



**ACER
INCORPORATED
2022
ANNUAL REPORT**

TSE 2353

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www.acer-group.com

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Reuse, recycle for a sustainable future

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5. Overseas Securities Exchange

Listed Market for GDRs: London Stock Exchange Market
For further information, please refer to Website: www.Londonstockexchange.com

6. Acer Group Website: www.acer-group.com

Sustainability Goals and Milestones

RE100

Joined the RE100 initiative and pledged to source 100% renewable electricity by 2035

20-30%

PCR plastics to be used in devices by 2025

30 million+

Units of devices were made with post-consumer recycled (PCR) materials (2020-2022)

100%

of molded pulp in laptop computer packaging are made with recycled kraft paper

45%

Reduce energy consumption of personal computers by an average of 45% by 2025, compared to 2016

60%

of critical suppliers have committed to RE100 or set science-based targets (SBTs) for carbon reduction by 2022

80%

of critical suppliers to commit to RE100 or set science-based targets (SBTs) for carbon reduction by 2025

2035

RE100 | CLIMATE GROUP | CDP

Sustainability Awards



A constituent of the MSCI ESG Leaders Indexes for the ninth consecutive year



Garnered the best rating of AAA in its category in the MSCI ESG Ratings



Listed on the Dow Jones Sustainability Index for the ninth consecutive year, and No. 2 among industry leaders in the THQ Computers & Peripherals and Office Electronics category in 2022



Named in the S&P Global Sustainability Yearbook 2023 for sustainable business practices and listed in the Top 5% category



Listed on the FTSE4Good Emerging Index for the seventh year



Listed on FTSE4Good TIP Taiwan ESG Index, supported by the Taiwan Stock Exchange, for the fifth year



Received EcoVadis Sustainability Rating's highest recognition in 2022 with the Platinum medal



2022 Sustainability Report awarded "Platinum" by Taiwan Corporate Sustainability Awards (TCSA)



Named in Forbes' World's Best Employers ranking for the third straight year, and in 2022 also ranked as one of America's Best Employers for New Grads



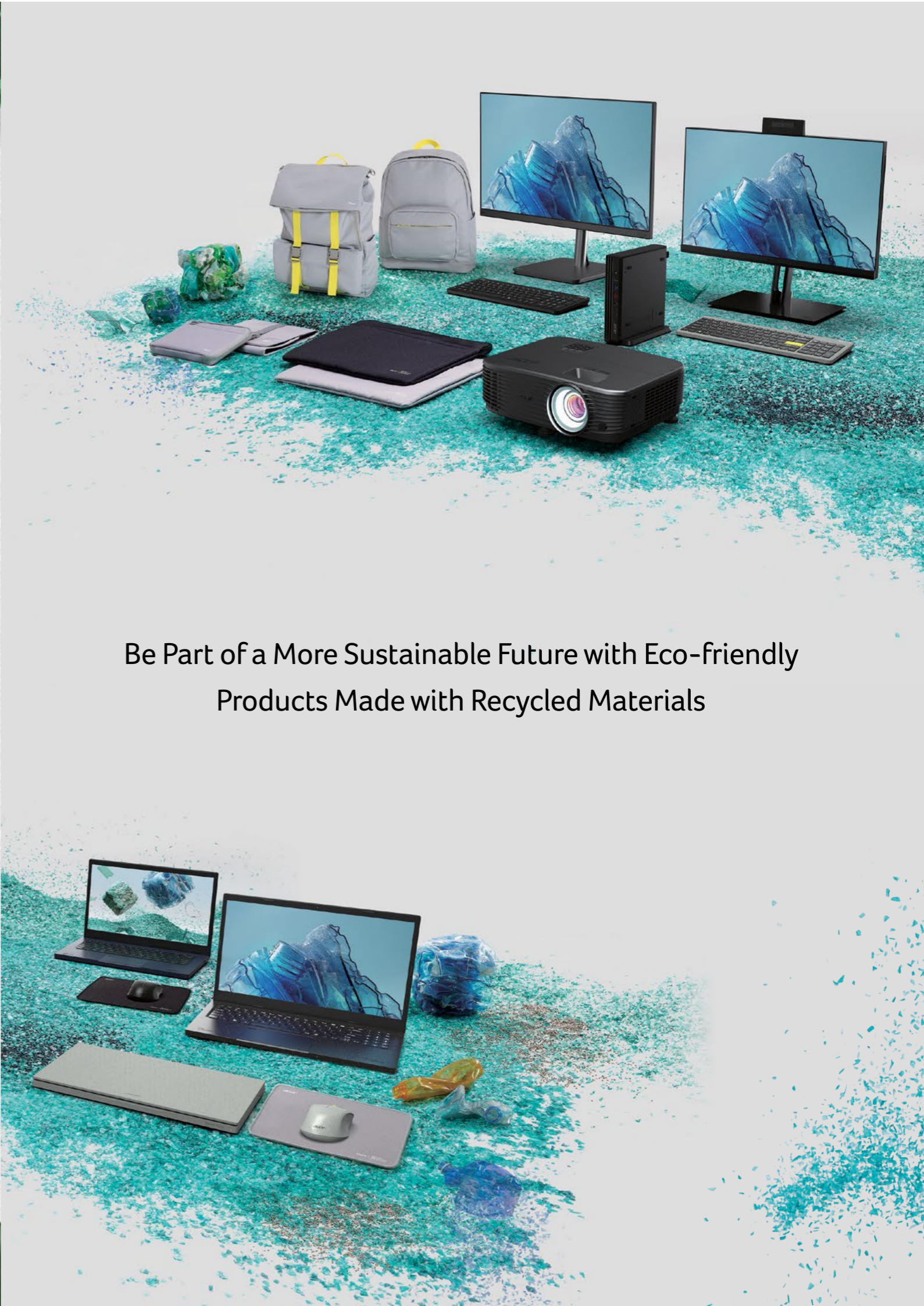
Ranked 64th in World Benchmarking Alliance's SDG2000 list that identifies the 2,000 most influential companies, in the digital inclusion category



Rated "Prime" by ISS ESG Corporate Rating that evaluates ESG-related risks, opportunities, and impact along the corporate value chain



Included in Forbes' list of the World's Top Women-Friendly Companies in 2022



Be Part of a More Sustainable Future with Eco-friendly Products Made with Recycled Materials

PREDATOR

**A CHILL
WIND LIES
WITHIN**



**PREDATOR
HELIOS 300**

PREDATOR

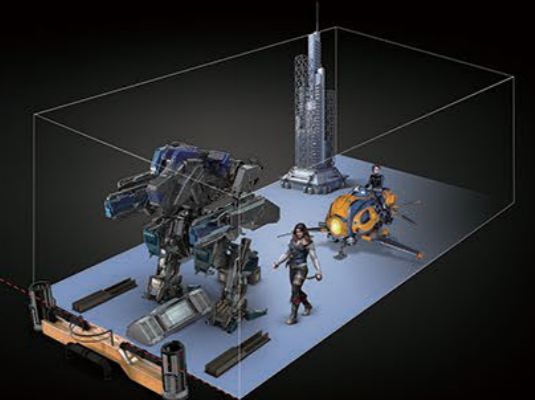
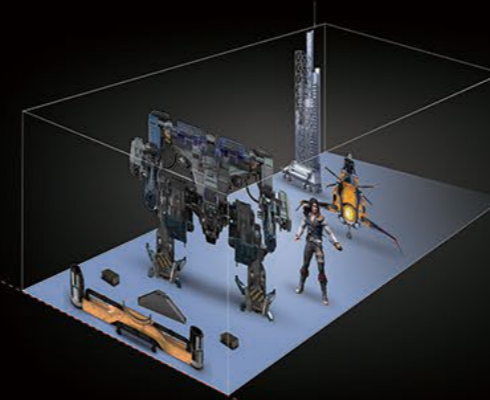
SPATIALLABS™



**Transformative Gaming Experience
with Ultra Immersive Stereo 3D**

3D+

3D Ultra





Your Adaptable
Classroom Companion



Acer Chromebook Spin 512



Chromebook
Gaming Unleashed

Acer Chromebook 516 GE



Swift Go

Swift X

DESIGN AWARDS

**iF Design Award**

iF Design Award winners: Aspire Vero eco-conscious laptop, Swift 5 laptop, Aspire C24 All-in-One PC, Predator X32 FP display, and Predator GD711 projector.



reddot winner 2022

Red Dot Award

The Aspire Vero eco-conscious laptop, Predator Orion 7000 gaming desktop, Predator CG48 OLED gaming monitor, Nitro XR383CUR P curved gaming monitor, thin-and-light Swift X laptop, and ConceptD 7 SpatialLabs Edition laptop earned the symbol of design quality.



reddot winner 2022
packaging design

Red Dot Award: Packaging Design

The Aspire Vero and Aspire Vero National Geographic Edition laptops both took home the “Packaging Design” award for their eco-friendly and innovative packaging designs.



reddot winner 2022

Red Dot Award: Film & Animation

The Project Humanity documentary and ConceptD 500/100's product video were bestowed awards in the “Film & Animation” category for their stellar storyboard.



reddot winner 2022

Red Dot Award: Advertising

The Project Humanity campaign and Predator “It Lies Within” gaming campaign won awards in the “Advertising” category.

**Good Design Award of Japan**

Multiple products from the Vero line of eco-conscious products, namely the Acer Chromebook Vero 514, Veriton Vero all-in-one, and Vero CB3 series monitor, in addition to the Swift Edge notebook earned the Good Design Award from Japan.

DISCLAIMER

This is a translation of the 2022 Annual Report of Acer 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 Annual Report shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Business Report to Shareholders



Business Report to Shareholders

Throughout 2022 we launched various innovative PC and display products, expanded our Vero portfolio made with recycled materials, and significantly grew our multiple non-PC/display businesses. The past year continued to be filled with new challenges across multiple industries stemming from inflation, geopolitical issues, and lingering impacts of the Covid-19 pandemic. While Acer keeps evolving with changing lifestyles and adjusting strategies dynamically for business needs, we are focusing on maintaining business momentum and marching toward a more sustainable future.

Our fiscal 2022 results were: consolidated revenues of NT\$275.42 billion, operating income of NT\$6.93 billion, net income of NT\$5.00 billion, and EPS of NT\$1.67.

Continue to Innovate and Optimize Operations ^[1]

With the PC industry entering a period of correction and outlook expected to be flattish by market research companies as better scenario, we have centered our efforts on optimizing inventory levels with the right portfolio of goods, optimizing operating expenditure, increasing operating income to enhance operational sustainability, and at the same time upholding shareholders' interests. Newly launched innovations include the SpatialLabs stereoscopic 3D technology for gaming laptops and displays, which was praised for bringing more realistic experiences to games and media content. We also expanded our Vero line of eco-conscious devices from laptops to desktops, monitors, displays, all-in-ones, Chromebooks, and accessories, which utilizes recycled plastic, recyclable packaging, and ocean-bound plastic. The Vero portfolio offers consumers, businesses, and organizations more options to reduce their carbon footprint and join our advocate for circular economies.

We are confident that new technologies will trigger new usage models and stimulate market demand over time. Other businesses (not part of PCs and displays) contributed 21.7% of total revenues with 11.9% growth YoY. In addition, Acer ranked No. 2 for patent applications in Taiwan. We have developed patents in the AI medical field and own more than 300 patents in thermal cooling technology. For the world-renowned iF Design Awards, Acer holds the titles of "Top 50 (of 7128) Companies" worldwide during 2018-2022.

The common objective shared by our PCs and display businesses and other initiatives, is to explore new markets and broaden current boundaries. Within the Acer group, whether it be PC-related businesses or other fields and innovations being explored by our subsidiaries, each must work to optimize operations, reach profitability, and contribute to Acer group's sustainability.

Currently, we have subsidiaries in diverse scopes of business, including beverage, apparel, home appliances, AI-assisted medical solutions, e-mobility, smart cities, and more. Our strategy to promote intrapreneurship by building multiple business engines continued to gain momentum with nine public subsidiaries by December 2022. Businesses under incubation, such as Altos Computing and AcerPure, continue to show strong progress. Acer offers its shareholders the opportunity to invest in these new engines as they go public to ensure shareholders can have their share of voice and be part of business development and ensuring adherence to corporate governance.



Recognition of Our ESG Initiatives

Acer will continue to work toward the goals of using post-consumer recycled plastic in 20-30% of our PCs and displays by 2025, and sourcing 100% renewable electricity by 2035 for the Acer Group. Moreover, our “Earthion” sustainability platform that unites employees and supply chain partners to tackle environmental challenges continues to gain in strength. We held a “21-Day Green Challenge” for which over 7,000 employees of Acer, our partners and suppliers were motivated to reduce carbon footprints. The campaign succeeded in raising awareness for environmental protection and helping employees form green habits and cutting the equivalent of 152 tons CO2.

Acer’s focus on environmental, social and governance (ESG) through transparent reporting and initiatives under our Earthion mission has gained increasing global recognition. We believe they have been instrumental in our growing inclusion in worldwide sustainability indices throughout 2022. For the third straight year, Acer has been named in the Top 5% category of the S&P Global Sustainability Yearbook for sustainable business practices. For the ninth consecutive year, we have been a constituent of the MSCI ESG Leaders Indexes – garnering the best rating of “AAA” in our category – and listed on the Dow Jones Sustainability Indices (DJSI) Emerging Markets. For the first time, we were awarded Platinum medal that represents EcoVadis Sustainability Rating’s highest recognition representing the top 1% of rated companies. We were also listed on the FTSE4Good Emerging Index for the seventh year.

Remain Vigilant and Flexible to Respond to Potential Risks^[2]

To counteract cyber security threats in the realms of artificial intelligence and cloud services, Acer will continue to strengthen its global information security and monitoring, and comply with international laws and regulations on information privacy and security. We will observe geopolitical and socioeconomic situations as well as the post-pandemic impact on demand, supply chain, and currency fluctuations to dynamically adjust business and operation strategies, including foreign exchange hedging to minimize risks, and optimize inventory levels.

In 2023, we foresee the PC industry to experience the impact of the post-pandemic demand decline in the coming months. However, with clear strategies for our existing businesses, new initiatives, and subsidiaries, along with the support of our customers, shareholders, and employees, we are confident of steering our way through the turbulence and proving our resilience. Let’s continue to push boundaries. Thank you.

Jason Chen
Chairman of the Board

Jason Chen
Meggy Chen
Corporate Officers

Sophia Chen
Accounting Officer

[1] Annual business plan, future development strategy and business policy
[2] Impact from the macro market, governmental regulations, and business environment



Company In General





2.1 Date of Founding : August 1, 1976

2.2 Brief Account of the Company

<p>1976 – 1986</p> <p>Commercialized microprocessor technology</p>
<p>1987 – 2000</p> <p>Created the Acer brand name and went global</p>
<p>2001 – 2007</p> <p>Transformed from manufacturing to a marketing and sales company</p>
<p>2008 – 2013</p> <p>Enhanced worldwide presence with a multi-brand strategy</p>
<p>2014 – 2019</p> <p>Transformed into a “hardware + software + services” company</p>
<p>2020 – Present</p> <p>Evolving with the industry and changing lifestyles, and realizing a sustainable vision</p>

<p>1976</p> <ul style="list-style-type: none"> Founded under the name “Multitech” with NT\$1 million (US\$25,000) in capital, focusing on trade, product design, and consultancy in the use of microprocessor technologies. (Aug. 1, 1976).
<p>1978</p> <ul style="list-style-type: none"> Established the Microprocessor Training Centre, training 3,000 engineers for Taiwan’s information industry
<p>1979</p> <ul style="list-style-type: none"> Expanded the business to central and southern Taiwan. Designed Taiwan’s first mass-produced computer for export.
<p>1980</p> <ul style="list-style-type: none"> Designed the Dragon Computer Terminal, the Chinese language adaptation for computers.
<p>1981</p> <ul style="list-style-type: none"> Established its manufacturing operations at the Hsin-chu Science-based Industrial Park in Taiwan. Debuted the MicroProfessor-I as the company’s first branded product.
<p>1982</p> <ul style="list-style-type: none"> Unveiled the MicroProfessor-II as Taiwan’s first 8-bit home computer.
<p>1984</p> <ul style="list-style-type: none"> First company to promote 16-bit PC products in Taiwan. Established Acer Peripherals, Inc. (now BenQ Corp.).



<p>1985</p> <ul style="list-style-type: none"> Founded AcerLand, Taiwan’s first and largest franchised computer retail chain.
<p>1986</p> <ul style="list-style-type: none"> Beat IBM to offer 32-bit PCs.
<p>1987</p> <ul style="list-style-type: none"> Created the “Acer” name.
<p>1988</p> <ul style="list-style-type: none"> Completed Acer Inc. initial public offering (April 1988).
<p>1989</p> <ul style="list-style-type: none"> Formed the TI-Acer DRAM joint venture with Texas Instruments.
<p>1990</p> <ul style="list-style-type: none"> Launched Acer’s first notebook. Acquired Altos Computer Systems, a manufacturer of multi-user and networked systems for commercial markets.
<p>1991</p> <ul style="list-style-type: none"> Introduced ChipUp™ technology – world’s first 386-to-486 single-chip CPU upgrade solution.
<p>1992</p> <ul style="list-style-type: none"> Co-founder Stan Shih introduced the Smiling Curve concept.
<p>1995</p> <ul style="list-style-type: none"> The popular Aspire multimedia PC brought Acer closer to the consumer electronics market.
<p>1998</p> <ul style="list-style-type: none"> As official IT Sponsor of the 13th Asian Games in Bangkok, Acer introduced the world’s first PC-based management system for a major international sporting event.
<p>2000</p> <ul style="list-style-type: none"> As part of its second re-engineering to transform into a marketing and sales company, Acer split off the manufacturing business unit to create Wistron Corp.

<p>2001</p> <ul style="list-style-type: none"> Introduced the MegaMicro e-Enabling services, an e-business model that integrates IT equipment, network, management platforms, and application software.
<p>2002</p> <ul style="list-style-type: none"> Inaugurated the Product Value Lab to enhance Acer’s customer-centric focus in research and design. TravelMate C100 was the first convertible Tablet PC available in the worldwide market with pen input.
<p>2004</p> <ul style="list-style-type: none"> Acer Co-founder Stan Shih retired from the Group.
<p>2005</p> <ul style="list-style-type: none"> J.T. Wang assumed the position of Chairman and CEO, while Gianfranco Lanci stepped into the role of Corporate President. Launched Ferrari 4000, the first carbon-fiber notebook available in the worldwide market. Became the No. 1 brand in EMEA for notebooks.
<p>2006</p> <ul style="list-style-type: none"> Became a Sponsor of Scuderia Ferrari.
<p>2007</p> <ul style="list-style-type: none"> Completed the merger of Gateway, Inc.
<p>2008</p> <ul style="list-style-type: none"> Announced the acquisition of E-ten and plan to enter the smart handheld market. Acquired Packard Bell Inc. through the takeover of Gateway Inc. Launched the Aspire One, Acer’s first netbook.
<p>2009</p> <ul style="list-style-type: none"> Launched the Aspire Timeline portfolio – Acer’s first thin-and-light notebooks with all-day battery life. BusinessWeek named Acer among the “10 Hottest Tech Companies of 2009.” Launched the Liquid line of smartphones. Ranked as the world No. 2 company in Total PCs.

2010

- Provided and managed the computing facilities for Vancouver 2010 Olympic Winter Games.

2011

- Acquired US-based iGware, investing in cloud technology.
- Debuted the first Ultrabook™ with the Aspire S3.
- Jim Wong assumed the role of Corporate President.
- Launched the ICONIA tablet PCs.

2012

- Supplied all computing equipment for the London 2012 Olympic Games and earned high appraisals from the assembly.

2013

- Elected Stan Shih as company Chairman and interim Corporate President.
- Announced Build Your Own Cloud (BYOC™) and the transition to a “hardware + software + services” company.

2014

- Appointed Jason Chen as Corporate President and CEO (Jan. 1, 2014).
- Debuted the company's first wearable device, the Liquid Leap.
- George Huang succeeded Stan Shih as Chairman; Acer's Board invited Stan Shih to become Honorary Chairman.
- Debuted on the Dow Jones Sustainability Emerging Markets Index and listed on the MSCI Global Sustainability Indexes for environmental, social and governance.

2015

- As sponsor of Taiwan's First IAAF certified marathon, Wan Jin Shi, Acer provided the runner tracking service.
- Held its inaugural "next@acer" global press conference in New York.
- Announced the availability of the Predator gaming product line.
- Acquired GPS cycling computer brand, Xplova, to expand its reach in the sports industry.
- Its subsidiary, MPS Energy, and Studio X-Gene announced a new electric all-terrain vehicle.

2016

- Announced strategic partnership with GrandPad to tap into the senior care market.
- Began research and developments into the virtual reality realm.
- Revealed the world's first curved-screen gaming notebook, the Predator 21 X.
- Acquired Pawbo and stepped into the petware market.
- Celebrated its 40th anniversary.

2017

- Unveiled smart transportation solutions that include smart parking, and the intelligent mixology robot solution.
- The Board appointed Jason Chen as Chairman and CEO, and Meggy Chen as Corporate Chief Financial Officer.
- Sponsored 13,000 smartwatches to athletes and sports delegation participating in the Summer Universiade Taiwan, together with MediaTek Inc. and EasyCard Corp.
- Expanded its digital signage business by participating in the private placement of AOPEN.
- The Board approved to separate the data center business from Acer CyberCenter Services Ltd. (now Acer Cyber Security Inc.) and form a new company called Acer e-Enabling Data Center Inc.

2018

- Launched the world's thinnest laptop, Swift 7, measuring at just 8.98 mm thin.
- Hosted the first Asia Pacific Predator League esports tournament and finals held in Jakarta, Indonesia.
- Expanded its gaming gadgets with the Predator Thronos chair.
- Announced the world's lightest 15-inch notebook with the Swift 5 weighing just 990 grams.
- Introduced the Acer OJO 500 Windows Mixed Reality headset.
- Named a Proud Partner and Official Monitor Provider of the League of Legends World Championship, for the third consecutive year.
- Appointed Tiffany Huang and Jerry Kao as Co-chief Operating Officers.

