

Aopen Incorporated Agenda of 2024 General Shareholders' Meeting (Translation)

Date: May 29, 2024

Venue: 1F, No.88, Sec. 1 Xintai 5th Road, Xizhi, New Taipei City (ACER Building)

<http://www.aopen.com>

Disclaimer

This is a translation of the 2024 General Shareholders' Meeting Agenda of Aopen Incorporated (the "Company"). The translation is intended for reference only and nothing else, the Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the Agenda shall govern any and all matters related to the interpretation of the subject matter stated herein.

AOPEN INCORPORATED (THE "COMPANY")

Regulations for the Conduct of Shareholders' Meetings

1. These Regulations shall govern the conduct of Shareholders' Meetings of the Company.
2. The company shall specify in the notice of the meeting the time for accepting shareholders' check in, the location of the meeting, and other matters that should be paid attention to. The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting, the meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person.

The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated according to the shares indicated by the attendance book and attendance card handed in, and the shares checked in on the virtual meeting platform, plus the shares exercising voting right by the way of electronic transmission.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.

Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location domestically, and the chair shall declare the address of their location when the meeting is called to order.

5. The Shareholders' Meeting shall be called by the Board of Directors. The chairman of the Board of Directors shall

preside over the meeting. If the chairman of the Board of Directors takes a leave or is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, or no vice-chairman is elected, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman's behalf if the chairman does not appoint a designee. In the event that a Shareholders' Meeting is called by a person other than the Board of Directors who is entitled by law to call a Shareholders' Meeting, that person shall preside over the meeting.

6. The Company may designate attorneys, certified-public-accountants, or relevant personnel to attend the Shareholders' Meeting.
7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

8. The person who presides over the Shareholders' Meeting shall call the meeting in session at the designated time of the meeting. However, such person may announce a postponement of the meeting if at the designated time shares in attendance fail to exceed half of the total issued and outstanding shares of the Company. Such a postponement of meeting shall not be made more than two times, with postponement(s) limiting to one hour in aggregate. If, after second such postponement, shares in attendance are less than a quorum but more than one-thirds of the total issued and outstanding shares, the shareholders may proceed with such meeting pursuant to Article 175 of the Company Act to adopt provisional resolutions. Before the meeting is adjourned, if shares in attendance have reached a required quorum, the person presiding over the meeting may, pursuant to Article 174 of the Company Act, submit those provisional resolutions so adopted for a final resolution at the meeting.
9. If Shareholders' Meeting is called by the Board of Directors, the Board of Directors shall set the agenda of the meeting. The meeting shall proceed in accordance with the agenda so set by the Board of Directors unless otherwise changed by a resolution adopted at the meeting. During the meeting, the person presiding over the meeting may allocate an appropriate amount of time for recess. Unless otherwise adopted by a resolution, the person presiding over the meeting may not adjourn the meeting prior to the end of the agenda of the meeting. If the person presiding over the meeting declares the adjournment of the meeting in a manner in violation of the applicable rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution adopted by a majority of the voting rights represented by the shareholders attending said meeting to continue the proceeding of the meeting.
10. A shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No shareholders shall interfere with the shareholder who is making oral statement in any way unless the chairman of the meeting or the speaking shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraph do not apply.

11. Unless otherwise approved by the person presiding over the meeting, each shareholder may make oral statements

only twice for a same proposal or addressing matter under deliberation; and the length each oral statement shall not exceed 5 minutes. Otherwise, the person presiding over the meeting may stop the shareholder from making further statements.

12. A legal entity acting as a proxy for a shareholder to attend the meeting may appoint only one representative to attend the meeting. If more than one representatives are appointed by such legal entity to attend the meeting, only one person elected among them may make oral statements on the same proposal.
13. The person presiding over the meeting may reply to the oral statements, or may designate appropriate person to reply to the oral statements made by shareholders in attendance.
14. The person presiding over the meeting may declare the suspension of discussing of a proposal as he/she may deem appropriate and may submit the proposal for adopting a resolution.
15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately

17. The person presiding over the meeting shall determine the order of voting on amendment proposals or substituted proposals accompanying with their original proposals. As soon as one of those proposals is adopted as a resolution, other proposals in conflict regarding the same matter shall be deemed denied and shall require no further voting.
18. The person presiding over the meeting may direct monitors (or security guards) to maintain order at the meeting. Monitors (or security guards) shall wear a badge marked "SECURITY" or "MONITOR" when performing their duties at the meetings.
19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been

announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

20. The applicable provisions of the Company Act, the relevant regulations and the Company's Articles of Incorporation shall govern any matter not provided herein.
21. These Regulations and any amendments thereto, shall become effective upon approval by the shareholders.
22. Approved by the General Shareholders' Meeting held on May 25, 1998.
First Amendment approved by the General Shareholders' Meeting held on May 11, 1999.
Second Amendment approved by the General Shareholders' Meeting held on June 12, 2003.
Third Amendment approved by the General Shareholders' Meeting held on June 19, 2012.
Fourth Amendment approved by the General Shareholders' Meeting held on June 12, 2013.
Fifth Amendment approved by the General Shareholders' Meeting held on June 17, 2022.

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Meeting Schedule

1. Announcement of the opening of the meeting
2. Report Items
3. Proposed Items for Ratification and Discussion
4. Extemporaneous Motion
5. Adjournment

Meeting Agenda

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

**Venue: 1F, No.88, Sec. 1 Xintai 5th Road, Xizhi, New Taipei City
(ACER Building)**

Type: Video-assisted shareholders' meeting (physical meeting with video assistance)

Video Conferencing Platform: Taiwan Depository & Clearing Corporation

"TDCC STOCKVOTE" (<https://stockservices.tdcc.com.tw>)

1. Report Items

- (1) Business Report for the Year 2023
- (2) Audit Committee's Review Report
- (3) Report on Execution of Employees' Profit Sharing Bonus 、 Board Directors' Compensation and the Distribution of Cash Dividend for the year 2023

2. Proposed Items for Ratification and Discussion

- (1) Ratification Proposal of the Financial Statements, Business Report and the Proposal for Profit & Loss Appropriation for the year 2023
- (2) Proposal of the Amendments to Articles of Incorporation

3. Extemporaneous Motion

4. Meeting Adjourned

1. Report Items

(1) Business Report for the Year 2023

Explanatory Notes: Please refer to Attachment 1, pages 12

(2) Audit Committee's Review Report

Explanatory Notes: Please refer to Attachment 2, page 13

(3) To Report Execution of Employees' Profit Sharing Bonus, Board Directors' Compensation and the Distribution of Cash Dividend for the year 2023

1. The Distribution of Cash Dividend for the year 2023

Explanatory Notes:

- i. In accordance with Article 17-1 of the Article of Incorporation, the distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
- ii. The total accumulative earnings available for appropriation is NT\$185,242,355 and plan to distribute the cash dividend of NT\$156,896,026 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a preliminary ratio of NT\$2 per share which resolved by the Board on March 13, 2024. (Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income).
- iii. The record date for ex-dividend is temporarily set on July 11th, 2024, and the distribution date is set on August 1st, 2024. Should the dates above be adjusted due to the amendment of laws or regulations, or request by competent authorities, the Chairman is authorized with full power to adjust accordingly.

