest income	(14,687)	(9,336)
Remuneration costs of share-based payments	-	124
Dividend income	(8,209)	(6,965)
Interest expense	54	80
Share of gains of subsidiaries accounted for using the equity method	(17,240)	(19,711)
Gains on the disposal of property, plant and equipment	(1)	-
Unrealized gain on sales	2,321	-
Total of income and expense items	(28,772)	(29,453)
Changes in assets/liabilities related to operating activities:		
Accounts receivable	(22,993)	(31,705)
Accounts receivable - Related parties	28,922	(25,454)
Other receivables	(22)	(25)
Other receivables - Related parties	-	929
Inventory	(28,636)	3,978
Prepayments and other assets	51,660	(45,487)
Net defined benefit assets	46,887	(974)
Total net changes in assets related to operating activities	75,818	(98,738)
Accounts payable	(4,603)	60,319
Accounts payables - Related parties	26,651	19,489
Other payables	1,904	(10,292)
Other payables - Related parties	4,489	(3,627)
Refund liabilities	5,273	9,277
Contract liabilities	29,363	10,440
Provisions for liabilities	1,489	(1,793)
Other current liabilities	1,120	33
Total net changes in liabilities related to operating activities	65,686	83,846
Total net changes in assets and liabilities related to operating activities	141,504	(14,892)
Cash inflow generated from operations	259,098	80,894
Interest received	14,687	9,336
Interest paid	(54)	(80)
Income tax paid	(1,198)	(3,884)
Net cash inflow from operating activities	272,533	86,266

(Cont'd)

(Please refer to the enclosed notes to the parent company only financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Acer Gadget Inc.
Statement of Cash Flows (Cont'd)
For the year ended December 31, 2024

Unit: NTD thousand

	2024	2023
Cash flow from investing activities		
Acquisition of investments under the equity method	(15,786)	-
Acquisition of property, plant and equipment	(20,825)	(186)
Disposal of property, plant and equipment	9	-
Acquisition of intangible assets	-	(100)
(Increase) decrease in refundable deposits	(115)	55
Dividends received	8,209	6,965
Net cash inflow (outflow) from investing activities	(28,508)	6,734
Cash flow from financing activities		
Repayment of the principal of leases	(5,082)	(5,130)
Distribution of cash dividends	(102,370)	(99,000)
Capital increase in cash	-	45,360
Net cash outflow from financing activities	(107,452)	(58,770)
Increase in cash and cash equivalents during the period	136,573	34,230
Opening balance of cash and cash equivalents	849,203	814,973
Closing balance of cash and cash equivalents	\$ 985,776	849,203

(Please refer to the enclosed notes to the parent company only financial statements)

Chairman: Jerry Kao

Manager: Allen Jong

Chief Accounting Officer: Chia-Hao Cheng

Attachment 4

Acer Gadget Inc.
2024 Statement of Profit Appropriation

Unit : NT\$

Beginning Balance of Un-appropriated Retained Earnings	\$	7,068,910
Plus : 2024 Net Income after Tax		116,029,042
Deduct : Legal Reserve		(12,564,626)
Legal Reserve	(11,602,904)	
Special Reserve	(961,722)	(12,564,626)
Appropriation Items	\$	110,533,326
Cash Dividends to Shareholders		(105,162,000)
Ending Balance of Un-appropriated Retained Earnings	\$	5,371,326

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 13</p> <p>The Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. 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 third^{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</p>	<p>Article 13</p> <p>The Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. 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</p>	<p>In line with the Financial Supervisory Commission's announced "Sustainable Development Action Plan for TWSE- and TPEX-Listed Companies", increase the proportion of independent directors.</p>

After Revision	Before Revision	Reason for Revision
Committee shall be obligated to perform 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.	perform 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>Article 20</p> <p>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 <u>(of which no less than 1% of the profit shall be allocated as compensation for non-executive employees)</u>, 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</p>	<p>Article 20</p> <p>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.</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</p>	In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, add provisions regarding the proportion of compensation for non-executive employees.

After Revision	Before Revision	Reason for Revision
<p>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 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>	<p>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 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>	
<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><u>The thirty-eighth amendment was approved on May 28, 2025.</u></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 倚天酷碁股份有限公司 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) I301010 Information Software Services
- (33) I301020 Data Processing Services
- (34) I301030 Electronic Information Supply Services
- (35) I501010 Product Designing
- (36) I103060 Management Consulting
- (37) JE01010 Rental and Leasing
- (38) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

- | | |
|-----------|---|
| Article 3 | 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 Company Act. |
| Article 4 | 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 5 | 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 6 | <p>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.</p> <p>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,</p> |
|-----------|--|

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.

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 7 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 8 All matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by law.

CHAPTER III – SHAREHOLDERS' MEETINGS

Article 9 Shareholders' meetings of 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 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.

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.

Article 10 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 11 Unless otherwise regulated by law, each shareholder of the Company owns one vote per share.

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.

- Article 12 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 AND COMMITTEE

- Article 13 The Company shall have five (5) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. 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.

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

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

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 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.

- 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 recommended by the Remuneration Committee for the directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas, no matter whether the Company has profit or suffered loss.

CHAPTER V – MANAGERS

Article 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.

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.

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.

The distributable dividends and bonuses, capital reserves, or legal surplus reserves in whole or in part will be paid in cash by 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.

- 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

The thirty-seventh amendment was approved on May 29, 2024.

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 30, 2025

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 30 , 2025 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.

