

Stock Code: 6811

# **ACER E-ENABLING SERVICE BUSINESS**

## **INC. and Subsidiaries**

### **Consolidated Financial Statements**

#### **With Independent Auditor's Review Report**

For the Three Months Ended March 31, 2024 and 2023

**Company address: 7F-6, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City**

**Telephone: (02) 2784-1000**

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## **Independent Auditors' Review Report**

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

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of ACER E-ENABLING SERVICE BUSINESS INC. and its subsidiaries (the “Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard (“IASs”) 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)  
May 7, 2024

**ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries**  
**Consolidated Balance Sheet**

**March 31,2024,December 31,2023,and March 31,2023**

**Unit: NTD thousand**

Assets		March 31,2024		December 31,2023		March 31,2023	
		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							
1100	Cash and cash equivalents (Note 6(1))	\$ 1,062,809	19	2,756,948	49	2,557,243	52
1140	Contract assets - current (Note 6(14) and 7)	98,462	2	94,209	2	74,588	2
1170	Notes and accounts receivable, net (Note 6(3) and (14))	1,968,150	35	2,159,668	38	1,716,783	35
1180	Accounts receivable - Related parties (Note 6(3), (14) and 7)	34,184	1	43,302	1	8,762	-
1206	Other receivables - Others	-	-	748	-	-	-
1210	Other receivables - Related parties (Note 7)	-	-	-	-	4,500	-
1300	Inventories (Note 6(4))	368,820	7	294,749	5	311,492	6
1410	Prepayments and other current assets	4,314	-	4,967	-	4,204	-
	<b>Total current assets</b>	<u>3,536,379</u>	<u>64</u>	<u>5,354,591</u>	<u>95</u>	<u>4,677,572</u>	<u>95</u>
<b>Non-current assets:</b>							
1517	Financial liabilities measured at fair value through profit or loss - non-current (Note 6(2))	18,577	-	20,100	1	24,426	1
1550	Investment under equity method (Note 6(5))	9,502	-	9,738	-	11,331	-
1600	Property, plant and equipment (Note 6(6) and 7)	1,785,230	32	4,381	-	1,247	-
1755	Right-of-use assets (Note 6(7) and 7)	3,727	-	63	-	13,265	-
1780	Intangible assets (Note 6(8) and 7)	4,309	-	2,533	-	4,225	-
1840	Deferred income tax assets (Note 6(11))	42,502	1	42,502	1	40,974	1
1920	Refundable deposits	186,256	3	187,427	3	168,048	3
	<b>Total non-current assets</b>	<u>2,050,103</u>	<u>36</u>	<u>266,744</u>	<u>5</u>	<u>263,516</u>	<u>5</u>
	<b>Total assets</b>	<u>\$ 5,586,842</u>	<u>100</u>	<u>5,621,335</u>	<u>100</u>	<u>4,941,088</u>	<u>100</u>

(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)**

**March 31,2024,December 31,2023,and March 31,2023**

**Unit: NTD thousand**

		<b>March 31,2024</b>		<b>December 31,2023</b>		<b>March 31,2023</b>	
<b>Liabilities and equity</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current liabilities:</b>							
2130	Contract liabilities (Note 6(14) and 7)	\$ 1,616,642	29	1,776,517	32	1,550,838	32
2170	Notes and accounts payable	1,097,885	20	1,074,362	19	755,313	15
2180	Accounts payable - Related parties (Note 7)	107,255	2	117,372	2	91,507	2
2200	Other payables (Note 6(15))	325,470	6	434,759	8	310,898	6
2220	Other payables - Related parties (Note 7)	7,698	-	7,961	-	4,834	-
2230	Current income tax liabilities	109,275	2	73,788	1	95,286	2
2280	Lease liabilities - current (Note 6(9) and 7)	1,308	-	63	-	13,394	-
2399	Other current liabilities	53,656	1	32,441	1	82,054	2
	<b>Total of current liabilities</b>	<b>3,319,189</b>	<b>60</b>	<b>3,517,263</b>	<b>63</b>	<b>2,904,124</b>	<b>59</b>
<b>Non-current liabilities:</b>							
2580	Lease liabilities - non-current (Note 6(9) and 7)	2,424	-	-	-	-	-
2640	Net defined benefit liabilities (Note 6(10))	139,468	2	138,734	2	134,587	3
2645	Guarantee deposits	20,503	-	2,846	-	2,960	-
	<b>Total non-current liabilities</b>	<b>162,395</b>	<b>2</b>	<b>141,580</b>	<b>2</b>	<b>137,547</b>	<b>3</b>
	<b>Total liabilities</b>	<b>3,481,584</b>	<b>62</b>	<b>3,658,843</b>	<b>65</b>	<b>3,041,671</b>	<b>62</b>
<b>Equity (Note 6(12)):</b>							
3110	Common stock	414,490	8	414,490	7	414,490	8
3200	Capital reserve	628,098	11	628,098	12	628,098	13
	Retained earnings:						
3310	Legal reserve	126,485	2	126,485	2	82,807	2
3320	Special reserves	37,867	1	37,867	1	52,846	1
3350	Undistributed earnings	945,072	17	801,947	14	759,509	15
3400	Other equity	(46,754)	(1)	(46,395)	(1)	(38,333)	(1)
	<b>Total equity</b>	<b>2,105,258</b>	<b>38</b>	<b>1,962,492</b>	<b>35</b>	<b>1,899,417</b>	<b>38</b>
	<b>Total liabilities and equity</b>	<b>\$ 5,586,842</b>	<b>100</b>	<b>5,621,335</b>	<b>100</b>	<b>4,941,088</b>	<b>100</b>