2. The Execution of Employees' Profit Sharing Bonus, Board Directors' Compensation for the year 2023

- i. In accordance with Article 17 of the Company's Articles of Incorporation, if the Company makes a profit for the year, after setting aside an amount to cover accumulated losses, the Company shall be distributed not less than 2% of the balance as compensation to employees and not more than 8‰ of the balance as compensation to directors.
- ii. The Board of Directors approved the proposal of employees' 2023 profit sharing bonus and Board Directors' compensation on March 13, 2024. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
 - (A) The total amount of Employees' 2023 profit sharing bonus is NT\$5,793,255 it's approximately 2.7 % of net profit before tax.
 - (B) The total amount of Board Directors' 2023 compensation is NT\$1,280,000 it's Approximately 0.6 % of net profit before tax. According to the Company's "Principles Governing the Payment of Directors' Remuneration", the remuneration of each independent director is NT\$320,000.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2023.
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Aopen's Financial Statements for the year 2023, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow have been audited by CPA Steven Shih and CPA Phyllis Chang of KPMG.
- (2) The Business Report for the year 2023 and the aforementioned financial statements are attached hereto as Attachment 1, pages 12, and Attachment 3~5, pages 14 to 32, which have been approved by the Audit Committee and by the Board of Directors via resolution.
- (3) Please discuss.

Resolution:

Item 2

Proposal: Proposal of the Amendments to Articles of Incorporation
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) In response to operational needs, the Company intends to include the number of " Wholesale of Drugs, Medical Goods" and " Retail sale of Medical Equipments " as new business items for applying and obtaining the license from the competent authority as the approval of sales of medical devices, it is proposed to amend the Company's Articles of Incorporation. Please refer to the attachment 6, pages 33 to 36, for the comparison table of the Company's Articles of Incorporation before and after the amendments
- (2) Please discuss.

Resolution:

3. Extemporaneous Motion

4. Meeting Adjourned

Attachment 1

Business Report

Dear Shareholders,

We understand that 2023 may be a challenging year due to the high risk of global inflation following the Covid-19 pandemic. Additionally, trade barriers and geopolitical and economic tensions are impacting the outlook and development of global industries and the economy as a whole. On the other hand, it is great to see that climate change has increased the focus on ESG data, green energy development, and low-carbon economies. Additionally, the emergence of generative AI has revolutionized business models across various industries. Thanks to your support, as well as the hard work of our management team and colleagues, we were able to adjust our business approach and seize opportunities to achieve sustainable growth and governance. I am pleased to report that in FY112, AOPEN achieved a consolidated revenue of NT\$5.67 billion and consolidated net income of NT\$229 million.

AOPEN, a subsidiary of the Acer Group, is currently prioritizing the development of industrial/commercial control mainframes for industrial applications. We are excited to be responding to the growth of intelligent AI and the industry's green transformation. At AOPEN, we are committed to serving a wide range of industrial applications, such as factory automation, digital campuses, smart learning, AI interactive digital retail, and transportation, with the assistance of EdgeAI and AI cloud computing. We also collaborate with our channel partners to provide long-lasting, high-performance, energy-efficient, and environmentally friendly ruggedized products. Global climate change impacts energy supply and the stability of the natural environment. Enterprises are adopting technological solutions, such as data analytics and artificial intelligence computing, to mitigate the risks posed by the changing environment. It is great to see companies taking action to address this important issue. At AOPEN, we are committed to creating cutting-edge computing devices that incorporate edge computing capabilities and platform data analysis. We also specialize in developing EdgeAI edge computing and AI cloud computing applications using top-of-the-line industrial mainframes and AI intelligence. Our goal is to meet the growing demand for industrial computer-related products across various industries. Furthermore, our self-developed Intelligent Remote Device Management Platform has been well-received by customers worldwide. We are proud to share that data shows it significantly reduces manpower requirements in service industries, lowers maintenance time, and improves overall operational efficiency.

We offer a broad spectrum of wide temperature and wide pressure range industrial IPCs that are perfect for indoor, semi-outdoor, and outdoor environments. Our IPCs are designed to provide high computing power while consuming low energy, making them both efficient and cost-effective. Additionally, our products are rugged and stable, ensuring that they can withstand even the toughest conditions. AOPEN has combined its resources to develop digital display projection products in the commercial field, expanding the application of intelligent displays for a greener life. We focus on industrial control consoles, motherboards, and digital interactive display devices to build a high-efficiency, low-heat-emission, and environmentally friendly raw material supply chain structure for innovative green business models. Our new business plan for AOPEN will prioritize ESG data and green energy transformation. We will implement strategic solutions for a low-carbon economy and climate risk management to promote green energy and low-carbon industries.

Looking forward to 2024, the year in which AI will drive the sustainable development of green energy transformation, we will continue to focus on building a diversified value chain and growing with our channel partners through regional integration. The Company believes it can overcome challenges and strengthen its core businesses to establish growth and sustainable development for the enterprise.

Chairman of Board:
Victor Chien

Corporate Officer:
Ken Wang

Accounting Officer:
Edward Chen

Attachment 2

Audit Committee Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and the Proposal for Profit & Loss Appropriation. The CPA Steven Shih and Phyllis Chang from KPMG were retained to audit Aopen's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for Profit & Loss Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer Incorporated in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

AOpen Incorporated.

Convener of the Audit Committee : Grace Lung

March 13th, 2024

Attachment 3

Independent Auditors' Report

To the Board of Directors
AOPEN Incorporated:

Opinion

We have audited the consolidated financial statements of AOPEN Incorporated (the “Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the paragraph on Other Matter of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group 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”), and interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’

Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Revenue recognition

Refer to note 4(o) and note 6(t) for accounting policy on revenue recognition and related disclosures of revenue, respectively.

Description of key audit matter:

Revenue is recognized depending on the various trade terms agreed with customers. This exposes the Group to the risk that the sales transactions made close to the balance sheet date are not recorded in the appropriate period. Therefore, the revenue recognition has been identified as our key audit matter.

