Stock Code: 6811

ACER E-ENABLING SERVICE BUSINESS

INC. and Subsidiaries

Consolidated Financial Statements and

Independent Auditor's Report

2023 and 2022

Company address: 9F., No. 6, Section 4, Xinyi Road, Daan District, Taipei City

Telephone: (02) 2784-1000

Table of Contents

Declaration Form

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of the parent company and its subsidiaries as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent company and its subsidiaries. Hence, we have not prepared a separate set of consolidated financial statements.

Hereby declare

Company name: ACER E-ENABLING SERVICE BUSINESS INC.
Chairman: Jason Chen
Date: March 12, 2024

Independent Auditors' Report

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

Audit Opinions

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

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

Basis for the audit opinion

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

Key audit matters

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

I. Revenue recognition

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

Description of Key Audit Matters:

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

How the matter was addressed in our audit:

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

Other matters

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

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

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

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

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

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

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

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

I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries' internal control.

III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

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

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

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

(continued on next page)

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries

Consolidated Balance Sheet (Continued)

December 31, 2023 and 2022

Unit: NTD thousand

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

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Unit: NTD thousand

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Net revenue (Notes 6(15), 7 and 14)**	$ 7,550,746	100	7,189,523	100
5000	**Cost of revenue (Notes 6(4), (6), (8), (10), (16), 7, and 12)**	(6,514,974)	(86)	(6,225,556)	(87)
	Gross profit	1,035,772	14	963,967	13
	Operating expenses (Notes 6(3), (6), (7), (8), (9), (10), (13), (16), 7 and 12)				
6100	Selling expenses	(285,614)	(4)	(303,164)	(4)
6200	General and administrative expenses	(80,314)	(1)	(80,121)	(1)
6300	Research and development expenses	(60,107)	(1)	(58,560)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(2,883)	-	(4,056)	-
	Total operating expenses	(428,918)	(6)	(445,901)	(6)
	Net operating profit	606,854	8	518,066	7
	Non-operating income and expenses (Note 6(5), (9) and (17)):				
7100	Interest revenue	24,030	-	6,673	-
7020	Other gains and losses	353	-	22,525	1
7050	Financial cost	(70)	-	(499)	-
7770	Share of profit of affiliated companies under equity method	843	-	660	-
	Total non-operating income and expenses	25,156	-	29,359	1
	Net income before tax	632,010	8	547,425	8
7950	**Less: Income tax expenses (Note 6(11))**	(130,682)	(1)	(110,654)	(2)
	Net income for the period	501,328	7	436,771	6
	Other comprehensive income (Note 6(12)):				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan	(4,706)	-	24,253	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(4,792)	-	(4,424)	-
8349	Income tax related to item that will not be reclassified to profit or loss	941	-	(4,850)	-
	Total of items not reclassified into profit or loss	(8,557)	-	14,979	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	29	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	29	-	-	-
	Other comprehensive income in the current period	(8,528)	-	14,979	-
	Total comprehensive income for the period	**$ 492,800**	**7**	**451,750**	**6**
	Net income attributable to:				
8610	Owner of the parent company	$ 501,328	7	436,771	6
		$ 501,328	**7**	**436,771**	**6**
	Total comprehensive income attributable to:				
8710	Owner of the parent company	$ 492,800	7	451,750	6
		$ 492,800	**7**	**451,750**	**6**
	Earnings per share (Unit: NTD, Note 6(14))				
9750	**Basic earnings per share**	**$**	**12.10**		**11.35**
9850	**Diluted earnings per share**	**$**	**12.00**		**11.16**

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

(continued on next page)

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Unit: NTD thousand

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

(Please refer to the attached Notes to the Consolidated Financial Statements)

ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries
Notes to the Consolidated Financial Statements
2023 and 2022
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

ACER E-ENABLING SERVICE BUSINESS INC. (hereinafter referred to as the "Company") was established on February 22, 2012 with the approval of the Ministry of Economic Affairs. The registered address is 9F., No. 6, Section 4, Xinyi Road, Daan District, Taipei City. The Group is positioned as "the cloud company that best comprehends on-premise requirements, a generator of generative AI for enterprises." Having assisted more than 2,000 corporate clients, the Group has an extensive track record of working closely with organizations in the high-tech, government, finance, and manufacturing sectors. The Group provides a range of services that adhere to global benchmarks and meet the needs of large organizations. These services include creating software information system infrastructure, developing custom software and project strategies, creating applications with added value, and providing recommendations for system maintenance and backup contingencies. Generative AI, Copilot applications, cloud applications and managed services, and data governance and optimization are among the AI-driven products and services that we integrate. These initiatives accelerate the adoption of digital and cloud technologies by enterprise users, thereby bolstering their operational resilience in the midst of uncertainty. The Company is under the ultimate parent company, ACER INCORPORATED.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on March 12, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the International Financial Reporting Standards (“IFRS”) endorsed by the Financial Supervisory Commission (hereinafter referred to as the "FSC") which have already been adopted.

The Group began to apply the following newly amended IFRSs on January 1, 2023, and there was no significant impact on the consolidated financial statements.

Amendments to IAS 1 "Disclosure of Accounting Policies"
Amendments to IAS 8 "Definition of Accounting Estimates"
Amendments to IAS 12 "Deferred Income Tax Relating to Assets and Liabilities arising from a Single Transaction"

The Group began to apply the following newly amended IFRSs on May 23, 2023, and there was no significant impact on the consolidated financial statements.

Amendments to IAS 12 “International Tax Reform—-Pillar Two Model Rules”

(II) The impacts of IFRS endorsed by the FSC but not yet effective

The Group has assessed that the adoption of the following newly amended IFRSs effective on January 1, 2024 will not have a significant impact on the consolidated financial statements.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
Amendments to IAS 1 "Non-current Liabilities with Covenants "
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(III) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group expects the following new and amended standards that have not yet been approved by the FSC to have no significant impact on the consolidated financial statements.

Amendments to IFRS 10 and IAS 28 - "Assets Sale or Contribution between an Investor and its Affiliate or Joint Venture"

IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
·Amendment to IAS 21 "Lack of Exchangeability"

IV. Summary of material accounting policies

(I) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the " Regulations") and the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (collectively referred to as "Taiwan-IFRSs").

(II) Basis of consolidation

1. Principles of preparation of consolidated financial statements

The accompanying consolidated financial statements incorporate the financial statements of the Company and its controlled entities (the subsidiaries) in which the Company is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition of control over the subsidiaries until the date of loss of control. All intra-company transactions, balances and unrealized gains and losses on consolidated financial statements have been eliminated when preparing the consolidated financial statements. The total comprehensive income of the subsidiaries is attributed to the shareholders of the Company and the non-controlling interests, even if the non-controlling interests become a deficit balance.

When necessary, financial statements of subsidiaries are adjusted to align with the accounting policies with those adopted by the Company. Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with the shareholders of the Company.

2. Subsidiaries included in the consolidated financial statements

			Percentage of equity held		
Name of Investment Company	**Name of subsidiary**	**Nature of business**	**2023.12.31**	**2022.12.31**	**Description**
The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd (EBSH)	Sales of Information Software and Information Consulting Services	100.00%	-	(Note 1)

Note 1: The Company was established in June 2023 with capital contribution.

3. Subsidiaries not included in the consolidated financial statements: none.

(III) Basis of preparation

1. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the following items:

(1)Financial assets measured at fair value through other comprehensive income;
(2)Net defined benefit liabilities measured at present value of defined benefit obligation less the fair value of plan assets.

2. Functional currency and presentation currency

Each entity of the Group uses the currency of the primary economic environment as its functional currency. The Group's financial statements are presented in New Taiwan dollars, which is the Company's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(IV) Foreign currency

1. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transaction. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that day. The non-monetary item denominated in foreign currencies measured at fair value are translated into the functional currencies using the exchange rate at the date that fair value was denominated. The non-monetary item denominated in foreign currencies measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange difference are generally recognized in the profit or loss, except for an investment in equity securities measured at fair value through other comprehensive income is recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisitions, are translated into NTD (the presentation currency used in the consolidated financial statements) using the exchange rates of the reporting date; the income and expenses of foreign operations, excluding foreign operations in hyperinflationary, are translated into the presentation currency of the Group’s consolidated financial statements using the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control or significant influence is lost, the accumulated exchange differences related to that foreign operation are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Group’ s ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

(V) Classification of current and non-current assets and liabilities

An asset is classified as current when one of the following criteria is met; all other assets are classified as non-current assets

1. Expected to be realized in the normal operating cycle, or intended to be sold or consumed;
2. Mainly held for the purpose of trading;
3. Expected to be realized within 12 months after the reporting period; or
4. Cash or cash equivalents, except for those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when one of the following criteria is met; all other liabilities are classified as non-current liabilities:

1. Expected to be settled in the normal operating cycle;
2. Mainly held for the purpose of trading;
3. Repayment due within 12 months after the reporting period; or
4. Liabilities without the right to unconditionally defer the settlement period to at least 12 months after the reporting period. Liabilities with terms chosen by the counterparty that may result in its

settlement by issue of equity instruments do not affect its classification.