(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 March 31, 2024 and 2023**

Unit: NTD thousand

		For the three months ended March 31			
		March 31, 2024		March 31, 2023	
		Amount	%	Amount	%
4000	Net revenue (Notes 6(14), 7 and 14)	\$ 2,170,245	100	1,810,176	100
5000	Cost of revenue (Notes 6(4), (8), (10), (15), 7, and 12)	(1,888,050)	(87)	(1,538,953)	(85)
	<b>Gross profit</b>	<b>282,195</b>	<b>13</b>	<b>271,253</b>	<b>15</b>
	<b>Operating expenses (Notes 6(3), (6), (7), (8), (9), (10), (15), 7 and 12)</b>				
6100	Selling expenses	(75,636)	(3)	(65,913)	(4)
6200	General and administrative expenses	(19,402)	(1)	(17,112)	(1)
6300	Research and development expenses	(15,040)	(1)	(14,109)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(2,369)	-	(27,538)	(1)
	<b>Total operating expenses</b>	<b>(107,709)</b>	<b>(5)</b>	<b>(124,672)</b>	<b>(7)</b>
	<b>Net operating profit</b>	<b>174,486</b>	<b>8</b>	<b>146,581</b>	<b>8</b>
	<b>Non-operating income and expenses (Note 6(5), (9) and (16)):</b>				
7100	Interest revenue	2,222	-	3,780	-
7020	Other gains and losses	2,449	-	(3,343)	-
7050	Financial cost	(15)	-	(33)	-
7770	Share of profit of affiliated companies under equity method	236	-	546	-
	<b>Total non-operating income and expenses</b>	<b>4,420</b>	<b>-</b>	<b>950</b>	<b>-</b>
	<b>Net income before tax</b>	<b>178,906</b>	<b>8</b>	<b>147,531</b>	<b>8</b>
7950	<b>Less: Income tax expenses (Note 6(11))</b>	<b>(35,781)</b>	<b>(2)</b>	<b>(28,208)</b>	<b>(1)</b>
	<b>Net income for the period</b>	<b>143,125</b>	<b>6</b>	<b>119,323</b>	<b>7</b>
	<b>Other comprehensive income (Note 6(12)):</b>				
8310	<b>Items not reclassified into profit or loss</b>				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(1,523)	-	(466)	-
8349	Income tax related to item that will not be reclassified to profit or loss	-	-	-	-
	<b>Total of items not reclassified into profit or loss</b>	<b>(1,523)</b>	<b>-</b>	<b>(466)</b>	<b>-</b>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations	1,164	-	-	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>1,164</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other comprehensive income in the current period</b>	<b>(359)</b>	<b>-</b>	<b>(466)</b>	<b>-</b>
	<b>Total comprehensive income for the period</b>	<b>\$ 142,766</b>	<b>6</b>	<b>118,857</b>	<b>7</b>
	<b>Net income attributable to:</b>				
	<b>Earnings per share (Unit: NTD, Note 6(13))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 3.45</b>		<b>2.88</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 3.43</b>		<b>2.86</b>	

(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 March 31, 2024 and 2023**

Unit: NTD thousand

	Equity attributable to owners of the parent company										
	Retained earnings						Other equity				
							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-measure-ment of defined benefit plan	Total	Total equity
	Common stock Share capital	Capital reserve	Legal Reserves	Special Reserves	Unallocated Earnings	Total					
Balance as of January 1, 2023	\$ 414,490	628,098	82,807	52,846	640,186	775,839	-	(6,878)	(30,989)	(37,867)	1,780,560
Net income for the period	-	-	-	-	119,323	119,323	-	-	-	-	119,323
Other comprehensive income in the current period	-	-	-	-	-	-	-	(466)	-	(466)	(466)
Total comprehensive income for the period	-	-	-	-	119,323	119,323	-	(466)	-	(466)	118,857
Balance as of March 31, 2023	\$ 414,490	628,098	82,807	52,846	759,509	895,162	-	(7,344)	(30,989)	(38,333)	1,899,417
Balance as of January 1, 2024	\$ 414,490	628,098	126,485	37,867	801,947	966,299	29	(11,670)	(34,754)	(46,395)	1,962,492
Net income for the period	-	-	-	-	143,125	143,125	-	-	-	-	143,125
Other comprehensive income in the current period	-	-	-	-	-	-	1,164	(1,523)	-	(359)	(359)
Total comprehensive income for the period	-	-	-	-	143,125	143,125	1,164	(1,523)	-	(359)	142,766
Balance as of March 31, 2024	\$ 414,490	628,098	126,485	37,867	945,072	1,109,424	1,193	(13,193)	(34,754)	(46,754)	2,105,258