2019

- Launched the ConceptD brand with a full portfolio of high-end products for creators, including desktops, notebooks, and monitors.
- As Official Sponsor of the 2019 Olympiad in Informatics in Azerbaijan, Acer provided servers to run the contest, and notebooks for the contestants and staff.
- Predator was the first gaming brand to win the Red Dot brand award.
- Unveiled PLANET9, a next-generation esports platform and open community for gamers.
- The “Click to Pray eRosary” smart wearable, designed by its subsidiary GadgeTek Inc. in corporation with the Vatican for the Catholic community, captured much international media attention.
- Its subsidiary, Acer Cyber Security Inc. (ACSI), became listed on the Taipei Exchange.
- Teamed up with Ubisoft with the Predator brand as official PC and monitor sponsor for the Rainbow Six Pro League and Majors esports events through to 2020.

2020

- Held the first online next@acer global press conference due to the Covid-19 pandemic.
- Launched the Acer Enduro line of notebook and tablet for rugged use.
- Entered the beverage business with the PredatorShot energy drink and VitaBeauty collagen drink, expanding its lifestyle products.
- Expanded its air monitoring business by establishing the AcerPure Inc. subsidiary, and launched the “acer-pure cool” 2-in-1 air circulator and purifier.
- Collaborated with National Taiwan University Hospital and Novartis Taiwan to receive the first AI-assisted diagnostic software ophthalmic medical device certification from the Taiwan Food & Drug Administration (TFDA approved license).
- Its subsidiary, Acer e-Enabling Service Business Inc. (AEB), teamed up with the Centers for Disease Control to build an information system for critical medical supplies and the Taiwan Healthcare-Associated Infection and Antimicrobial Resistance Surveillance System (THAS), providing medical officials with real time data during the Covid-19 pandemic.
- The newly established business, Acer Gaming Inc., became a distributor of products from Sony Interactive Entertainment Taiwan.
- Its subsidiary, Acer Synergy Tech Corp. (AST), became listed on the Taipei Exchange.

2021

- Its subsidiary, Weblink International Inc., became listed on the Taiwan Stock Exchange.
- Introduced the award-winning ConceptD 7 Spatial-Labs Edition laptop, bringing eye-popping, glasses-free stereoscopic 3D to designers and developers.
- Acer Group joined the RE100 initiative and committed to source 100% renewable electricity by 2035.
- Announced the “Earthion” platform to help tackle environmental challenges by uniting the strengths of its employees and supply chain partners.
- Unveiled the Vero line of sustainability-focused products, starting with the Aspire Vero notebook.
- Established an AI-based rapid transit safety R&D center in cooperation with the Taipei Rapid Transit Corporation and Taipei University of Technology.

2022

- Listed on the Dow Jones Sustainability Indices (DISI) for the ninth straight year; and on the FTSE4Good Emerging Index for the seventh year.
- Listed in the MSCI ESG Leaders Indexes for the ninth year, garnering the best rating of “AAA” in its category.
- Received Silver Class distinction in the S&P Global Sustainability Yearbook 2022, which features only the top ESG (environmental, social and governance) scoring companies.
- For the first time, Acer was awarded EcoVadis Sustainability Rating's Platinum medal representing the top 1% of rated companies.
- Established new subsidiary, Acer Beverage Inc., to expand its lifestyle product lines.
- Held the inaugural Acer Green Day and kicked off “21-Day Challenge,” motivating more than 7,000 employees of Acer, its partners, and suppliers to amplify positive impacts on the environment.
- Launched the World Predator League esports tournaments held across various regions around the world in EMEA, Pan America, and China.
- Its subsidiary, Acer Medical Inc., became listed on the Taipei Exchange Emerging Stock Market.
- Its subsidiary, Acer e-Enabling Service Business Inc. (AEB) became listed on the Taipei Exchange.
- Its subsidiary, Acer Gaming Inc., became listed on the Taipei Exchange Emerging Stock Market.
- Its subsidiary, Highpoint Service Network Corp., became listed on the Taipei Exchange Emerging Stock Market.



- Its subsidiary, Acer Gadget Inc. publicly issued its stock, making a total of nine public subsidiaries.
- Named Forbes World's Best Employers and Top Female Friendly Companies.

2023

- Announced a new version of its SpatialLabs 3D technology bringing a new dimension to gaming.
- Listed in the Top 5% category of the S&P Global Sustainability Yearbook 2023 for sustainable business practices.

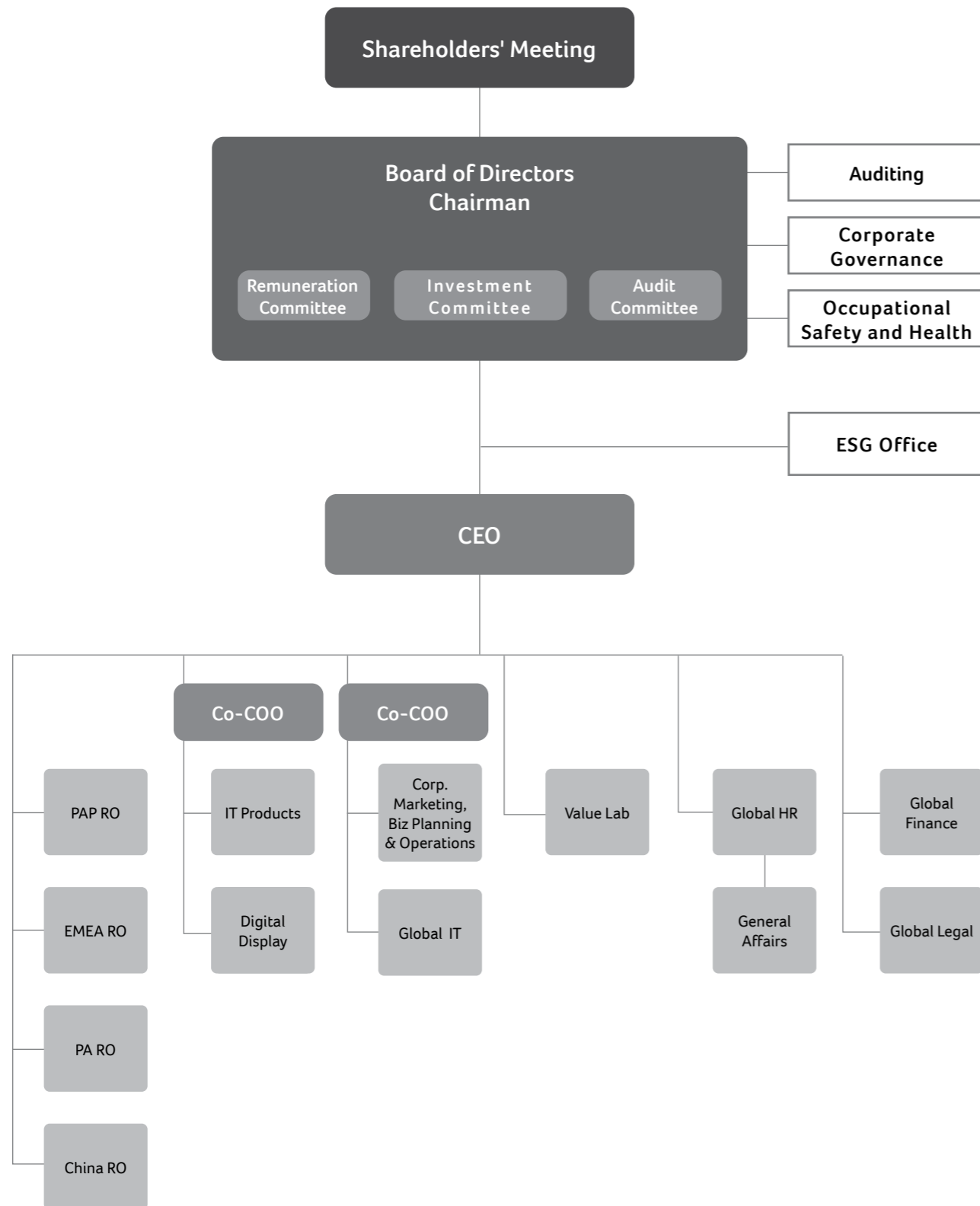


Corporate Governance Report



3.1 Organization of the Company

3.1.1 Department Functions (April 08, 2023)



3.1.2 Corporate Functions

- Auditing**
To assist Acer Board of Directors and officers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.
- Corporate Governance**
The procedures for and relative matters of Shareholders, Board of Directors and functional committees' meeting; to assist Acer Board of Directors and BOD members to execute their power and authority in accordance with laws and regulations, the Company's Articles of Incorporation and relevant internal rules.
- Occupational Safety and Health**
Establish an occupational safety and health management system to achieve safety and health management goals and improve safety and health management standards through planning, implementation, evaluation, and improvement measures.
- ESG Office**
Strategic planning and management in corporate sustainability with the aim of fulfilling corporate social responsibilities.
- PAP RO**
Sales, marketing and after-sales service of Acer's IT products in Taiwan and Asia Pacific.
- EMEA RO**
Sales, marketing and after-sales service of Acer's IT products in Europe, Middle East and Africa
- PA RO**
Sales, marketing and after-sales service of Acer's IT products in Pan America
- China RO**
Sales, marketing and after-sales service of Acer's IT products in China

- IT Products Business**
Managing global notebook, desktops, Tablet, wearable products and gadget products business
- Digital Display Business**
Managing global monitors, and projectors product lines business
- Server Products Business**
Managing server products line business
- Corporate Marketing, Business Planning & Operations**
Corporate brand management, consolidation and implementation of global marketing strategies, corporate communications, and the strategic planning, operations of all IT business back-end function
- Value Lab**
Research and development, design and devote to the technology for new value creation business
- Global IT**
Corporate information infrastructure and information systems management
- Global Finance**
Corporate finance, investment, treasury, credit and risk control and accounting services management
- Global Legal**
Corporate and legal affairs, intellectual property management
- Global HR**
In response to market changes of global trends, formalize the human resources-related talent strategies and organizational planning to meet the company's sustainable development needs
- General Affairs**
General affairs, transportation services, office facilities management



3.2 Information Regarding Board of Directors and Key Managers

3.2.1 Board of Directors (April 08, 2023)

Title	Nationality or Registration	Name	Gender	Date of Election	Term	Accumulative Term	Date of First Election (Note 4)	Shares Held When Elected		Shares Held at Present		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relationship
Chairman (Note 1)	R.O.C	Jason Chen	Male Above 60	06/12/2020	3 Years	Since June 2014	06/18/2014	2,633,480	0.09	2,633,480	0.09	0	0	6,523,056	0.21	Senior Vice President of Worldwide Sales and Marketing, TSMC MS in Business Administration, Missouri Columbia University	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Independent Director, Powerchip Semiconductor Manufacturing Corporation 4. Director, FocalTech Systems Co., Ltd. 5. Other (Note 2)	-	-	-
Director	R.O.C	Stan Shih	Male Above 60	06/12/2020	3 Years	Since July 1979	12/17/2001	34,989,531	1.15	34,989,531	1.15	399,225	0.01	0	0	Chairman, ACER MS in Electrical Engineering, National Chiao Tung University, Taiwan	1. Director, CTS Inc. 2. Director, Hung Rouan Investment Corp. 3. Director, Nan Shan Life Insurance Co., Ltd. 4. Chairman, Ambi Investment and Consulting Inc. 5. Director, Egis Technology Inc. 6. Director, Rongxin Management Consultants Co., Ltd. 7. Director, Taiwan Public Television Service Foundation 8. Chairman, CLOUD GATE Foundation 9. Chairman, Stans Foundation 10. Director, Chew's Culture Foundation 11. Director, NSFG Foundation 12. Director, SanCode Education Foundation 13. Director, AiSails Power Inc. 14. Director, Transformative Cell Processing Co., Ltd. 15. Director, Himalaya VC Management Corp. 16. Director, One Song Inc. 17. Director, Zeelandia Co., Ltd. 18. Other (Note 2)	Legal Representative of Director	Maverick Shih	Son
Director	R.O.C	Hung Rouan Investment Corp.	-	06/12/2020	3 Years	Since June 2005	06/14/2005	73,629,933	2.42	73,629,933	2.42	0	0	0	0	-	-	-	-	-
Legal Representative of Director	R.O.C	Maverick Shih (Representative of Hung Rouan Investment Corp.)	Male 40-50	06/12/2020	3 Years	Since July 2019	06/14/2005	0	0	10,141,777	0.33	4,390,960	0.14	0	0	President, Acer Cloud Technology Ph.D. in Electrical Engineering, University of Southern California	1. Director, Kiwi Technology Inc. 2. Chairman, Taurus Interstellar Inc. 3. Chairman, MAVs LAB. Inc. 4. Director, Allxon Inc. 5. Director, Rongxin Management Consultants Co., Ltd. 6. Other (Note 2)	Director	Stan Shih	Father
Independent Director	R.O.C	Ching-Hsiang Hsu	Male Above 60	06/12/2020	3 Years	Since June 2017	06/21/2017	0	0	0	0	0	0	0	0	Chairman, Research Institute of Electronics Engineering, Tsing-Hua University Ph.D. in Electrical Engineering, University of Illinois at Urbana-Champaign	1. Chairman, eMemory Technology Inc. 2. Chairman and President, PUFsecurity Corp. 3. Chairman, PUFsecurity USA Corporation 4. Director, SecuX Technology Inc. 5. Chairman, iMQ Technology Inc. 6. Independent Director, Materials Analysis Technology Inc. 7. Director, National Applied Research Laboratories 8. Director, Powerchip Semiconductor Manufacturing Corporation	-	-	-

Title	Nationality or Registration	Name	Gender	Date of Election	Term	Accumulative Term	Date of First Election (Note 4)	Shares Held When Elected		Shares Held at Present		Shares Held by Spouse & Minors		Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Managerial Position		
								Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage			Title	Name	Relationship
Independent Director	R.O.C	Ji-Ren Lee	Male Above 60	06/12/2020	3 Years	Since June 2014	06/18/2014	0	0	0	0	0	0	0	0	Professor of International Business, College of Management, National Taiwan University Ph.D. in Strategic Management, University of Illinois at Urban-Champaign	1. Independent Director, Delta Electronics, Inc. 2. Independent Director, Vivotek Inc. 3. Director, CommonWealth Magazine Co., Ltd. 4. Director, AXR Entrepreneurship and Business Consulting Co., Ltd. 5. Director, Social Enterprise Insights 6. Chairman, B Current Impact Investment Fund 3 7. Director, Primax Electronics Ltd. 8. Director, Emerging Capital Co., Ltd. 9. Director, Longchen Paper & Packaging Co., Ltd. 10. Director, Commonwealth Education Media And Publishing Co., Ltd. 11. Member of Remuneration Committee, MediaTek Inc. 12. Independent Director, Airoha Technology Corp.	-	-	-
Independent Director	R.O.C	Yuri, Kure	Female 40~50	06/12/2020	3 Years	Since June 2020	06/12/2020	0	0	0	0	0	0	0	0	Lee and Li, Attorney-at-Law, Senior Associate-Japan Project Manager MS in Law, National Taiwan University	None	-	-	-
Independent Director (Note 3)	R.O.C	San-Cheng Chang	Male Above 60	06/12/2020	3 Years	June 2017~ November 2019 June 2020~ December 2022	06/21/2017	0	0	0	0	0	0	0	0	Premier Ph.D. in Civil and Environmental Engineering, Cornell	1. Director, XUE XUE INSTITUTE CO., LTD. 2. Director, Help-Save-A-Pat Fund Taiwan 3. Director, Cancer Care Foundation	-	-	-

Note 1: The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 2: Appointed by Company to be Director and/or President of certain subsidiaries. For further details, please refer to pages 167 to 178.

Note 3: San-Cheng Chang resigned on 2022.12.16. the number of shares will be "0" for the board of director dismissed or resigned.

Note 4: The Date that the Director was first elected when Acer has been a public offering Company.

Major Shareholders of Acer's Institutional Shareholders (April 08, 2023)

Name of Acer's Institutional Shareholders	Major Shareholders of Acer's Institutional Shareholders	Percentage of Shares
Hung Rouan Investment Corp.	Carolyn Yeh	20.13%
	StanShih Foundation	1.60%
	Shih Hsuen Rouan	17.25%
	Shih Hsuen Huei	26.09%
	Shih Hsuen Lin	17.16%
	Shih Fang Cheng	8.93%
	Yeh Ting Yu	8.84%

Note: StanShih Foundation is established and 100% donated by Mr. Stan Shih.



Directors' Professional Qualifications and Independent Directors' Independence

Criteria	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Name			
Jason Chen	<p>Jason Chen has been Chairman and CEO of Acer since 2017. From 2014 to 2017 he served as Corporate President and CEO, and played a pivotal role in driving Acer's corporate transformation and diversification into new business areas.</p> <p>Before joining Acer, Chen served at TSMC from 2005 to 2013 where his last assignment was Senior Vice President of Worldwide Sales and Marketing. From 1991 to 2005 he enjoyed a 14-year career at Intel during which his last position was as Corporate Vice President of Sales and Marketing Group based at Intel's U.S. headquarters. From 1988 to 1991 Chen worked at IBM Taiwan.</p> <p>Chen specializes in information technology and finance, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Chen himself serves as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Chen holds 2,633,480 shares (0.09%) of the Company by himself and 6,523,056 shares (0.21%) of the Company under others' names. There is no condition that Chen, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1
Stan Shih	<p>Stan Shih co-founded Acer in 1976 under the name Multitech, and served as Chairman and CEO until his initial retirement in 2004. He returned in November 2013 to help lead Acer through its third corporate transformation. In June 2014 he stepped away from the daily operations and became Honorary Chairman.</p> <p>A social entrepreneur, Shih now serves as Chairman of the StanShih Foundation. He is a member of the board at TSMC and Nan Shan Life Insurance. In social and public services, he is Chairman of the Cloud Gate Culture and Arts Foundation, and convener of the Cultural Tech Alliance, Taiwan. He is also a member of the board at the Public Television Service Foundation and the Chinese Television System.</p> <p>Throughout his career, Shih has received numerous accolades, including Businessweek's "25 Top Managers of the Year" (1996) and was featured in TIME in the article "60 years of Asian Heroes" (2006).</p> <p>Shih specializes in information technology, finance and consumer discretionary market and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Shih himself and his son, Maverick Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Shih holds 34,989,531 shares (1.15%) of the Company by himself and his family holds 150,573,976 shares (4.94%) of the Company. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0



Criteria	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Name			
Maverick Shih (Representative of Hung Rouan Investment Corp.)	<p>Maverick Shih is the Chairman for Acer Cyber Security and Acer Synergy Tech. When Acer merged with iGware in 2011, he joined Acer as Special Assistant to the President of Cloud Technology Business to help lay the foundation for Acer's cloud service development. The cloud business later became the BYOC (Build Your Own Cloud) Business in 2014 and Shih was promoted as its President, supporting the overall transformation of Acer.</p> <p>With a Ph.D. in Electrical Engineering, Shih's previous appointments specialized in IC design, multimedia audio/video signal processing technology, imaging analysis, and software design for tablets. He holds a B.Sc. degree in Applied Mathematics at Fu Jen Catholic University, and a Ph.D. in Electrical Engineering from the University of Southern California.</p> <p>Shih specializes in information technology, finance and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> Except that Shih himself and his father, Stan Shih, serve as the director of some Acer group's companies, there is no condition that his spouse or relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Shih holds 10,141,777 shares (0.33%) of the Company by himself and his family holds 175,776,370 shares (5.76%) of the Company. There is no condition that Shih, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0
Ching-Hsiang Hsu	<p>Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010.</p> <p>Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992.</p> <p>Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors.</p> <p>Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1



Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Ji-Ren Lee	<p>Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008.</p> <p>Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989.</p> <p>Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018).</p> <p>Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A. Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	3
Yuri Kure	<p>Yuri Kure (Japanese) served in the legal and intellectual property division of a Taiwanese IC design company, before joining Lee and Li Attorneys-at-Law from 2013 to 2018, where she was responsible for providing legal consultation services for clients in the technology, medical and financial sectors. She handled cases for world-class Taiwanese and Japanese enterprises involving international investments, joint ventures, and mergers, while also supporting technology disputes and IP related cases.</p> <p>While she was a member of the Japan Chamber of Commerce and Industry, she hosted speeches for seminars related to international mergers and investments for the Japan-Taiwan Exchange Association and JETRO.</p> <p>Yuri Kure is experienced in legal studies, and has a bachelor of law from the Soka University in Japan, and a masters degree in law from National Taiwan University.</p> <p>Yuri Kure specializes in providing business and legal service, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Yuri Kure, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Yuri Kure, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Yuri Kure, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0



Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
San-Cheng Chang (Note)	<p>Dr. San-Cheng Chang is Chairman of the SanCode Education Foundation, Honorary Dean of School of Big Data Management at Soochow University, and former Premier of the Executive Yuan, Taiwan.</p> <p>Dr. Chang began his career as a lecturer, associate professor, and professor at the Department of Civil Engineering of National Taiwan University from 1981 to 1990. He was Director for the National Center for High-Performance Computing from 1991 to 1997. From 1998 to 2000, he was Director of the Department of Planning and Evaluation of National Science Council. Between 2000 and 2010, he served at Acer as Vice President of the e-Enabling Service Business Group, and between 2010 and 2012, he was Regional Director of Google's hardware operations in Asia.</p> <p>Dr. Chang's political career began in 2012 when he was appointed as Minister without Portfolio of the Executive Yuan. In 2014, he served as the minister at the Ministry of Science and Technology. In December 2014, Chang became Vice Premier of the Executive Yuan and subsequently the Premier.</p> <p>With a solid engineering discipline, Dr. Chang earned his bachelor's degree in Civil Engineering from National Taiwan University. He has a master's degree from Stanford University and a Ph.D. from Cornell University in Civil and Environmental Engineering.</p> <p>Dr. Chang specializes in communication service, consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> 1. There is no condition that Dr. Chang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. 2. Dr. Chang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. 3. There is no condition that Dr. Chang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0

Note: San-Cheng Chang released on 2022.12.16.



Board of Directors (BOD) Diversity Policy

Acer Group constantly pay attention to corporate governance, our BOD Diversity Policy is included into Chapter III Enhancing the Function of Board of Directors of "Acer Incorporated Corporate Governance Best-Practice Principles".