(VI) Cash and cash equivalent

Cash includes cash on hand, checking deposits, demand deposits and time deposits. Cash equivalent is short-term investment with high liquidity that is readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VII) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are recognized when the Group becomes a party to the terms of a financial instrument contract. Financial assets that are not measured at fair value through profit or loss (except accounts receivable that do not contain significant financial components) or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

The financial assets of the Group are classified into the following at the initial recognition: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, or financial assets measured at fair value through gain or loss. When financial assets are purchased or sold in accordance with trading practices, the accounting treatment of the transaction date is adopted. The Group only reclassifies all affected financial assets from the first day of the next reporting period when the business model for managing financial assets is changed.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at amortized cost:

- The financial asset is held under the business model for the purpose of collecting contractual cash flow.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are measured at amortized cost using the effective interest rate method, less impairment losses. Interest revenue, foreign currency exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, the profit or loss is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income

Debt instrument investments that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at fair value through other comprehensive income:

- The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling it.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group may make an irrevocable choice at the time of initial recognition to present the subsequent fair value changes of the equity instrument investment not held for trading in other comprehensive income. The aforementioned selections are made on an instrument-by-instrument basis.

Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value, except for foreign currency exchange gains and losses of debt instrument investments, interest income and impairment loss calculated under the effective interest method, and dividend income (recovery of cost) recognized in profit or loss, and changes in the remaining carrying amount are recognized as other comprehensive income, and accumulated in equity under the unrealized gain or loss of financial assets measured at fair value through other comprehensive income. At the time of de-recognition, a debt instrument investor reclassifies the accumulated interest or loss under equity to gain or loss; an equity instrument investor reclassifies the accumulated interest or loss under equity to retained earnings. Reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Group is entitled to receive dividends (usually the ex-dividends date).

(3) Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive gains and losses are measured at fair value through gains and losses, including derivative financial assets. At the time of initial recognition, the Group may irreversibly designate financial assets that meet the conditions for measurement at amortized cost or at fair value through other comprehensive income, as financial assets measured at fair value through profit or loss. This designation is made to eliminate or significantly reduce any accounting mismatches.

The initial recognition is measured at fair value and the transaction costs are recognized as gain or loss when incurred; subsequently, measured at fair value, the gain or loss (including related dividend income and interest income) generated by re-measurement is recognized as gain or loss.

(4) Impairment of financial assets

The Group recognizes the allowance for expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, notes receivable and accounts receivable, other receivables, and refundable deposits) and contractual assets loss.

The loss allowance for accounts receivable and contractual assets is measured at the expected credit losses throughout the duration. Other financial assets are measured at the lifetime expected credit losses, except for the following financial assets, which are measured at the expected credit losses of 12 months after the reporting date:

The credit risk of bank deposits (i.e. the risk of default during the expected duration of a financial instrument) has not increased significantly since the initial recognition.

The expected credit loss during the duration refers to the expected credit loss generated by all possible defaults during the expected duration of the financial instrument; the 12-month expected credit loss refers to the expected credit loss generated by the possible default of the financial instrument within 12 months after the reporting date (or a shorter period if the expected duration of the financial instrument is less than 12 months).

The longest period of measurement of expected credit losses is the longest contract period in which the Group is exposed to credit risk.

In determining whether the credit risk has increased significantly since the initial recognition, the Group considers reasonable and provable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information and based on the Group's historical experience, credit assessment and analysis of forward-looking information.

The expected credit loss is the probability-weighted estimate of the credit loss during the expected duration of a financial instrument. Credit loss is measured at the present value of all cash shortfalls, which is the difference between the cash flow that the Group can collect in accordance with the contract and the cash flow that the Group expects to collect. Expected credit losses are discounted at the effective interest rate of financial assets.

The loss allowance of financial assets measured at amortized cost is deducted from the book value of the assets. The amount of accrual or reversal of allowance for loss is recognized in profit or loss.

When the Group cannot reasonably expect the recovery of financial assets in whole or in part, it will reduce the total book value of its financial assets directly. The Group analyzes the timing and amount of write-off separately based on whether the recovery is reasonably expected. The Group expects that the written-off amount will not reverse significantly. However, the written-off financial assets can still be enforced compulsorily to meet the procedures for the Group to recover the overdue amount. Based on the experience of the Group, the overdue amount cannot be collected after 180 days.

(5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets; in these cases, the transferred assets are not de-recognized.

2. Financial liabilities and equity instruments

(1)Classification of liabilities or equities

The Group's debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

(2)Equity transactions

Equity instrument refers to any contract that represents the residual equity of the Group after deducting all liabilities from assets. The equity instruments issued by the Group are recognized at the acquisition price net of the direct issue cost.

(3)Financial liabilities

The Group's financial liabilities are classified as financial liabilities measured at amortized cost on initial recognition, and subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gains and losses are recognized in profit or loss. Any profit or loss is recognized in profit or loss at the time of derecognition.

(4)Derecognition of financial liabilities

The Group de-recognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired. When the terms of a financial liability are amended and there is a significant difference in the cash flow of the liability after the amendment, the original financial liability is derecognized, and a new financial liability at the fair value based on the amended terms is recognized. When derecognizing financial liabilities, the difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5)Offsetting of financial assets and liabilities

Financial assets and financial liabilities are presented on a net basis only when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(VIII) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(IX) Investment in associates

Affiliated enterprises are those over which the Group has significant influence on their financial and operating policies, but does not control or jointly control.

The Group's investment in associates is accounted for using the equity method. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The book value of an investment in an affiliate includes the goodwill identified at the time of the initial investment, less any accumulated impairment loss.

From the date of significant influence to the date of loss of significant influence, the Group recognizes the profit or loss and other comprehensive income of each affiliated enterprise in proportion to its equity. When there is a change in equity other than profit and loss and other comprehensive income in an affiliated enterprise that does not affect the Group's shareholding ratio, the Group shall recognize all the changes in equity as capital reserve in proportion to the shareholding ratio.

The unrealized gains arising from the transactions between the Group and its affiliates are eliminated in accordance with the Group's equity in the invested company. Unrealized loss is eliminated in the same manner as unrealized gain, but only to the extent that there is no evidence of impairment.

The financial statements of affiliated companies have been appropriately adjusted to bring their accounting policies into line with the Group's accounting policies.

When the Group's share of losses from an affiliate to be recognized on a pro rata basis equals or exceeds its equity in the affiliate, the Company stops recognizing its losses. The Group only recognizes its losses when a legal obligation, constructive obligation, or payment on behalf of the investee is made. additional loss and related liabilities are recognized.

When the affiliated enterprise issues new shares, if the Group fails to subscribe in proportion to their shareholding, resulting in a change in the shareholding ratio and thus causing an increase or decrease in the net equity value of the investment, the increase or decrease is to adjust the capital reserve and the investment under the equity method; If the adjustment is written against capital reserve, but the balance of capital reserve arising from investments under the equity method is insufficient, the difference is debited to retained earnings. However, if the Group fails to subscribe in proportion to its shareholding, resulting in a decrease in its ownership interest in an affiliated enterprise, the amount related to the affiliated enterprise previously recognized in other comprehensive income is reclassified proportionally to the decrease, and its accounting treatment The basis is the same as that which the affiliated enterprise must observe if it directly disposes the relevant assets or liabilities.

(X) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

The gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated at the cost of the asset less residual value and recognized in profit or loss using the straight-line method over the estimated useful life of each component. The estimated durability for the current and comparative periods is: transportation equipment, 6 years;

office equipment, 1 to 4 years; other equipment, 1 to 5 years.

The depreciation method, useful life and residual value are reviewed at each reporting date, and the effect of any estimate change will be deferred.

(XI) Lease (lessee)

The Group assesses whether the contract is or contains a lease on the date of establishment of the contract. If the contract transfers control over the use of identified assets for a period of time in exchange for consideration, the contract is or contains a lease.

The Group recognizes right-of-use assets and lease liabilities on the lease commencement date. Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities, adjusted for any lease payments paid on or before the lease commencement date and added up the initial direct cost and the estimated cost of dismantling, removing the underlying asset and restoring the location or underlying asset, while deducting any lease incentives received.

The subsequent right-of-use assets are depreciated using the straight-line method from the lease start date to the end of their useful lives or the expiration of the lease term, whichever is earlier. In addition, the Group regularly assesses whether or not the right-of-use assets are impaired and settles any impairment losses that have occurred, and adjusts the right-of-use assets if the lease liabilities are remeasured.

Lease liabilities are initially measured at the present value of the unpaid lease payments on the lease starting date. If the interest rate implicit in the lease is easy to determine, the discount rate is the interest rate; if it is not easy to determine, the Group's incremental borrowing rate is used. Generally, the Group uses its incremental borrowing interest rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

1. Fixed payments, including substantive fixed payments;
2. For the variable lease payment depending on a certain index or rate, the index or the rate on the lease commencement date is used as the initial measurement;
3. The residual guarantee amount expected to be paid; and
4. The exercise price or penalty when the purchase option or lease termination option is reasonably determined to be exercised.