(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 March 31, 2024 and 2023**

**Unit: NTD thousand**

	<b>For the three months ended March 31</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Cash flow from operating activities:</b>		
Net income before tax for the period	\$ 178,906	147,531
<b>Adjustments:</b>		
Income and expenses		
Depreciation expense	1,473	5,870
Amortization expense	1,532	1,474
Expected credit impairment (reversed gain) loss	(2,369)	27,538
Interest expense	15	33
Interest revenue	(2,222)	(3,780)
Share of loss (profit) of affiliated companies under equity method	236	(546)
Total income and expense	(1,335)	30,589
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Contract assets	(4,253)	1,328
Notes and accounts receivable	193,887	193,430
Accounts receivable - related parties	9,118	38,852
Inventory	(74,071)	127,313
Prepayments and other current assets	653	(1,236)
Total net changes in assets related to operating activities	125,334	359,687
Net changes in liabilities related to operating activities:		
Accounts payable	23,523	(456,574)
Accounts payable - related parties	(10,117)	(12,213)
Other payables	(109,289)	(108,317)
Other payables - Related parties	(263)	(5,780)
Contract liabilities	(159,875)	(66,723)
Other current liabilities	21,215	62,558
Net defined benefit liability	734	(7,670)
Total net changes in liabilities related to operating activities	(234,072)	(594,719)
Total net changes in assets and liabilities related to operating activities	(108,738)	(235,032)
Total adjustment items	(110,073)	(204,443)
Cash inflow (outflow) from operations	68,833	(56,912)
Interest received	2,970	5,072
Interest paid	(15)	(33)
Income tax refunded (paid)	(294)	741
<b>Net cash inflow (outflow) from operating activities</b>	<b>71,494</b>	<b>(51,132)</b>

**(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 March 31, 2024 and 2023**

**Unit: NTD thousand**

	<b>For the three months ended March 31</b>	
	<b>March 31,2024</b>	<b>March 31,2023</b>
<b>Cash flow from investing activities:</b>		
Acquisition of property, plant and equipment	(1,781,997)	-
Acquisition of intangible assets	(3,308)	(2,002)
Increase in refundable deposits	1,171	16,242
Increase of other financial assets	-	200,000
<b>Net cash inflows (outflows) from investing activities</b>	<b>(1,784,134)</b>	<b>214,240</b>
<b>Cash flow from financing activities:</b>		
Lease principal repayment	(318)	(5,607)
Increase in guarantee deposits received	17,657	484
<b>Net cash (outflow) inflow from financing activities</b>	<b>17,339</b>	<b>(5,123)</b>
Effect of exchange rate changes on cash and cash equivalents	1,162	-
Increase (decrease) in cash and cash equivalents in the current period	(1,694,139)	157,985
Cash and cash equivalents at beginning of period	2,756,948	2,399,258
Cash and cash equivalents at end of period	<b>\$ 1,062,809</b>	<b>2,557,243</b>

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

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

**ACER E-ENABLING SERVICE BUSINESS INC. and Subsidiaries  
Notes to the Consolidated Financial Statements  
March 31, 2024 and 2023  
(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 May 7, 2024.

**III. Application of new, amended and revised standards and interpretations**

- (I) The impact of the International Financial Reporting Standards ("IFRS") endorsed by the Financial Supervisory Commission, R. O. C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on the consolidated financial statements, from January 1, 2024:

- 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"

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

IASB has issued and amended several standards and interpretations that have not yet been endorsed by the FSC. The following may be relevant to the Group:

New or amended standards	Main amendments	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new standards introduce three types of income and expenses, two subtotals in the income statement, and a single note on management performance measures. These three amendments and enhancements provide guidance on how to disaggregate information in financial statements, laying the foundation for better and more consistent information for users, and will affect all companies.	2027/1/1

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

IFRS 18 "Presentation and Disclosure of Financial Statements"	<p>A more structured income statement: Under the current standards, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across companies. The new standards adopt a more structured income statement, introducing a newly defined "operating profit" subtotal and requiring that all income and expenses be categorized into three new distinct types according to the company's main business activities.</p> <p>Management Performance Measures (MPM): The new standards introduce the definition of management performance measures and require companies to include a single note in the financial statements explaining why each measure provides useful information, how it is calculated, and how it reconciles with amounts recognized in accordance with IFRS.</p> <p>Disaggregated Information: The new standards include guidance on how companies should enhance the grouping of information in financial statements. This includes guidelines on whether information should be included in the main financial statements or further disaggregated in the notes.</p>	2027/1/1
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The Group is currently evaluating the impact of the aforementioned standards and interpretations on its financial situation and operating results. The related effects will be disclosed upon the completion of this assessment.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"

Amendment to IAS 21 "Lack of Exchangeability"

# Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS INC. and subsidiaries (continued)

## IV. Summary of material accounting policies

### (I) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC International and SIC Interpretations endorse and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following account policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2023.

### (II) Basis of consolidation

The principles for the preparation of consolidated financial statements are the same as those in consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of consolidated financial statements for the year ended December 31, 2023.

#### 1. Subsidiaries included in the consolidated financial statements

<u>Name of Investment Company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Percentage of equity held</u>			<u>Description</u>
			<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>	
The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd (EBSH)	Sales of Information Software and Information Consulting Services	100.00%	100.00%	-	(Note 1)

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

#### 2. Subsidiaries not included in the consolidated financial statements: none.

### (III) Employee benefits

The pension cost in the consolidated interim financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

### (IV) Income tax

The income tax expenses have been prepared and disclosed in accordance with Paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expenses for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

**V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements 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 preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of consolidated financial statements for the year ended December 31, 2023.

**VI. Significant accounting disclosures**

Except the following disclosures, there was no material differences in the disclosures of significant accounting disclosures between the interim financial statements for the current period and the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of consolidated financial statements for the year ended December 31, 2023.