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 Group's internal controls over financial reporting in the sales; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; and 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 Matter

We did not audit the financial statements of the investment accounted for using the equity method. The financial statements of Apex Material Technology Corp. were audited by other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apex Material Technology Corp., is based solely on the report of other auditor. The investment in Apex Material Technology Corp. accounted for using the equity method constituted 11.83% and 18.58% of the total consolidated assets as of December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituted 9.10% and 15.77% of the consolidated net income before tax, for the years ended December 31, 2023 and 2022, respectively. The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified audit opinion with other matters section.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs, IASs, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the 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 the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partners on the audit resulting in this independent auditors' report are Shih, Wei-Ming and Chang, Chun-I.

KPMG
Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

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

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022			Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 1,173,079	42	604,499	34	2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b))	\$ 883	-	3,974	-
1110 Financial assets measured at fair value through profit or loss – current (note 6(b))	313	-	34	-	2130	Contract liabilities – current (note 6(t))	4,021	-	15,631	1
1170 Accounts receivable, net (notes 6(d) and (t))	85,861	3	53,926	3	2170	Notes and accounts payable	1,158,352	42	737,428	41
1180 Accounts receivable from related parties (notes 6(d), (t) and 7)	774,450	28	414,653	23	2180	Accounts payable to related parties (note 7)	6,820	-	2,077	-
1200 Other receivables (note 6(e))	1,984	-	788	-	2200	Other payables (note 6(u))	78,717	3	62,063	4
1220 Current income tax assets	372	-	1,619	-	2220	Other payables to related parties (note 7)	4,733	-	5,794	-
130x Inventories (note 6(f))	70,715	3	241,057	13	2230	Current income tax liabilities	7,871	-	2,483	-
1476 Other financial assets – current (note 6(a))	200,000	7	-	-	2250	Provisions – current (note 6(m))	15,635	1	15,605	1
1479 Other current assets	48,376	2	45,072	3	2280	Lease liabilities – current (notes 6(n) and (z))	5,011	-	5,327	-
Total current assets	2,355,150	85	1,361,648	76	2300	Other current liabilities	12,802	1	10,054	1
Non-current assets:						Total current liabilities	1,294,845	47	860,436	48
1517 Financial assets measured at fair value through other comprehensive income – non-current (note 6(c))	39,044	1	52,224	3		Non-current liabilities:				
1550 Investments accounted for using the equity method (note 6(g))	328,903	12	330,807	19	2527	Contract liabilities – non-current (note 6(t))	3,473	-	5,697	-
1600 Property, plant and equipment (note 6(i))	6,026	-	5,986	-	2570	Deferred income tax liabilities (note 6(p))	58,816	2	64,840	4
1755 Right-of-use assets (note 6(j))	6,655	-	7,931	1	2580	Lease liabilities – non-current (notes 6(n) and (z))	1,678	-	2,662	-
1780 Intangible assets (note 6(k))	1,374	-	1,057	-	2640	Net defined benefit liabilities – non-current (note 6(o))	6,503	-	7,739	1
1840 Deferred income tax assets (note 6(p))	25,176	1	2,846	-	2670	Other non-current liabilities	2,307	-	2,893	-
1920 Refundable deposits	3,848	-	4,844	-		Total non-current liabilities	72,777	2	83,831	5
1975 Net defined benefit assets – non-current (note 6(o))	12,787	1	12,612	1		Total liabilities	1,367,622	49	944,267	53
1995 Other non-current assets (note 8)	600	-	600	-		Equity attributable to shareholders of the Parent (notes 6(c), (g), (q) and (r)):				
Total non-current assets	424,413	15	418,907	24	3110	Common stock	784,480	28	714,480	40
					3200	Capital surplus	410,864	15	2,976	-
					3300	Retained earnings	269,767	10	147,097	9
					3400	Other equity	(54,531)	(2)	(32,916)	(2)
						Total equity attributable to shareholders of the Parent	1,410,580	51	831,637	47
					36XX	Non-controlling interests	1,361	-	4,651	-
						Total equity	1,411,941	51	836,288	47
Total assets	\$ 2,779,563	100	1,780,555	100		Total liabilities and equity	\$ 2,779,563	100	1,780,555	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AOPEN INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Net revenue (notes 6(t), 7 and 14)	\$ 5,666,834	100	3,329,551	100
5000 Less: Cost of revenue (notes 6(f), (i), (m), 7 and 12)	5,254,009	93	3,020,561	91
Gross profit	<u>412,825</u>	<u>7</u>	<u>308,990</u>	<u>9</u>
Less: operating expenses (notes 6(d), (i), (j), (k), (n), (o), (r), (u), 7 and 12):				
6100 Selling expenses	117,815	2	105,160	3
6200 Administrative expenses	110,152	2	106,243	3
6300 Research and development expenses	20,375	-	16,171	1
6450 Expected credit loss (gain on reversal of impairment loss)	(655)	-	9,509	-
Total operating expenses	<u>247,687</u>	<u>4</u>	<u>237,083</u>	<u>7</u>
Operating income	<u>165,138</u>	<u>3</u>	<u>71,907</u>	<u>2</u>
Non-operating income and loss:				
7100 Interest income	17,310	-	10,107	-
7130 Dividend income (note 6(c))	1,256	-	786	-
7020 Other gains and losses (notes 6(g), (h) and (v))	9,124	-	90,108	3
7050 Finance costs (notes 6(n) and (v))	(329)	-	(2,283)	-
7060 Share of profits of associates (note 6(g))	19,265	1	31,947	1
Total non-operating income and loss	<u>46,626</u>	<u>1</u>	<u>130,665</u>	<u>4</u>
Income before income tax	<u>211,764</u>	<u>4</u>	<u>202,572</u>	<u>6</u>
7950 Less: income tax expense (benefit) (note 6(p))	(17,139)	-	4,607	-
Net income	<u>228,903</u>	<u>4</u>	<u>197,965</u>	<u>6</u>
Other comprehensive income (loss) (notes 6(g) and (p)):				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurements of defined benefit plans	153	-	4,070	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(13,180)	-	(3,034)	-
8320 Share of other comprehensive income (loss) of associates	84	-	(13)	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	1,374	-	407	-
Total items that will not be reclassified subsequently to profit or loss	<u>(11,569)</u>	<u>-</u>	<u>1,430</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(10,939)	-	(10,367)	-
8370 Share of other comprehensive income (loss) of associates	1,144	-	(334)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
Total items that may be reclassified subsequently to profit or loss	<u>(9,795)</u>	<u>-</u>	<u>(10,701)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(21,364)</u>	<u>-</u>	<u>(9,271)</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 207,539</u>	<u>4</u>	<u>188,694</u>	<u>6</u>
Net income attributable to:				
Shareholders of the Parent	\$ 232,207	4	199,102	6
Non-controlling interests	(3,304)	-	(1,137)	-
	<u>\$ 228,903</u>	<u>4</u>	<u>197,965</u>	<u>6</u>
Total comprehensive income attributable to:				
Shareholders of the Parent	\$ 210,829	4	189,599	6
Non-controlling interests	(3,290)	-	(905)	-
	<u>\$ 207,539</u>	<u>4</u>	<u>188,694</u>	<u>6</u>
Earnings per share (in New Taiwan dollars) (note 6(s)):				
9750 Basic earnings per share	<u>\$ 3.14</u>		<u>2.79</u>	
9850 Diluted earnings per share	<u>\$ 3.14</u>		<u>2.78</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AOPEN INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent							Total equity attributable to shareholders of the Parent	Non-controlling interests	Total equity		
	Retained earnings (accumulated deficit)				Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total			
Balance at January 1, 2022	\$ 714,480	2,976	-	-	(56,062)	(56,062)	(26,500)	7,144	(19,356)	642,038	5,556	647,594
Net income (loss) in 2022	-	-	-	-	199,102	199,102	-	-	-	199,102	(1,137)	197,965
Other comprehensive income (loss) in 2022	-	-	-	-	4,057	4,057	(10,933)	(2,627)	(13,560)	(9,503)	232	(9,271)
Total comprehensive income (loss) in 2022	-	-	-	-	203,159	203,159	(10,933)	(2,627)	(13,560)	189,599	(905)	188,694
Balance at December 31, 2022	714,480	2,976	-	-	147,097	147,097	(37,433)	4,517	(32,916)	831,637	4,651	836,288
Net income (loss) in 2023	-	-	-	-	232,207	232,207	-	-	-	232,207	(3,304)	228,903
Other comprehensive income (loss) in 2023	-	-	-	-	237	237	(9,809)	(11,806)	(21,615)	(21,378)	14	(21,364)
Total comprehensive income (loss) in 2023	-	-	-	-	232,444	232,444	(9,809)	(11,806)	(21,615)	210,829	(3,290)	207,539
Appropriation of earnings:												
Legal reserve	-	-	14,710	-	(14,710)	-	-	-	-	-	-	-
Special reserve	-	-	-	13,559	(13,559)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(107,172)	(107,172)	-	-	-	(107,172)	-	(107,172)
Capital increase by cash	70,000	404,081	-	-	-	-	-	-	-	474,081	-	474,081
Share-based payment transactions	-	3,807	-	-	(2,602)	(2,602)	-	-	-	1,205	-	1,205
Balance at December 31, 2023	\$ 784,480	410,864	14,710	13,559	241,498	269,767	(47,242)	(7,289)	(54,531)	1,410,580	1,361	1,411,941