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the shareholders meetings. Procedures and arrangement relating to corporate governance shall ensure that, in exercising its authority, the board of directors will comply with laws, regulations, articles of incorporation, and the resolutions of shareholders meetings of the Company.

Regarding the structure of the board of directors, the Company shall determine an appropriate number of board members not less than five persons, in consideration of its business scale, the shareholding of its major shareholders and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

All members of the board shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgment.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Industrial knowledge.
6. International market perspective.
7. Ability to lead.
8. Ability to make decisions.

The specific management objectives of the BOD Diversity Policy

This Policy may make the Board function be more effective. The nomination and selection of board members of the Company is in accordance with the Company's Articles. In addition, there is nomination system to ensure the diversity and independence of the board members. The Company expects to invite and nominate one or more female candidates in the board election, and to select directors with different professional knowledge, for providing different perspectives and contributions to facilitate the Board function.

The backgrounds of current Directors:

Name	Gender	Nationality or Registration	Classification	Age			Marketing	Information Security	Cloud	Semiconductor	IC design	Entrepreneur	Transformation	Investment	Accounting	Academia	NPO Experience	Social / Culture	Legal
				40~50	50~60	Above 60													
Jason Chen	M	R.O.C	Non-independent			✓	✓		✓										
Stan Shih	M	R.O.C	Non-independent			✓	✓				✓	✓					✓	✓	
Maverick Shih	M	R.O.C	Non-independent	✓				✓		✓									
Ching-Hsiang Hsu	M	R.O.C	Independent			✓			✓		✓					✓			
Ji-Ren Lee	M	R.O.C	Independent			✓								✓	✓	✓			
Yuri, Kure	F	Japan	Independent	✓															✓
San-Cheng Chang	M	R.O.C	Independent			✓		✓					✓				✓		



The implementation of the BOD Diversity Policy

As of the end of 2022, there are two directors aged between 40 and 50 years old, while the other directors are 60 years old or above. One female director is present, while the remaining directors are male, resulting in a female representation of 14.29%. One director is of Japanese nationality, while the others are of Taiwanese nationality, resulting in a foreign nationality representation of 14.29%. The directors' expertise and diversity backgrounds are as follows:

1. Director specializing in operation and sales of Global brand products and services: Jason Chen
2. Director who be devoted in innovation, public and social services: Stan Shih
3. Director specializing in cloud and IC design: Maverick Shih
4. Director specializing in semiconductor industry and having outstanding contribution on the R&D to non-volatile semiconductor component: Ching- Hsiang Hsu
5. Director specializing in strategic organization and business management: Ji-Ren Lee
6. Director specializing in legal affairs: Yuri, Kure
7. Director specializing in information security and operation of national business, and who had been Premier of Taiwan: San-Cheng Chang

Board of Directors' independence

The Company has seven directors, including four independent directors. The ratio of independent directors is 57.14%. Given that the independent directors constitute more than half of the Board of Directors, the independent directors can fully perform their functions to supervise the Company's operation and protect the shareholders' benefits, give their professional opinions without the influences of management team or other directors, and ensure the Board of Directors' independence.

Except Stan Shih and Maverick Shih are father and son relationship among the Company's directors, there is no relationship of spouse or relative within the second degree of kinship among the other directors (including independent directors). Therefore, there is no violation of Paragraph 3, Article 26-3 of Securities and Exchange Act.

The Company has been established the audit committee to replace the supervisor, so doesn't apply for Paragraph 4, Article 26-3 of Securities and Exchange Act.

Note: Although Mr. Simon Chang resigned as an independent director and various functional committee member of the Company due to being elected as a public official, effective from December 16, 2022, there are still three other independent directors in the Company, which is sufficient to carry out their statutory duties. Furthermore, the terms of the current board of directors will expire and be re-elected in June 2023. At that time, the Company will maintain four independent director seats, which will continue to represent more than half of the total board seats.

3.2.2 Key Managers (April 08, 2023)

Title	Nationality or Registration	Name	Gender	Date of Accession	Shares Held Directly		Shares Held by Spouse & Minors			Shares Held by the Other's		Education	Current Position(s) in Other Companies	Spouse or Immediate Family Holding Position as President or Vice President		
					Number	Percentage	Number	Percentage		Number	Percentage			Title	Name	Relationship
Chairman & CEO (Note 1)	R.O.C	Jason Chen	Male	01/01/2014	2,633,480	0.09	0	0		6,523,056	0.21	Global Marketing Sales Senior Vice General Manager, TSMC Business Administration Master, University of Missouri	1. Chairman, Mu-Jin Investment Co., Ltd. 2. Chairman, Mu-Shi Investment Co., Ltd. 3. Independent Director, Powerchip Semiconductor Manufacturing Corporation 4. Director, FocalTech Systems Co., Ltd. 5. Other (Note 2)	-	-	-
Corp.VP & President	France	Emmanuel Fromont	Male	01/01/2011	1,480,000	0.05	0	0		0	0	VP, Acer EMEA, Packard Bell Division MBA, University of Southern California (USC)	(Note 2)	-	-	-
Co-COO	R.O.C	Tiffany Huang	Female	01/01/2013	1,335,817	0.04	90	0		0	0	AVP of Acer PCGO Supply Chain Operations; acting Operation Analysis Officer of Corp. President Office Bachelor, Department of law of National Chung Hsing University	(Note 2)	-	-	-
Co-COO	R.O.C	Jerry Kao	Male	12/01/2014	1,010,375	0.03	0	0		0	0	AVP of Acer Note Book Business Group MBA, National Chung Hsing University	(Note 2)	-	-	-
President	USA	Gregg Prendergast	Male	09/01/2015	1,182,000	0.04	0	0		0	0	American East Director, Texas Instruments Business Bachelor, Temple University	(Note 2)	-	-	-
CTO	R.O.C	RC Chang	Male	09/01/2015	631,135	0.02	0	0		0	0	Department of Computer Science Professor, National Chiao Tung University Computer engineering Doctor, National Chiao Tung University	(Note 2)	-	-	-
President	R.O.C	Andrew Hou	Male	03/25/2016	665,500	0.02	0	0		0	0	Vice General Manager, Lite-On Technology Corporation Computer Science Master, Syracuse University	1. Chairman, Hua-Zhi Investment Co., Ltd. 2. Other (Note 2)	-	-	-
President	R.O.C	Victor Chien	Male	03/25/2016	644,506	0.02	11	0		0	0	Associate General Manager, Zenitron Corporation Control Engineering and Management Science Bachelor, National Chiao Tung University	(Note 2)	-	-	-
Corp. Governance Officer	R.O.C	Lydia Wu	Female	05/08/2019	545,000	0.02	0	0		0	0	General Counsel of Acer Global Legal Bachelor, Department of law of National Taiwan University	(Note 2)	-	-	-
Corp. CFO	R.O.C	Meggy Chen	Female	07/01/2017	742,265	0.02	0	0		0	0	AVP of Acer Global Treasury Business Administration Master, UCLA Anderson School of Management	(Note 2)	-	-	-
Accounting Officer	R.O.C	Sophia Chen	Female	07/01/2017	195,680	0.01	0	0		0	0	CFO of Acer Pan Asia Pacific Region Business Administration Master, University of Pittsburgh	(Note 2)	-	-	-

Note 3: The Company continuously focus on Dual Transformation, which means Acer not only discovers a Niche Market to its core business, but also develops multiple growth engines; to efficiently exercise the limited resource of Acer group, and achieve this challenging and complicated strategy of Dual Transformation, it is periodically necessary for one person to hold a concurrent post of Chairman and CEO. Moreover, to enhance the supervising function to Board, the Company increases the number of Independent Directors to 4 seats, in addition there is no more than half directors hold a concurrent post of employees and executors of the Company.

Note 4: Appointed by Company to be Director and/or President of certain subsidiaries. For further details, please refer to pages 167 to 178.

Range of Remuneration	Name of Directors				
	Total of (A+B+C+D)			Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Stan Shih, Jason Chen	Stan Shih, Jason Chen			
NT\$1,000,000~Under NT\$2,000,000					
NT\$2,000,000~Under NT\$3,500,000					
NT\$3,500,000~Under NT\$5,000,000	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure		Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure	Hung Rouan Investment Corp., Maverick Shih, Ji-Ren Lee, Ching-Hsiang Hsu, San-Cheng Chang, Yuri Kure
NT\$5,000,000~Under NT\$10,000,000				Jason Chen	
NT\$10,000,000~Under NT\$15,000,000					
NT\$15,000,000~Under NT\$30,000,000				Stan Shih	Stan Shih
NT\$30,000,000~Under NT\$50,000,000					
NT\$50,000,000~Under NT\$100,000,000					Jason Chen
NT\$100,000,000 & above					
Total	7	7		7	7

3.2.3.2 Remuneration of Supervisors

None

3.2.3.3 Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Sum and Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CEO	Jason Chen	55,472	125,953	3,414	9,027	41,364	142,444	54,625	0	86,619	0	Sum 154,875 Ratio 3.10%	Sum 364,042 Ratio 7.28%	None
Co-COO	Tiffany Huang													
Co-COO	Jerry Kao													
Corp. VP & President	Emmanuel Fromont													
President	Gregg Prendergast													
President	Andrew Hou													
President	Victor Chien													
CTO	RC Chang													
Corporate Governance Office	Lydia Wu													
Corp. CFO	Meggy Chen													
Accounting Officer	Sophia YL Chen													

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Emmanuel Fromont, Gregg Prendergast	
NT\$1,000,000 ~ Under NT\$2,000,000		
NT\$2,000,000 ~ Under NT\$3,500,000		
NT\$3,500,000 ~ Under NT\$5,000,000		
NT\$5,000,000 ~ Under NT\$10,000,000	Jason Chen, Sophia YL Chen	Sophia YL Chen
NT\$10,000,000 ~ Under NT\$15,000,000	Lydia Wu	Lydia Wu
NT\$15,000,000 ~ Under NT\$30,000,000	Jerry Kao, Andrew Hou, Victor Chien, RC Chang, Meggy Chen	Jerry Kao, Andrew Hou, Victor Chien, RC Chang, Meggy Chen
NT\$30,000,000 ~ Under NT\$50,000,000	Tiffany Huang	Tiffany Huang
NT\$50,000,000 ~ Under NT\$100,000,000		Gregg Prendergast, Jason Chen, Emmanuel Fromont
NT\$100,000,000 & above		
Total	11	11

The distribution of Profit Sharing as employee's compensation to President and Vice Presidents:

Unit: NTD thousand/ thousand shares

Title	Name	Cash Amount (Note)	Stock Amount	Total	Ratio of Total Amount to Net Income(%)
Chairman & CEO	Jason Chen	86,619	0	86,619	1.73%
Co-COO	Tiffany Huang				
Co-COO	Jerry Kao				
Corp. VP & President	Emmanuel Fromont				
President	Gregg Prendergast				
President	Andrew Hou				
President	Victor Chien				
CTO	RC Chang				
Corporate Governance Office	Lydia Wu				
Corp. CFO	Meggy Chen				
Accounting Officer	Sophia YL Chen				

Note: As of the date of printing of the annual report, the amount of employee compensation has not been determined, and the proposed distribution of cash for this year is calculated based on the actual distribution ratio from last year, which cash amounts to NT\$86,619,000 and stock amount will be NT\$0.

3.2.3.4 Compare and explain the company's and all companies in the consolidated statement in the past two years of the total amount of remuneration of the company's directors, supervisors, general managers and deputy general managers as the percentage of the net profit after tax and after having explained the policies, standards, combination of remuneration; setting remuneration procedures; and the relevance of the business performance and the future risks.

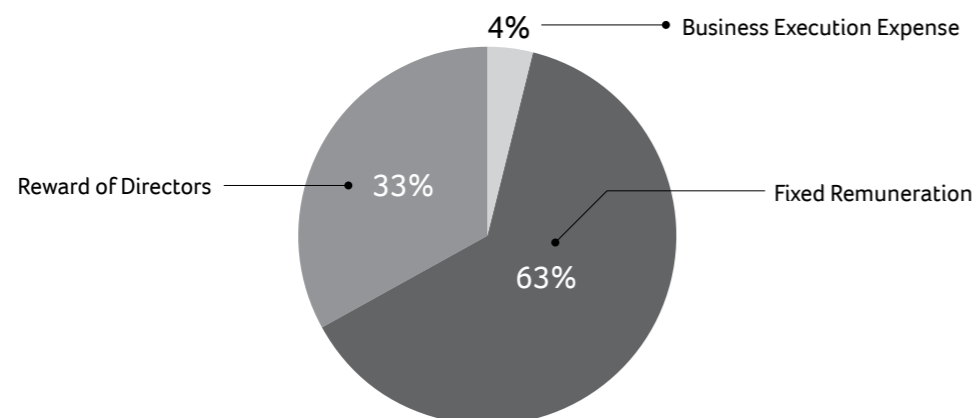
(1) The total amount of remuneration paid to the directors of the company in the last two years as a percentage of the net profit after tax

Title	The proportion of the total remuneration of the company in the net profit after tax in 2021	The total remuneration of all companies in the consolidated statement of the Republic of China in 2021 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2022	The total remuneration of all companies in the consolidated statement of the Republic of China in 2022 accounted for the proportion of net profit after tax
Director	0.24%	0.24%	0.42%	0.42%

1. Remuneration policy, standard and combination

The decision of Directors' remuneration is based on the company's articles of association and the "Principles of remuneration for directors" approved by the remuneration committee and approved by the board of directors. After the resolution of the board of directors, the report of the general meeting of shareholders shall be submitted in accordance with the law. In addition to fixed remuneration and business execution fees (including travel expenses), the director's remuneration is based on the company's operating results and its contribution to the company's performance, as well as the high-tech industry support standards in the Willis Towers Watson annual report annual report. The package would be issued by the remuneration committee after the proposal is submitted to the board of directors for resolution and approval.

In addition, the company's "Principle of remuneration for directors" clearly stipulates that directors (including the chairman) who serve as employees concurrently would only receive employee remuneration but not director's remuneration except for business execution expenses. As to avoid difficulty in distinguishing performance contributions when serving as directors and employees at the same time.



2. Procedure for setting remuneration

According to the Article 16-1 of the company's articles of association, if there is profit in the year, no more than 8% should be allocated as the director's remuneration, and the distribution method will be submitted to the board of directors by the compensation and remuneration committee for decision first, then report it to the shareholders meeting as well. According to the regulations of the company's remuneration committee, the remuneration of directors shall be paid in accordance with the "Principles of Payment of Directors' Remuneration". The principles are as follows: (1) A director who concurrently serves as a manager/employee shall neither receive the director's fixed remuneration nor receive the director's remuneration; (2) Since all independent directors have participated in the audit committee, remuneration committee and investment review committee, they have assumed more responsibilities than ordinary (non-independent) directors. The remuneration will be slightly higher than a general director who does not participate in the committee.

3. Link between performance appraisal and remuneration

The procedure for setting remuneration is based on the Company's "Measures for the Evaluation of the Board's Performance" (including the performance evaluation of various committees). The remuneration of the directors of the company is based on their overall consideration of the company's operational participation and performance evaluation results (such as dedication to company affairs, meeting attendance, continuous education, etc.). The results of the overall evaluation of the performance of the board of directors will be submitted to the board of directors' report in the first quarter of the following year, and the directors' remuneration for that year will be further discussed and decided at the same meeting of the board of directors. In addition, according to the organization rules of the Compensation Committee of the Company, the responsibilities of the Compensation Committee include regular review and regular evaluation of the policies, systems, standards and structures for the performance evaluation and compensation of directors and managers.

4. Relationship between business performance and future risks

The remuneration of the directors of the company is not only paid with reference to the company's past operating performance, but also the payment standard, structure and system will be flexibly adjusted according to future risk factors. In addition, the Compensation and Remuneration Committee of the Company will also perform its duties, regularly review and evaluate the remuneration of directors, and submit the recommendations to the Board of Directors for discussion, in order to balance the company's sustainable operation and risk control.

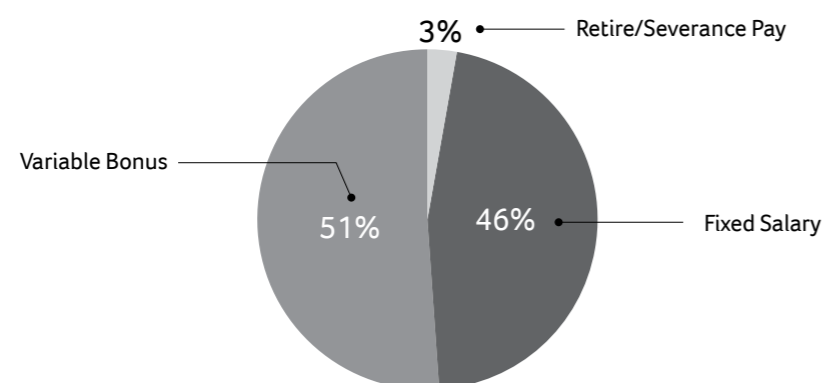
(2) In the past two years, the President and Vice President of the company have been paid

Title	The proportion of the total remuneration of the company in the net profit after tax in 2021	The total remuneration of all companies in the consolidated statement of the Republic of China in 2021 accounted for the proportion of net profit after tax	The proportion of the total remuneration of the company in the net profit after tax in 2022	The total remuneration of all companies in the consolidated statement of the Republic of China in 2022 accounted for the proportion of net profit after tax
President and Vice President	1.72%	4.81%	3.10%	7.28%

1. Remuneration policy, standard and combination

The remuneration paid by the company to managers can be divided into salary, bonus and special payment, plus three types of employee remuneration. Salary is the remuneration referred to in the company law, which is determined based on factors such as job title, overall environment and market standards. Remuneration that reflects work performance; items such as bonuses and special expenses are mainly transportation allowances, which are either a certain amount of transportation allowance or a car purchase

allowance. Employee remuneration is based on the company's articles of association, and after being passed by the remuneration committee and the board of directors, the annual shareholders' meeting report will be submitted according to law.



2. Procedure for setting remuneration

According to Article 20 of Chapter VI of the Company's Articles of Association, if there is profit in the year, more than 4% of the balance should be allocated as employee compensation; the actual distribution ratio and amount of employee compensation are also determined by the board of directors and reported shareholders meeting. The frequency, date and requirements for payment of employee remuneration shall be handled in accordance with the arrangements and procedures proposed in the annual remuneration committee/board of directors report.

3. Link between performance appraisal and remuneration

Employee remuneration is handled in accordance with the company's bonus policy, which covers the achievement of the company's operational goals and personal annual goals. Company goals include financial (such as company revenue, net profit achievement rate) and non-financial indicators (such as professional development and subsidiary operation participation), personal annual goals (such as risk management and annual operation management capabilities) and corporate social responsibility indicators (such as the plan and participation in various corporate social responsibility activities). Based on the above-mentioned results, the ratio and amount of the actual distribution of employee remuneration as decided by the Compensation and Remuneration Committee and the Board of Directors in the first quarter of the following year are highly correlated with the company's operating performance.

4. Correlation between business performance and future risks

The company's managers' remuneration, in addition to reference to the relevant industry standards and the company's past operating performance, the payment standard, structure and system will also be reviewed and adjusted at any time in accordance with the actual operating conditions and changes in relevant laws and regulations, and does not seek to guide managers. Engage in behavior that exceeds the company's risk in return for remuneration. In addition, the remuneration committee of the company will also regularly evaluate the remuneration of managers, and submit the suggestions to the board of directors for discussion, in order to balance the sustainable operation of the company and risk control. In addition, the company has established a risk management committee, which is composed of the top executives of each business unit/functional organization at the headquarters, which is responsible for risk management and reports to the board of directors and the audit committee in order to link business performance with future risk management.

Comparing remunerations paid by the company and all companies in the consolidated statements to the directors, CEO, President and Vice president of the Company in the last two years:

There has been no significant change in the proportion of the total remuneration paid by the Company and all companies in the consolidated statements to the Company's directors, CEO, president and vice president to the net profit after tax in the last two years.

3.3 Corporate Governance Status

3.3.1 Meetings Held by the Board of Directors

The Board of Directors held six meetings from Jan. 1, 2022 to Dec. 31, 2022. The record of the Directors' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Chairman	Jason Chen	6	0	100%	
Director	Stan Shih	6	0	100%	
Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	6	0	100%	
Independent Director	Ching-Hsiang Hsu	5	1	83%	
Independent Director	Ji-Ren Lee	6	0	100%	
Independent Director	Yuri, Kure	6	0	100%	
Independent Director (Note)	San-Cheng Chang	5	1	83%	

Note: San-Cheng Chang resigned on 2022.12.16.

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Board Meeting occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, all independent opinions from Independent Directors and the Company's response to such Independent Directors' opinions:

(1) The matters shall be submitted to the board of directors for approval by resolution in accordance with Article 14-3 of the Securities and Exchange Act.

(2) In addition to the above (1) mentioned matters, the matters that any independent director objected or expressed reservations which have been recorded or stated in a written statement.

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
2022.01.11 First 2022 Special BOD Meeting	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Approve the adjustment of Strategic Investment (Stan, Shih proposed)	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
	Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.		

BOD Meeting Date and Session	Content of Motions and Follow-up (if any)	Matters under Article 14-3 of the Taiwan SEA	Objection or Reservation by any Independent Director
2022.03.16 First 2022 BOD Meeting	To report 2021 employees' profit sharing bonus and directors' compensation	V	None
	To Approve the 2021 Financial Statements and Business Report	V	None
	To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated	V	None
	To Approve the Amendment of "Rules of Procedure for Shareholders Meetings" and "Regulations Governing the Acquisition and Disposal of Assets" of the Company	V	None
	To Approve the Amendments of the Internal Rules related to Corporate Governance	V	None
	To approve the issuance of unsecured corporate bond	V	None
	To Approve the Acquiring or Disposing of ROU Assets in the Group	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Proposal of target bonus for the executives	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			
2022.05.05 Second 2022 BOD Meeting	To Approve the plan of Greenhouse Gas Inventory and Emission	V	None
	To Amend The "Internal Control Procedure of Stock Affairs Unit"	V	None
	To Report the rectification plan on the amount of endorsement exceeds the limit attributed to subsidiary's capital reduction	V	None
	Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2021	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			
2022.08.04 Third 2022 BOD Meeting	To Approve the Amendments of the Subsidiaries' Internal Rules	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			
2022.11.03 Fourth 2022 BOD Meeting	Propose to participate in Apacer's private placement of new common shares for cash capital increase.	V	None
	To adjust and simplify the investment framework of subsidiaries	V	None
	To Set-up or inject the Subsidiaries	V	None
	To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None
	To Approve the Non-Assurance Services Pre-approval Policy	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Proposal of target bonus for the executives of the Year 2023	V	None
	Proposal of Acer Group Global Salary Increase Proposal of the Year of 2023	V	None
	The Company's response to Independent Director's Objection or Reservation: N/A		
Resolution: Members of the Board Present Unanimously Approved Above Proposed Items.			