Subsequent interest on lease liabilities is accrued using the effective interest method, and the amount is re-measured when:

1. Changes in the index or rate used to determine lease payments result in changes in future lease payments;
2. There is a change in the residual guarantee amount expected to be paid;
3. There is a change in the evaluation of the underlying asset purchase option;
4. There is a change in the estimate of whether to extend or terminate the option, and the evaluation on the lease period is changed;
5. There is any lease modifications in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Group presents the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the consolidated balance sheet.

If the agreement includes lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Group has elected not to separate non-lease components and account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense. on the straight-line basis over the lease term.

The Group has adopted the practical expediency for rent reductions that meet all of the following conditions without assessing whether they are lease modifications:

1. Rent reduction as a direct result of the COVID-19 pandemic;
2. The consideration for the lease modification is almost the same as or smaller than the consideration for the lease before the change as a result of the change in lease payment;
3. Any reduction in lease payments only affects the payments originally due before June 30, 2022; and
4. There is no substantive change in other terms and conditions of the lease.

Under the practical expediency, when rent reduction results in changes in lease payments, the change is recognized in profit or loss when the event or circumstance activating the rent reduction occurs.

(XII) Intangible assets

The purchased software system acquired by the Group is measured at cost less accumulated amortization and accumulated impairment. The amortization amount is accrued using the straight-line method over its useful life (1 to 3 years), and the amortization amount is recognized in profit or loss.

The Group reviews the residual value, useful years and amortization method of intangible assets on each reporting date, and makes appropriate adjustments if necessary.

(XIII) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories, contract assets, and deferred tax assets) may be impaired. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, the group of assets whose cash inflow is mostly independent of other individual assets or asset group is recognized as the smallest identifiable asset group. The goodwill acquired in a business merger is amortized to each cash-generating unit or cash-generating unit group that is expected to benefit from the synergy of the merger.

The recoverable amount is the fair value of an individual asset or cash-generating unit less the cost of disposal and its value in use, whichever is higher. In assessing value in use, the estimated future cash flows are converted to the present value using a discount rate that reflects the current market's assessment of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the book value, it is recognized as impairment loss. The impairment loss is immediately recognized in profit or loss, and the book value of the amortized goodwill of the cash-generating unit is reduced first, and then the book value of each asset is reduced in proportion to the book value of other assets in the unit.

The impairment loss of goodwill shall not be reversed. The non-financial assets other than goodwill are only reversed within the book value (less depreciation or amortization) of the asset if no impairment loss was recognized in previous years.

(XIV) Revenue from customer contracts

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1. Sale of products

The Group recognizes the revenue when the control of the product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer can fully determine the right to use the product, the risk of obsolescence and loss of the product has been transferred to the customer and there is no outstanding obligation that will affect the customer's acceptance of the product. The Group recognizes revenue and accounts receivable at that time. The advance payment according to the sales contract is recognized as a contract liability before the product is delivered.

2. Revenue from service rendered

The Group provides project system implementation or integration services to enterprise customers. Revenue from providing services is recognized in the accounting periods in which the services are rendered. For performance obligations that are satisfied over time, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the portion of the work performed, the time passed by, or the milestone reached.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the accumulated revenue recognized by the Group exceeds the payments, a contract asset is recognized. If the payments exceed the accumulated revenue recognized, a contract liability is recognized.

3. Financial components

The Group expects all customers to transfer goods or services to the customers and the time interval between the time when the customer pays for the goods or services is no more than one year. Therefore, the Group does not adjust the time value of money of the transaction price.

(XV) Employee benefits

1. Definite contribution plan

The appropriation obligation of the defined contribution plan is expensed during the year in which employees render services

2. Defined benefit plan

The net obligation under the defined benefit pension plan is the discount value of the future benefit amount earned by the employees in the current period or in the past less the fair value of any plan assets for each benefit plan. The discount rate is based on the market yield rate of government bonds with the maturity date close to the net obligation maturity of the Group and denominated in the same currency as the expected benefit payment. The net obligation of the defined benefit plan is calculated annually by a qualified actuary using the projected unit benefit method.

When the benefits under the plan are improved, the related expenses are recognized in profit or loss immediately due to the employees' past services.

The re-measurement of net defined benefit liabilities (assets) includes (1) actuarial gains and losses; (2) the return on plan assets, but does not include the amount of net interest included in net defined benefit liabilities (assets); and (3) the impact of asset ceilings, but does not include the amount of net interest on net defined benefit liabilities (assets). The re-measurement of net defined benefit liabilities (assets) is recognized in other comprehensive income and transferred to other equity in the current period.

When curtailment or settlement occurs, the Group should recognize the curtailment or settlement gain or loss of the defined benefit plan. Curtailment or settlement gains and losses include any changes in the fair value of any plan assets and changes in the present value of defined benefit obligations.

3. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses when the related services are rendered. For the short-term cash bonus or the amount expected to be paid under the bonus plan, if the Group has a present legal or constructive obligation to pay for the services rendered by employees in the past and such obligation can be estimated reliably, the amount is recognized as a liability.

(XVI) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, and the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(XVII) Income tax

Income tax includes current income tax and deferred income tax. Except for those related to business combination and recognized directly in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

The Group determines that the supplementary tax payable under the global minimum tax - Pillar 2 falls within the scope of IAS 12 "Income Tax" and the temporary mandatory exemption of the accounting treatment of deferred income tax related to the supplementary tax has been applied. The actually incurred supplementary tax is recognized as current income tax.

The current income tax includes the expected income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustment to the income tax payable or tax refund receivable from prior years. The amount reflects the uncertainty (if any) related to income tax, and is the best estimate of the expected payment or receipt at the statutory tax rate or tax rate substantially enacted on the reporting date.

Deferred income tax is measured and recognized on the temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. Assets or liabilities that are initially recognized in a transaction not attributable to a business merger, and which do not affect accounting profits and taxable income (losses) at the time of the transaction.
2. For the temporary differences arising from investments in subsidiaries, affiliates and joint ventures, for which the Group can control the time point of the temporary difference reversal and is very likely not to be reversed in the foreseeable future; and
3. The taxable temporary difference arising from the initial recognition of goodwill.

Unused tax losses and unused tax credits carried forward and deductible temporary differences are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available for use, and shall reevaluate it on each reporting date, and adjust the relevant income tax benefits to the extent that it is not very likely to be realized; or to reverse the amount of reduction in the range that it is very likely that there will be sufficient taxable income.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to be reversed, using the statutory tax rate or substantive tax rate on the reporting date and has reflected income tax-related uncertainty (if any).

The Group will offset the deferred income tax assets and liabilities when all of the following conditions are met:

1. Has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities levied by the same taxation authority:
   (1) the same taxable entity; or
   (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XVIII) Earnings per share

The basic and diluted EPS attributable to stockholders of the Parent are disclosed in the consolidated financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Parent by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Parent and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Group's dilutive potential common shares include profit sharing for employees to be settled in the form of common stock.

(XIV) Operating segments

Operating segments are the constituent units of the Group that are engaged in business activities that may earn revenues and incur expenses (including revenues and expenses related to transactions between other units within the Company). The operating results of each operating department are regularly reviewed by the Company's chief operating decision-maker, in order to make decisions on the allocation of resources to the department and to evaluate its performance. Each operating segment has its own financial information.

V. Critical accounting judgments and key sources of estimation and assumption uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and Taiwan IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

Revenue recognition:

Revenue from sale of goods and services are recognized when the control of the goods or services is transferred to the customer to satisfy the performance obligation, and the conditions are as described in Note 4(14).

Information about assumptions and estimation uncertainties that there is no significant risk that would cause a significant adjustment to the book value of assets and liabilities within the next financial year .

VI. Significant accounting disclosures

(I) Cash and cash equivalent

		2023.12.31	2022.12.31
Demand deposits and checking deposits	$	1,856,948	1,249,258
Time deposits with original maturity date of less than		900,000	1,150,000

		2023.12.31	2022.12.31
three months	$	2,756,948	2,399,258

On December 31, 2023 and 2022, time deposits with original maturities over three months were NTD 0 and NTD 200,000 thousand, respectively, and were reported under other financial assets - current.

(II) Financial liabilities measured at fair value through profit or loss - non-current

		2023.12.31	2022.12.31
Equity instruments measured at fair value through other comprehensive income:			
Listed (OTC) company stocks	$	19,081	23,909
Unlisted (OTC) company stock		1,019	983
	$	20,100	24,892

The above equity instrument investments held by the Group are not held for trading purposes and have been designated as financial assets at fair value through other comprehensive income.