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

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 211,764	202,572
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	8,639	9,760
Amortization	1,516	1,782
Expected credit losses (gains on reversal of impairment loss)	(655)	9,509
Interest expense	329	2,283
Interest income	(17,310)	(10,107)
Dividend income	(1,256)	(786)
Share-based compensation cost	1,205	-
Share of profits of associates	(19,265)	(31,947)
Gains on disposal of investments accounted for using the equity method	-	(7,998)
Unrealized foreign exchange losses from loans	-	120
Gains on reversal of impairment loss on non-financial assets	-	(30,048)
Total adjustments for profit or loss	<u>(26,797)</u>	<u>(57,432)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets measured at fair value through profit or loss	(279)	933
Accounts receivable	(31,319)	30,778
Accounts receivable from related parties	(359,797)	(34,678)
Other receivables	(58)	142
Other receivables from related parties	-	31
Inventories	170,272	(87,354)
Other current assets	(3,304)	(4,513)
Net defined benefit assets	(221)	(58)
Changes in operating assets	<u>(224,706)</u>	<u>(94,719)</u>
Changes in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	(3,091)	3,608
Contract liabilities	(13,834)	3,986
Notes and accounts payable	420,924	69,717
Accounts payable to related parties	4,743	(4,811)
Other payables	16,654	(12,149)
Other payables to related parties	(1,061)	4,110
Provisions	30	(2,735)
Other current liabilities	2,748	(72)
Net defined benefit liabilities	(1,037)	387
Other non-current liabilities	(586)	15
Changes in operating liabilities	<u>425,490</u>	<u>62,056</u>
Total changes in operating assets and liabilities	<u>200,784</u>	<u>(32,663)</u>
Total adjustments	<u>173,987</u>	<u>(90,095)</u>
Cash provided by operations	385,751	112,477
Interest received	16,172	10,107
Interest paid	(329)	(2,333)
Income taxes paid	(4,468)	(1,674)
Net cash flows provided by operating activities	<u>397,126</u>	<u>118,577</u>

(Continued)

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

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Proceeds from disposal of investments accounted for using the equity method \$	-	21,137
Additions to property, plant and equipment	(2,577)	(3,325)
Decrease in refundable deposits	996	2,878
Additions to intangible assets	(1,833)	(1,446)
Increase in other financial assets	(200,000)	-
Dividends received	23,653	20,776
Net cash flows provided by (used in) investing activities	<u>(179,761)</u>	<u>40,020</u>
Cash flows from financing activities:		
Increase in short-term borrowings	192,818	1,653,158
Decrease in short-term borrowings	(192,818)	(1,816,348)
Payments of lease liabilities	(5,895)	(6,402)
Cash dividends distributed to shareholders	(107,172)	-
Capital increase by cash	474,081	-
Net cash flows provided by (used in) financing activities	<u>361,014</u>	<u>(169,592)</u>
Effect of foreign exchange rate changes	<u>(9,799)</u>	<u>(8,995)</u>
Net increase (decrease) in cash and cash equivalents	568,580	(19,990)
Cash and cash equivalents at beginning of year	<u>604,499</u>	<u>624,489</u>
Cash and cash equivalents at end of year	<u>\$ 1,173,079</u>	<u>604,499</u>

Attachment 4

Independent Auditors' Report

To the Board of Directors
AOPEN Incorporated:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (refer to the paragraph on Other Matter of our report), the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Revenue recognition

Refer to note 4(o) and note 6(t) for accounting policy on revenue recognition and related disclosures of revenue, respectively.

Description of key audit matter:

Revenue is recognized depending on the various trade terms agree with customers. This exposes the Company to the risk that the sales transactions made close to the balance sheet date are not recorded in the appropriate period. Therefore, the revenue recognition has been identified as our key audit matter.