2. The Execution Situation of Board Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest

BOD Meeting Date and Session	Content of Motions	Execution Situation
2022.01.11 First 2022 Special BOD Meeting	To Approve the adjustment of Strategic Investment (Stan, Shih proposed)	To avoid interest conflicts, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and chairman consulted other present directors and obtained unanimously approved to this proposal.
2022.03.16 First 2022 BOD Meeting	To report 2021 employees' profit sharing bonus and directors' compensation	1. Employee Compensation: The chairman consulted all present directors and obtained unanimously approved to this proposal. 2. The independent directors' compensation: To avoid interest conflicts, Independent Director Ching-Hsiang Hsu, Independent Director Ji-Ren Lee, Independent Director San-Cheng Chang and Independent Director Yuri, Kure recused themselves from this item in accordance with Article 206 of Company Act, and the chairman consulted other present directors and obtained unanimously approved to this proposal. The non-independent directors' compensation: To avoid interest conflicts, the non-independent directors recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	To Approve the Acquiring or Disposing of ROU Assets in the Group	Chairmen consulted all present directors and obtained unanimously approved to the right to use the assets listed in Annex 13-1. To avoid interest conflicts, Chairman Jason Chen, in accordance with Article 206 of Company Act, explained and abstained from discussing and voting on the right to use the assets listed in Annex 13-2. This was approved with unanimous consent from the other attending directors after consultation with independent director, Ching-Hsiang Hsu.
2022.05.05 Second 2022 BOD Meeting	Proposal of target bonus for the executives	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2021	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
2022.11.03 Fourth 2022 BOD Meeting	To Set-up or inject the Subsidiaries	1. Chairmen consulted all present directors and obtained unanimously approved to item 1 to 4 set forth in explanation section. 2. Regarding item 5 for the capital increase of the subsidiary, Chairman Jason Chen explained and abstained from participating in the discussion and voting in accordance with Article 206 of the Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	Proposal of target bonus for the executives of the Year 2023	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.
	Proposal of Acer Group Global Salary Increase Proposal of the Year of 2023	To avoid interest conflicts, Chairman Jason Chen, Director Stan Shih and Director Maverick Shih recused themselves from this item in accordance with Article 206 of Company Act, and Independent Director Ji-Ren Lee consulted other present directors and obtained unanimously approved to this proposal on behalf of the chairman.

3. The list company shall disclose the information to the Board's self-evaluation(or peer-evaluation), and the information includes evaluation frequency, period, scope, measures, items etc.:

The Implement of the Evaluation by the Company's Board

Frequency	Period	Scope	Measures	Items
Annual	2022.01.01-2022.12.31	Board Performance Evaluation	Board's self-evaluation	Board's self-evaluation
		The Performance Evaluation of the Board of Directors	Directors' self-evaluation	<ol style="list-style-type: none"> 1. Degree of participation in the operation of the Company 2. Enhancing the quality of decision making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal Control
		Functional Committee Performance Evaluation	Peer-Evaluation	<ol style="list-style-type: none"> 1. Controlling the target and mission of the Company 2. Acknowledgement of the duties and responsibilities of the directors 3. Degree of participation in the operation of the Company 4. Election and continuing education of directors 5. Election and continuing education of directors 6. Internal Control
				<p>Directors' self-evaluation</p> <ol style="list-style-type: none"> 1. Controlling the target and mission of the Company 2. Acknowledgement of the duties and responsibilities of the directors 3. Degree of participation in the operation of the Company 4. Election and continuing education of directors 5. Election and continuing education of directors 6. Internal Control
				<p>Functional Committees' self-evaluation</p> <ol style="list-style-type: none"> 1. Degree of participation in the operation of the Company 2. Acknowledgement of the duties and responsibilities of the functional committee 3. Enhancing the quality of decision making of the functional committee 4. Composition and structure of the functional committee 5. Internal Control

4. The Target and Situation Assessment of Strengthening Board of Directors' Functions in current and most recent year:

The Company has established following functional committees to actively strengthen board of director functions and implement good corporate governance through every functional committees' teamwork.

- (1) For the purpose of building sound remuneration system of board of director and officer, the Remuneration Committee was established in August 2011 based on Board resolution in accordance with Taiwan Securities and Exchange Act and relevant Authority' ruling, it consists by three independent directors.
- (2) For the purpose of good corporate governance, the Audit Committee was established in June 2014 after board of director re-election by the shareholders meeting; it consists of all independent directors in accordance with Taiwan Securities and Exchange Act and Company Act.
- (3) For the purpose of previewing the investment, joint venture, M&A regarding new business and other strategic investment, the Investment Committee was established in June 2017 by board resolution in accordance with the Company's Articles of Incorporation; it consists of 5 board of directors, and at least 2 of 5 members shall be independent directors.

"Acer's Corporate Governance Best-Practice Principles" have been amended in 2017 and 2019 to strengthen board of directors' function and duties, and we set up a series of targets to enhance board functions, such as the attendance rate of board meeting, an appropriate policy on diversity of board members, and board of directors' performance evaluation, etc.

The performance assessment result of the Board has been publicly disclosed on Acer Group website in accordance with Acer's "Measures for Performance Evaluation of the Board of Directors" from 2017. For details, please visit: <https://www.acer-group.com>.

3.3.2 Operational Situation of the Audit Committee

The main point to audit as follows:

The Audit Committee is responsible to supervise the Board implementation, enhance management mechanism of Board, and assist to advance Corporate Governance. The material duties includes assistance to execute the flows of accounting, audit, financial report, and advance the quality and integrity of financial control.

- The adoption of or amendments to the internal control system pursuant to Article 14-5 of the Securities and Exchange Act
- Assessment of the effectiveness of the internal control system
- Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- A matter bearing on the personal interest of a director.
- A material asset or derivatives transaction.
- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring or dismissal of a certified public accountant, or their Remuneration (including qualification, Independence and Evaluation of the certified public accountant).
- The appointment or discharge of a financial, accounting, or internal audit officer.
- Audit financial reports
- Supervise Regulatory Compliance.
- Review Grievance Reports
- Review Fraud-Prevent Plan and Fraud Investigation Report
- Oversee and Evaluate Risk Appetite and Strategy
- Review Operational Situation of the Audit Committee
- Complete the questionnaires of performance self-evaluation of the Committee
- Resolve other material matters as may be required by this Corporation or by the competent authority.

Under R.O.C. law, the membership of Audit Committee shall consist of all independent Directors. Acer's Audit Committee satisfies this statutory requirement.

Acer's Audit Committee is empowered by its Charter to conduct any study or investigation it deems appropriate to fulfill its responsibilities. It has direct access to Acer's internal auditors, the Company's independent auditors, and all employees of the Company. The Committee is authorized to retain and oversee special legal, accounting, or other consultants as it deems appropriate to fulfill its mandate.

The Committee meets at least once every quarter.

Please consult Acer's Annual Report for the relevant year for the number of meetings convened and each member's attendance rate.

The Audit Committee held six meetings from Jan. 12, 2022 to Dec. 31, 2022. The record of the Members' attendances is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ching-Hsiang Hsu	5	1	83%	
Independent Director	Ji-Ren Lee	6	0	100%	
Independent Director	Yuri, Kure	6	0	100%	
Independent Director	San-Cheng Chang	5	1	83%	

Note: Dr. Simon Chang's resignation of Independent Director and Audit Committee member took effect from 16 December 2022. Since the Company still has three independent directors serving as the Audit Committee members, which is sufficient to carry out its statutory duties, and the Company will re-elect all director in June 2023 because of the expiry of the term of office, the Company will not re-appoint the succeeding remuneration committee member to fill the vacancy.

Other matters that are required to be disclosed:

1. If any of below listed-circumstances of operation of Audit Committee occurs, it's necessary to be disclosure, including dates of board meetings, sessions, the contents of motions, Audit Committee's resolution and the Company's response to such Audit Committee's opinions:

- (1) The matters shall be submitted to Audit Committee for approval and then submitted to the Board for approval by resolution in accordance with Article 14-5 of the Securities and Exchange Act.
- (2) In addition to above (1) mentioned matters, any resolution made by over two-third of the board of directors but not approved by Audit Committee.

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee
2022.03.16 First 2022 Audit committee	To Approve the 2020 Financial Statements and Business Report	V	None
	To approve the Acer's Statement of Internal Control System for 2021	V	None
	To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated	V	None
	To Approve the Amendment of "Rules of Procedure for Shareholders Meetings" and "Regulations Governing the Acquisition and Disposal of Assets" of the Company	V	None
	To Approve the Amendments of the Internal Rules related to Corporate Governance	V	None
	To approve the issuance of unsecured corporate bond	V	None
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting. Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.		

Audit Committee Meeting Date and Session	Content of Motions	Matters under Article 14-5 of the Taiwan SEA	Resolution made by over two-third of the board of directors but not approved by Audit Committee	
2022.05.05 Second 2022 Audit committee	To Amend The "Internal Control Procedure of Stock Affairs Unit"	V	None	
	To Report the rectification plan on the amount of endorsement exceeds the limit attributed to subsidiary's capital reduction	V	None	
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting. Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.			
2022.08.04 Third 2022 Audit committee	To Approve the Amendments of the Subsidiaries' Internal Rules	V	None	
	To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others	V	None	
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting. Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.			
2022.11.03 Fourth 2022 Audit committee	Propose to participates in Apacer's private placement of new common shares for cash capital increase	V	None	
	To adjust and simplify the investment framework of subsidiaries	V	None	
	To Set-up or inject the Subsidiaries	V	None	
	To Approve the Amendments of the Company and Subsidiaries' Internal Rules	V	None	
	To Approve the Non-Assurance Services Pre-approval Policy	V	None	
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting. Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.			
2022.12.08 Second 2022 Special Audit committee	To approve the Acer's Statement of Internal Control System for Governing Acer's Subsidiary, AGT,	V	None	
	Resolution made by Audit Committee: above mentioned items have been approved unanimously by all Audit Committee members who present at the meeting. Response to the Audit Committee opinions: The board of directors supported and approved all the items proposed by Audit Committee.			

2. The Execution Situation of Audit Committee Members Abstaining From Discussing and Voting on any Matters Where There is a Conflict of Interest: None

3. Communication Among Independent Directors and the Company's Chief Internal Auditor and CPAs:

- (1) The Company Chief Internal Auditor monthly reports internal audit execution situation to independent directors; and in addition, the Chief Internal Auditor regularly process internal audit report in the quarterly held Audit Committee meeting. She communicates with Audit Committee members about the internal audit results and the improvement; and immediate report will be made to Audit Committee members for special case and circumstances if any.

(2) Audit Committee members and Chief Internal Auditor have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2022.03.16 First 2022 Audit committee	1. FY2021 Internal Audit and Fraud Investigation Report 2. FY2021 Statement of Internal Control System 3. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2022.05.05 Second 2022 Audit committee	1. 2022 Q1 Internal Audit and Fraud Investigation Report 2. The "Internal Control Systems of Shareholder Services Unit" which is one of the Company's Internal Control Systems	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2022.08.04 Third 2022 Audit committee	1. 2022 Q2 Internal Audit and Fraud Investigation Report 2. To Approve the Amendments of the Internal Rules	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).
2022.11.03 Fourth 2022 Audit committee	1. 2022 Q3 Internal Audit and Fraud Investigation Report 2. 2023 Annual Audit Plan	The Independent Directors had no rejection and expressed reservation after consulting with the internal chief audit officer for the related contents and details to the item(s).

(3) The CPAs the Company appointed regularly process audit or reviewing result report in the quarterly held Audit Committee meeting, and the matters to be communicated with independent directors required by laws and regulations. CPAs will immediate report to Audit Committee members for special case and circumstances if any.

(4) Audit Committee members and CPAs have good communication, the communication are summarized as below:

Date	Keys of Communication	Communitive Results
2022.03.16 First 2022 Audit committee	1. Results of Auditing FY2021 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2022.05.05 Second 2022 Audit committee	1. Results of Reviewing 2022 Q1 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2022.08.04 Third 2022 Audit committee	1. Results of Reviewing 2022 Q2 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).
2022.11.03 Fourth 2022 Audit committee	1. Results of Reviewing 2022 Q3 Financial Statement 2. Update of Relevant laws and regulations	The Independent Directors had no rejection and expressed reservation after consulting with the CPAs for the related contents and details to the item(s).

3.3.3 Situation of Supervisor's participation in Board Operation

Not Applicable

3.3.4 Enforcement of Corporate Governance Implemented by

the Company and Reasons for Discrepancy

Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has enacted Acer's "Corporate Governance Best-Practice Principles" to establish sound corporate governance systems.	No discrepancy
2. Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has enacted related procedures to handle the shareholders' proposals, disputes and litigations, and designated the Office of Shareholders' Affairs, Investment Relations Unit, and Legal Unit to take care to these issues in accordance with these procedures	No discrepancy
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company holds information on the identities of major shareholders and its ultimately controlling persons.	No discrepancy
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established the appropriate risk control mechanism and firewalls according to Internal Controlling Systems and related procedures such as rules of supervision over subsidiaries, rules governing endorsement and guarantee, and the rules governing acquisitions and dispositions of assets, etc.	No discrepancy
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company enacted Regulations on Insider Trading to prevent any illegal activities in terms of insider trading.	No discrepancy
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy and concrete management target for the composition of its members?	✓		(1) The Company has set the diversity policy of the board of directors by of issued and valid Acer's Corporate Governance Best Practice Principles. Moreover, the Company endeavors to execute the diversity policy and elected a Japan female director on the shareholders meetings in which re-electing all directors in 2020.	No discrepancy
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) The Company has set up Audit Committee, Remuneration Committee, and Investment Committee.	No discrepancy
(3) Does the company establish a standard to measure the performance of the Board, implement it annually, recommend its result to Board of Directors, and make the result as reference of individual directors' remuneration and his renomination?	✓		(3) The Company has formulated rules and procedures for board of directors' performance assessments, and that each year we conduct regularly scheduled performance assessments of the board of directors, and the result of assessments will be offered to Board of Directors, and the result of assessments will be considered for compensation and renomination of each directors.	No discrepancy



Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>(4) The annual evaluation by the CPA is one of the main duties of the Audit Committee, and being passed by the Board of Directors meeting.</p> <p>The Board of Directors and Audit Committee comprehensively evaluates the independence of CPA based on CPA's Statement of Independence and items stated in relevant regulations. The important evaluation items are summarized as following:</p> <p>a. Whether the management of the Company will respect objective and challenging audit procedures.</p> <p>b. Whether CPA's non-audit service may affect the independence of CPA's auditing.</p> <p>c. Whether CPA firm enacts independence rules and request the itself, staffs and any other person to keep independence in accordance with the Norm of Professional Ethics for CPA, and prohibit insider trading, misusing internal information or any behavior which the security or capital market may be misleading.</p> <p>d. Whether the CPA mandatory rotation is applied and implemented to the lead auditor and review auditor in accordance with competent regulations.</p> <p>e. Upon obtaining the information on 13 Audit Quality Indicators (AQIs) provided by the accounting firm and "Auditing Committee's Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the regulatory authority, the audit quality of the firm and its audit team were evaluated. The evaluation results are as follows:</p> <p>The independence between the Certified Public Accountant and the Company complies with relevant regulations such as the ROC Certified Public Accountant Act, the Norm of Professional Ethics for Certified Public Accountant, and regulations from the US SEC and PCAOB.</p> <p>The Certified Public Accountant appointed by the company have been rotated within the prescribed period.</p> <p>For AQIs with significant differences compared to the industry average at the accounting firm, the Auditing Committee has obtained explanations for the reasons behind such differences from the firm before March 16th, 2023. If there are areas that need improvement and strengthening, the direction and schedule for improvement have also been confirmed.</p>	No discrepancy



Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			The committee will continue to monitor the progress of improvements at the next meeting.	
4. Does a TWSE/TPEX listed company set up a full/part-time corporate governance unit or personnel to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, assisting board of directors and supervisors in compliance with laws and regulations, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	✓		<p>On May 8th, 2019, Board of Directors has resolved that Acer General Counsel acting as Corporate Governance Officer. Pursuant to "Procedures to Standard Operating Procedures for the Handling of Requests made by Directors" set forth by Acer, the Secretary of Board of Directors is appointed as the agenda working group of Board of Directors and functional committees, and Corporate Governance Officer leads the Company's Global Finance, Legal, Office of Shareholders' Affairs, HR, Corporate Venture and relevant departments to comprise a specific Corporate Governance Team to handle related matters as following summary:</p> <p>a. Developing and designing a competent system to improve transparency, compliance and implementation of internal auditing.</p> <p>b. Handling the affairs of Shareholder's meetings, including but not limited preparing and providing Shareholder's meeting notices, agendas and minutes within the prescribed period.</p> <p>c. Sending the board of directors (including independent directors, Audit Committee and other functional committees) the notice, information and materials which will be discussed in the meeting at least 7 days in advance.</p> <p>d. Providing and updating the status of applicable laws and regulations related to the Company's operation and business to assist the board of directors (including independent director) in compliance.</p>	No discrepancy
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, including but not limited shareholders, employees, customers, and suppliers, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company has established the appropriate communication channels with suppliers, buyers, banks, investors and other stakeholders, including a stakeholders section on our website. Also, the "Stakeholder Grievance Mechanism" has been disclosed on Acer Inc.'s official website (http://www.acer-group.com) and there is a public E-mail Box (Whistleblower.acer@acer.com) handled by a dedicated officer.</p> <p>To regulate Acer's actions after being informed of the ethical or other regulatory violation by any person, Acer has stipulated the procedures dealing with incident reports in the Standard of Business Conduct.</p>	No discrepancy
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	The Company's Office of Shareholders' Affairs will take charge in, with the standard which is no less than the one of professional shareholder service agency, the affair of shareholder meeting specifically in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.	The Company's Office of Shareholders' Affairs will take charge in the affair of shareholder meeting specifically.



Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company has set up Acer Group website (https://www.acer-group.com/ag/en/TW/content/home), both in Mandarin and English, containing the information regarding its finance and operations. The Company also discloses the enforcement of corporate governance in the shareholders' meeting and other institutional investor meetings.	No discrepancy
(2) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(2) The Company has one speaker, one acting speaker and a designated team to be responsible for gathering and disclosing relevant information.	No discrepancy
(3) Does the company announce and declare current annual financial report within 2 months after the close of each fiscal year, and early announce and declare the financial reports of First, Second, Third Quarter and the company's operations of each month within the lawful period?		✓	(3) The Company has announced and declared the first, second and third quarter financial reports and the operation of each month in advance of the legal period. However, the company has a large number of global subsidiaries, which are distributed in different countries, in which the accounting standards and systems are different. Besides, annual reports are not only prepared by ourselves but also audited by accountants. Although it is difficult for the Company to announce and report the annual financial report within two months after the end of the fiscal year, we still completed the announcement and declaration within the period specified in Article 36 of the Securities and Exchange Act.	Only slight gap of the period of announcement and declaration of the annual financial report, the others are all complied with "Corporate Governance Best-Practice Principles".
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>a. he relevant information has been disclosed on Acer Inc.'s official website (https://www.acer-roup.com/ag/en/TW/content/home) and the chapter of Corporate Social Responsibility in the annual reports.</p> <p>b. The Company has set up an exclusive web site for the new labor pension system containing information for employees regarding to the laws and regulations, and to offer assistance.</p> <p>c. In addition to the training courses required by authorities, the Company also held related training courses for members of the Board.</p> <p>d. The Company has clearly set forth in the rules for the proceedings of Board meetings, that a director shall voluntarily abstain from voting on a proposal involved with his/her own interests.</p> <p>e. It's stipulated in Acer's "Corporate Governance Best-Practice Principles" that in case the Chairman also acts as the President or the Chairman and President are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased accordingly. Acer has raised the number of independent directors to four.</p>	No discrepancy



Evaluation items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
			<p>f. Acer has purchased liability insurance for directors and officers.</p> <p>g. The Company has actively participated in community or charitable activities, as the content in the chapter of Corporate Social Responsibility.</p> <p>h. The company has set the targets and strategies of Green Mission measures such as reduction of Greenhouse Gas and Carbon Emissions, Energy and Water saving etc.</p>	
9. Please indicate the improvement that has been done for the results of the corporate governance evaluation issued by the Center for Corporate Governance of TWSE in the most recent year and provide priority measures for those items that have not yet been improved.				
(1) The company has completed the measures for the item last year as following:				
a. Promoting Ethical Corporate Management: The Company's ethical corporate management unit comprises Legal Department and Human Resource Department and is led by the Company's corporate governance officer. This unit is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs and shall report to the board of directors on a regular basis (at least once a year). The latest reporting date is March 16, 2023. In addition, the Company also explains the operation and execution of the ethical corporate management unit via the Company's website and annual report.				
b. Risk Management Policy: The board of directors of the Company passed the "Risk Management Policy and Procedure" on March 16, 2022. To actively implement the risk management mechanism, the Company regularly holds meetings of the Risk Management Committee and reports its operation to the Audit Committee and the board of directors at least once a year. The latest reporting date was November 3, 2022.				
c. Director Compensation: The Company has disclosed relevant information on the performance evaluation and compensation linkage of directors and managers in our annual report.				
(2) The Company makes the following as the priority measures this year:				
We are planning to revise the Company's "The Stakeholder Grievance Mechanism" by adding the acceptance level of different whistleblowing targets in the handling process, and to specify the method of preserving relevant records.				