(III) Notes and accounts receivable - measured at amortized cost

		2023.12.31	2022.12.31
Notes receivable	$	9,916	17,505
Accounts receivable		2,160,313	1,927,924
Less: Loss allowance		(10,561)	(7,678)
		2,159,668	1,937,751
Accounts receivable - related parties		43,302	47,614
	$	2,202,970	1,985,365

In addition to estimating 100% credit loss for individual accounts receivable with possible default, the Group estimates the expected credit loss of all notes and accounts receivable in a simplified manner, that is, using the expected credit loss throughout the duration. Forward-looking information has been included. The expected credit loss of the Group's notes and accounts receivable is analyzed as follows:

	2023.12.31			
		Gross carrying amount	Weighted average loss rate	Loss allowance
Current	$	1,952,833	0.06%	1,094
Past due 1 to 30 days		107,011	0.46%	497
Past due 31 to 60 days		75,283	2.18%	1,642
Past due 61 to 90 days		10,085	5.05%	509
Past due for 91 to 180 days		20,073	15.26%	3,063
Past due for more than 181 days		4,944	75.97%	3,756
		2,170,229		10,561
Individual assessor		-	100.00%	-
	$	2,170,229		10,561

	2022.12.31		
	Gross carrying amount	Weighted average loss	Loss allowance

			rate	
Current	$	1,758,495	0.05%	817
Past due 1 to 30 days		93,885	0.37%	349
Past due 31 to 60 days		25,967	1.98%	515
Past due 61 to 90 days		31,300	4.53%	1,417
Past due for 91 to 180 days		34,144	8.62%	2,942
Past due for more than 181 days		1,638	100.00%	1,638
		1,945,429		7,678
Individual assessor		-	100.00%	-
	$	**1,945,429**		**7,678**

The Group's trade receivables from related parties in the December 31, 2023 and 2022 had no expected credit loss and is analyzed as follows:

		2023.12.31	2022.12.31
Current	$	27,317	36,594
Past due 1 to 30 days		15,960	11,020
Past due 31 to 60 days		25	-
	$	**43,302**	**47,614**

Movements of the allowance for notes and accounts receivable were as follows:

		2023	2022
Opening balance	$	7,678	3,622
Recognized impairment loss		2,883	4,056
Closing balance	**$**	**10,561**	**7,678**

(IV) Inventory

		2023.12.31	2022.12.31
Merchandise inventory	**$**	**294,749**	**438,805**

The inventory related expenses recognized in the current period recognized in the cost of goods sold are as follows:

		2023	2022
Cost of sold inventories	$	6,252,111	5,940,114
Inventory valuation losses		(1,613)	3,530
	$	**6,250,498**	**5,943,644**

The inventory valuation losses are recognized as inventory write-downs to net realizable value at the end of the period.

The gain on reversal of inventory valuation losses was due to the fact that the inventories for which an allowance for valuation losses had been provided at the beginning of the period was sold, resulting in a decrease in the amount of allowance for valuation losses recognized to be recognized.

(V) Investment under equity method

On October 20, 2022, for NTD10,125 thousand, the Group acquired 20% of Asset Storage Co., Ltd., a company over which the consolidated company has substantial authority. The following is a summary of the financial information pertaining to the amount included in the consolidated financial statements of the Group:

		2023.12.31	2022.12.31
Book value of equity in affiliated companies at the ending	$	9,738	10,785

		2023	2022
Attributable to the Group:			
Net loss for the period	$	843	660
Other comprehensive income		-	-
Total comprehensive income/loss	$	843	660

(VI) Property, plant and equipment

The details of changes in the cost and accumulated depreciation of the Group's property, plant and equipment are as follows:

		Transportation equipment	Office equipment	Other equipment	Total
Cost:					
Balance on January 1, 2023	$	1,694	8,595	4,983	15,272
Additions		-	4,473	-	4,473
Disposals		(1,036)	(795)	-	(1,831)
Balance as of December 31, 2023	$	658	12,273	4,983	17,914
Balance as of January 1, 2022	$	1,694	8,384	4,983	15,061
Additions		-	211	-	211
Balance as of December 31, 2022	$	1,694	8,595	4,983	15,272
Accumulated depreciation:					
Balance on January 1, 2023	$	1,547	8,305	3,883	13,735
Current depreciation		110	761	758	1,629
Disposals		(1,036)	(795)	-	(1,831)
Balance as of December 31, 2023	$	621	8,271	4,641	13,533
Balance as of January 1, 2022	$	1,438	7,604	2,500	11,542
Current depreciation		109	701	1,383	2,193
Balance as of December 31, 2022	$	1,547	8,305	3,883	13,735
Carrying amounts:					
December 31, 2023	$	37	4,002	342	4,381
December 31, 2022	$	147	290	1,100	1,537

(VII) Right-of-use assets

		Buildings and structures
Cost of right-of-use assets:		
Balance as of January 1, 2023 (i.e. balance at December 31, 2023)	$	47,991
Balance as of January 1, 2022	$	36,121
Additions		28,294
Decrease		(16,424)
Balance as of December 31, 2022	$	47,991
Accumulated depreciation of right-of-use assets:		
Balance on January 1, 2023	$	29,146

Depreciation		18,782
Balance as of December 31, 2023	**$**	**47,928**
Balance as of January 1, 2022	$	23,744
Depreciation		21,826
Decrease		(16,424)
Balance as of December 31, 2022	**$**	**29,146**
Carrying amounts:		
December 31, 2023	**$**	**63**
December 31, 2022	**$**	**18,845**

(VIII) Intangible assets

Changes in the cost and accumulated amortization of the Group's intangible assets are as follows:

		Computer software
Cost:		
Balance on January 1, 2023	$	22,243
Additions		4,673
Written off		(2,603)
Balance as of December 31, 2023	**$**	**24,313**
Balance as of January 1, 2022	$	16,855
Additions		5,388
Balance as of December 31, 2022	**$**	**22,243**
Accumulated amortization:		
Balance on January 1, 2023	$	18,546
Amortization		5,837
Written off		(2,603)
Balance as of December 31, 2023	**$**	**21,780**
Balance as of January 1, 2022	$	10,950
Amortization		7,596
Balance as of December 31, 2022	**$**	**18,546**
Carrying amounts:		
December 31, 2023	**$**	**2,533**
December 31, 2022	**$**	**3,697**

The amortization expense of intangible assets is presented in the following items in the statement of comprehensive income:

	2023	**2022**
Operating cost	$ 33	80
Operating expenses	5,804	7,516
	$ 5,837	**7,596**

(IX) Lease liabilities

1. The carrying amount of the Group's lease liabilities were as follows:

	2023.12.31	**2022.12.31**
Current	**$ 63**	**$ 18,869**
Non-current	**$ -**	**$ 132**

Please refer to Note 6(19) Financial Risk Management for maturity analysis.

2. The amounts recognized in profit and loss are as follows:

		2023	2022
Interest on lease liabilities	**$**	**70**	**132**
Expenses relating to leases of low-value assets	**$**	**896**	**418**
Expenses relating to short-term leases	**$**	**3,468**	**-**
COVID-19 related rent reduction (recognized as other income)	**$**	**-**	**3,136**

3. The amounts recognized in the statement of cash flows for the Group were as follows:

		2023	2022
Total cash outflow for leases	**$**	**23,372**	**19,002**

4. Important lease terms:

The Group leases buildings and structures for a period of 1 to 5 years. In addition, the Group leased some of the offices with a lease term of less than one year, and the leases were short-term leases; in addition, some of the offices and miscellaneous equipment rented were in line with low-value leases; therefore, these leases were exempted from recognition Its related right-of-use assets and lease liabilities.

(X) Employee benefits

1. Defined benefit plan

		2023.12.31	2022.12.31
Present value of defined benefit obligation	$	138,768	142,275
Fair value of plan assets		(34)	(18)
Net defined benefit liability	**$**	**138,734**	**142,257**

The retirement payment of each employee under the Labor Standards Act is calculated based on the bases earned for the years of service and the average salary six months prior to retirement.

(1) Changes in the present value of definite benefit obligations

		2023	2022
Defined benefit obligation as of January 1	$	142,275	160,448
Current service cost		627	579
Interest cost		2,463	1,001
re-measurement of net defined benefit liabilities			
- Actuarial gains and losses due to changes in financial assumptions		1,833	(19,547)
- Actuarial gains and losses due to experience adjustments		2,874	(4,706)
Effect of employee transfer		-	4,500
Benefits paid by the Company		(11,304)	-
Defined benefit obligation as of December 31	**$**	**138,768**	**142,275**

(2) Changes in the fair value of plan assets

Changes in the fair value of the Group's defined benefit plan assets are as follows:

		2023	2022
Fair value of the plan assets on January 1	$	18	-

re-measurement of net defined benefit liabilities			
- Return on plan assets (excluding interest for the current period)		1	-
Employer's contribution		15	18
Fair value of the plan assets on December 31	**$**	**34**	**18**

(3) Expenses recognized as loss (gain)

		2023	**2022**
Current service cost	$	627	579
Net interest of net defined benefit liability		2,463	1,001
	$	**3,090**	**1,580**

(4) Actuarial assumptions

The significant actuarial assumptions used by the Group to determine the present value of the defined benefit obligation at the end of the financial reporting date are as follows:

	2023.12.31	**2022.12.31**
Discount rate	1.750%	1.750%
Future salary growth	4.000%	4.000%

The Group expects to pay NTD18 thousand to the defined benefit plan within one year after December 31, 2023. The weighted average duration of the defined benefit plan is 12.16 years.