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 financial reporting in the sales; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; and 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 Matter

We did not audit the financial statements of the investment accounted for using the equity method. The financial statements of Apex Material Technology Corp. were audited by other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apex Material Technology Corp., is based solely on the report of other auditor. The investment in Apex Material Technology Corp. accounted for using the equity method constituted 11.27% and 17.97% of the total assets as of December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituted 9.32% and 15.98% of the net income before tax, for the years ended December 31, 2023 and 2022, respectively.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Shih, Wei-Ming and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)

March 13, 2024

Notes to Readers

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

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

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

AOPEN INCORPORATED

Parent-Company-Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets					Liabilities and Equity						
Current assets:					Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 753,728	26	177,234	10	2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b))	\$ 883	-	3,974	-
1110	Financial assets measured at fair value through profit or loss – current (note 6(b))	313	-	34	-	2130	Contract liabilities – current (note 6(t))	2,588	-	10,532	1
1170	Accounts receivable, net (notes 6(d) and (t))	16,243	1	1,157	-	2170	Notes and accounts payable	1,129,814	39	670,737	37
1180	Accounts receivable from related parties (notes 6(d), (t) and 7)	1,146,804	39	841,713	46	2180	Accounts payable to related parties (note 7)	7,994	-	4,807	-
1200	Other receivables (note 6(e))	1,478	-	350	-	2200	Other payables (note 6(u))	45,867	2	39,482	2
1210	Other receivables from related parties (notes 6(e) and 7)	571	-	-	-	2220	Other payables to related parties (note 7)	5,286	-	6,608	-
1220	Current income tax assets	85	-	70	-	2250	Provisions – current (note 6(n))	10,561	-	10,821	1
130x	Inventories (note 6(f))	17,342	1	50,045	3	2280	Lease liabilities – current (notes 6(m) and (z))	124	-	52	-
1476	Other financial assets – current (note 6(a))	200,000	7	-	-	2300	Other current liabilities	396	-	418	-
1479	Other current assets (note 7)	50,374	2	25,735	1		Total current liabilities	1,203,513	41	747,431	41
	Total current assets	2,186,938	76	1,096,338	60		Non-current liabilities:				
	Non-current assets:					2527	Contract liabilities – non-current (note 6(t))	3,473	-	5,697	-
1517	Financial assets measured at fair value through other comprehensive income – non-current (note 6(c))	39,044	1	52,224	3	2570	Deferred income tax liabilities (note 6(p))	57,726	2	63,751	4
1550	Investments accounted for using the equity method (note 6(g))	653,115	22	677,111	37	2580	Lease liabilities – non-current (notes 6(m) and (z))	52	-	-	-
1600	Property, plant and equipment (note 6(i))	1,584	-	1,309	-	2650	Credit balance of investments accounted for using the equity method (note 6(g))	242,720	9	192,878	10
1755	Right-of-use assets (notes 6(j) and 7)	175	-	52	-		Total non-current liabilities	303,971	11	262,326	14
1780	Intangible assets (note 6(k))	1,371	-	1,037	-		Total liabilities	1,507,484	52	1,009,757	55
1840	Deferred income tax assets (note 6(p))	22,328	1	-	-		Equity (notes 6(c), (g), (p), (q) and (r)) :				
1920	Refundable deposits	222	-	211	-	3110	Common stock	784,480	27	714,480	39
1975	Net defined benefit assets – non-current (note 6(o))	12,787	-	12,612	-	3200	Capital surplus	410,864	14	2,976	-
1995	Other non-current assets (note 8)	500	-	500	-	3300	Retained earnings	269,767	9	147,097	8
	Total non-current assets	731,126	24	745,056	40	3400	Other equity	(54,531)	(2)	(32,916)	(2)
							Total equity	1,410,580	48	831,637	45
Total assets		\$ 2,918,064	100	1,841,394	100		Total liabilities and equity	\$ 2,918,064	100	1,841,394	100

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

AOPEN INCORPORATED

Parent-Company-Only Statements of Comprehensive Income (Loss)

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Net revenue (notes 6(t) and 7)	\$ 5,297,520	100	2,893,405	100
5000	Less: cost of revenue (notes 6(f), (i), (n), 7 and 12)	4,980,547	94	2,740,294	95
	Gross profit before unrealized gross profit on sales	316,973	6	153,111	5
5910	Add: unrealized gross profit on sales (note 7)	(5,500)	-	(2,800)	-
	Gross profit	311,473	6	150,311	5
	Less: operating expenses (notes 6(d), (i), (j), (k), (m), (o), (r), (u), 7 and 12) :				
6100	Selling expenses	3,936	-	3,039	-
6200	Administrative expenses	63,067	2	52,066	2
6300	Research and development expenses	18,164	-	13,987	-
6450	Expected credit loss	208	-	130	-
	Total operating expenses	85,375	2	69,222	2
	Operating income	226,098	4	81,089	3
	Non-operating income and loss:				
7100	Interest income	7,596	-	658	-
7130	Dividend income (note 6(c))	1,256	-	786	-
7020	Other gains and losses (notes 6(g), (h) and (v))	8,443	-	46,403	1
7050	Finance costs (notes 6(m), (v) and 7)	(299)	-	(2,231)	-
7070	Share of profits (losses) of subsidiaries and associates (note 6(g))	(36,415)	-	73,276	3
	Total non-operating income and loss	(19,419)	-	118,892	4
	Income before income tax	206,679	4	199,981	7
7950	Less: income tax expense (benefit) (note 6(p))	(25,528)	-	879	-
	Net income	232,207	4	199,102	7
	Other comprehensive income (loss) (notes 6(g), (o) and (p)) :				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	(46)	-	3,340	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(13,180)	-	(3,034)	-
8330	Share of other comprehensive income of subsidiaries and associates	283	-	717	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(1,374)	-	(407)	-
	Total items that will not be reclassified subsequently to profit or loss	(11,569)	-	1,430	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(2,159)	-	(17,251)	-
8380	Share of other comprehensive income (loss) of subsidiaries and associates	(7,650)	-	6,318	-
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	(9,809)	-	(10,933)	-
	Other comprehensive loss for the year, net of income tax	(21,378)	-	(9,503)	-
	Total comprehensive income for the year	\$ 210,829	4	189,599	7
	Earnings per share (in New Taiwan dollars) (note 6(s)):				
9750	Basic earnings per share	<u>\$ 3.14</u>		<u>2.79</u>	
9850	Diluted earnings per share	<u>\$ 3.14</u>		<u>2.78</u>	