3.3.5 The Establishment and Enforcement of Remuneration Committee

A. Remuneration Committee held two meetings from Jan. 1, 2022 to December 31, 2022. The record of their attendance is shown below:

Title	Name	No. of Meetings Attended	No. of Meetings Attended by Proxy	Meeting Attendance Rate(%)	Note
Independent Director	Ji-Ren Lee	4	0	100%	
Independent Director	San-Cheng Chang	4	0	100%	
Independent Director (Note)	Ching-Hsiang Hsu	4	1	75%	

Note: San-Cheng Chang resigned on 2022.12.16.

Other mentionable items:

- If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None
- Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified

Date	Meeting	Major Resolutions	Resolution made by over two-third of the board of directors but not approved by Remuneration Committee
2022.03.16	First 2022 REMCO Meeting	2021 Profit Sharing for employees and directors	None
		2022 Annual package proposal of Corporate Officers	None
		Annual proposal of 2022 Global Merit Increase budget	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2022.05.04	Second 2022 REMCO Meeting	2022 Profit Sharing for employees and directors	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2022.08.04	Third 2022 REMCO Meeting	2022 Acer Employee Stock Ownership Trust and Relevant Specifications	None
		New Shares for Subsidiaries' Capital Increase in Cash	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	
2022.11.01	Fourth 2022 REMCO Meeting	Proposal of 2023 MBO bonus for the Corporate Officers	None
		Acer Group Global Salary Increase Proposal of the Year of 2023	None
		Proposal of 2023 Global Long Term Incentive program	None
		Resolution made by Remuneration Committee: above mentioned items have been approved unanimously by all Remuneration Committee members who present at the meeting.	
		Response to the Remuneration Committee opinions: The board of directors supported and approved all the items proposed by Remuneration Committee.	

B. Responsibilities of the Remuneration Committee

The Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines" and "Executive Remuneration Guideline" are proposed by Remuneration Committee, effective upon the approval of Acer Inc. Board of Directors. The compensation of the Board of Directors is defined in "Acer's Articles of Incorporation". Where there are earnings at the end of the fiscal year after making up the losses of previous years. Then, if any balance left over, no more than 0.8% of profits shall be distributed as profit sharing for the Board of Directors and supervisors according to Acer Inc. "Board of Directors and Supervisors Remuneration Guidelines". Employee Director are not entitled to receive Director profit-sharing.

The remuneration of Acer executive is governed under Acer Group "Executive remuneration guideline". The short-term incentive links to both individual and company overall team performance, while the long-term incentive links to long-term shareholders' value. The annual KPIs, which includes a portion of strategic KPIs assigned by the board whether financial or non-financial, ensures the executive team move on the same direction to reach the strategic goal of the company. Standards of Business Conduct (SBC) is reminded and confirmed by each executive on the compensation sign back letter each year.

C. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
Independent Director	Ching-Hsiang Hsu	<p>Since 2009, Dr. Ching-Hsiang Hsu has been Chairman of eMemory Technology Inc., the biggest eNVM IP provider in the world, which he founded in 2000 as its President. In addition he has served on the board of directors at National Applied Research Laboratories (NARLabs) since 2018 and as Executive Director of the Taipei Computer Association since 2010.</p> <p>Prior to founding eMemory, Dr. Hsu spent eight years at Taiwan's National Tsing-Hua University (NTHU) and as Chairman of the Institute of Electrical Engineering from 1998 to 2000, and as Professor of the Department of Electronics Engineering from 1992 to 1998. Dr. Hsu worked at IBM T.J. Watson Research Center in the U.S. as researcher from 1987 to 1992.</p> <p>Dr. Hsu graduated from NTHU with a B.S. in Electrical Engineering and received his M.S. and Ph.D. in Electrical Engineering from the University of Illinois, Urbana-Champaign. Renowned for his extensive research and inventions in Non-Volatile Semiconductor Devices, Dr. Hsu holds over 200 patents and has published 120 papers on semiconductors.</p> <p>Dr. Hsu specializes in information technology and consumer discretionary market, and doesn't meet any condition defined in Article 30 of Company Act</p>	<ol style="list-style-type: none"> There is no condition that Dr. Hsu, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Hsu, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Hsu, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	1



Title	Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
Independent Director	Ji-Ren Lee	<p>Dr. Ji-Ren Lee has been Professor of Strategy and Management, Department of International Business, College of Management, National Taiwan University since 2002, where he was the Executive Director of EMBA Program from 2005-2008.</p> <p>Before his academic career, Dr. Lee worked at Yulon Motor Co. from 1982 to 1983, and with the subsidiary of a Germany-based multinational corporation, Boehringer Ingelheim Taiwan, from 1985 to 1989.</p> <p>Dr. Lee also serves as an Independent Director of E.Sun Financial Holding Company (since 2007), Delta Electronics (since 2016) and Vivotek Inc. (since 2018).</p> <p>Dr. Lee holds a B.E. from National Tsing Hua University, Taiwan; MBA from the National Taiwan University; and Ph.D. from University of Illinois at Urbana-Champaign Illinois, U.S.A. Dr. Lee specializes in consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.</p>	<ol style="list-style-type: none"> There is no condition that Dr. Lee, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Lee, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Lee, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	3
Independent Director (Note)	San-Cheng Chang	<p>Dr. San-Cheng Chang is Chairman of the SanCode Education Foundation, Honorary Dean of School of Big Data Management at Soochow University, and former Premier of the Executive Yuan, Taiwan.</p> <p>Dr. Chang began his career as a lecturer, associate professor, and professor at the Department of Civil Engineering of National Taiwan University from 1981 to 1990. He was Director for the National Center for High-Performance Computing from 1991 to 1997. From 1998 to 2000, he was Director of the Department of Planning and Evaluation of National Science Council. Between 2000 and 2010, he served at Acer as Vice President of the e-Enabling Service Business Group, and between 2010 and 2012, he was Regional Director of Google's hardware operations in Asia.</p> <p>Dr. Chang's political career began in 2012 when he was appointed as Minister without Portfolio of the Executive Yuan. In 2014, he served as the minister at the Ministry of Science and Technology. In December 2014, Chang became Vice Premier of the Executive Yuan and subsequently the Premier.</p> <p>With a solid engineering discipline, Dr. Chang earned his bachelor's degree in Civil Engineering from National Taiwan University. He has a master's degree from Stanford University and a Ph.D. from Cornell University in Civil and Environmental Engineering.</p>	<ol style="list-style-type: none"> There is no condition that Dr. Chang, his spouse, or his relative within the second degree of kinship serves as the director, supervisor or employee of any Acer group's company. Dr. Chang, his spouse, and his relative within the second degree of kinship don't hold the Company's share. There is no condition that Dr. Chang, his spouse or his relative within the second degree of kinship serves as the director, supervisor or employee of the company which has special relationship with the Company or provide commercial, legal, financial, accounting or related services to any Acer group's company. 	0



Title	Criteria Name	Professional Qualification and Experience	Independence Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Members
		Dr. Chang specializes in communication service, consumer discretionary market and medical health care, and doesn't meet any condition defined in Article 30 of Company Act.		

Note: Dr. Simon Chang's resignation of Independent Director and Remuneration Committee member took effect from 16 December 2022. Since the Company still has three independent directors serving as the Remuneration Committee members, which is sufficient to carry out its statutory duties, and the Company will re-elect all director in June 2023 because of the expiry of the term of office, the Company will not re-appoint the succeeding remuneration committee member to fill the vacancy.

3.3.6 Investment Committee

- The Company's Investment Committee consists of five members, including three independent directors.
- The major duties of Investment Committee are as follows:
 - To review the investment, establishment, merger (including merger, acquisition, and division), joint venture, and/or internal entrepreneurship of new businesses. The approved investment proposals will be submitted to the Board of Directors for discussion. However, if the investment structure of the existing core business and related subsidiaries is adjusted or proceeds capital increase/decrease due to business needs, changes in laws and regulations, or changes in tax environment, without substantially changing the comprehensive shareholding ratio of the Company, it is not subject to the limitation but shall still be handled in accordance with "Procedures for Acquiring or Disposing of Assets".
 - To review strategic investment proposals, joint ventures with others. The approved investment proposals will be submitted to the Board of Directors for discussion.
 - To review dispositions of investments made under items 1 and 2. The approved proposals will be submitted to the Board of Directors for discussion.
 - If a proposal passed by the Investment Committee constitutes a significant matter subject to Audit Committee Charter, the proposal must be discussed by the Audit Committee before being submitted to the Board of Directors for discussion.
 - To execute relevant ancillary matters as determined by the Board of Directors, and report the results of the execution and other relevant matters to the Board of Directors.
- From January 1, 2022, until December 31, 2022, the Investment Committee had three meetings. The members' qualifications and attendance status are as follows:

Title	Name	Attendance in person	By Proxy	Attendance Rate (%)	Note and Related Field of Expertise
Chairman (Note)	San-Cheng Chang	3	0	100%	Independent Director; Specialty in high-speed computing, Information security and technological innovation sectors.
Member	Ji-Ren Lee	3	0	100%	Independent Director; Specialty in organizational management strategy, strategic investment and start-up business development sectors
Member	Yuri Kure	3	0	100%	Independent Director; Specialty in commercial & professional (legal) services sectors
Member	Jason Chen	3	0	100%	Specialty in global marketing, semiconductor and enterprise transformation sectors
Member	Stan Shih	3	0	100%	Specialty in global marketing, start-up business, enterprise transformation, society and culture sectors

Note: San-Cheng Chang resigned on 2022.12.16.



3.3.7 Code of Ethics and Business Conduct

As good corporate citizens Acer Group respect human rights, local communities and compliance with laws, environment, ethics, safety standards, regulations and social norms. Based on our core values of "Serve with honor and work with pride", we have formulated a Standards of Business Conduct (SBC) document to guide us on how we interact with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business. This is done every day in every decision and every action by each one of us. We continue to build on our reputation for trust, integrity and honesty, both internally and externally, by appreciating people, their diversities and cultures.

You are welcome to visit Acer Group website (<http://www.acer-group.com>) for the details of our "Standards of Integrity Management & Business Conduct."

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Has the Company formulated a Board-approved policy related to code of ethics and business Conduct? Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the top management team demonstrated their commitments to implement the policies?</p> <p>(2) Has the company established any evaluation system for analyzing its business activities periodically to avoid unethical conducts, and strengthen the preventive measures, when establishing appropriate preventive measures at least against the acts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or other higher potential unethical conducts in the relevant policies?</p>	<p>✓</p> <p>✓</p>		<p>(1) Integrity is the most important core value of Acer's culture. The Board of Directors and the management team are dedicated to enforcing the Company's guideline on corporate conduct and ethics. Apart from a series policies related to business integrity, including "Anti-Bribery and Anti-Corruption Policy", "Regulations on Insider Trading", "Export Compliance Policy", "Antitrust and Fair Competition Guidelines", "Group Personal Data Protection Management Policy", the Board of Directors approved "Standards of Integrity Management & Business Conduct" on March 16, 2022.</p> <p>(2) As above-mentioned, Acer formulated and promulgated "Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. Furthermore, Acer established the Integrity Management Promotion Working Group in 2022. The Integrity Management Promotion Working Group uses risk mapping to assess potential threats to the Company's future operations based on the likelihood of various risks and the extent of the damage were they to occur, classifying the risks and ensuring proper prioritization of risk management strategies. At the same time, we use sensitivity analysis and stress testing to undertake further regularly quantitative analysis of relatively high risk business activities in the scope of Acer business, and aggregates the results of these analyses and tests, then drafting follow-up action plans. The assessed items, content and preventive measures have exceeded the relevant provisions of Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>	<p>No discrepancy</p> <p>No discrepancy</p>



Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
<p>(3) Has the company established relevant policies for preventing any unethical conduct? Are the implementation of the relevant procedures, guidelines and training mechanism provided in the policies and review the abovementioned policies regularly?</p>	<p>✓</p>		<p>(3) As above-mentioned, Acer has formulated and promulgated Standards of Integrity Management & Business Conduct" and a series policies related to business integrity. The plan to prevent unethical conducts, including normative measures and cycles under the internal control systems; also, there are relevant regulations for the disciplinary and appeal system for employee violations. Furthermore, we arrange new employee orientation and on-the-job training for our employees to prevent any unethical conduct. Most importantly, our Internal Audit Unit would conduct regular audits to raise overall awareness, detect potential misconduct and monitor the procedures compliance, then review the abovementioned policies regularly.</p>	<p>No discrepancy</p>
<p>2. Corporate Conduct and Ethics Compliance Practice</p> <p>(1) Has the company conducted investigation regarding unethical records with whomever the Company doing business with, and included business conduct and ethics related clauses in the business contracts?</p> <p>(2) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and the dedicated unit shall report to the board regularly (at least once every year)?</p> <p>(3) Has the Company established policies to prevent conflicts of interest and provided appropriate communication and complaint channels?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) To avoid transactions with those with unethical records, all business activities in Acer will be conducted by the operation department to review and evaluation of current and potential business partners, and the Legal Unit will review the contracts. Acer will request its Business Partners to enter into a "VENDOR'S LETTER OF DECLARATION" or other documents related to compliance to ensure honesty and integrity in all dealings with or on behalf of Acer. Acer also remind or request appropriate business partners to comply affirm with their compliance with this policy by sending email every year.</p> <p>(2) Acer Group has committed ourselves to meeting high standards of law and ethics compliance to carry out our business. The management is required to establish a paragon of placing a high value of corporate conduct and ethics. Acer's corporate governance officer is the chief of Integrity Management Promotion Working Group, in charge of formulating integrity management policy and the relevant measures and supervision, and reports to the Board of Directors at least once a year.</p> <p>Up to the date of this Annual Report published, no severe violation is found.</p> <p>(3) We have enacted "Standards of Integrity Management & Business Conduct", "Anti-Bribery and Anti-Corruption Policy", "Acer's Corporate Governance Best-Practice Principles" and "Regulations Governing Procedure for Board of Directors Meetings" to prevent the conflicts of interest and provide whistleblower mailbox on our website (http://www.acer-group.com/public/Investor_Relations/corporate.htm).</p>	<p>No discrepancy</p> <p>No discrepancy</p> <p>No discrepancy</p>

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
(4) Has the Company established effective accounting and internal control systems for the implementation of policies? Besides, has the Company appointed internal auditor to draw up an audit plan based on the risk assessment for preventing from the unethical behaviors, or assigned CPA to audit?	✓		(4) All the implementation of our accounting system, internal control system, and anti-corruption and anti-bribery policies will be part of the risk assessment process. The Internal Audit Unit will perform such execution and compliance according to the annual audit plan, and further entrusting external CPA to carry out an audit.	No discrepancy
(5) Does the Company provide training regarding ethic compliance practice regularly?	✓		(5) Internally, "Standards of Integrity Management & Business Conduct (SBC)" instructs all employees how to do their business practices. Every newly coming staff would be requested to attend internal SBC training, and Acer has regularly held online anti-corruption and anti-bribery courses arranged by HR unit for current staffs. We provided online training 3 times in 2022, and 15,048 employees finished the training. Externally, we will enhance propagating Acer's anti-bribery policy and the integrity management policy and encourage our business partners' compliance by every gathering or opportunity, such as the annual Acer supplier conference, agents and distributor conferences.	No discrepancy
3. Channels for reporting any ethical irregularities				
(1) Has the Company established policy and channels in terms of reporting ethical irregularities and designated competent personnel to handle such matters?	✓		(1) We have established specific channels in terms of reporting ethical irregularities in "Standards of Integrity Management & Business Conduct (SBC)" and "Anti-bribery and anti-corruption policy". Acer has specific reporting systems both in its "Standards of Business Conduct (SBC)" and "Anti-corruption and Anti-bribery Policy". In addition, Acer provides a whistleblower mailbox (Whistleblower.acer@acer.com) on our website for people to report any threats of involvement of fraudulence, corruption, violation of Acer's Standards of Integrity Management & Business Conduct, any illegal conducts or conducts violated corporate governance by Acer employee. The Internal Audit Unit, which functions directly under the board of directors, will handle the report exclusively.	No discrepancy
(2) Has the Company established policy and security mechanisms regarding the procedures for responding to the reports of ethical irregularities, follow-up measures after the investigation is completed, and related confidentiality mechanisms?	✓		(2) Acer has further established the "Stakeholder Grievance Mechanism" which details the standard operating procedures and security mechanisms regarding responding to the reports of ethical irregularities, and announced it on acer group's website.	No discrepancy
(3) Has the Company established measures to protect the identity of the informer?	✓		(3) The "Stakeholder Grievance Mechanism" specified that we have to take measures to protect the identity of the informant.	No discrepancy
4. Information Disclosure				
Has the Company published information relating to the Company's corporate conduct and ethics on its website or Market Observation Post System?	✓		Acer has published information relating to the Standards of Integrity Management & Business Conduct on our website (www.acer-group.com) and Market Observation Post System, and disclosed the relevant promotion results in this annual report.	No discrepancy

Items	Enforcement Status			Discrepancy between the corporate governance principles implemented by the Company and the Principles, and the reason for the discrepancy
	Yes	No	Summary	
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: No discrepancy				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., promote and demonstrate the company's commitment to ethical standard and provide training to its business partners; review the company's corporate conduct and ethics policy).				
For details on the implementation of Acer's Corporate Conduct and Ethics, please refer to "Acer's Corporate Governance Best-Practice Principles".				

3.3.8 Disclosure to the Company's Corporate Governance Principles

The Company has enacted "Corporate Governance Best-Practice Principles" and related internal rules. You are welcome to visit Acer Group website (<http://www.acer-group.com>) and Mops (<http://mops.twse.com.tw>)

3.3.9 Any other information would enhance the understanding of the Company's implementation of corporate governance

Board of Directors Training Status

Training Time		Sponsoring Organization	Course	Training Hours	Training Participants (Board of Directors)
From	To				
2022.02.24	2022.02.24	Taiwan Corporate Governance Association	Latest developments and legislative trends in international and domestic taxation	3	Ji-Ren Lee
2022.03.16	2022.03.16	Taiwan Corporate Governance Association	New Order of Global Shipping and Logistics	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, Yuri Kure, San-Cheng Chang
2022.05.05	2022.05.05	Taiwan Corporate Governance Association	How may an enterprise leader execute the low-carbon ESG transformation plan?	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, Yuri Kure, San-Cheng Chang
2022.06.01	2022.06.01	Taiwan Corporate Governance Association	Corporate governance and security regulations	3	Ji-Ren Lee
2022.07.28	2022.07.28	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutral and Corporate Compliance	3	Ji-Ren Lee
2022.08.04	2022.08.04	Taiwan Corporate Governance Association	News for Tax and Securities Regulations	1.5	Jason Chen, Stan Shih, Maverick Shih, Ji-Ren Lee, Yuri Kure, San-Cheng Chang
2022.08.18	2022.08.18	Taiwan Corporate Governance Association	Corporate governance and security regulations	3	Jason Chen, Yuri Kure
2022.08.18	2022.08.18	Taiwan Corporate Governance Association	The Observation of global economic and finance situations and the changing trends of business model	3	Maverick Shih, Yuri Kure
2022.08.19	2022.08.19	Taiwan Corporate Governance Association	Fraud risks management and Integrity management	3	Yuri Kure
2022.09.20	2022.09.20	The Business Development Foundation of The Chinese Straits	New Generation Vehicle Technology's Developments and Trends	3	Ching-Hsiang Hsu
2022.09.20	2022.09.20	The Business Development Foundation of The Chinese Straits	Prospect of China's Economic Trends and Major Economic Strategies Impacts	3	Ching-Hsiang Hsu
2022.11.03	2022.11.03	Taiwan Corporate Governance Association	The Observations of cross-strait and world conditions after the 20th National Congress of the Communist Party of China	1.5	Jason Chen, Stan Shih, Maverick Shih, Ching-Hsiang Hsu, Ji-Ren Lee, Yuri Kure, San-Cheng Chang

The Implement and continuous education of Chief Corporate Governance Officer The Implement to the Corporate Governance Matters of 2022:

1. Assisting the Independent Directors and directors to accomplish his/her responsibilities, providing the must materials and arrange the continuous education of directors:
 - a. Providing directors the reversion to the laws and regulations of corporate governance matters;
 - b. Handling and providing members of meetings the substantial meeting materials, adequate and timely information, and administrative assistances; and
 - c. Arranging the independent directors to meet the CPA for figuring out the finance and business status of the Company; assisting directors (including independent directors) to communicate with internal chief audit officer for the matters of internal control.
2. Assisting the procedures and resolutions of the Board and Shareholder meetings with legal compliance:
 - a. Reporting to the implement of the relevant corporate governance affairs to the Board, independent directors and members of Audit Committee;
 - b. Ensuring all the procedures of shareholding and Board meetings in accordance with relevant laws and the guidance of corporate governance;
 - c. Assisting and reminding the directors to comply with laws when executing business or reaching a resolutions of Board meetings; and
 - d. Reviewing that the resolutions whether applying to the public announce requirements, ensuring the announcement is legally and accurate to protect the investors using these information to their transactions.
3. Responsible to issue the notice and provide necessary materials 7 days prior to the date of Board meeting, notifying the interest conflicts to the proposed items in advance, and producing the meeting minutes within 20 days after the Board meeting.
4. Urging to arrange and register the date of shareholder meetings in advance, producing the meeting notices, agenda, minutes, and registration to the reversion of the Company Article of Incorporation within statutory period.