(5) Sensitivity analysis

The impact of changes in the main actuarial assumptions adopted on the present value of defined benefit obligation is as follows:

	Effect on defined benefit obligations	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2023		
Discount rate	(3,640)	3,752
Future salary	3,595	(3,505)
December 31, 2022		
Discount rate	(3,944)	4,076
Future salary	3,903	(3,792)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet. The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

2. Definite contribution plan

The Group's defined contribution plan complies with the Labor Pension Act. Under the plan, the Group has a contribution rate of 6% of the monthly salaries paid to the labor pension individual pension accounts of the Bureau of Labor Insurance. A fixed amount is appropriated as required, i.e. there is no legal or constructive obligation to make additional payments.

The Group's pension expense under the 2023 and 2022 defined contribution plan amounted to NTD15,435 thousand and NTD14,605 thousand, respectively.

(XI) Income tax

1. The details of income tax expenses of the Group are as follows:

	2023	2022
Occurred in the current period	$ 132,442	113,045
Adjustment of the current income tax of the previous period	(1,173)	81
	131,269	113,126
Deferred income tax gains		
Occurrence and reversal of temporary difference	(587)	(2,472)
Current income tax expense	**$ 130,682**	**110,654**

The breakdown of income tax benefits (expenses) recognized in other comprehensive income is as follows:

	2023	2022
Re-measurement of defined benefit plan	**$ 941**	**(4,850)**

The Group had no income tax expense recognized in equity in 2023 and 2022.

2. The relationship between income tax expenses and net income before tax is adjusted as follows:

	2023	2022
Net income before tax	**$ 632,010**	**547,425**
Income tax calculated based on the local tax rate of the Company	$ 126,402	109,485
Imposition of 5% tax on undistributed earnings	4,860	1,467
Previous period income tax adjustment	(1,173)	81
Others	593	(379)
	$ 130,682	**110,654**

3. Deferred income tax assets and liabilities

Recognized deferred income tax assets:

	Allowance for inventories Loss on valuation fall	Definite benefit liabilities	Unpaid payable vacation bonus	Others	Total
January 1, 2023	$ 1,749	28,808	3,781	6,636	40,974
Recognized in (losses) profit	(328)	(749)	94	1,570	587
Recognized in other comprehensive income (loss)	-	941	-	-	941
December 31, 2023	**$ 1,421**	**29,000**	**3,875**	**8,206**	**42,502**
January 1, 2022	$ 1,043	32,976	3,550	5,783	43,352
Recognized in (losses) profit	706	682	231	853	2,472
Recognized in other comprehensive income (loss)	-	(4,850)	-	-	(4,850)
December 31, 2022	**$ 1,749**	**28,808**	**3,781**	**6,636**	**40,974**

4. Status of income tax assessments

The income tax returns of the Company's profit-seeking business have been audited and approved by the tax authorities up to 2021.

(XII) Capital and other equity

1. Common stock capital

The Company's authorized capital amounted to NTD600,000 thousand at NTD10 par value per share on December 31, 2023 and 2022. The Company had 41,449 thousand shares issued, all of which were common shares.

The adjustment table for the outstanding common shares of the Company is as follows (expressed in thousand shares):

	2023	2022
Opening balance	41,449	36,449
Capital increase in cash	-	5,000
Closing balance	**41,449**	**41,449**

On June 10, 2022, the Company's board of directors resolved to conduct a cash capital increase by issuing new shares as part of the initial public offering on the over-the-counter market. 5,000 thousand ordinary shares were issued, which included 3,400 thousand shares through competitive auction, 850 thousand shares through public subscription, and 750 thousand shares for employee subscription. The weighted average price of the shares sold through the competitive auction was NTD136.38 per share, while the price for shares available through public subscription and employee subscription was set at NTD110 per share. The base date for the capital increase was August 5, 2022. The aforementioned employee subscription of 750 thousand shares, which represents 15% of the reserved shares for the capital increase as stipulated in the Company's Articles of Association, was offered for subscription by the company's employees. In cases where employees waive their right to subscribe or if there is an undersubscription, the chairman is authorized to negotiate subscriptions with specific individuals to cover the remaining shares.

2. Capital reserve

The balance of the Company's capital reserves is as follows:

		2023.12.31	2022.12.31
Issued stock premium	$	621,725	621,725
Employee share warrants		6,373	6,373
	$	**628,098**	**628,098**

Pursuant to the Company Act, capital reserves shall be first used to make up for losses before issuing new shares or cash based on realized capital reserve based on the original shareholding ratio. The realized capital reserve mentioned in the preceding paragraph includes the premium of shares issued in excess of the par value and the income from gifts received. According to the Regulations Governing the Offering and Issuance of Securities by Issuers, the total amount of capital reserve for capitalization each year shall not exceed 10% of the paid-in capital.

3. Retained earnings and dividend policy

(1)Earnings distribution

Pursuant to the Company's Articles of Incorporation, if there is a profit in the final accounting, the tax should be paid first, the past losses should be covered, and then 10% of the legal reserve should be appropriated. However, when the legal reserve amounts to the total paid-in capital, no this limit. For the appropriation or reversal of the special reserve in accordance with the laws or regulations or the requirements of the competent authority, the remaining retained earnings together with the undistributed earnings of the previous year may be submitted to the shareholders' meeting for a resolution on the distribution of an earnings appropriation.

(2)Legal reserve

Pursuant to the Company Act, when the Company has no losses, the Company may, upon resolution of the shareholders' meeting, distribute new shares or cash out of the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

(3)Special reserves

According to the regulations of the FSC, when the Company distributes the earnings available for distribution, for the net amount debited to other shareholders' equity in the current year, the net profit after tax of the current period plus the item other than the net profit of the current period is included in the undistributed earnings of the current period and the prior undistributed earnings are made into special reserve; if the other shareholders' equity deduction amount is accumulated in the prior period, the same amount of special reserve shall be appropriated from the prior undistributed earnings and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(4)Dividend policy

The Company's dividend policy is based on the current and future development plans, the investment environment, capital needs, domestic and international competition, and the interests of shareholders. Each year, no less than 10% of the distributable earnings is appropriated. Shareholders' bonus may be distributed in the form of shares or cash. In order to achieve a balanced and stable dividend policy, the cash dividends of the Company when dividends are distributed shall not be less than 10% of the total dividends, except for the resolution of the board of directors not to distribute the dividends and the approval of the shareholders' meeting.

When the Company has no earnings, it shall not distribute dividends and bonuses. However, based on the Company's financial, business, and operational considerations, all or part of the legal reserve and capital reserve may be distributed according to laws or regulations or as required by the competent authorities.

The Company's shareholders' meetings held on June 9, 2023 and June 14, 2022 respectively resolved the amount of dividends to be distributed from the earnings for 2022 and 2021 as follows:

	2022		**2021**	
	Dividends per share (NTD)	**Amount**	**Dividends per share (NTD)**	**Amount**
Dividends distributed to common stock shareholders:				
Cash	$ 7.50	310,868	5.50	200,469

On March 12, 2024, the Company's board of directors proposed a profit distribution plan for 2023. The plan includes setting aside NTD50,133 thousand for the legal reserve and NTD8,528 thousand for the special reserve. Additionally, a cash dividend of NTD8.5 per share is proposed, totaling NTD352,316 thousand.

4. Other equity (net amount after tax)

	Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	**Exchange differences on translation of financial statements of foreign operations**	**Re-measurement of defined benefit plan**	**Total**
Balance on January 1, 2023	$ (6,878)	-	(30,989)	(37,867)
Changes in fair value of financial assets measured at	(4,792)	-	-	(4,792)

fair value through other comprehensive income					
Exchange differences on translation of foreign operations		-	29	-	29
Re-measurement of defined benefit plan		-	-	(3,765)	(3,765)
Balance as of December 31, 2023	**$**	**(11,670)**	**29**	**(34,754)**	**(46,395)**
Balance as of January 1, 2022	$	(2,454)	-	(50,392)	(52,846)
Changes in fair value of financial assets measured at fair value through other comprehensive income		(4,424)	-	-	(4,424)
Re-measurement of defined benefit plan		-	-	19,403	19,403
Balance as of December 31, 2022	**$**	**(6,878)**	**-**	**(30,989)**	**(37,867)**

(XIII) Share-based payment

The Group's equity-settled share-based payment transactions are as follows:

1. The Group's cash capital increase is reserved for employee stock subscription:

The Company's board of directors resolved to issue capital stock on June 10, 2022, of which 750 thousand shares were reserved for employees to subscribe for. The Company used the Black-Scholes valuation model to estimate the fair value of the employee stock warrants on the grant date. The input value of the mode is as follows:

	2022 Cash capital increase reserved for employee share subscription
Fair value of underlying shares on grant date (NTD per share)	120.13
Exercise price (NTD per share)	110
Expected volatility (%)	24.17%
Duration of option (days)	1
Risk-free interest rate (%)	0.65%

The expected volatility is based on the duration of the option, and the average stock price volatility of the comparable companies in the history is calculated; the duration is in accordance with the Regulations Governing the Issuance of the Option; the risk-free interest rate is based on the government bond yield. The fair value is determined without considering the service and non-market performance conditions included in the transaction.