(I) Cash and cash equivalent

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Demand deposits and checking deposits	\$ 1,062,809	1,856,948	1,057,243
Time deposits with original maturity date of less than three months	-	900,000	1,500,000
	<u>\$ 1,062,809</u>	<u>2,756,948</u>	<u>2,557,243</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity instruments measured at fair value through other comprehensive income:			
Listed (OTC) company stocks	\$ 17,382	19,081	23,443
Unlisted (OTC) company stock	1,195	1,019	983
	<u>\$ 18,577</u>	<u>20,100</u>	<u>24,426</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 2,708	9,916	8,136
Accounts receivable	1,973,634	2,160,313	1,743,863
Less: Loss allowance	(8,192)	(10,561)	(35,216)
	1,968,150	2,159,668	1,716,783
Accounts receivable - related parties	34,184	43,302	8,762
	<u>\$ 2,002,334</u>	<u>2,202,970</u>	<u>1,725,545</u>

In addition to estimating a 100% credit loss for individual accounts receivable with a potential default, the Group estimates the expected credit loss for all notes and accounts receivable using a simplified approach, which entails using the expected credit loss over the entire duration. Forward-looking information has been incorporated into this estimation. The expected credit loss of the Group's

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

notes and accounts receivable is analyzed as follows:

	<b>March 31, 2024</b>		
	<b>Gross</b>	<b>Weighted</b>	
	<b>carrying amount</b>	<b>average loss</b>	<b>Loss allowance</b>
		<b>rate</b>	
Current	\$ 1,861,347	0.06%	1,091
Past due 1 to 30 days	70,944	0.53%	373
Past due 31 to 60 days	15,359	2.49%	382
Past due 61 to 90 days	6,972	6.37%	444
Past due for 91 to 180 days	17,687	18.48%	3,269
Past due for more than 181 days	4,033	65.29%	2,633
	<u>1,976,342</u>		<u>8,192</u>
Individual assessor	-	100.00%	-
	<u><b>\$ 1,976,342</b></u>		<u><b>8,192</b></u>

	<b>December 31, 2023</b>		
	<b>Gross</b>	<b>Weighted</b>	
	<b>carrying amount</b>	<b>average loss</b>	<b>Loss allowance</b>
		<b>rate</b>	
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
	<u>2,170,229</u>		<u>10,561</u>
Individual assessor	-	100.00%	-
	<u><b>\$ 2,170,229</b></u>		<u><b>10,561</b></u>

	<b>March 31, 2023</b>		
	<b>Gross</b>	<b>Weighted</b>	
	<b>carrying amount</b>	<b>average loss</b>	<b>Loss allowance</b>
		<b>rate</b>	
Current	\$ 1,597,512	0.04%	704
Past due 1 to 30 days	77,233	0.32%	248
Past due 31 to 60 days	16,957	1.94%	329
Past due 61 to 90 days	470	6.38%	30
Past due for 91 to 180 days	28,330	8.50%	2,408
Past due for more than 181 days	31,497	100.00%	31,497
	<u>1,751,999</u>		<u>35,216</u>
Individual assessor	-	100.00%	-
	<u><b>\$ 1,751,999</b></u>		<u><b>35,216</b></u>

The Group's accounts receivables from related parties in the March 31, 2024, December 31, 2023 and March 31, 2023 had no expected credit loss and is analyzed as follows:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Current	\$ 19,938	27,317	8,419
Past due 1 to 30 days	5,585	15,960	343
Past due 31 to 60 days	8,661	25	-
	<b>\$ 34,184</b>	<b>43,302</b>	<b>8,762</b>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Opening balance	\$ 10,561	7,678
Recognized impairment loss (reversed gain)	(2,369)	27,538
Closing balance	<b>\$ 8,192</b>	<b>35,216</b>

(IV) Inventory

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Merchandise inventory	<b>\$ 368,820</b>	<b>294,749</b>	<b>311,492</b>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Cost of sold inventories	\$ 1,812,296	1,480,685
Inventory valuation losses (recovered gain)	(5,445)	2,931
	<b>\$ 1,806,851</b>	<b>1,483,616</b>

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Book value of equity in affiliated companies at the ending	<b>\$ 9,502</b>	<b>9,738</b>	<b>11,331</b>

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Attributable to the Group:		
Net profit (loss) for the period	\$ (236)	546
Other comprehensive income	-	-
Total comprehensive income/loss	<b>\$ (236)</b>	<b>546</b>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(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:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ -	-	658	12,273	4,983	17,914
Additions	1,031,866	747,963	-	638	1,530	1,781,997
Disposals	-	-	-	2	-	2
Balance as of March 31, 2024	<b><u>\$ 1,031,866</u></b>	<b><u>747,963</u></b>	<b><u>658</u></b>	<b><u>12,913</u></b>	<b><u>6,513</u></b>	<b><u>1,799,913</u></b>
Balance as of January 1, 2023	\$ -	-	1,694	8,595	4,983	15,272
Additions	-	-	-	-	-	-
Balance as of March 31, 2023	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>1,694</u></b>	<b><u>8,595</u></b>	<b><u>4,983</u></b>	<b><u>15,272</u></b>
Accumulated depreciation:						
Balance on January 1, 2024	\$ -	-	621	8,271	4,641	13,533
Current depreciation	-	570	27	437	116	1,150
Disposals	-	-	-	-	-	-
Balance as of March 31, 2024	<b><u>\$ -</u></b>	<b><u>570</u></b>	<b><u>648</u></b>	<b><u>8,708</u></b>	<b><u>4,757</u></b>	<b><u>14,683</u></b>
Balance as of January 1, 2023	\$ -	-	1,547	8,305	3,883	13,735
Current depreciation	-	-	27	46	217	290
Balance as of March 31, 2023	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>1,574</u></b>	<b><u>8,351</u></b>	<b><u>4,100</u></b>	<b><u>14,025</u></b>
Carrying amounts:						
March 31, 2024	<b><u>\$ 1,031,866</u></b>	<b><u>747,393</u></b>	<b><u>10</u></b>	<b><u>4,205</u></b>	<b><u>1,756</u></b>	<b><u>1,785,230</u></b>
January 1, 2024	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>37</u></b>	<b><u>4,002</u></b>	<b><u>342</u></b>	<b><u>4,381</u></b>
March 31, 2023	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>120</u></b>	<b><u>244</u></b>	<b><u>883</u></b>	<b><u>1,247</u></b>

For operational needs, the Group acquired land valued at NTD1,031,866 thousand and buildings and structures valued at NTD747,963 thousand on March 21, 2024, for use as its office building. As of March 31, 2024, all related payments have been fully paid.