The continuous education of Chief Corporate Governance Officer on 2022

Institute	Name of Courses	Date	Period
Taiwan Corporate Governance Association	New Order of Global Shipping and Logistics	2022.03.16	1.5 hours
Taiwan Corporate Governance Association	How may an enterprise leader execute the low-carbon ESG transformation plan?	2022.05.05	1.5 hours
Taiwan Corporate Governance Association	News for Tax and Securities Regulations	2022.08.04	1.5 hours
Taiwan Corporate Governance Association	The Observation of global economic and finance situations	2022.08.18	3 hours
Taiwan Corporate Governance Association	Corporate governance and security regulations	2022.08.18	3 hours
Taiwan Corporate Governance Association	Fraud risks management and Integrity management	2022.08.19	3 hours
Taiwan Corporate Governance Association	The Observations of cross-strait and world conditions after the 20th National Congress of the Communist Party of China	2022.11.03	1.5 hours
Taiwan Corporate Governance Association	How may the directors and supervisors review the financial statements?	2022.11.24	3 hours

3.3.10 Statement of Internal Control System

3.3.10.1 A Statement on Internal Control

Date: March 16, 2023

Based on the findings of a self-assessment, Acer Incorporated (hereinafter, the "Company") states the following with regard to its internal control system during year 2022:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and managers. The Company has established such a system aimed at providing reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations (including profitability, performance, and safe-guarding of assets), (2) reliability, timeliness, transparency, and regulatory compliance of reporting, and (3) compliance with applicable laws, regulations and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Moreover, the effectiveness of an internal control system may be subject to changes of environment or circumstances. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and the Company promptly takes corrective actions whenever a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission (hereinafter, the "Regulations"). The criteria adopted by the Regulations identify five constituent elements of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each constituent element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the results of the evaluation mentioned in the preceding paragraph, the Company believes that, as of December 31, 2022, its internal control system (including its supervision of subsidiaries), was effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be an essential content of the Company's Annual Report for the year 2022 and Prospectus, and will be publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchanged Act.
7. This Statement has been passed by the Board of Directors in their meeting held on March 16, 2023, with 0 of the 6 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Acer Incorporated

CEO

Chairman

3.3.10.2 Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report

None

3.3.11 For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements

None

3.3.12 Resolutions of the Board of Directors' Meeting and the General Shareholders' Meeting

Resolutions of the Board of Directors' Meeting

Date	Meeting	Major Resolutions
2022.01.11	First 2022 Special Meeting	<ul style="list-style-type: none"> To join and set-up new company of e-bike powertrain manufacturing To Approve Strategic Investments To approve the establishing of Subsidiary to run beverage and relevant business To Modify the Investment Framework for Integrating Group Resources To Approve the Acquiring of ROU Assets in the Group To Approve the adjustment of Strategic Investment
2022.03.16	First 2022 BOD Meeting	<ul style="list-style-type: none"> To report 2021 employees' profit sharing bonus and directors' compensation To Approve the 2021 Financial Statements and Business Report To approve the Acer's Statement of Internal Control System for 2021 To Approve the Proposal for Profit & Loss Appropriation of 2021 To Approve the Appointment CPAs of KPMG as the Auditors of Acer Incorporated To Approve the Amendment of "Rules of Procedure for Shareholders Meetings" and "Regulations Governing the Acquisition and Disposal of Assets" of the Company

Date	Meeting	Major Resolutions
2022.03.16	First 2022 BOD Meeting	<ul style="list-style-type: none"> To Approve the Amendments of the Internal Rules related to Corporate Governance To approve the issuance of unsecured corporate bond To Convene the 2021 General Shareholders' Meeting To approve the transferring operated business between subsidiaries To join the Subsidiary's injection plan to run the business To Approve the Acquiring or Disposing of ROU Assets in the Group To Approve the Renewal of the Bank Facilities To Approve the Company's Corporate Guarantees To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Proposal of target bonus for the executives To amend the Proposal of Acer Group Global Salary Increase Proposal of the Year of 2022
2022.05.05	Second 2022 BOD Meeting	<ul style="list-style-type: none"> To Approve the First Quarter of FY2022 Consolidated Financial Statements To adjust the Group Investment Framework To Approve the Strategic Investments To join the Subsidiary's injection plan to run the business To Propose the plan of shareholding diversification of Subsidiaries To Approve the plan of Greenhouse Gas Inventory and Emission To Amend The "Internal Control Procedure of Stock Affairs Unit" To Report the rectification plan on the amount of endorsement exceeds the limit attributed to subsidiary's capital reduction To Approve the Acquiring or Disposing of ROU Assets in the Group To Approve the Renewal of the Bank Facilities To Approve the Company's Corporate Guarantees To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Proposal of profit sharing guideline, executives allocation and Long-Term investment of 2021
2022.08.04	Third 2022 BOD Meeting	<ul style="list-style-type: none"> To Approve the Second Quarter of FY2022 Consolidated Financial Statements To Approve the Strategic Investments To join the Subsidiary's injection plan to run the business To Propose the plan of shareholding diversification of subsidiaries To Approve the Intellectual Property Management Plan and execution To Approve the Amendments of the Subsidiaries' Internal Rules To Approve the Acquiring or Disposing of ROU Assets in the Group To Approve the Renewal of the Bank Facilities To Approve the Company's Corporate Guarantees To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others

Date	Meeting	Major Resolutions
2022.11.03	Fourth 2022 BOD Meeting	<ul style="list-style-type: none"> To Approve the Third Quarter of FY2022 Consolidated Financial Statements To Approve the 2023 Business Plan To Approve the Acer's Annual Audit Plan for 2023 Propose to participates in Apacer's private placement of new common shares for cash capital increase To adjust and simplify the investment framework of subsidiaries To join the Subsidiary's injection plan to run the business To Set-up or inject the Subsidiaries To Approve the exchanging plan of the real estates To Approve the Amendments of the Company and Subsidiaries' Internal Rules To Approve the Non-Assurance Services Pre-approval Policy To Release Non-Compete Restrictions for manager who is acting positions in subsidiaries To Approve the Acquiring or Disposing of ROU Assets in the Group To Approve the Renewal of the Bank Facilities To Approve the Company's Corporate Guarantees To Adoption of the Company and Worldwide Subsidiaries' Lending of Capital to others Proposal of target bonus for the executives of the Year 2023 Proposal of Acer Group Global Salary Increase Proposal of the Year of 2023 Proposal of long term incentive program for the executives of the Year 2023
2022.12.08	Second 2022 Special Meeting	<ul style="list-style-type: none"> To approve the Acer's Statement of Internal Control System for Governing Acer's Subsidiary, AGT

Implementation of Resolutions in 2022 General Shareholders' Meeting

Major Resolutions	Carries out the Situation
1. Ratification Proposal of the Financial Statements and Business Report for the Year 2021	The proposal was approved as proposed.
2. Discussion Proposal of Profit & Loss Appropriation for the Year 2021	The record date for ex-dividend is July 6, 2022, and the distribution date is August 4, 2022. The Company may distribute NT\$2.28 for each share.
3. Proposal of the Amendments to Articles of Incorporation	The proposal was approved as proposed. The changing registration has been approved by Ministry of Economic Affairs.
4. Proposal of the Amendments to Regulations for the Conduct of Shareholders' Meetings and Procedures for Acquiring or Disposing of Assets.	The proposal was approved as proposed.



3.3.13 Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof

None

3.3.14 summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, chief corporate governance officer and principal research and development officer

None

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Note
KPMG	Chang, Hwei Chen Kao, Ching Wen	01/01/2022-12/31/2022	23,548	2,669	26,217	

Note: The fees were mainly related to sustainability and tax compliance audit, etc.



3.4.1.1 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed

None

3.4.1.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed

None

3.5 Information on replacement of certified public accountant

None

3.6 The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm

None

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2022		As of April 8, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CEO	Jason Chen	0	0	0	0
Director	Stan Shih	0	0	0	0
Director	Hung Rouan Investment Corp.	0	0	0	0
Legal Representative of Director	Maverick Shih (Representative of Hung Rouan Investment Corp.)	0	0	0	0
Independent Director	Ching-Hsiang Hsu	0	0	0	0
Independent Director	Ji-Ren Lee	0	0	0	0
Independent Director	Yuri, Kure	0	0	0	0
Independent Director (Note)	San-Cheng Chang	0	0	0	0
Corp.VP & President	Emmanuel Fromont	460,000	0	0	0
Co-COO	Tiffany Huang	342,000	0	0	0
Co-COO	Jerry Kao	244,000	0	0	0
President	Gregg Prendergast	373,000	0	0	0
CTO	RC Chang	166,000	0	0	0
President	Andrew Hou	190,000	0	0	0
President	Victor Chien	212,000	0	0	0
Corp. Governance Officer	Lydia Wu	154,097	0	0	0
Corp. CFO	Meggy Chen	180,000	0	0	0
Accounting Officer	Sophia Chen	115,000	0	0	0

Note : San-Cheng Chang resigned on 2022.12.16.

Shares Trading information

None

Shares Pledge information

None

3.8 Relationship among the Top Ten Shareholders (April 8, 2023)

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank	232,997,000	7.64%	0	0.00%	0	0.00%	-	-	-
Hung Rouan Investment Corp.	73,629,933	2.42%	0	0.00%	0	0.00%	Stan Shih	The spouse of this company's Chairman	-
Representative: Carolyn Yeh	399,225	0.01%	34,989,531	1.15%	0	0.00%			
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	39,918,897	1.31%	0	0.00%	0	0.00%	-	-	-
iShares ESG Aware MSCI EM ETF	38,302,000	1.26%	0	0.00%	0	0.00%	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	37,586,771	1.23%	0	0.00%	0	0.00%	-	-	-
Stan Shih	34,989,531	1.15%	399,225	0.01%	0	0.00%	Hung Rouan Investment Corp.	This company's Chairman is the spouse of the stakeholder to this company	-
Labor Pension Fund (The New Fund)	29,544,429	0.97%	0	0.00%	0	0.00%	-	-	-
Acer GDR	28,319,230	0.93%	0	0.00%	0	0.00%	-	-	-
J.P. MORGAN SECURITIES PLC	26,726,564	0.88%	0	0.00%	0	0.00%	-	-	-
Norges Bank	26,163,473	0.86%	0	0.00%	0	0.00%	-	-	-

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

3.9 Ownership of Shares in Affiliated Enterprises (December 31, 2022)

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Acer European Holdings SA	147,000	100.00%	0	0.00%	147,000	100.00%
Boardwalk Capital Holdings Limited	1,263,432,141	92.02%	109,639,200	7.98%	1,373,071,341	100.00%
Acer Digital Service Co.	66,214,874	100.00%	0	0.00%	66,214,874	100.00%
Cross Century Investment Limited	company limited	100.00%	0	0.00%	company limited	100.00%
Acer Holdings International, Incorporated	191,155,465	100.00%	0	0.00%	191,155,465	100.00%
Acer SoftCapital Incorporated	158,475,324	100.00%	0	0.00%	158,475,324	100.00%
Weblink International Inc.	48,073,116	58.93%	2,595,096	3.18%	50,668,212	62.11%
Acer Gadget Inc.	39,308,288	65.51%	5,598,028	9.33%	44,906,316	74.84%
Acer Cyber Security Incorporated	13,295,601	59.78%	175,000	0.79%	13,490,602	60.57%
Acer BeingWare Holding Inc.	130,308,478	100.00%	0	0.00%	130,308,478	100.00%
Sertec (Beijing) Ltd.	company limited	100.00%	0	0.00%	company limited	100.00%
StarVR Corporation	441,050	66.81%	0	0.00%	441,050	66.81%
AOPEN Inc.	28,970,000	40.55%	3,750,000	5.25%	32,720,000	45.80%
Bluechip Infotech Pty Ltd	1,420,734	24.86%	1,003,600	17.56%	2,424,334	42.42%
Highpoint Service Network Corporation	10,241,881	63.18%	1,018,852	6.29%	11,260,733	69.47%
Acer Synergy Tech Corp.	11,349,112	56.75%	1,445,138	7.23%	11,549,076	63.98%
Acer Gaming Inc.	24,449,062	69.85%	1,348,349	3.85%	25,797,411	73.70%
Acer Asset Management Incorporated	107,718,900	100.00%	0	0.00%	107,718,900	100.00%
Acer Beverage Incorporated	1,500,000	100.00%	0	0.00%	1,500,000	100.00%
Smart Frequency Technology Inc.	13,200,000	55.00%	0	0.00%	13,200,000	55.00%
AcerPure Inc.	22,484,000	89.94%	800,000	3.20%	23,284,000	93.14%
Acer Sales and Services SDN BHD	30,969,332	100.00%	0	0.00%	30,969,332	100.00%
Acer Computer (Singapore) Pte. Ltd.	3,985,385	100.00%	0	0.00%	3,985,385	100.00%
Chih He Chin Tan Co., Ltd.	5,000,000	41.67%	0	0.00%	5,000,000	41.67%

Capital and Shares



4.1 Sources of Capital

4.1.1 Sources of Capital (April 8, 2023)

Unit: Share/NTD Thousands

Date	Price of Issuance	Authorized Common stock		Paid-in Common stock		Note
		Shares	Value	Shares	Value	
September, 2020	Share/NTD10	4,000,000,000	40,000,000	3,047,853,828	30,478,538	-

Unit: Share

Shares Category	Authorized capital			Note
	Issued shares	Non-issued	Total	
Common shares	3,047,853,828	952,146,172	4,000,000,000	-

4.1.2 Shareholding Structure (April 8, 2023)

Unit: Share

Category Number	Government Institution	Financial Institution	Other Institution	Individual	FINI and Foreign Investors	Total
No. of Shareholders	8	22	537	295,760	1,074	297,401
Shares	35,258,105	47,722,942	409,960,745	1,596,791,895	958,120,141	3,047,853,828
Percentage	1.15%	1.57%	13.45%	52.39%	31.44%	100.00%

4.1.3 Distribution of Shareholdings (April 8, 2023)

Par value NTD 10

Category	The Number of Shareholders	Shares	Percentage
1~999	107,430	24,902,054	0.82%
1,000~5,000	136,275	298,120,488	9.77%
5,001~10,000	27,038	206,791,935	6.78%
10,001~15,000	9,069	112,393,758	3.69%
15,001~20,000	5,224	95,107,402	3.12%
20,001~30,000	4,545	113,281,192	3.72%
30,001~40,000	2,190	77,398,091	2.54%
40,001~50,000	1,398	64,463,862	2.12%
50,001~100,000	2,298	162,031,628	5.32%
100,001~200,000	1,020	141,675,383	4.65%
200,001~400,000	414	112,772,791	3.70%
400,001~600,000	150	72,868,290	2.39%
600,001~800,000	72	49,412,026	1.62%
800,001~1,000,000	39	34,949,835	1.15%
1,000,001 and above	239	1,481,685,093	48.61%
Total	297,401	3,047,853,828	100.00%

Preferred shares: None

4.1.4 List of Major Shareholders (April 8, 2023)

Name	Item	Shares	Percentage
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank		232,997,000	7.64%
Hung Rouan Investment Corp.		73,629,933	2.42%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS		39,918,897	1.31%
iShares ESG Aware MSCI EM ETF		38,302,000	1.26%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		37,586,771	1.23%
Stan Shih		34,989,531	1.15%
Labor Pension Fund (The New Fund)		29,544,429	0.97%
Acer GDR		28,319,230	0.93%
J.P. MORGAN SECURITIES PLC		26,726,564	0.88%
Norges Bank		26,163,473	0.86%

Note: The total share proportion held by all family members of Stan Shih is 6.09%.

4.1.5 Market Price Per Share, Net Value, Earning & Dividend For Last Two Years

Unit: NTD

Item	Period	2021			2022			Until Mar. 31, 2023			
Market Price Per Share	Highest	35.85			31.15			28.60			
	Lowest	23.25			20.50			23.35			
	Average	28.13			25.46			25.83			
Net Value Per Share	Before Distribution	21.22			21.97			-			
	After Distribution	18.94			20.47(Note)			-			
Earning Per Share	Weighted Average Share Numbers	3,001,108 Thousand shares			3,001,108 Thousand shares			-			
	Earning Per Share	Current	3.63			1.67			-		
		Adjusted	3.60			1.67 (Note)			-		
Dividend Per Share	Cash Dividend (NTD)	2.28			1.50 (Note)			-			
	Stock Dividend	Retained Earning (%)	0			0(Note)			-		
		Capital Surplus (%)	0			0(Note)			-		
	Accumulated unpaid dividends	0			0(Note)			-			
Return on Investment Analysis	P/E Ratio	7.75			15.25 (Note)			-			
	P/D Ratio	12.34			16.97 (Note)			-			
	Cash Dividend Yield	8.11%			5.89%(Note)			-			

Note: The appropriation of 2022 earnings had been proposed by the Board of Directors on March 16, 2023, which included the distribution of cash dividends.

4.1.6 Dividend Policy and the Execution

4.1.6.1 Dividend Policy

Due to rapid changes of the industrial situation and development trend, the Company's dividend strategy depends on annual earnings and external environments, therefore, the Company adopts balance dividend policy in accordance with relevant laws and regulations: Cash dividends shall be distributed at least ten percent of total annual dividends, such policy has been approved at the General Shareholder's Meeting held on June 17, 2004.

4.1.6.2 Dividends of the Company Proposed to 2023 General Shareholders Meeting

1. The Board of Directors proposed FY2022 dividends to 2023 General Shareholders Meeting as following:

The beginning balance of the un-appropriated retained earnings of this Company is NT\$ 23,748,872 in 2022. After plus the net income after tax of 2022, the disposal gain or loss of financial assets at fair value through other comprehensive income, and set aside legal reserve, and special reserve in accordance with applicable laws and regulations, the total accumulative retained earnings available for appropriation is NT\$4,571,876,660. It is proposed to distribute NT\$ 4,571,780,742 as the dividends to the shareholders. The ending balance of the unappropriated retained earnings is NT 95,918, which is reserved for distribution in the future.

All dividends will be paid in the form of cash distributions to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a ratio of NT\$1.5 per share. (Rounded down to NT\$1.0 and the residue will be calculated as the company's other income)

- Should the cash distribution be adjusted due to the amendment of laws or regulations, a request by competent authorities, or any change of the numbers of outstanding share, subject to the approved distribution, it is proposed the General Shareholders' Meeting to authorize the chairman of Board of Directors with full power to adjust the distribution ratio.
- The record date for ex-dividend is temporarily set on July 7, 2023, and the distribution date is set on August 3, 2023. Should the dates above be adjusted due to the amendment of laws or regulations, a request by competent authorities, it is proposed to authorize the chairman of Board of Directors with full power to adjust accordingly.

4.1.7 Analysis on Impact of Proposed Stock Dividends Appropriation in Terms of Operating Results, Earnings Per Share and Rate of Return of Shareholders' Investment

Not Applicable

4.1.8 Compensation of Employees, Directors, and Supervisors

1. Remuneration of the Board of Directors and Employee Compensation Stipulated in Acer's Articles of Incorporation:

(1) Remuneration of the Board of Directors:

Where there is profit in each fiscal year, after covering the accumulated losses, not more than eight thousandths (8‰) of the profit shall be distributed as remuneration of directors; the standard for distribution of remuneration will be recommended by Remuneration Committee and determined by the Board of Directors.

(2) Employees' Compensation Resulted from Annual Earnings:

Where there is profit at the end of each fiscal year, after covering the accumulated losses, at least 4% of the profit shall be distributed as employees' compensation.

The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus, and may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.

2. The standard of accruing employee compensation and remuneration of the Board of Directors and Supervisors, the standard of distributing employees' compensation in the form of stock bonus, and the accounting treatment of difference between the actual distribution amount and the accrued amount:

The Company accrues employee compensation and remuneration of the Board of Directors proportionally from the pre-tax income which referred in Acer's Articles of Incorporation before deducting employee compensation and remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the difference should be treated as changes in accounting estimates and adjusted in the following year.

3. Distribution of Remuneration of the Board of Directors and Employee Compensation:

(1) The total amount of employees' compensation distributed in the form of either cash or stock bonus, and Remuneration of the Board of Directors. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

- The total amount of employees' 2022 profit sharing bonus is NT\$ 475,000,000, and the total amount of Board Directors' 2022 compensation is NT\$7,000,000. The Board of Directors approved the proposal of employees' 2022 profit sharing bonus and Board Directors' compensation on March 16, 2023. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
- There is difference of NT\$11,799,565 between the actual distribution amount and the accrued amount, and this difference will be recognized as profit or loss at next year.