2. The remuneration cost recognized by the Group for the above share-based payment in 2022 was NTD6,373 thousand.

(XIV) Earnings per share

1. Basic earnings per share

		2023	**2022**
Net profit attributable to the Company's common stock shareholders	**$**	**501,328**	**436,771**
Weighted average number of outstanding common		**41,449**	**38,476**

stock (shares in thousands)			
Basic earnings per share (NTD)	$	**12.10**	**11.35**

2. Diluted earnings per share

		2023	2022
Net profit attributable to the Company's common stock equity holders	$	**501,328**	**436,771**
Weighted average number of outstanding common stock (basic) (shares in thousands)		41,449	38,476
Effect of potential dilutive ordinary shares (shares in thousands):			
The effect of employees' remuneration		332	671
Weighted average number of common shares outstanding (diluted) (thousand shares)		**41,781**	**39,147**
Diluted earnings per share (NTD)	$	**12.00**	**11.16**

(XV) Revenue from customer contracts

1. Breakdown of revenue

		2023	2022
Main product/service lines:			
Cloud services and a large number of software services	$	4,706,299	4,541,887
Application development and other software services		1,790,042	1,649,589
Value-added products		1,054,405	998,047
	$	**7,550,746**	**7,189,523**

2. Contract balance

		2023.12.31	2022.12.31	2022.1.1
Notes and accounts receivable (including related parties)	$	2,213,531	1,993,043	1,835,510
Less: Loss allowance		(10,561)	(7,678)	(3,622)
	$	**2,202,970**	**1,985,365**	**1,831,888**
Contract assets	$	**94,209**	**75,916**	**61,166**
Contract liabilities	$	**1,776,517**	**1,617,561**	**1,494,574**

Please refer to Note 6(3) for the disclosure of notes and accounts receivable and the impairment thereof.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Group transfers goods or services to customers to meet performance obligations and when the customer makes payment.

(XVI) Remuneration to employees and directors

According to the Company's Articles of Incorporation, if the Company makes a profit in the year, after the amount of the profit is retained to offset the accumulated losses, no less than 2% of the balance shall be set aside as employee's remuneration, and no more than 50% of the total profit may be set aside no more than 0.8% as remuneration to directors. The employee compensation in the preceding paragraph may be paid in cash or shares, and the recipients of the remuneration include the employees of the controlling or subordinate companies who meet certain criteria.

The Company's 2023 and 2022 employees' remuneration is NTD 78,000 thousand and NTD 71,000 thousand, respectively; the estimated amount of directors' remuneration is NTD 800 thousand and NTD 700 thousand, respectively, and is based on the pre-tax The estimate is based on the amount before deducting the remuneration of employees and remuneration of directors and multiplied by the percentage of the remuneration of employees and directors proposed to be distributed by the Company, and is reported as operating expenses for each period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

There is no discrepancy between the estimated amount of the aforementioned remuneration and the amount resolved by the Company's board of directors, and all are paid in cash. Relevant information is available on the Market Observation Post System.

(XVII) Non-operating income and expenses

1. Interest revenue

	2023	2022
Interest on bank deposits	$ 24,029	6,672
Other interest income	1	1
	$ 24,030	**6,673**

2. Other gains and losses

	2023	2022
Gain on lease modification	$ -	255
COVID-19 related rent reductions	-	3,136
Net foreign exchange gains (losses)	(806)	17,860
Government grant income	647	-
Dividend income	-	1,199
Others	512	75
	$ 353	**22,525**

3. Financial costs

	2023	2022
Interest on lease liabilities	$ 70	132
Other financial expenses	-	367
Interest on lease liabilities	**$ 70**	**499**

(XVIII) Fair value of financial instruments

1. Types of financial instruments

(1) Financial assets

	2023.12.31	2022.12.31
Financial liabilities measured at fair value through profit or loss	$ 20,100	24,892
Financial assets measured at amortized cost:		
Cash and cash equivalents	2,756,948	2,399,258
Notes and accounts receivable (including related party)	2,202,970	1,985,365
Other receivables (including related parties)	748	5,792

Other financial assets - current		-	200,000
Refundable deposits		187,427	184,290
	$	**5,168,193**	**4,799,597**

(2)Financial liabilities

		2023.12.31	2022.12.31
Financial liabilities measured at amortized cost:			
Notes and accounts payable (including related parties)	$	1,191,734	1,315,607
Other payables (including related parties)		442,720	429,829
Lease liabilities (including current and non-current)		63	19,001
Guarantee deposits		2,846	2,476
	$	**1,637,363**	**1,766,913**

2. Fair value information

(1)Financial instruments not measured at fair value

The management of the Group believes that the carrying amount of the financial assets and financial liabilities measured at amortized cost in the financial report approximates their fair value.

(2)Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis. The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

A. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

B. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

C. Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	2023.12.31				
	Fair value				
		Level 1	Level 2	Class III	Total
Financial liabilities measured at fair value through profit or loss:					
Stocks of domestic (OTC) companies	$	19,081	-	-	19,081
Unlisted (OTC) company stock		-	-	1,019	1,019
	$	**19,081**	**-**	**1,019**	**20,100**

	2022.12.31				
	Fair value				
		Level 1	Level 2	Class III	Total
Financial liabilities measured at fair value through profit or loss:					
Stocks of domestic (OTC) companies	$	23,909	-	-	23,909
Unlisted (OTC) company stock		-	-	983	983
	$	**23,909**	**-**	**983**	**24,892**

There were no transfers among fair value hierarchies for the years ended December 31, 2023 and 2022.

(3)Movement in financial assets included in Level 3 fair value hierarchy:

	Financial liabilities measured at fair value through profit or loss

		2023	2022
Opening balance	$	983	778
Total loss of profit:			
Recognized in other comprehensive income		36	205
Closing balance	**$**	**1,019**	**983**

The total profit or loss referred to above is reported in "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income". The assets still held as of December 31, 2023 and 2022 are as follows:

		2023	2022
Total profit or loss			
Recognized in other comprehensive income (series reported under "Unrealized gain or loss on financial assets measured at fair value through other comprehensive income")	**$**	**36**	**205**

(4)Valuation techniques and inputs applied to financial instruments measured at fair value

A. For financial assets with standard terms and conditions that are traded in active markets, the fair value is determined by reference to market quotes, such as stocks of TWSE/TPEX listed companies.

B. The fair value of the stocks of Level 3 unlisted companies is estimated by the market method, and the determination is based on recent fund-raising activities, the evaluation of companies of the same type, market conditions and other economic indicators. In addition, the significant unobservable input is mainly the liquidity discount. However, as the possible change of the liquidity discount will not result in significant potential financial impact, it is not intended to disclose its quantitative information.

(XIX) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk (including exchange rate risk and other price risk) due to its business activities. The Group's risk exposure information, the Group's policies and procedures for measuring and managing these risks, and the quantitative disclosure are disclosed in this note.

1. Credit risk

(1)Amount of maximum credit risk exposure

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s cash and cash equivalents, derivative instruments, receivables from customers, other receivables and time deposit. The maximum exposure to credit risk is equal to the carrying amount of the Group’s financial assets.

(2)Concentration of credit risk

The Group's cash is deposited in different financial institutions, and the credit risk exposed to each financial institution is controlled. As of December 31, 2023 and 2022, 29% and 27% of the balance of accounts receivable, respectively, were mainly attributed to the five companies. The Group has established a credit policy, and analyzes the credit status of each customer individually to determine the credit limit according to the policy. It also regularly evaluates customers' financial status and uses insurance to reduce credit risks.

(3)Credit risk from receivables

For credit risk exposure information on notes receivable and accounts receivable, please refer to Note 6(3). Other financial assets measured at amortized cost include other receivables and refundable deposits. The above are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured by the 12-month expected credit loss amount (for the description of how the consolidated company determines the low credit risk, please refer to Note 4(6) of the consolidated financial statements). The other receivables as of December 31, 2023 and 2022 were assessed to have no expected credit losses.

3. Liquidity risk

Liquidity risk is the risk that the Group may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The Group regularly monitors current and expected mid-term and long-term funding requirements, and manages liquidity risk by maintaining sufficient cash and cash equivalents and bank financing facilities.

The following table explains the period analysis for the Group's financial liabilities with agreed repayment periods, which are based on the earliest date on which the Group may be required to repay and it is compiled based on the undiscounted cash flows.

	Contract Cash flow	Within 1 year	1-2 years	2-5 years
December 31, 2023				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	$ 1,191,734	1,191,734	-	-
Other payables (including related parties)	442,720	442,720	-	-
Lease liabilities (including current and non-current)	63	63	-	-
Guarantee deposits	2,846	2,070	154	622
	$ 1,637,363	**1,636,587**	**154**	**622**
December 31, 2022				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	$ 1,315,607	1,315,607	-	-
Other payables (including related parties)	429,829	429,829	-	-
Lease liabilities (including current and non-current)	19,001	18,869	132	-
Guarantee deposits	2,476	1,470	230	776
	$ 1,766,913	**1,765,775**	**362**	**776**

The Group does not expect the maturity analysis of cash flows will be significantly early or the actual amount will be significantly different.

4. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates and equity instrument price changes, will affect the Group's income or the value of financial instruments. The objective of market risk management is to control market risk exposure within the tolerable range and to optimize investment returns.

Exchange rate risk

The Group is exposed to the exchange rate risk arising from the sales and purchase transactions denominated in non-functional currency.

A. Exchange rate risk exposure

The carrying amounts of the Group's monetary assets and liabilities that are not denominated in the functional currency on the reporting date are as follows:

2023.12.31			2022.12.31		
Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD

Financial assets							
Monetary items							
USD	$	4,934	30.735	151,646	4,903	30.708	150,561
Financial liabilities							
Monetary items							
USD		206	30.735	6,331	34	30.708	1,044

B. Sensitivity analysis

The Group's exchange rate risk mainly comes from the cash, cash equivalents and accounts receivable (payable) (including related parties) which are denominated in foreign currencies, with the resulting foreign currency exchange gains and losses. In 2023 and 2022, when the NTD depreciated/appreciated 1% against USD, and all other factors The pre-tax net profit for the year would have increased/decreased by NTD1,453 thousand and NTD1,495 thousand, respectively. The analysis of two terms is based on the same basis.

(XX) Capital management

Based on the characteristics of the existing industry and future development, the Group shall plan its working capital, capital expenditure, and dividend payment needs in the future in consideration of changes in the external environment, so as to ensure the continued operation of the Company, return to shareholders, and At the same time, it also takes into account the interests of other stakeholders and maintains an optimal capital structure to enhance shareholders' value in the long run.

(XXI) Investment and financing activities of non-cash transactions

1. Please refer to Note 6(7) for the right-of-use assets acquired by lease in 2023 and 2022.
2. The adjustment of liabilities from financing activities is as follows:

	2023.1.1	Cash flow	Non-cash lease liabilities movement	2023.12.31
liabilities	$ 19,001	(18,938)	-	63
Guarantee deposits	2,476	370	-	2,846
Total liabilities from financing activities	**$ 21,477**	**(18,568)**	**-**	**2,909**

	2022.1.1	Cash flow	Non-cash lease lease liabilities	2022.12.31
liabilities	$ 12,550	(18,452)	24,903	19,001
Guarantee deposits	2,432	44	-	2,476
Total liabilities from financing activities	**$ 14,982**	**(18,408)**	**24,903**	**21,477**

VII. Related party transactions

(I) Parent company and ultimate controller

The parent company of the Company is Acer BeingWare Holding Inc., which held 63.46% of the outstanding common shares of the Company as of December 31, 2023 and 2022. In addition, Acer Incorporated (AI) is the ultimate controller of the Group. AI has prepared consolidated financial statements for public use.

(II) Names of related parties and their relationships

The related parties who have transactions with the Group during the period of the consolidated financial statements are as follows:

Name of related party	Relationship with the Group
Acer Incorporated (AI)	The ultimate controller of the group to which the Company belongs
Acer BeingWare Holding Inc. (ABH)	Parent company of the Company
Datasitter Information Service Inc.	Associates (Note)
Acer (Chongqing) Ltd. (ACCQ)	Other related party (a subsidiary of AI)
Acerpure Inc. (API)	Other related party (a subsidiary of AI)
Acer Medical Inc. (AMED)	Other related party (a subsidiary of AI)
Acer Gadget Inc. (AGT)	Other related party (a subsidiary of AI)
Aopen Inc. (AOI)	Other related party (a subsidiary of AI)
Acer AI Cloud Inc. (AIC)	Other related party (a subsidiary of AI)
Acer Cyber Security Incorporated (ACSI)	Other related party (a subsidiary of AI)
Weblink International Inc. (WLII)	Other related party (a subsidiary of AI)
Acer Being Communication Inc. (ABC)	Other related party (a subsidiary of AI)
Acer ITS Inc. (ITS)	Other related party (a subsidiary of AI)
Acer Synergy Tech Corp. (AST)	Other related party (a subsidiary of AI)
Acer e-Enabling Data Center Incorporated (EDC)	Other related party (a subsidiary of AI)
Acer Third Wave Software (Beijing) Co. Ltd	Other related party (a subsidiary of AI)
Highpoint Service Network Corporation (HSNC)	Other related party (a subsidiary of AI)
Aspire Service & Development Inc. (ASDI)	Other related party (a subsidiary of AI)
Acer Gaming Inc. (AGM)	Other related party (a subsidiary of AI)
Acer Synergy Manpower Corp. (ASM)	Other related party (a subsidiary of AI)
Shine Passion Engineering Co., Ltd (SPE)	Other related party (a subsidiary of AI)
Bluechip Infotech Incorporated	Other related party (a subsidiary of AI)
Angel Filtration Products Corp.	Other related party (related to AI)
Ecom Software Inc.	Other related party (related to AI)
Ambi Arts Inc.	Other related party (the chairman of the parent company and the director of the Company are first degree relatives)

Note 1: The Group acquired 20% of the shares of DATASITTER INFORMATION SERVICE INC. on October 20, 2022 and has significant influence over the Company. Therefore, it became a related party of the Group from that date.

(III) Significant transactions with related parties:

1. Operating revenue

The Group's sales amount to related parties is as follows:

		2023	2022
The ultimate controller	$	143,197	157,280
Associates		483	-
Other related party		68,070	87,834
	$	**211,750**	**245,114**

The Group's selling prices and transaction conditions to the above-mentioned related parties are not significantly different from ordinary transactions, except that there is no ordinary transaction price for comparison due to the different specifications of some products.

2. Purchases

The Group's purchase amount from the related party is as follows:

		2023	2022
The ultimate controller	$	7,195	7,716
Associates		60,367	30,608
Other related party		348,674	264,886
	$	**416,236**	**303,210**

Except that the specifications of some products are different and there is no general transaction price to compare the purchase prices of the Group to the related parties, the rest are subject to the general purchase conditions, and there is no significant difference from the general manufacturers.

3. Operating costs and expenses

The Group's operating costs and expenses incurred as a result of the related parties providing management services, project manpower support, system maintenance and system development and design services are as follows:

Account	Category of related party		2023	2022
Operating cost	The ultimate controller	$	87	53
Operating cost	Other related party		9,736	10,763
Operating expenses	The ultimate controller		13,488	15,343
Operating expenses	Other related party		1,411	1,805
		$	**24,722**	**27,964**

4. Leases

The Group leased offices from ACER at a rent based on the rent prices in the neighborhood. The total amount of right-of-use assets and lease liabilities added in 2022 was NTD28,294 thousand. Interest expenses of NTD 60 thousand and NTD 106 thousand were recognized in 2023 and 2022, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities were NTD0 thousand and NTD 17,716 thousand.

The Group leases offices and other assets from ACER. These leases are short-term leases or low-value lease assets, and the Company chooses to waive the recognition requirements and does not recognize its related right-of-use assets and lease liabilities. The rent expense for 2023 and 2012 was NTD 3,719 thousand and NTD 327 thousand, respectively. As of December 31, 2023 and 2022, the relevant payables are listed under other payables.

5. Receivables from related parties

In summary, the Group's receivables from related parties are as follows:

Account	Category of related party		2023.12.31	2022.12.31
Accounts receivable - Related parties	The ultimate controller	$	33,355	24,289
Accounts receivable - Related parties	Associates		58	-
Accounts receivable -	Other related party		9,889	23,325

Related parties			
Contract assets	The ultimate controller	-	1,905
Contract assets	Other related party	799	1,121
		$ 44,101	**50,640**

6. Pension liabilities receivable transferred from employees

Due to the transfer of employees between affiliated enterprises, the Group continues to receive employees' prior years of service under the defined benefit plan of the original affiliated enterprise and transfers their employee pension liabilities to the Group. The amounts of pension liabilities receivable transferred from employees as of December 31, 2023 and 2022 are as follows:

Account	Category of related party	2023.12.31	2022.12.31
Other receivables - Related parties	The ultimate controller	**$ -**	**4,500**

7. Payables to related parties

In summary, the Group's payables to related parties are as follows:

Account	Category of related party	2023.12.31	2022.12.31
Accounts payable - related parties	The ultimate controller	$ 3,436	1,747
Accounts payable - related parties	Associates	21,847	32,138
Accounts payable - related parties	Other related party	92,089	69,835
Other payables - related parties	The ultimate controller	7,959	10,612
Other payables - related parties	Other related party	2	2
Lease liabilities - current	The ultimate controller	-	17,716
		$ 125,333	**132,050**

8. Contract liabilities

The Group has collected the contractual consideration from the related parties, but has not yet transferred the goods or services to the related parties. The contractual liabilities are as follows:

Account	Category of related party	2023.12.31	2022.12.31
Contract liabilities	The ultimate controller	$ 21,257	20,812
Contract liabilities	Other related party	13,356	17,056
		$ 34,613	**37,868**

9. Property transactions

The Group purchased other equipment and intangible assets from Acer and other related parties in 2023 for NTD732 thousand. As of December 31, 2023, the relevant payables were presented in other Accounts payable.