(VII) Right-of-use assets

	<u>Buildings and structures</u>
Cost of right-of-use assets:	
Balance as of January 1, 2024	\$ 47,991
Additions	3,987
Decrease	(47,991)
Balance as of March 31, 2024	<b><u>\$ 3,987</u></b>
Balance as of January 1, 2023 (i.e. balance on March 31, 2023)	<b><u>\$ 47,991</u></b>
Accumulated depreciation of right-of-use assets:	
Balance on January 1, 2024	\$ 47,928
Depreciation	323
Decrease	(47,991)
Balance as of March 31, 2024	<b><u>\$ 260</u></b>
Balance as of January 1, 2023	\$ 29,146
Depreciation	5,580



**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
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Decrease	-
Balance as of March 31, 2023	<u>\$ 34,726</u>
Carrying amounts:	
March 31, 2024	<u>\$ 3,727</u>
January 1, 2024	<u>\$ 63</u>
March 31, 2023	<u>\$ 13,265</u>

(VIII) Intangible assets

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

	<u>Computer software</u>
Cost:	
Balance on January 1, 2024	\$ 24,313
Additions	3,308
Written off	-
Balance as of March 31, 2024	<u>\$ 27,621</u>
Balance as of January 1, 2023	\$ 22,243
Additions	2,002
Balance as of March 31, 2023	<u>\$ 24,245</u>
Accumulated amortization:	
Balance on January 1, 2024	\$ 21,780
Amortization	1,532
Written off	-
Balance as of March 31, 2024	<u>\$ 23,312</u>
Balance as of January 1, 2023	\$ 18,546
Amortization	1,474
Balance as of March 31, 2023	<u>\$ 20,020</u>
Carrying amounts:	
March 31, 2024	<u>\$ 4,309</u>
January 1, 2024	<u>\$ 2,533</u>
March 31, 2023	<u>\$ 4,225</u>

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

	<u>For the three months ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Operating cost	\$ -	20
Operating expenses	1,532	1,454
	<u>\$ 1,532</u>	<u>1,474</u>

(IX) Lease liabilities

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 1,308</u>	<u>\$ 63</u>	<u>\$ 13,394</u>
Non-current	<u>\$ 2,424</u>	<u>-</u>	<u>\$ -</u>

Please refer to Note 6(18) Financial Risk Management for maturity analysis.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ 11	33
Expenses relating to leases of low-value assets	\$ 314	34
Expenses relating to short-term leases	\$ 5,111	-

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ 5,754	5,674

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

The Group believes that there was no material volatility in the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023.

The pension expenses recognized in profit or loss for the Group were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating cost	\$ 244	262
Operating expenses	495	513
	\$ 739	775

2. Definite contribution plan

The Group's pension expense under the defined contribution plan for the three months ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating cost	\$ 1,334	1,249
Operating expenses	2,700	2,477
	\$ 4,034	3,726

(XI) Income tax

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense	\$ 35,781	28,208

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

1. For the three months ended March 31, 2024 and 2023, there were no income tax recognized in equity and other comprehensive income.
2. The company's income tax returns for the years through 2022 were assessed by tax authority.
- (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 March 31, 2024, December 31, 2023 and March 31, 2023. 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):

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Opening balance (Closing balance)	<b>41,449</b>	<b>41,449</b>

2. Capital reserve

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Issued stock premium	\$ 621,725	621,725	621,725
Employee share warrants	6,373	6,373	6,373
	<b>\$ 628,098</b>	<b>628,098</b>	<b>628,098</b>

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in any one year shall not exceed 10% of 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

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
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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 amounts of dividends for the distribution of earnings for the fiscal years 2023 and 2022 were proposed by the Board of Directors on March 12, 2024, and approved by the Annual General Meeting of shareholders on June 9, 2023, respectively, as follows.:

	<b>2024</b>		<b>2023</b>	
	<b>Dividends per share (NTD)</b>	<b>Amount</b>	<b>Dividends per share (NTD)</b>	<b>Amount</b>
Dividends distributed to common stock shareholders:				
Cash	\$ 8.50	<u>352,316</u>	7.50	<u>310,868</u>

**4. Other equity (net amount after tax)**

	<b>Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income</b>	<b>Exchange differences on translation of financial statements of foreign operations</b>	<b>Re- measurement of defined benefit plan</b>	<b>Total</b>
Balance on January 1, 2024	\$ (11,670)	29	(34,754)	(46,395)
Changes in fair value of financial assets measured at fair value through other comprehensive income	(1,523)	-	-	(1,523)
Exchange differences on translation of foreign operations	-	1,164	-	1,164
Balance as of March 31, 2024	<u>\$ (13,193)</u>	<u>1,193</u>	<u>(34,754)</u>	<u>(46,754)</u>
Balance as of January 1, 2023	\$ (6,878)	-	(30,989)	(37,867)
Changes in fair value of financial assets measured at fair value through other comprehensive income	(466)	-	-	(466)
Balance as of March 31, 2023	<u>\$ (7,344)</u>	<u>-</u>	<u>(30,989)</u>	<u>(38,333)</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(XIII) Earnings per share