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

AOPEN INCORPORATED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings (accumulated deficit)					Other equity				
	Common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2022	\$ 714,480	2,976	-	-	(56,062)	(56,062)	(26,500)	7,144	(19,356)	642,038
Net income in 2022	-	-	-	-	199,102	199,102	-	-	-	199,102
Other comprehensive income (loss) in 2022	-	-	-	-	4,057	4,057	(10,933)	(2,627)	(13,560)	(9,503)
Total comprehensive income (loss) in 2022	-	-	-	-	203,159	203,159	(10,933)	(2,627)	(13,560)	189,599
Balance at December 31, 2022	714,480	2,976	-	-	147,097	147,097	(37,433)	4,517	(32,916)	831,637
Net income in 2023	-	-	-	-	232,207	232,207	-	-	-	232,207
Other comprehensive income (loss) in 2023	-	-	-	-	237	237	(9,809)	(11,806)	(21,615)	(21,378)
Total comprehensive income (loss) in 2023	-	-	-	-	232,444	232,444	(9,809)	(11,806)	(21,615)	210,829
Appropriation of earnings:										
Legal reserve	-	-	14,710	-	(14,710)	-	-	-	-	-
Special reserve	-	-	-	13,559	(13,559)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(107,172)	(107,172)	-	-	-	(107,172)
Capital increase by cash	70,000	404,081	-	-	-	-	-	-	-	474,081
Share-based payment transactions	-	3,807	-	-	(2,602)	(2,602)	-	-	-	1,205
Balance at December 31, 2023	\$ 784,480	410,864	14,710	13,559	241,498	269,767	(47,242)	(7,289)	(54,531)	1,410,580

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

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 206,679	199,981
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,091	831
Amortization	1,499	1,765
Expected credit losses	208	130
Interest expense	299	2,231
Interest income	(7,596)	(658)
Dividend income	(1,256)	(786)
Share-based compensation cost	1,205	-
Share of losses (profits) of subsidiaries and associates	36,415	(73,276)
Gains on reversal of impairment loss on non-financial assets	-	(30,048)
Unrealized profits on sales to subsidiaries and associates	5,500	2,800
Gains on disposal of investment accounted for using the equity method	-	(7,998)
Others	-	(880)
Total adjustments for profit or loss	<u>37,365</u>	<u>(105,889)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets measured at fair value through profit or loss	(279)	933
Accounts receivable	(15,294)	(1,269)
Accounts receivable from related parties	(305,091)	(165,841)
Other receivables	(1,128)	539
Other receivables from related parties	(571)	31
Inventories	32,703	2,590
Other current assets	(23,501)	(1,440)
Net defined benefit assets	(221)	(58)
Changes in operating assets	<u>(313,382)</u>	<u>(164,515)</u>
Changes in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	(3,091)	3,608
Contract liabilities	(10,168)	8,246
Notes and accounts payable	459,077	137,496
Accounts payable to related parties	3,187	(1,978)
Other payables	6,385	(8,633)
Other payables to related parties	(1,322)	2,854
Provisions	(260)	(625)
Other current liabilities	(22)	56
Changes in operating liabilities	<u>453,786</u>	<u>141,024</u>
Total changes in operating assets and liabilities	<u>140,404</u>	<u>(23,491)</u>
Total adjustments	<u>177,769</u>	<u>(129,380)</u>
Cash provided by operations	384,448	70,601
Interest received	6,458	658
Interest paid	(299)	(2,281)
Income taxes paid	(1,466)	(126)
Net cash flows provided by operating activities	<u>389,141</u>	<u>68,852</u>

(Continued)

(English Translation of Financial Statements Originally Issued in Chinese)
AOPEN INCORPORATED

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Proceeds from disposal of investments accounted for using the equity method	\$ -	21,137
Proceeds from capital return of investments accounted for using the equity method	-	25,737
Additions to property, plant and equipment	(1,241)	(1,171)
Additions to intangible assets	(1,833)	(1,446)
Decrease (increase) in refundable deposits	(11)	458
Increase in other financial assets	(200,000)	-
Dividends received	23,653	20,776
Net cash flows provided by (used in) investing activities	(179,432)	65,491
Cash flows from financing activities:		
Increase in short-term borrowings	192,818	1,653,158
Decrease in short-term borrowings	(192,818)	(1,816,348)
Payments of lease liabilities	(124)	(125)
Cash dividends distributed to shareholders	(107,172)	-
Capital increase by cash	474,081	-
Net cash flows provided by (used in) financing activities	366,785	(163,315)
Net increase (decrease) in cash and cash equivalents	576,494	(28,972)
Cash and cash equivalents at beginning of year	177,234	206,206
Cash and cash equivalents at end of year	\$ 753,728	177,234

Attachment 5

Aopen Incorporated

Profit Distribution Statement for the Year 2023

Unit: NT\$

Beginning Balance of Un-appropriated Retained Earnings	11,656,342
Plus : 2023 Net Income after Tax	232,206,568
Plus : Profit in other comprehensive income and losses for the period	237,698
Deduct : Equity-settled share-based payment arrangements granted to employees of parent company	(2,601,904)
Deduct : Legal Reserve	(22,984,236)
Deduct : Special Reserve	(33,272,113)
Accumulative earnings available for appropriation	185,242,355
Appropriation Items ^(Note) :	
Cash dividends to shareholders (NT\$2/per share)	(156,896,026)
Ending Balance of Un-appropriated Retained Earnings	23,346,329

Note: Cash dividends were approved by Board of Directors and shall be reported in Shareholders' Meetings.

Chairman of Board:

Victor Chien

Corporate Officer:

Ken Wang

Accounting Officer:

Edward Chen

Attachment 6

Aopen Incorporated Articles of Incorporation (Before and Revision Chart of Articles of Incorporation)

After Revision	Before Revision	Reason of Revision
<p>Article 2</p> <p>The scope of business of the Company shall include the following:</p> <p>(1) F401010 International Trade;</p> <p>(2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing;</p> <p>(3) CC01080 Electronics Components Manufacturing;</p> <p>(4) CC01120 Data Storage Media Manufacturing and Duplicating;</p> <p>(5) CC01110 Computer and Peripheral Equipment Manufacturing;</p> <p>(6) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing;</p> <p>(7) F113050 Wholesale of Computers and Clerical Machinery Equipment;</p> <p>(8) F113070 Wholesale of Telecommunication Apparatus;</p> <p>(9) F118010 Wholesale of Computer Software;</p> <p>(10) F119010 Wholesale of Electronic Materials;</p> <p>(11) I301010 Information Software</p>	<p>Article 2</p> <p>The scope of business of the Company shall include the following:</p> <p>(1) F401010 International Trade;</p> <p>(2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing;</p> <p>(3) CC01080 Electronics Components Manufacturing;</p> <p>(4) CC01120 Data Storage Media Manufacturing and Duplicating;</p> <p>(5) CC01110 Computer and Peripheral Equipment Manufacturing;</p> <p>(6) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing;</p> <p>(7) F113050 Wholesale of Computers and Clerical Machinery Equipment;</p> <p>(8) F113070 Wholesale of Telecommunication Apparatus;</p> <p>(9) F118010 Wholesale of Computer Software;</p> <p>(10) F119010 Wholesale of Electronic Materials;</p> <p>(11) I301010 Information Software</p>	<p>In response to operational needs, the Company add two new business items " Wholesale of Drugs, Medical Goods" and " Retail sale of Medical Equipments " as well</p>