(2) The proportion that the amount of employees' compensation distributed in stock bonus to net income stated in this year financial statement or individual financial reports, and the total amount employee compensation: Not applicable

4. The actual distribution to the remunerations to employees, Directors and Supervisors of Last Fiscal Year (including distributed shares, amount and price of shares). Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment:

	FY2021		
	Dividend Distribution Proposed by the BOD	Actual Dividend Distribution	
		Amount	Share
Remunerations to Employees is (paid in cash)	NT\$720,000,000	NT\$720,000,000	-
Remunerations to Employees (paid in stock by market value)	NT\$0	NT\$0	0 Share
Remunerations to Directors	NT\$12,000,000	NT\$12,000,000	-
Total	NT\$732,000,000	NT\$732,000,000	0 Share

4.1.9 The Execution for Shares Buyback

None

4.2 Corporate Bonds

Category	Acer Inc. 1st Unsecured Corporate Bond in 2021	Acer Inc. 2nd Unsecured Corporate Bond in 2021
Issuing Date	April 27, 2021	August 26, 2021
Denomination	NTD 1,000,000	NTD 1,000,000
Listing	R.O.C	R.O.C
Issue Price	NTD 100	NTD 100
Issue Size	NTD 5,000,000,000	NTD 5,000,000,000
Coupon Rate	0.76%	0.62%
Maturity Date	5 years Maturity Date: April 27, 2026	5 years Maturity Date: August 26, 2026
Guarantor	None	None
Trustee	Bank SinoPac Co., Ltd.	CTBC Bank Co., Ltd.
Underwriters	Fubon Securities Co., Ltd.	CTBC Bank Co., Ltd.
Legal Counsel	Not applicable	Not applicable
Auditor	Not applicable	Not applicable
Repayment	Principal Repaid in a Lump Sum at Maturity	50% of the principal will be paid at the end of the fourth and fifth years respectively
Outstanding	NTD 5,000,000,000	NTD 5,000,000,000
Redemption or Early Repayment Clause	None	None
Covenants	None	None
Credit Rating	Issuing company rating agency: Taiwan Ratings Rating Scale: twA Rating Date: March 4, 2021	Issuing company rating agency: Taiwan Ratings Rating scale: twA Rating Date: March 4, 2021
Other rights of Bondholders	Amount of Converted or Exchanged Common Shares, GDRs or Other Securities None	None
	Conversion Right None	None
Dilution Effect and Other Adverse Effects on Existing Shareholders	Not applicable	Not applicable
Paying & Conversion Agent	None	None

4.3 Special Shares

None

4.4 Global Depository Receipts (GDRs) Issuance (March 31, 2023)

Description	Date of issuance	November 1, 1995	July 23, 1997
Date of issuance		November 1, 1995	July 23, 1997
Location of issuance and transaction		London	London
Total amount of issuance		US\$220,830,000	US\$160,600,000
Unit price of issuance		US\$32.475	US\$40.15
Total number of units issued		6,800,000units	4,000,000units
Sources of valuable securities demonstrated		Capital increased in cash	Capital increased in cash
Number of valuable securities demonstrated		Each unit stands for Acer's 5 common shares	Each unit stands for Acer's 5 common shares
Rights and obligations of GDR holders		Same as Acer's common shareholders	Same as Acer's common shareholders
Consignee		None	None
Depository organization		Citicorp	Citicorp
Custodian organization		Citibank Taipei Branch	Citibank Taipei Branch
Balance not retrieved		5,663,827 units of Global Deposit Receipt as representing 28,319,230 shares of common stocks	
Method to allocate fees incurred during the period of issuance and existence		The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.	The expenses incurred by issuance being taken to offset premium reserve. Expenses incurred during existence being taken as expenses of the current term.
Any key issue for the depository and custodian agreements		None	None
Market Price Per Share	2022	Highest	US\$ 5.62
		Lowest	US\$ 3.32
		Average	US\$ 4.29
	Until March 31, 2023	Highest	US\$ 4.66
		Lowest	US\$ 3.05
		Average	US\$ 4.10

4.5 Employee Stock Options

None

4.6 Restricted Stock Awards

None



4.7 Issuance of New Shares Due to Company's Mergers and Acquisitions

None

4.8 Issuance of New Shares for Capital Increase by Cash

None



Acer's Business Formula



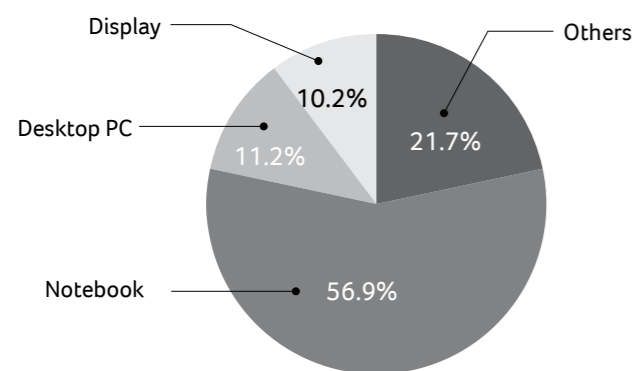
5.1 Business Content

5.1.1 Business Scope

5.1.1.1 Business Portfolio

Founded in 1976, Acer is now one of the world's top ICT companies and has a presence in over 160 countries. As the company evolves with the industry and changing lifestyles, it is focused on enabling a world where hardware, software and services will fuse with one another, creating ecosystems and opening up new possibilities for consumers and businesses alike. Acer has pledged to source 100% renewable electricity by 2035 in addition to developing greener product designs and reducing carbon footprint throughout its supply chain. Acer's 7,700 employees are dedicated to the research, design, marketing, sale, and support of products and solutions that enable smart living and break barriers between people and technology.

R2022 revenue breakdown by application



Note:
 Desktop PC excludes displays.
 Display includes desktop monitor and projector.
 Others include 9 public subsidiaries and businesses under incubation.

5.1.1.2 Industry Highlights

1. Status and Opportunity: As environmental issues become increasingly pressing, brands from across industries have been stepping up efforts to help reduce their burden on the planet. Efforts vary from changing the way they operate to reduce their carbon footprint, using recycled materials, green energy, and more. With the firm belief that it is everyone's responsibility to do the right thing for a greener environment, Acer has continued to focus on maintaining its business momentum while marching toward a more sustainable future.

Since 2012 it has set and steadily achieved its carbon reduction targets. Acer joined the RE100 initiative and pledged to source 100% renewable electricity by 2035. Moreover, through its "Earthion" platform that unites employees and supply chain partners to tackle environmental challenges, Acer expanded its Vero line of eco-conscious products which utilize recycle materials and recyclable packaging.

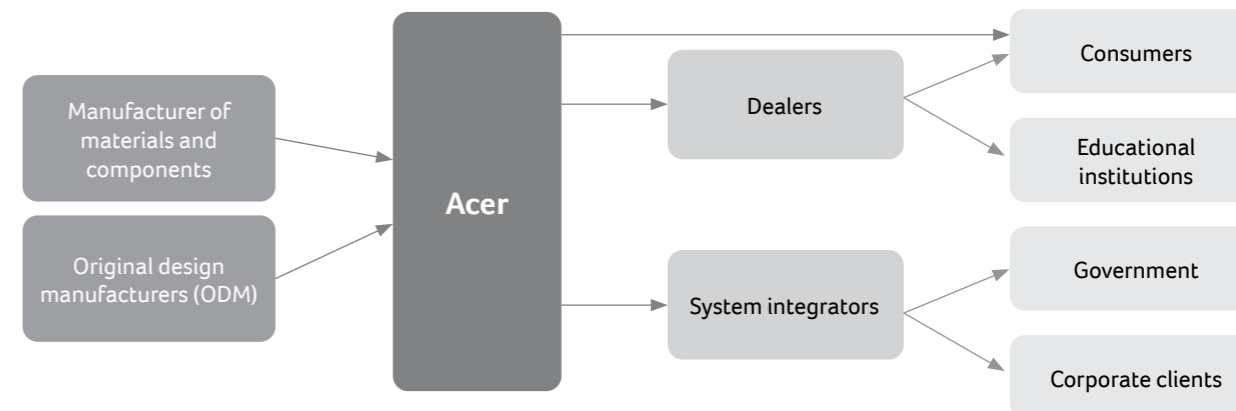
The digital infrastructure developments led by artificial intelligence (AI) and 5G has enabled a new network connecting everyone to all kinds of devices. The superfast data speed, reliability, huge network capacity, and efficient energy usage will enable new applications, opportunities, and challenges across industries.

The convergence of AI and internet of things (IoT) technologies and solutions has led to smarter networks and systems that are becoming ever more capable of solving problems across a diverse number of industry verticals. The direct connectivity of AIoT devices to the cloud has opened the way for a wider scope of innovation. AI adds value to IoT with big data analytics and machine learning to more sophisticated decision making, while IoT brings the additional benefits of connectivity, signaling, and data exchange to AI. Smart solutions for air monitoring, medical, and cities are examples of the various AIoT solutions being developed by Acer and its subsidiaries.

The Covid-19 pandemic propelled a surge in digitization and connectivity through the internet and cloud, and consequently the need to step up security measures to ensure the information of companies and organizations stays safe against cyberattacks. Acer Cyber Security, an Acer subsidiary, is an established leader of cyber security business in Taiwan and offers solutions in this realm.

When most businesses around the world began resuming work back in offices in 2022, Acer saw some new demand for commercial PC use. Currently, as the industry is experiencing headwinds, the company will continue to enhance its business resilience through establishing multiple business engines and developing products and solutions that add value to new lifestyles.

2. Upstream to Downstream Suppliers:



3. Trends: Acer is constantly evolving with the industry and changing lifestyles. While continuing to research and innovate to enhance its existing product offerings, including notebook and desktop PCs, projectors, monitors, gadgets and other smart devices, Acer has also dedicated more resources to segments with high margin and high growth opportunities to optimize investments, such as the gaming ecosystem and Chromebooks for education and enterprises. For initiatives other than PCs and displays, Acer has invested in multiple business engines, including beverage, apparel, home appliances, AI-assisted medical solutions, e-mobility, smart cities, information security, and more. Some of these services are provided through the various Acer subsidiaries:

Acer Cyber Security Inc. (ACSI) is an established leader of cybersecurity business in Taiwan. The surge in digitalization and connectivity through the internet and cloud has accelerated the need for enhanced security measures to safeguard information of companies and organizations against cyber-attacks.

Acer Synergy Tech Corp. (AST) lets companies focus on business development by taking care of the systems integration and IT outsourcing. It provides customers with a one-stop-shop of integrated IT services including planning, integration, installation, and management of enterprise information infrastructure.

AOPEN Inc. integrates digital signage, smart kiosk, and machine vision, into solutions for clients in retail, traffic, medical care, and automated equipment. Amid the Covid-19 pandemic, it quickly adjusted strategies to manage the crisis by developing AI facial recognition systems that effectively detected high body temperatures. Enabling people to exercise from the comfort and safety of their homes, AOPEN also offers a smart home gym for whole-body workout within a compact space, complete with training app to record and track.

Acer e-Enabling Service Business Inc. (AEB) provides digital transformation services including cloud services, applications, AIoT, appliances (edge computing), and PaaS (platform as a service). AEB serves more than 1,000 companies across diversified industries, including the public sector, finance, telecommunications, manufacturing, healthcare, education and culture and high-tech industries.

4. Competition: The gaming market is rigorous, and while having built a comprehensive gaming ecosystem that includes hardware/accessories, esports tournaments, social platforms, and beverages, Acer added a new dimension to gaming with its SpatialLabs 3D technology to its gaming laptops and displays – glasses free. For display and sensory technologies in the virtual world, the SpatialLabs suite of experiences combines eye tracking stereo camera, a real-time rendering system, and stereoscopic 3D display to the world of gaming.



In gaming hardware, Acer has stood out from competition with its advanced thermal cooling solutions that enable its gaming notebooks and desktops to run at peak performance.

Through ongoing research, Acer continues to identify new groups of PC users. The PC industry continues to demand thinner, lighter, and more mobile devices. Acer keeps enhancing its series of thin and light notebooks offering longer power and outstanding performance on the move.






5.1.1.3 Technology and R&D

In 2022, Acer spent NT\$2.45 billion on research and development, which accounted for 1% of total revenues, focusing on user interface, industrial design and usage scenarios, ICT related hardware and software, IoT technology. In addition, the company has been building on its existing PC and displays business and expanding into new areas that can seamlessly integrate PCs with new software applications and integrate cloud services as a “hardware + software + services” company. Focusing on areas with high growth opportunities, Acer has been working on designs that fulfill the needs and desires of various markets, such as mobile professionals, gamers, creators, and education.

Underscoring the importance it places on research and development, in 2022 Acer ranked No.2 in Taiwan patent applications. Acer has developed various patents in the AI medical field and owns over 300 patents in thermal cooling technology. In addition, Acer holds the titles of “Top 50 (of 7128) Companies” worldwide and “Top 3 (of 1040) Taiwan” 2018-2022 at the world-renowned iF Design Awards.

With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2022:

Design Awards

Design Award	Award Winners
 iF Design Award	iF Design Award winners: Aspire Vero eco-conscious laptop, Swift 5 laptop, Aspire C24 All-in-One PC, Predator X32 FP display, and Predator GD711 projector.
 Red Dot Award	The HYPERLINK Aspire Vero eco-conscious laptop, Predator Orion 7000 gaming desktop, the Predator CG48 OLED gaming monitor, and the Nitro XR383CUR P curved gaming monitor, the thin-and-light Swift X laptop, and theHYPERLINK "https://ces.tech/Innovation-Awards/Honorees/2022/Honorees/C/ConceptD-7-SpatialLabs-Edition.aspx" ConceptD 7 SpatialLabs Edition laptop earned the symbol of design quality.
 Red Dot Award: Packaging Design	The Aspire Vero and Aspire Vero National Geographic Edition laptops both took home the “Packaging Design” award for their eco-friendly and innovative packaging designs.
 Red Dot Award: Film & Animation	The Project Humanity documentary and ConceptD 500/100's product video were bestowed awards in the “Film & Animation” category for their stellar storyboard.
 Red Dot Award: Advertising	The Project Humanity campaign and Predator “It Lies Within” gaming campaign won awards in the “Advertising” category.
 Good Design Award of Japan	Multiple products from the Vero line of eco-conscious products, namely the Acer Chromebook Vero 514, the Veriton Vero all-in-one, and the Vero CB3 series monitor, in addition to the Swift Edge notebook earned the Good Design Award from Japan.



New Technologies

- In the AI medical field, Acer Medical Inc. provides multiple AI-assisted medical solutions, including AI-assisted diagnosis software VeriSee DR (Diabetic Retinopathy), VeriSee AMD (Age-Related Macular Degeneration), and video diagnosis and treatment software TeleMed. So far, VeriSee DR has tapped into five overseas markets and obtained FDA approval from multiple markets including Taiwan, Philippines, Thailand, Indonesia, etc. Also, VeriSee DR has been introduced to Hong Kong and adapted to Thailand and India's hospitals.
- Acer has been actively involved in realizing the smart city vision to build a resilient city. Its subsidiary, Acer Being Communication, offers several business IoT solutions for smart cities and Industry 4.0. With smart connection as the foundation, the smart solutions include agriculture monitoring stations, water quality monitoring, water meter, street lighting, air pollution detection, and such, providing a variety of choices for more efficient and effective business IoT applications. Following the successful collaboration by Acer ITS in Taiwan's first roadside Smart Parking Meter BOT project in Tainan, Acer will continue to expand solutions for smart parking and electric vehicle charging stations all-in-one, and responding to the group's goal of reducing carbon emissions.

5.1.1.4 Long and Short Term Business Plan

Acer is constantly evolving with the industry and changing lifestyles by continuing to push for innovation in existing businesses, while expanding to new territories. In the PC and displays business, Acer is committed to strengthening the foundations with technological innovations such as its state-of-the-art thermal cooling solutions, and designing unique product lines for the specific needs of gamers, education, and more. At the same time, Acer's strategy is to explore new opportunities, expand into adjacent territories, and cultivate multiple business engines. Acer is encouraging employees to think outside the box by promoting intra-preneurship.

Short Term Plan:

Acer will continue to optimize its PC and displays business and has dedicated more resources in segments with high growth opportunities to optimize investments, such as thin-and-light notebooks, gaming line, and Chromebooks for education and enterprises. At the same time, Acer is constantly observing the changes of the global economy and taking measures as necessary to minimize impacts and maintain operational growth.

Long Term Plan:

Acer continues to research and develop customer-centric products, and explore beyond boundaries to identify and incubate micro trends that have potential for growth. Its strategy is to grow its multiple business engines for the group's long-term sustainability, and this strategy has been making progress. Currently, Acer has nine public subsidiaries: Acer Gadget, Acer Gaming, Highpoint Service Network, Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International Inc., Acer e-Enabling Service Business, and AOPEN.

Moreover, Acer applies the Responsible Business Alliance (RBA) Code of Conduct as the standard to ensure responsible sourcing of materials, and compliant working environments that uphold human rights. It demonstrates Acer's commitment to environmental protection, social responsibility, while optimizing its operations.

For more information may be found in Chapter 6: Sustainable Development/ESG.

5.1.2 Market Highlights

5.1.2.1 Market Analysis

1. Market Share of PC Products

Acer's 2022 revenue breakdown by regional operation are: Pan Asia Pacific with 47.7% share, EMEA with 26.6% share, and Pan America with 25.7% share. In worldwide PC shipments (Source: IDC), Acer ranked No. 6 for total PCs with 6% share, No. 6 for notebooks with 7% share, and No. 4 for desktops with 4% share.

2. The Future of Market Demand and Supply

Facing global issues such as inflation, Acer's strategy to build and strengthen multiple business engines continues to gain momentum; in 2022 its businesses other than PCs and displays contributed 21.7% of total revenues, up 119% year-on-year. At the same time, Acer is placing emphasis on optimizing inventory levels and increasing net cash to weather industry headwinds.

Opportunities continue to arise from the expanding gaming ecosystem with diversified business models and innovative applications. According to Statista, the global esports market has boomed in recent years and by 2025, there are expected to be over 318 million esports enthusiasts worldwide, in addition to some 322.7 million occasional viewers of esports.

In the year ahead, the company will continue observing users' needs and identifying micro-trends that have the potential to create a new blue ocean of opportunities. In parallel to focusing on its PC and displays products, Acer will persist in developing multiple growth engines, and integrate "software + hardware + services" as a forward-looking company.

3. Competitive Advantage

The common objective among all of Acer's businesses is to explore new markets and broaden current boundaries. Underscoring the importance the company places on research and development, in 2022 Acer ranked No. 2 in Taiwan patent applications.

In addition, its R&D takes into account of the design thinking process and key technologies, creating a competitive advantage for the company and resulting in the launch of numerous highly competitive and innovative products. Shifting away from traditional computer hardware manufacturers' mindset, Acer's Value Lab has gradually invested more resources in developing artificial intelligence, big data and more, while exploring new business models to create opportunities for growth. Acer also has a number of subsidiaries in diverse scopes of business including information security, smart parking, smart wearables, AI medical, smart public health systems, and these are just some examples of the multiple growth engines. Nine of these engines have made progress to becoming listed companies: Acer Gadget, Acer Gaming, Highpoint Service Network, Acer Medical, Acer Cyber Security, Acer Synergy Tech, Weblink International Inc., AOPEN, and Acer e-Enabling Service Business.

In terms of sales channel reach, Acer has a presence in over 160 countries and a lean organization for effective and fast decision making. Its R&D, design, marketing, sales, and services all adopt a global strategy, which is the company's advantage.

4. Advantages, Disadvantages and Counter Measures

Advantages

- (1) Acer is confident that new technologies trigger new usage models and stimulate market demand over time. It announced its SpatialLabs 3D technology that brought a new dimension to PC gaming.
- (2) Prior to the pandemic, while the traditional PC market had been stagnating, Acer focused on segments with high growth potential, and continues to do so. They are PCs in the areas of thin-and-light, gaming, creators, Chromebooks for education and enterprise, and more, for different users' needs. Market segments are further divided to address specific users, for example, gaming PCs for hardcore and casual gamers.
- (3) Consistent marketing activities for high-profile brand and products, such as the Predator gaming brand and the Swift line of ultraportable laptops have helped to build the company's image for high-end designs and enhanced brand awareness.
- (4) Facing the rapidly changing market dynamics, innovation and entrepreneurship pave the way to the future. Acer ranked No. 2 in Taiwan patent applications, reflecting its competitive edge in design and innovation.
- (5) With a presence in over 160 countries, Acer has a comprehensive network of sales channels, and a lean organization for effective and fast decision making.
- (6) Acer has continued to innovate in the PC and display market, while also expanding to new areas and cultivating multiple business engines to maintain the company's momentum and ensure long-term sustainability.

- (7) Environmental, social, governance (ESG): Through transparent reporting of its efforts in ESG, Acer has been recognized and won major industry accolades. Acer was awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook in both 2021 and 2022 for the top ESG scoring companies. The company was listed in the MSCI ESG Leaders Indexes for the ninth year, and garnered the best rating of "AAA" in its category. And for the ninth consecutive year Acer was listed in the Dow Jones Sustainability Indices Emerging Markets Index.

Disadvantages and Countermeasures:

- (1) In the latter part of the Covid-19 pandemic, the demand for PCs has quietened, however, the supply chain continued to be disrupted due to geopolitical issues.
 - Actions: Acer communicates with its component suppliers on a daily basis of its needs, and strives to optimize its inventory levels with the right portfolio of products.
- (2) The volatile and rapidly changing ICT industry presents a challenge to forecast the future PC demand with accuracy.
 - Actions: Constantly evolve with industry and changing lifestyle is Acer's firm belief to creating renewed growth. The common objective for both its consumer and commercial markets is to explore new markets and broaden current boundaries. Acer will continue to explore different markets and launch products for different applications, identify micro trends for a blue ocean of opportunities. In addition to the PC and display businesses, fulfill the needs of more user groups and market segments; Acer is expanding its offering to beverages, systems integration, AI medical, information security and others, to discover new opportunities. With issues such as global trade, global tax, and geopolitical situations, Acer is open to consideration of additional locations for outsourced productions.
- (3) The speed of information digitalization and ecommerce has accelerated with the Covid-19 pandemic, with the increase to remote working, distance learning, and online shopping.
- (4) Market volatility may result in greatly fluctuating demands.
 - Actions: Acer and its subsidiaries will continue to adopt the channel business model and strengthen cooperation with key suppliers and distributors, while continuously monitoring market demands and new trends. In addition, e-commerce sales models have been adopted to directly serve consumers and understand their preferences.

5.1.2.2 Key Products and Manufacturing Process

1. Current product and service offering

- (1) Notebook PCs
- (2) Desktop PCs
- (3) Monitors
- (4) Projectors
- (5) Gaming products and esports platform
- (6) Gadgets and apparel
- (7) Servers
- (8) Cloud services
- (9) E-business and services
- (10) Commercial solutions
- (11) Digital signage solutions
- (12) Cyber security and datacenter
- (13) Beverages
- (14) Smart cities
- (15) AI-assisted medical solutions
- (16) E-mobility
- (17) Home appliances

2. Manufacturing process

Acer and its subsidiaries outsource manufacturing to various ODMs and are not directly involved in the manufacturing processes. In addition, Acer has set up assembly lines across the Asia Pacific region, aiming to increase flexibility to meet local customer needs, such as government tenders. To fulfill its responsibilities as a corporate citizen, Acer strictly requires its suppliers to comply with environmental protection and local labor regulations, such as the European Union's Restriction of Hazardous Substances (RoHS), in the production and manufacturing processes. In addition, since 2008 Acer has joined the Responsible Business Alliance (RBA), formerly known as the Electronic Industry Citizenship Coalition (EICC), which requires suppliers to adhere to the RBA Code of Conduct to ensure the operational compliance of the company and its suppliers.

5.1.3 Production Process of Key Products

Acer has long-term cooperation with reputable firms, in and out of Taiwan, for the supply of components and parts. In addition, the company strictly prohibits suppliers from using components and finished products produced with raw materials obtained illegally or via inhumane ways; or purchasing tantalum, tin, tungsten and gold (known as 3TG) from sources with direct or indirect funding or benefits from armed groups of Congo or neighboring countries. Acer also updated the "Responsible Raw Materials Purchasing Policy" in 2017 by expanding the scope of mineral management beyond 3TG and Congo to ensure minerals management is consistent with the OECD's guidance for mineral supply chains in conflict-affected and high-risk areas. The company requires suppliers to provide mineral procurement policies and processes, take due diligence process, and shoulder the responsibility of social and environmental protection.