1. Basic earnings per share

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net profit attributable to the Company's common stock shareholders	<b>\$ 143,125</b>	<b>119,323</b>
Weighted average number of outstanding common stock (shares in thousands)	<b>41,449</b>	<b>41,449</b>
Basic earnings per share (NTD)	<b>\$ 3.45</b>	<b>2.88</b>

2. Diluted earnings per share

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net profit attributable to the Company's common stock equity holders	<b>\$ 143,125</b>	<b>119,323</b>
Weighted average number of outstanding common stock (basic) (shares in thousands)	41,449	41,449
Effect of potential dilutive ordinary shares (shares in thousands):		
The effect of employees' remuneration	281	345
Weighted average number of common shares outstanding (diluted) (thousand shares)	<b>41,730</b>	<b>41,794</b>
Diluted earnings per share (NTD)	<b>\$ 3.43</b>	<b>2.86</b>

(XIV) Revenue from customer contracts

1. Breakdown of revenue

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Main product/service lines:		
Cloud services and a large number of software services	<b>\$ 1,504,167</b>	<b>1,067,546</b>
Application development and other software services	402,559	507,349
Value-added products	263,519	235,281
	<b>\$ 2,170,245</b>	<b>1,810,176</b>

2. Contract balance

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes and accounts receivable (including related parties)	<b>\$ 2,010,526</b>	<b>2,213,531</b>	<b>1,760,761</b>
Less: Loss allowance	(8,192)	(10,561)	(35,216)
	<b>\$ 2,202,334</b>	<b>2,202,970</b>	<b>1,725,545</b>
Contract assets	<b>\$ 98,462</b>	<b>94,209</b>	<b>74,588</b>
Contract liabilities	<b>\$ 1,616,642</b>	<b>1,776,517</b>	<b>1,550,838</b>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
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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.

(XV) 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 amounts of employee compensation for the periods from January 1 to March 31, 2024, and 2023, were NTD 21,899 thousand and NTD 15,061 thousand, respectively; the amounts of directors' remuneration were both NT\$0 thousand. These amounts are based on the pre-tax net profit for each period, 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 are 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.

The amounts of employee compensation for 2023, and 2022, were NTD 78,000 thousand and NTD 71,000 thousand, respectively; the amounts of directors' remuneration were NTD 800 thousand and NTD 700 thousand, respectively. 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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank deposits	\$ 2,222	3,779
Other interest income	-	1
	<b>\$ 2,222</b>	<b>3,780</b>

2. Other gains and losses

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Net foreign exchange gains (losses)	2,399	(3,345)
Others	50	2
	<b>\$ 2,449</b>	<b>(3,343)</b>

3. Financial costs

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ 4	-
Other financial expenses	11	33
Interest on lease liabilities	<b>\$ 15</b>	<b>33</b>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(XVIII) Fair value of financial instruments

1. Types of financial instruments

(1) Financial assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial liabilities measured at fair value through profit or loss	\$ 18,577	20,100	24,426
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,062,809	2,756,948	2,557,243
Notes and accounts receivable (including related party)	2,002,334	2,202,970	1,725,545
Other receivables (including related parties)	-	748	4,500
Refundable deposits	186,256	187,427	168,048
	<u>\$ 3,269,976</u>	<u>5,168,193</u>	<u>4,479,762</u>

(2) Financial liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial liabilities measured at amortized cost:			
Notes and accounts payable (including related parties)	\$ 1,205,140	1,191,734	846,820
Other payables (including related parties)	333,168	442,720	315,732
Lease liabilities (including current and non-current)	3,732	63	13,394
Guarantee deposits	20,503	2,846	2,960
	<u>\$ 1,562,543</u>	<u>1,637,363</u>	<u>1,178,906</u>

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).

		<u>2024.3.31</u>			
		<u>Fair value</u>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Class III</u>	<u>Total</u>
Financial liabilities measured at fair value through profit or loss:					
Stocks of domestic (OTC) companies	\$	17,382	-	-	17,382
Unlisted (OTC) company stock		-	-	1,195	1,195
	<u>\$</u>	<u>17,382</u>	<u>-</u>	<u>1,195</u>	<u>18,577</u>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

<b>2023.12.31</b>				
<b>Fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Class III</b>	<b>Total</b>
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
	<b>\$ 19,081</b>	<b>-</b>	<b>1,019</b>	<b>20,100</b>

  

<b>2023.3.31</b>				
<b>Fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Class III</b>	<b>Total</b>
Financial liabilities measured at fair value through profit or loss:				
Stocks of domestic (OTC) companies	\$ 23,443	-	-	23,443
Unlisted (OTC) company stock	-	-	983	983
	<b>\$ 23,443</b>	<b>-</b>	<b>983</b>	<b>24,426</b>

There were no transfers among fair value hierarchies for the three months ended March 31, 2024 and 2023.

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

<b>Financial liabilities measured at fair value through profit or loss</b>			
<b>For the three months ended March 31</b>			
	<b>2024</b>	<b>2023</b>	
Opening balance	\$ 1,019	983	
Total loss of profit:			
Recognized in other comprehensive income	176	-	
Closing balance	<b>\$ 1,195</b>	<b>983</b>	

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 March 31, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
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")	<b>\$ 176</b>	<b>-</b>

(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.



**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(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 March 31, 2024, December 31, 2023 and March 31, 2023, 36%, 29% and 34% 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(7) of the consolidated financial statements). The other receivables as of March 31, 2024, December 31, 2023 and March 31, 2023 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.