After Revision	Before Revision	Reason of Revision
<p>Services;</p> <p>(12) I301020 Data Processing Services;</p> <p>(13) I501010 Product Designing;</p> <p>(14) CC01100 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing;</p> <p>(15) JA02010 Electric Appliance and Electronic Products Repair;</p> <p>(16) F399040 Retail Sale No Storefront;</p> <p><u>(17) F108031 Wholesale of Drugs, Medical Goods</u></p> <p><u>(18) F208031 Retail sale of Medical Equipments</u></p> <p>(19) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Services;</p> <p>(12) I301020 Data Processing Services;</p> <p>(13) I501010 Product Designing;</p> <p>(14) CC01100 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing;</p> <p>(15) JA02010 Electric Appliance and Electronic Products Repair;</p> <p>(16) F399040 Retail Sale No Storefront;</p> <p>(17) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Article 22</p> <p>These Articles of Incorporation were approved on December 6, 1996.</p> <p>The first amendment was approved on December 18, 1996.</p> <p>The second amendment was approved on July 18, 1997.</p> <p>The third amendment was approved on December 29, 1997.</p> <p>The fourth amendment was approved on April 11, 1998.</p> <p>The fifth Amendment was approved on May 11, 1999.</p>	<p>Article 22</p> <p>These Articles of Incorporation were approved on December 6, 1996</p> <p>The first amendment was approved on December 18, 1996</p> <p>The second amendment was approved on July 18, 1997</p> <p>The third amendment was approved on December 29, 1997</p> <p>The fourth amendment was approved on April 11, 1998</p> <p>The fifth Amendment was approved on May 11, 1999</p>	<p>Include the date of amendments.</p>

After Revision	Before Revision	Reason of Revision
The sixth amendment was approved on May 26, 2000.	The sixth amendment was approved on May 26, 2000	
The seventh amendment was approved on May 26, 2000.	The seventh amendment was approved on May 26, 2000	
The eighth amendment was approved on May 3, 2001.	The eighth amendment was approved on May 3, 2001	
The ninth amendment was approved on June 18, 2002.	The ninth amendment was approved on June 18, 2002	
The tenth amendment was approved on June 12, 2003.	The tenth amendment was approved on June 12, 2003	
The eleventh amendment was approved June 15, 2004.	The eleventh amendment was approved June 15, 2004	
The twelfth amendment was approved on June 17, 2005.	The twelfth amendment was approved on June 17, 2005	
The thirteenth amendment was approved on June 21, 2006.	The thirteenth amendment was approved on June 21, 2006	
The fourteenth amendment was approved on June 13, 2007.	The fourteenth amendment was approved on June 13, 2007	
The fifteenth amendment was approved on June 19, 2008.	The fifteenth amendment was approved on June 19, 2008	
The sixteenth amendment was approved on June 19, 2009.	The sixteenth amendment was approved on June 19, 2009	
The seventeenth amendment was approved on June 15, 2010.	The seventeenth amendment was approved on June 15, 2010	
The eighteenth amendment was approved on June 10, 2011.	The eighteenth amendment was approved on June 10, 2011	
The nineteenth amendment was approved on June 22, 2016.	The nineteenth amendment was approved on June 22, 2016	
The twentieth amendment was approved on June 12, 2019.	The twentieth amendment was approved on June 12, 2019	
The twenty-first amendment was approved on June 17, 2021.	The twenty-first amendment was approved on June 17, 2021	

After Revision	Before Revision	Reason of Revision
<p>The twenty-second amendment was approved on June 16, 2023.</p> <p><u>The twenty-third amendment was approved on May 29, 2024. (temp.)</u></p>	<p>The twenty-second amendment was approved on June 16, 2022</p>	

Appendix 1

AOPEN Incorporated
Articles of Incorporation
(Current Version)

CHAPTER I – GENERAL PROVISIONS

- Article 1 The Company shall be incorporated in accordance with the Company Act, and its name shall be 建基股份有限公司 in the Chinese language, and AOPEN Incorporated in the English language.
- Article 2 The scope of business of the Company shall include the following:
- (1) F401010 International Trade;
 - (2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing;
 - (3) CC01080 Electronics Components Manufacturing;
 - (4) CC01120 Data Storage Media Manufacturing and Duplicating;
 - (5) CC01110 Computer and Peripheral Equipment Manufacturing;
 - (6) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing;
 - (7) F113050 Wholesale of Computers and Clerical Machinery Equipment;
 - (8) F113070 Wholesale of Telecommunication Apparatus;
 - (9) F118010 Wholesale of Computer Software;
 - (10) F119010 Wholesale of Electronic Materials;
 - (11) I301010 Information Software Services;
 - (12) I301020 Data Processing Services;
 - (13) I501010 Product Designing;
 - (14) CC01100 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing;
 - (15) JA02010 Electric Appliance and Electronic Products Repair;
 - (16) F399040 Retail Sale No Storefront;
 - (17) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to

special approval.

- Article 3 The headquarters of the Company shall be located in Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, by a resolution adopted at a meeting by the Board of Directors, set up branch offices in Taiwan or abroad.
- Article 4 Public announcements of the Company shall be made according to Article 28 of the Company Act.

CHAPTER II – CAPITAL STOCK

- Article 5 The total amount of the Company capital stock is NT\$ four hundred and forty (440) million divided into forty four (44) million shares at par value of NT\$10 per share, within which the Board of Directors is authorized to issue shares in installments. NT\$ three hundred (300) million of the aforesaid total capital stock, divided into thirty (30) million shares each at a par value of NT\$10, is reserved for exercising stock options.
- Article 5-1 When the Company issues employee stock options, transfers treasury stock to employees, issues new shares reserved for subscription by employees, and issues restricted stock for employees, the employees of subsidiaries of the Company may be included. Qualification requirements of the employees who are entitled to receive it may be set and specified by the Board of Director.
- Article 6 The Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depository institution in accordance with the relevant regulations and rules requested by that institution.
- Article 7 The transfer of share certificates shall not be filed with the Company within sixty (60) days prior to the date of the annual shareholders' meeting or within thirty (30) days prior to the special shareholders' meeting or within five (5) days prior to the date fixed for allocating dividends, bonuses or other benefits.

CHAPTER III – SHAREHOLDERS' MEETINGS

- Article 8 Shareholders' meetings of the Company are classified into (1) regular meetings and (2) special meetings. The Board of Directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.
- The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, and the Company shall be subject to prescriptions provided for by the

competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Article 9 Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form, which shall specify the scope of proxy and be signed and sealed by the shareholder.