(IV) Remuneration to key management personnel

	2023	2022

Short-term employee benefits	$	28,365	27,439
Post-employment benefits		432	486
	$	**28,797**	**27,925**

VIII. Pledged assets: None.

IX. Significant contingent liabilities and unrecognized contractual commitments

In response to the Group's operational needs, the Group originally expected to rent an office building under construction from Liberty International Co., Ltd., and the leasing began after the construction of the office building. The board of directors resolved to change the original lease plan to purchase office buildings, and signed a purchase contract on January 3, 2024 for a total amount of NTD 1,805,770 thousand. The expected delivery date is 2024 Q1.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

(I) Employee benefits, depreciation and amortization expenses by function are summarized as follows:

By function / By nature	2023 Attributed to operation cost	2023 Attributed to operation expenses	2023 Total	2022 Attributed to operation cost	2022 Attributed to operation expenses	2022 Total
Employee benefit expense						
Salaries	141,861	282,080	423,941	147,128	290,717	437,845
Insurance	9,983	20,468	30,451	9,805	18,777	28,582
Pension	6,151	12,374	18,525	5,624	10,561	16,185
Remuneration to directors	-	2,083	2,083	-	1,505	1,505
Others	6,114	15,740	21,854	6,421	15,304	21,725
Depreciation expense	-	20,411	20,411	399	23,620	24,019
Amortization expense	33	5,804	5,837	80	7,516	7,596

XIII. Disclosures in Notes

(I) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the material transactions to be disclosed by the Group in 2023 are as follows:

1. Loaning of funds to others: None.
2. Endorsements/guarantees for others: None.
3. Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities):

Unit: NTD Thousand/Thousand shares

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Account	Ending balance: Number of shares	Ending balance: Carrying value	Ending balance: Shareholding ratio	Ending balance: Fair value/net value	Maximum ownership during the period: Number of shares	Maximum ownership during the period: Shareholding ratio	Note
The Company	Preferred Stock B of SKFH	-	Financial liabilities measured at fair value through profit or loss - non-current	666	19,081	0.30%	19,081	666	0.30%	-
The Company	Ambi Arts Inc. Stocks	Other related party	Financial liabilities measured at fair value through profit or loss - non-current	180	1,019	18.00%	1,019	180	18.00%	-

4. Marketable securities for which the accumulated purchase or sale amounts for the period exceed NTD300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate at costs which exceeds NTD300 million or 20% of the paid-in capital: None.
6. Disposal of real estate at prices which exceeds NTD300 million or 20% of the paid-in capital: None
7. Total purchases from and sales to related parties which exceed NTD100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company Name	Related Party	Relationship	Transaction status: Purchases (sales)	Transaction status: Amount	Transaction status: % in total purchases (sales)	Transaction status: Payment Terms	Transactions with Terms Different from Others: Unit price	Transactions with Terms Different from Others: Payment Terms	Notes/Accounts Receivable (Payable): Ending Balance	Notes/Accounts Receivable (Payable): % of total	Note
The Company	ACER	Parent/Subsidiary	Sales	(143,197)	(1.90) %	EM 30	(Note 1)	(Note 3)	33,355	1.52%	-
The Company	WLII	Other related party	Purchases	314,985	5.18 %	EM 60	(Note 2)	(Note 3)	(82,250)	(6.93)%	-

(Note 1): The price of the Company's sales to the related parties and the terms of the transaction are not significantly different from the general sale, except that there is no general transaction price comparison due to the different specifications of some products.

(Note 2): The Company's purchase price and transaction conditions from the related party are not significantly different from those of the general manufacturers, except that there is no general transaction price comparison due to the different specifications of some products.

(Note 3): No significant difference from general transactions.

8. Receivables from related parties reaching NTD100 million or more than 20% of the paid-in capital: None.
9. Engagement in derivative transactions: None.
10. Business relationships and significant transactions between the parent company and its subsidiaries:

Number (Note 1)	Company Name	Counterparty	Intercompany Relationship	Transactions			
				Account (Note 2)	Amount	Transaction terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Parent/Subsidiary	Sales	7,575	OA90	0.10%
0	The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Parent/Subsidiary	Accounts receivable	5,390	Collect payment within 90 days of monthly settlement	0.10%

(Note 1): The method of filling in the serial number is as follows:
1. 0 for the parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to the company.

(Note 2): The business relationship and important transactions between the parent company and its subsidiaries will not be repeated on the relative purchases and accounts payable.
(Note 3): It is calculated by dividing the transaction amount by the consolidated operating revenue or consolidated total assets.

(II) Information on investees:

Unit: Thousand shares/NTD thousand

Name of Investment Company	Investee	Location	Main business and products	Initial investment amount		Balance at end of period			Maximum ownership during the period		Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
				End of current period	End of last year	Number of shares	Shareholding ratio	Carrying value	Number of shares	Shareholding ratio			
The Company	Datasitter Information Service Inc.	Taiwan	Wholesale of computer software packages	10,125	10,125	675	20.00%	9,738	675	20.00%	4,215	843	

(III) Information on investments in Mainland China:

1. The name and main business items of the invested company in Mainland China:

Unit: USD thousand/NTD thousand

Name of investee company	Main business and products	Total paid-up capital	Investment method	Accumulated Outflow of Investment from Taiwan as of the beginning of period	Investment Flows		Accumulated Outflow of Investment from Taiwan as of the beginning of period	Investee's current profit or loss	% of Ownership of Direct or Indirect Investment	Maximum ownership during the period		Investment gains and losses recognized in the current period (Note 1)	Carrying value of investment at the end of the period	Accumulated Inward Remittance of Earnings as of the end of period
					Outflow	Inflow				Number of shares	Shareholding ratio			
Acer e-Enabling Service Business (Shang-Hai) Ltd.	Sales of Information Software and Information Consulting Services	46,103 (USD 1,500)	(Note 2)	-	46,103 (USD1,500)	-	46,103 (USD1,500)	(458) (USD 15)	100.00%	(Note 3)	100.00%	(458) (USD 15)	45,721 (USD 1,488)	-

Note 1: Already eliminated when the consolidated financial statements were prepared.
Note 2: Direct investment in Mainland China companies.
Note 3: Based on the exchange rate USD:NTD = 1:30.735 on December 31, 2023.

2. Limits on investment in Mainland China:

Unit: USD thousand/NTD thousand

Accumulated Investment in Mainland China as of the end of period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
46,103 (USD 1,500)	92,205 (USD 3,000)	1,177,496

Note: Based on the exchange rate USD:NTD = 1:30.735 on December 31, 2023.

3. Significant transactions with investee companies in Mainland China:

Please refer to the description of "Information on Significant Transactions" for the significant transactions between the Group and the investee companies in Mainland China in 2023, directly or indirectly.

(IV) Information of major shareholders:

Stock Name of major shareholder	Number of shares held	Shareholding ratio
ACER BEINGWARE HOLDING INC.	26,304,000	63.46%

XIV. Operating Segments

(I) General information

The reportable segment of the Group is the IT software and application development segment. The IT software and application development department is mainly engaged in the sales of IT software and information consulting services. The Group also has other business departments that do not meet the quantitative threshold, mainly engaged in cloud ticketing, e-books and online payment trading platforms.

The operating segments of the Group and the adjustment information are as follows:

	2023			
	Information Software and Application Development Department	Others Business departments	Adjustments and write-offs	Total
Revenue from external customers	$ 7,449,640	101,106	-	7,550,746

	2022			
	Information Software and Application Development Department	Others Business departments	Adjustments and write-offs	Total
Revenue from external customers	$ 7,097,616	91,907	-	7,189,523

The Group does not allocate costs, expenses and non-recurring gains and losses to the IT software and application development department and other business segments, because the Group takes into account the long-term comprehensive development strategy, and the profit and loss of its operating segments is mainly measured by sales revenue and as a basis for evaluating performance, the reported amounts are consistent with the information used by the operating decision makers.

(II) Information by product and service

The Group's revenue from external customers is as follows:

Name of product and service	2023	2022
Cloud services and a large number of software services	$ 4,706,299	4,541,887
Application development and other software services	1,790,042	1,649,589
Value-added products	1,054,405	998,047
	$ 7,550,746	7,189,523

(III) Geographic information

The geographical information of the Group is as follows. Revenue is classified based on the geographical location of the customers, and non-current assets are classified based on the geographical location of the assets.

The Group's revenue from external customers is as follows:

By region		2023	2022
Taiwan	$	7,192,148	6,853,821
China		306,078	280,705
Thailand		12,440	14,384
USA		12,169	12,137
Other countries		27,911	28,476
	$	**7,550,746**	**7,189,523**

Non-current assets:

By region		2023.12.31	2022.12.31
Taiwan	$	6,891	24,079
China		86	-
	$	**6,977**	**24,079**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but exclude financial instruments and deferred income tax assets.

(IV) Information on major customers

The Group does not have customers that account for more than 10% of revenue in the statement of comprehensive income.