	<b>Contract Cash flow</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>March 31, 2024</b>				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	\$ 1,205,140	1,205,140	-	-
Other payables (including related parties)	333,168	333,168	-	-
Lease liabilities (including current and non-current)	3,814	1,360	1,360	1,094
Guarantee deposits	20,503	19,284	120	1,099
	<b>\$ 1,562,625</b>	<b>1,558,952</b>	<b>1,480</b>	<b>2,193</b>
<b>December 31, 2023</b>				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	\$ 1,191,734	1,191,734	-	-
Other payables (including related parties)	442,720	442,720	-	-

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

Lease liabilities (including current and non-current)	63	63	-	-
Guarantee deposits	2,846	2,070	154	622
	<b>\$ 1,637,363</b>	<b>1,636,587</b>	<b>154</b>	<b>622</b>
<b>March 31, 2023</b>				
Non-derivative financial liabilities:				
Accounts payable (including related parties)	\$ 846,820	846,820	-	-
Other payables (including related parties)	315,732	315,732	-	-
Lease liabilities (including current and non-current)	13,394	13,394	-	-
Guarantee deposits	2,960	1,559	703	698
	<b>\$ 1,178,906</b>	<b>1,177,505</b>	<b>703</b>	<b>698</b>

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:

	<b>2024.3.31</b>			<b>2023.12.31</b>			<b>2023.3.31</b>		
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 1,861	31.990	59,533	4,934	30.735	151,646	1,208	30.454	36,788
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	336	31.990	10,749	206	30.735	6,331	11	30.454	335

**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. For the three months ended March 31, 2024 and 2023, 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 NTD448 thousand and NTD365 thousand, respectively. The analysis of two terms is based on the same basis.

**(XX) Capital management**

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 (20) of the consolidated financial statements for the year ended December 31, 2023 for the further details.

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(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 the three months ended March 31, 2024 and 2023..

2. The adjustment of liabilities from financing activities is as follows:

	<b>2024.1.1</b>	<b>Cash flow</b>	<b>Non-cash lease liabilities movement</b>	<b>2024.03.31</b>
liabilities	\$ 63	(318)	3,987	3,732
Guarantee deposits	2,846	17,657	-	20,503
Total liabilities from financing activities	<b>\$ 2,909</b>	<b>17,339</b>	<b>3,987</b>	<b>24,235</b>

	<b>2023.1.1</b>	<b>Cash flow</b>	<b>Non-cash lease liabilities movement</b>	<b>2023.03.31</b>
liabilities	\$ 19,001	(5,607)	-	13,394
Guarantee deposits	2,476	484	-	2,960
Total liabilities from financing activities	<b>\$ 21,477</b>	<b>(5,123)</b>	<b>-</b>	<b>16,354</b>

**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 March 31, 2024, December 31, 2023 and March 31, 2023. 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:

<b>Name of related party</b>	<b>Relationship with the Group</b>
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)
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 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	Other related party (a subsidiary of AI)

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

(EDC)	
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 Synergy Manpower Corp. (ASM)	Other related party (a subsidiary of AI)
Bluechip Infotech Incorporated	Other related party (a subsidiary of AI )
Ambi Arts Inc.	Other related party (the chairman of the parent company and the director of the Company are first degree relatives)

(III) Significant transactions with related parties:

1. Operating revenue

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The ultimate controller	\$ 32,128	5,673
Associates	22	-
Other related party	8,361	8,790
	<b>\$ 40,511</b>	<b>14,463</b>

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:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The ultimate controller	\$ 1,646	715
Associates	9,489	11,656
Other related party	95,274	104,968
	<b>\$ 106,409</b>	<b>117,339</b>

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:

<b>Account</b>	<b>Category of related party</b>	<b>2023</b>	<b>2022</b>
Operating cost	The ultimate controller	\$ 35	33
Operating cost	Other related party	2,283	2,499
Operating expenses	The ultimate controller	219	1,948
Operating expenses	Other related party	611	337
		<b>\$ 3,148</b>	<b>4,817</b>

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

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 NTD 28,294 thousand. Interest expenses of NTD 30 thousand were recognized for the three months ended March 31, 2023. The balance of lease liabilities were NTD 12,413 thousand as of December 31, 2023.

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 the three months ended March 31, 2024 and 2023 was NTD 5,161 thousand and NTD 9 thousand, respectively. As of March 31, 2024 and 2023, 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:

<b>Account</b>	<b>Category of related party</b>	<b>2024.03.31</b>	<b>2023.12.31</b>	<b>2023.03.31</b>
Accounts receivable - Related parties	The ultimate controller	\$ 28,721	33,355	4,654
Accounts receivable - Related parties	Associates	23	58	-
Accounts receivable - Related parties	Other related party	5,440	9,889	4,108
Contract assets	The ultimate controller	-	-	1,905
Contract assets	Other related party	179	799	214
		<b>\$ 34,363</b>	<b>44,101</b>	<b>10,881</b>

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 March 31, 2024, December 31, 2023, and March 31, 2023, are as follows:

<b>Account</b>	<b>Category of related party</b>	<b>2024.03.31</b>	<b>2023.12.31</b>	<b>2023.03.31</b>
Other receivables - Related parties	The ultimate controller	\$ -	-	4,500