Where one person has been appointed to act as proxy for more than two shareholders, unless such person is engaged in the trust business, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding capital stock of the Company shall not be counted.

The proxies mentioned in Section 1 shall be made pursuant to the requirements of the competent authority in charge of securities affairs, and delivered to the Company five (5) days before the shareholders' meeting. In such a case, only the proxy received earlier shall be effective.

Article 10 Unless otherwise regulated by law, each shareholder of the Company owns one (1) vote per share.

Article 11 Except as otherwise specified by the Company Act, a resolution may be adopted by the holders of a simple majority of the votes of the issued and outstanding capital stock represented at a shareholders' meeting at which the holders of a majority of issued and outstanding capital stock are present.

CHAPTER IV – DIRECTORS AND COMMITTEES

Article 12 This Company shall have seven (7) ~ nine (9) directors, to be elected from the nominees listed in the roster of director with the candidate nomination system. The term of office for directors and supervisors shall be three (3) years. The directors are eligible for re-election. The Board of Directors is authorized to determine the number of directors.

The Company shall establish three (3) or more independent directors to be included in the number of directors designated in the preceding paragraph. The elections for independent directors shall proceed with the candidate nomination system; the shareholders shall elect independent directors from among the nominees listed in the roster of independent director candidates. The profession qualifications of independent directors, and their holding shares number, non-competition limitation, nomination, election and other items requiring compliance shall be ascertained referring to regulations of the security authority.

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

The Board of Directors is authorized to determine the compensation for the directors or the traveling expenses proposed by the Remuneration Committee,

and should considering the contribution and the performance of the management for the Company and the standards of the industry, regardless the profit or loss of the Company.

Article 12-1 The convening of the meeting of the Board of Directors and the Audit Committee shall be held in accordance with the Company Act and applicable regulations promulgated by the competent authorities.

The notice set forth may be effected by means of electronic transmission.

Article 12-2 The Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee and the members of the Audit Committee shall be responsible for those responsibilities under the Company Act, Securities and Exchange Act and other applicable laws and regulations.

Article 13 The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on.

Article 14 Where the chairman of the Board of Directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act.

Where a director is unable to attend the meeting of the Board of Directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director.

CHAPTER V – MANAGERS

Article 15 This Company may have one CEO, several presidents and vice presidents. The appointment, removal, and compensation of the president and vice presidents shall be made in accordance with Article 29 of the Company Act.

CHPATER VI – ACCOUNTING

Article 16 At the end of each business fiscal year, the following reports shall be prepared by the Board of Directors, and shall be submitted to the shareholders' meeting for approval:

- (1) Business Report;
- (2) Financial Report;
- (3) Proposal of Appropriation of Net Profit or the Covering of Losses.

CHAPTER VII – SUPPLEMENTARY PROVISIONS

Article 17 Where there is profit at the end of each fiscal year, after covering the accumulated losses, shall be distributed as following:

(1) The employees' compensation shall be two percent (2%) or more. The employees' compensation may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of the controlling or controlled company of Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.

(2) The compensation for directors shall be 8 permil (8‰) or less. The distribution will be proposed by the Reccommunation Committee and resolved by the Board of the Directors.

The "profit" aforesaid in this paragraph shall be the profit of the pre-tax benefits without deducting the employees' compensation and the compensation for directors.

Article 17-1 Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total paid-in capital.

Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder shall include all undistributed surplus of previous years, then may distribute dividends to shareholders. Unless otherwise specified by laws that the Company shall distribute the dividends with capital reserve, the Company shall not distribute distribute dividends or bonuses when there is no surplus.

The distributable dividends and bonuses in whole or in part is authorized to be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 18 The dividend policy of the Company depends on the current and future development plan, investment environments, concerning the interest of shareholders, etc.; therefore, share or cash dividends of the Company shall be distributed at least 10 percent (10%) of yearly dividends. For the purpose of having a balance and steady dividend policy, the cash dividends shall not less than ten percent (10%) of the total dividend amount when distributing the dividend to the shareholders, except as otherwise the dividend is decided not to

distribute with a consent adopted by the meeting of the Board of Directors and also approved by the shareholders' meeting. Provided the Company has no earning of the fiscal year, the Company shall not distribute share or cash dividends; however, in consideration of the financial, business and operational situations of the Company, the Company may distribute partial or all the legal reserve and the capital reserve in accordance with the regulations or rules of the relevant authorities.

Article 19 The Company may make endorsements or guarantees considering the business or investment relationships.

Article 20 The total amount of the investments of the Company is waived from the restriction of Article 13 of the Company Act.

Article 21 The Company Act and related regulations shall govern any matter not provided in the Articles of Incorporation.

Article 22 These Articles of Incorporation were approved on December 6, 1996
The first amendment was approved on December 18, 1996
The second amendment was approved on July 18, 1997
The third amendment was approved on December 29, 1997
The fourth amendment was approved on April 11, 1998
The fifth Amendment was approved on May 11, 1999
The sixth amendment was approved on May 26, 2000
The seventh amendment was approved on May 26, 2000
The eighth amendment was approved on May 3, 2001
The ninth amendment was approved on June 18, 2002
The tenth amendment was approved on June 12, 2003
The eleventh amendment was approved June 15, 2004
The twelfth amendment was approved on June 17, 2005
The thirteenth amendment was approved on June 21, 2006
The fourteenth amendment was approved on June 13, 2007
The fifteenth amendment was approved on June 19, 2008
The sixteenth amendment was approved on June 19, 2009
The seventeenth amendment was approved on June 15, 2010
The eighteenth amendment was approved on June 10, 2011
The nineteenth amendment was approved on June 22, 2016
The twentieth amendment was approved on June 12, 2019
The twenty-first amendment was approved on June 17, 2022
The twenty-second amendment was approved on June 16, 2023.

Appendix 2

Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Shareholder Return Rate

Not Applicable

Appendix 3

Shareholdings of All Directors as of March 31, 2024

Title	Name	Number of Shares
Director	Acer Inc. . Legal Representative : Jason Chen	34,264,311
Director	Acer Inc. . Legal Representative : Maverick Shih	34,264,311
Director	Acer Inc. . Legal Representative : Victor Chien	34,264,311
Independent Director	Grace Lung	0
Independent Director	Andrew Chang	0
Independent Director	Steve Tso	0
Independent Director	TF Chen	0
	Total	34,264,311

(1) The current number of issued shares in the Company as of March 31, 2024 : 78,448,013 common shares.

(2) The Company has elected more than one-half of the total number of independent directors and has established an audit committee in accordance with the law. Therefore, the requirement that the number of shares held by each of the total number of directors and supervisors shall not be less than a certain percentage shall not apply.