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

7. Payables to related parties

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

<b>Account</b>	<b>Category of related party</b>	<b>2024.03.31</b>	<b>2023.12.31</b>	<b>2023.03.31</b>
Accounts payable - related parties	The ultimate controller	\$ 2,247	3,436	545
Accounts payable - related parties	Associates	3,299	21,847	982
Accounts payable - related parties	Other related party	101,709	92,089	89,980
Other payables - related parties	The ultimate controller	7,156	7,959	4,834
Other payables - related parties	Other related party	542	2	0
Lease liabilities - current	The ultimate controller	-	-	12,413
		<b>\$ 125,333</b>	<b>\$ 125,333</b>	<b>108,754</b>

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:

<b>Account</b>	<b>Category of related party</b>	<b>2024.03.31</b>	<b>2023.12.31</b>	<b>2023.03.31</b>
Contract liabilities	The ultimate controller	\$ 22,490	21,257	20,388
Contract liabilities	Other related party	9,459	13,356	13,896
		<b>\$ 31,949</b>	<b>34,613</b>	<b>34,284</b>

(IV) Remuneration to key management personnel

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 7,717	7,866
Post-employment benefits	125	122
	<b>\$ 7,842</b>	<b>7,988</b>

**VIII. Pledged assets: None.**

**IX. Significant contingent liabilities and unrecognized contractual commitments**

In response to the Group's operational needs, the Group plans to purchase an office building in the Taichung area from Lien Jade Construction Co., Ltd. A purchase contract was signed on March 27, 2024, with a total amount of NTD 33,920 thousand. The expected date of property transfer is the year 2031.

**X. Losses from major disasters: None.**

**XI. Material events after the period: None.**

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

**XII. Others**

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

By function  By nature	For the three months ended March 31 2024			For the three months ended March 31 2023		
	Attributed to operation cost	Attributed to operation expenses	Total	Attributed to operation cost	Attributed to operation expenses	Total
Employee benefit expense						
Salaries	37,474	76,965	114,439	33,370	64,400	97,770
Insurance	2,696	5,522	8,218	2,612	5,261	7,873
Pension	1,578	3,195	4,773	1,511	2,990	4,501
Remuneration to directors	-	635	635	-	350	350
Others	1,501	3,444	4,945	1,184	3,527	4,711
Depreciation expense	-	1,473	1,473	-	5,870	5,870
Amortization expense	-	1,532	1,532	20	1,454	1,474

**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 for the three months ended March 31 2024:

- 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			Fair value/net value	Note
				Number of shares	Carrying value	Shareholding ratio		
The Company	Preferred Stock B of SKFH	-	Financial liabilities measured at fair value through profit or loss - non-current	666	17,382	0.30%	17,382	-
The Company	Ambi Arts Inc. Stocks	Other related party	Financial liabilities measured at fair value through profit or loss - non-current	180	1,195	18.00%	1,195	-

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:

Unit: NTD thousand

Company Name	Property Name	Transaction Date or Date of Occurrence	Transaction Amount	Payment Status	Transaction Counterparty	Relationship	For related parties involved in related party transactions, information on the previous transfer				Reference Basis for Price Determination	Purpose of Acquisition and Usage Status	Other Agreed Terms
							Owner	Relationship with the Issuer	Transfer Date	Amount			
ACER E- ENABLING SERVICE BUSINESS INC.	Land and Buildings in Nangang District, Taipei City	2023.12.21	1,768,906	Fully Paid	Liberty Stationery Corp.	Non-related Party	-	-	-	-	Determined based on professional appraisal reports and mutual negotiation	Used as the company's self-occupied office building	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:

**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
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Unit: NTD thousand

Company Name	Related Party	Relationship	Transaction status				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases (sales)	Amount	% in total purchases (sales)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of total	
The Company	WLII	Other related party	Purchases	86,023	4.57 %	EM 60	(Note 1)	(Note 2)	(90,329)	(7.50)%	-

(Note 1): 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 2): 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	475	OA90	0.02%
0	The Company	Acer e-Enabling Service Business (Shang-Hai) Ltd.	Parent/Subsidiary	Accounts receivable	499	Collect payment within 90 days of monthly settlement	0.01%

(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			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			
The Company	Datasitter Information Service Inc.	Taiwan	Wholesale of computer software packages	10,125	10,125	675	20.00%	9,502	(1,180)	(236)	

**(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 (Note 2)	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	47,985 (USD 1,500)	(Note 2)	-	47,985 (USD1,500)	-	47,985 (USD1,500)	6,569 (USD 205)	100.00%	(Note 3)	100.00%	(USD 205)	6,569 (USD 1,671)	-

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 = 1:31.990 on March 31, 2024.

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
47,985 (USD 1,500)	95,970 (USD 3,000)	1,263,155



**Notes to the consolidated financial statements of ACER E-ENABLING SERVICE BUSINESS  
INC. and subsidiaries (continued)**

Note: Based on the exchange rate USD:NTD = 1:31.990 on March 31, 2024.

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 for the three months ended March 31, 2024, directly or indirectly.

(IV) Information of major shareholders:

<b>Name of major shareholder</b>	<b>Stock</b>	<b>Number of shares held</b>	<b>Shareholding ratio</b>
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:

<b>For the three months ended March 31</b>				
<b>2024</b>				
	<b>Information Software and Application Development Department</b>	<b>Others Business departments</b>	<b>Adjustments and write-offs</b>	<b>Total</b>
Revenue from external customers	\$ 2,147,995	22,250	-	2,170,245
<b>For the three months ended March 31</b>				
<b>2023</b>				
	<b>Information Software and Application Development Department</b>	<b>Others Business departments</b>	<b>Adjustments and write-offs</b>	<b>Total</b>
Revenue from external customers	\$ 1,793,037	17,139	-	1,810,176

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.