Since 2016, the company has expanded its Responsible Business Alliance (RBA) management to two tiers of suppliers (i.e. the supplier of suppliers), which has extended to three tiers in 2021. In addition, Acer plans to include three tiers of suppliers to participate in the CDP global disclosure system in 2022. These efforts aim to promote a positive cycle for a sustainable future.

5.1.4 Key Buyers and Suppliers Accounting Over 10% of Total Net Sales and Purchase

(1) Key Buyers for Acer Group: None

(2) Key Suppliers for Acer Group

Unit: NTD Thousands

Item	Year 2021				Year 2022			
	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.	From	Amount	Percentage of total net purchase (%)	Relationship with Acer Inc.
1	Supplier D	45,200,090	20.85	None	Supplier D	36,430,033	25.46	None
	Others	171,564,203	79.15		Others	106,679,589	74.54	
	Total Net Purchase	216,764,293	100.00		Total Net Purchase	143,109,622	100.00	

Note: The key suppliers are not significant change in 2021 and 2022.

5.1.5 Production Value in the Last Two Years

Not applicable.

5.1.6 The Sales Value in the Last Two Years

Unit: NTD Thousands

Major production	Year	Year 2021		Year 2022	
		Domestic Sales	Foreign Sales	Domestic Sales	Foreign Sales
Computer		6,337,179	231,100,641	5,964,229	186,860,370
Peripherals & Others		44,184,412	37,383,224	45,131,767	37,467,378
Total		50,521,591	268,483,865	51,095,996	224,327,748

5.2 Keys to a Sustainable Future

5.2.1 Optimize operations by strengthening the foundations and exploring new possibilities

To maintain the company's momentum and long-term sustainability, Acer keeps evolving in both its existing businesses and new initiatives by continuing to push for innovation and environmentally friendly designs with its PC/displays businesses, while expanding multiple business engines.

Acer will continue to research and innovate in its notebook and desktop PC, projector, and display businesses, and dedicates more resources to segments with high growth opportunities to optimize investments, such as the gaming line, thin-and-light notebooks, Chromebooks for education and enterprises, and PCs for creators. In the area of display and sensory technologies in the virtual world, Acer has introduced glasses-free stereoscopic 3D technology to bring a new dimension for gamers, designers, and developers.

To help tackle environmental challenges, Acer expanded its Vero line of eco-conscious products, which utilize recycled plastic, recyclable packaging, and ocean-bound plastic, and launched e-mobility products for sustainable living. With the joining of the RE100 initiative, Acer has pledged to source 100% renewable electricity by 2035 and reach net zero by 2050.

At the same time, the company is exploring new opportunities, expanding into adjacent territories, and cultivating multiple business engines built on the advantage of its expansive global channel reach. Employees are encouraged to think outside the box and pursue intrapreneurship; this means providing them with the freedom and support to discover untapped markets for the group's long-term sustainability. The new possibilities being explored include smart cities, air quality improvement solutions, information security, AI-assisted medical solutions, and other cloud application solutions. Some of these services are provided through subsidiaries.

Evolving with the industry and changing lifestyles is the key to creating renewed growth in the PC industry and beyond, and ensuring Acer's long-term sustainability.

5.2.2 Create synergies with partners and regional operations

Acer diligently builds on the synergy of partnerships and resources to effectively operate, safeguard, and grow its business. With the global ICT industry experiencing severe challenges, Acer's flexible and nimble approach involves the global headquarters working closely with regional offices and partners to understand local market conditions and meet the needs of customers. Through the concerted efforts of its management team, employees, and stakeholders, Acer continues to demonstrate the highest resilience through times of high volatility in the industry and global economy.

5.3 Employees

5.3.1 Global Human Asset Management

Employees are the Company's key assets and the main driver of business growth. Acer has fostered a work environment that empowers employees by entrusting them with the tasks matched to their skill or qualification. There are clear objectives and reward for achievement, extensive communication and interaction among coworkers, constant encouragement for innovations, and an effective decision making process. On-the-job training provides the ideal platform for learning and development.

As a result of employees' joint effort, Acer has received numerous industry and media recognition. For example, Acer has been listed on the DJSI Sustainability Indices (Emerging Markets Index) for nine consecutive years since 2014, awarded Silver Class distinction in the S&P Global Sustainability Yearbook for the second year, and the FTSE4Good Emerging Index for the seventh year. Acer has also been selected in the World Benchmarking Alliance's SDG2000 list. Acer has provided employees with opportunities for development and growth, and therefore has been listed in Forbes World's Best Employers for three consecutive years since 2020, and included in Forbes' list of the World's Top Women-Friendly Companies in 2022. Besides, Acer spent NT\$2.48 billion on research and development in 2022 and ranked No. 5 in Taiwan patent applications with 424 filings. With the commitment in designing for customer needs, Acer has received many international awards for design excellence in 2022, such as Red Dot Awards for Packaging Design, Advertising, Film & Animation, iF Design Awards, Taiwan Excellence Award and CES Innovation Awards. All above results are contributed by our most valuable assets: our employees.

-Human Asset Analysis by Manpower, Average Age and Years of Employment

Category	Date	End of 2021	End of 2022	March of 2023
Manpower		7,713	7,725	7,639
Average Age		40.4	41.0	41.1
Average Years of Employment		8.7	9.2	9.4
Male (%)		63.8%	62.4%	62.1%
Female (%)		36.2%	37.6%	37.9%

-Human Asset Analysis by Job Function

Job Function	Date	End of 2021	End of 2022	March of 2023
General Management		190	203	199
Sales & Product Marketing		1,808	1,801	1,806
Customer Service		2,129	2,053	2,006
Research & Development		1,341	1,351	1,323
Sales Support		1,236	1,289	1,285
Administration		1,009	1,028	1,020
Total		7,713	7,725	7,639

- Human Asset Analysis by Education Level

Education Level	Date	End of 2021	End of 2022	March of 2023
Doctor of Philosophy		1.0%	1.1%	1.1%
Master's Degree		28.5%	28.1%	28.5%
Bachelor's Degree		54.2%	55.6%	55.5%
Vocational Study		15.4%	13.8%	13.5%
Senior High School or below		0.9%	1.4%	1.4%
Total		100.0%	100.0%	100.0%

5.3.2 Recruitment

The Company abides to each country's labor laws and customs. We are committed to providing equal opportunities and following Anti-discrimination law that it is illegal to make employment decisions based on legally protected factors like race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, or membership in any labor union, and we are sticking to the principle of putting the right people at the right position. Acer seeks high-potential candidates with multi-disciplinary backgrounds in order to build a strong global workforce.

5.3.3 Continuing Learning and Growth

People Development and Career Growth

The company's training policy in 2022 was set to be aligned with the corporate strategy. Governed by the ESG principles, we build lifestyle brands through expanding boundaries anchored around core businesses and optimizing operations.

With the policy's guidance, the training and development was designed to equip the employees with the awareness for corporate sustainability and social responsibilities, the capabilities to stay on top of cutting-edge trends, and the skills to advance people management. All of the efforts were directed to strengthen the consolidation of hardware, software, and service, create value, boost profitability, and ultimately, improve company's brand premium.

- For leadership / management training, we helped the supervisory-level managers to acquire the essential people management competencies; while the leadership training guided the mid-level managers to develop strategic and systematic views in people management.
- For professional competency development, in response to the future trends of lifestyle-related products, we persisted to strengthening core knowledge and skills of IT products, digital display, and value lab through holding internal and external training / technical seminars. In addition, we paid a great deal of attention to developing the team-members in the function of marketing, supply chains, and logistics. Take software design as an example, we held the GitLab System training, with the aim of enhancing collaboration efficiency of software development teams. We also invited the subject experts in lifestyle products to deliver the trending speeches, in the hope of bringing in more insights into the future development of products.
- As for general education and training, through online learning approach, we helped the staff to know more details of social responsibility, including information security awareness, anti-bribery and anti-corruption, anti-trust, workplace harassment and bully etc. By taking the strict online tests, we ensured that all employees had a full understanding of what these e-Learnings try to deliver.

In order to ensure the quality of training, all trainings were conducted in accordance with the "Training Management Process". The evaluation measures included training satisfaction, after-class interviews, and action learning. In 2022, the number of employees trained worldwide reached 25,011, accounting for 92,273.5 man-hours. The averaged training hours reached up to 13.52 per person. All trainings were done in accordance with the principles of job requirements, gender equality, and equal opportunity.

Multiple Approaches of Learning and Development

Each employee was provided with multiple development paths to enhance the profession--- for example, from company within, such opportunities can be found as on-the-job trainings, coaching, job rotations, forums, online learnings. For the company outside, they included profession club seminars, short-term intensive training hosted by the prestigious universities or training institutions.

New Employee Orientation Training

Upon new hires onboarding, we held a series of training activities to help the new employees to know about the company profile, management systems, core values, and branding efforts.

In addition, each unit provided the new employees with introductory trainings in the professional fields, so that the newcomers may get to know the organization's responsibilities, team members, workflows, and cross-unit collaboration protocols. For example, IT Products had PC full function-related training, guiding the new staff to realize the overall product development process, ranging from product development process overview, pro-duct idea creation, software / hardware expertise, supply chain, quality assurance, manufacturing, branding, market analysis, etc.

A mentor was also arranged to assist a new employee. The role of mentor was positioned to offer essential consultation and care at work, in anticipation of that the new colleagues could adapt to the environment in smoother manner and become fully integrated parts of the team.

ESG trainings were offered at the initial stage of joining in the Company, including the Standards of Business Conduct (including instruction on labor rights, freedom of expression, individual privacy rights, information security awareness, sexual harassment prevention, and corruption prevention). The new employees were also encouraged to participate in Cardiopulmonary resuscitation (CPR) and Automated External Defibrillator (AED) training.

Performance Management and Development

The goal of Acer's performance management and development system is to improve performance at individual, departmental and organizational levels, and includes goal setting, delegation, communication & coaching, the link between performance & remuneration, and career development.

5.3.4 Compensation

Acer provides a competitive salary package to attract and retain high-potential human assets. The Company surveys global IT companies' salary levels annually, to ensure that our salary packages are adjusted accordingly and reasonably to reflect market conditions. On top of the monthly salary, the Company offers the bonuses that are differentiated from the performance of business unit and each individual. Taking Taiwan for example, in addition to the fixed monthly salary and festival bonuses, Acer offers incentives that reward new innovations, intellectual property rights, sales achievements, performance bonus and profit sharing. At the same time, an employee stock ownership association trust has been established since 2022 to encourage employees to save and accumulate pensions.

5.3.5 Welfare

In all of our global locations, we provide our employees with a comfortable office environment, quality employee benefits and smooth communication channels in accordance with local laws and customs, in order to stimulate their creativity and increase productivity. In Taiwan, for example, the Employee Welfare Committee has been established by law to provide benefits as required by law, such as welfare points, sports competitions, family days, art and cultural activities, seminars, festivals, community activities, as well as various benefits such as the gifts of the three significant festivals, scholarship subsidies for children, wedding and funeral subsidies, hospitalization subsidies and wedding and funeral subsidies, and hospitalization subsidies. A fitness center and staff recreation facilities are also available to help relieve work stress and provide health promotion programs to care for the balanced physical and mental development of our staff.

5.3.6 Pension

The Company abides to each country's labor laws and customs. Taking Taiwan for example, Acer conforms to the Labor Standards Act and Labor Pension Act by contributing a portion of employees' salaries toward a pension scheme. Besides, employees who have served for 15 years and have reached 50 years of age can apply for early retirement. At the same time, from 2022, a relatively subsidized "Employee Stock Ownership Association Trust" company stock purchase plan will be provided, hoping that colleagues can also participate in the investment method of the company and accumulate wealth after retirement.

5.3.7 Labor Relations and Employee Communication

Acer values the opinions of its employees and strives to maintain harmonious labor-management relations, and its operations are managed in compliance with local laws and regulations in each of its global locations. In Taiwan, for example, we have opened up a number of communication channels to enhance two-way communication between employees and employers, as follows:

- **Single service line for back office.**

Each of our back office support units has a telephone line to provide a single service window to assist employees in solving problems at work or in the area of employee rights and benefits quickly and effectively.

- **Smooth communication channels.**

(1) Conduct employee satisfaction survey regularly:

We conduct regular employee satisfaction surveys every year to understand the organization's climate, and conduct in-depth interviews and formulate improvement plans for major problems.

(2) Routine labor-management consultation system:

The chairman and global CEO hold quarterly labor-management meetings (gardeners' meetings), in which the first-level executives communicate directly with selected employee representatives from each office to respond to employee issues and suggestions and make decisions, and assign staff from relevant units to solve problems and follow up to improve the company's operational and management efficiency.

(3) Collecting opinions from departing employees:

HRBP will conduct exit interviews with departing employees to understand their reasons for leaving the company and to serve as a reference for organizational improvement and optimization.

(4) Preventions of unlawful infringement in the workplace:

In order to maintain gender equality and dignity at work and to provide a channel for employees to complain about unlawful workplace abuse, so that employees are not subjected to verbal, physical, psychological, sexual harassment, and gender discrimination in the workplace, the Company has established prevention measures, complaints, and disciplinary measures to specify the channels for complaints, operational procedures, and disciplinary regulations.

(5) Channels for Stakeholders to Report Complaints

To protect the rights and interests of stakeholders, to promote communication with stakeholders, and to strengthen corporate governance, if an Acer employee is found to have violated Acer's Code of Business Conduct, or to have engaged in any wrongful acts or activities that violate corporate governance, he or she may file a complaint through the stakeholder reporting channel and have it handled by a dedicated supervisor.

- **Company's Operational Achievements and Strategic Advancement:**

In response to our diversified business development, we continue to strengthen internal staff communication so that we can share common beliefs, visions and core values and work together for the Group's direction and strategies.

Mr. Jason Chen, Chairman and Global Chief Executive Officer, holds quarterly communication meetings and "Communication with Jason" meetings to communicate with our executives and colleagues via video or face-to-face about the company's operational results and future direction, and to answer questions and suggestions from employees.

In addition, he also invites renowned figures from various fields to share their experiences in industry management trends and innovations to expand the management horizons of executives.

5.3.8 Acer Employee Management

Standards of Business Conduct

We have completed the revision of Standards of Business Conduct (SBC) in 2020 and changed its name to Standards of Integrity Management & Business Conduct in 2022. SBC guides us on how we interacted with each other, our customers, our business partners, our shareholders and the communities where the Acer Group does business.

Below are the features of the revisions:

- (1) Get more aligned with the new amendments of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Procedures for Ethical Management and Guidelines for Conduct" enacted by Taiwan's governing authority of Stock Exchange and Futures Trading.
- (2) Call for a more strict compliance with the principles of human rights set by the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.
- (3) Require not only all employees of the Acer Group to obey these rules and adhere to the highest standards of business ethics, but also the board members and all other parties who do business with Acer.
- (4) Incorporate the issues of Corporate Social Responsibility that address increasing attention during the recent years, the rules of social media interaction, and the past incidents that we have learned from the industry.
- (5) Specify the procedures dealing with the incident reports in anticipation of providing a guidance for the units to follow and to prevent recurrence.

All employees are required to undergo training regarding anti-corruption measures. During annual performance reviews, we require management and employees to review their adherence to our standards of professional behavior. In the event of corruption being found, the company must immediately report the incident and implement management measures, while also reminding employees that they must follow the regulations of the Standards of Business Conduct.

- Sexual Harassment Prevention Measures

The Company is dedicated to ensuring gender equality and human dignity in workplace, securing work environment free from sexual harassment and discrimination. With the promise, the Prevention Measures and Disciplinary Actions on Sexual Harassment is enacted, which specifies the reporting channels, dealing procedures, and disciplines.

- Declaration of Secrecy and Intellectual Property Rights

The Company places extreme importance on the protection of intellectual properties rights. All staff are required to have the Declaration on Non-Disclosure Agreement signed when onboard, which declares the obligations to protect confidential information and the restrictions on use of the confidential information during the employment period and employment termination.

5.4 Important Contracts

Nature of Contracts	Contracting Parties	Beginning and Ending Dates of Contracts	Major Content	Restrictive Clauses
Software License Agreement	Microsoft Inc.	Aug.1, 2018 until triggering the terminating terms of this Agreement	Obtain license from Microsoft for using certain software	Confidential Non-assignable
Patent License Agreement	IBM Corporation	Oct. 29, 2003 until the end of related patents period	Cross license arrangements for certain patents	Confidential Non-assignable
		Nov 22, 2006 until the end of related patents period		
Purchase Agreement	Worldwide Vendors	Annual 2022	Component Purchase	Confidential Non-assignable

Sustainable Development/ESG



Acer's ESG policies and strategies are aligned with the Company's development direction and the core spirit of the brand:

While pursuing profitability, leading transformation, and providing innovative services, we will continue to create tangible and intangible values, and move toward a future-oriented enterprise by promoting sustainable model transfer and social influence with our three core beliefs of value creation, balance of interests, and sustainable management.

We believe that only by enabling companies to be environmentally and socially responsible while making profits will we be able to achieve long-term ESG development and move the world forward in a more sustainable direction.

Acer's ESG Policy is as follows:

- **Integrating Sustainability Governance:** Deepen ESG governance and stakeholder engagement, and strengthen integrated management and transparent disclosure of financial and non-financial performance
- **Pioneering Green Innovations:** Incorporate low-carbon, sustainable, and recycling innovation technologies and concepts in products and services to lead in smart cities and develop a new green economy
- **Comprehensive Sustainability Impact:** Creating real corporate value and leveraging our influence on suppliers and partners to help the overall industry move toward a sustainable future

Our ESG efforts have continued to earn recognition among the leading sustainable development indices. In 2022, the Company was honored as one of the top 5% of companies in the world in the S&P Global Sustainability Yearbook, which uses ESG (Environmental, Social, and Governance) as a criterion. Acer is ranked among international indices such as the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index, in which we have been listed for nine consecutive years, and earned the AAA rating as a constituent stock of the MSCI ESG Global Sustainability Indexes; we have also been included in the FTSE4Good Emerging Index for seven years running. In addition, Acer has been listed in the World Benchmarking Alliance's SDG2000, recognized as one of the top 2000 most influential companies in the world, as well as being ranked among the world's best employers by Forbes for three years running.

In accordance with ESG's mission and policies, Acer has established the Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. The committee members include: Chief Operating Officer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Sustainability Officer and other senior executives, who are responsible for approving sustainability visions, strategies and long-term goals, and reporting regularly to the Board of Directors. Under the Corporate Sustainability Committee, working groups on Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Management, and Supply Chain Management are established to communicate and coordinate important sustainability issues across departments, and to plan, implement, and track the progress and effectiveness of action projects on key issues. The Corporate Sustainability Committee convenes twice a year to oversee and review the sustainability actions and implementation status of each working group, respond to stakeholder requests and expectations, review annual sustainability goals and develop medium- and long-term goals, and discuss and resolve important sustainability issues.

The ESG Office is led by the Chief Sustainability Officer, who serves as the Executive Secretary of the Corporate Sustainability Committee. In addition to reporting regularly to the Corporate Sustainability Committee on trends, impacts and performance on sustainability-related issues, the ESG Office also serves as the Executive Secretary of the Corporate Sustainability Committee. It also plays a communication and integration role between the working groups and the Corporate Sustainability Committee. In addition, to effectively communicate with our global locations, we have also established ESG Executive Secretary at Regional Headquarters, who is responsible for formulating regional headquarters ESG action plans and programs to implement various sustainability issues management.

6.1 Environmental, Safety, and Health Management

6.1.1 Environmental Protection

6.1.1.1 Energy and Climate Change

In the area of energy and climate change, Acer continues to enact our Integrated Energy and Climate Change Strategy, completing third-party assurance of greenhouse gas emissions data from Acer Group locations worldwide. Along with the abovementioned integrated strategy, we have also set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We expect to accomplish a 50% reduction in Scope 1 and Scope 2 carbon emissions in 2030 from the baseline year of 2019.

In 2021, we announced that we have joined the global RE100 initiative, committing to achieve 100% renewable electricity by 2035, and we have taken on the role of brand leader, proposing the "Earthion Sustainability Platform" project, which will extend our innovative and integrated solutions to environmental challenges to our supply chain partners, consumers, distributors and employees. We are working with our business partners to create a resilient supply chain and expand our positive impact on the global environment by introducing green innovations in all aspects of product design, production, transportation, and packaging to improve resource reuse, packaging reduction, and carbon footprint reduction.

Acer has been a part of the CDP (formerly the Carbon Disclosure Project) supply chain system since 2008, taking it a step further by auditing our suppliers' overall carbon management performance, carbon reduction results, and green energy adoption with ESG scorecards to manage the environmental impact caused by our supply chain and bolster the overall supply chain's ability to respond to climate change. In 2022, Acer's Supplier Engagement Rating (SER) has been graded Level-A for three consecutive years, and 60% of our critical suppliers have committed to RE100 or set Science-Based Targets (SBTs) for carbon reduction, in line with expected targets. In terms of supply chain responses, 94% of suppliers have included climate issues at the board level, 84% have integrated carbon management into their operations and developed carbon reduction plans consistent with the 1.5°C carbon reduction pathway scenario, 86% have taken carbon reduction actions, and 67% are using renewable electricity, all outperforming our second and third tier suppliers by about 20-50%. We will continue to communicate with Tier 1 and Tier 2 suppliers and work with ODM suppliers to further influence Tier 3 suppliers, jointly pulling upstream suppliers to deepen the growth potential of carbon management in the industry chain.

6.1.1.2 Product Life Cycle

Acer is committed to reducing the environmental impact of its products during the product lifecycle by integrating the concept of circular economy.

To comply with regulatory requirements and customer standards, Acer integrates environmental and safety-related regulations in the product development stage, and through a rigorous auditing process, ensures that all production stages of the supply chain meet environmental and safety-related requirements.

Acer not only supports the concept of resource recycling, but also actively uses Post-Consumer Recycled Plastics (PCR) in its products. The Company determines the types and ratios to be used during product planning and carefully select suppliers; For products using post-consumer recycled plastics, we ensure that the raw material formulation is as close as possible to the physical properties of the raw material. If necessary, we add strength and reliability to the product design process to ensure product quality. Users can not only enjoy the same quality of products as virgin plastic, but also support the reuse of resources together with Acer to strengthen the concept of recycling economy.

Acer's packaging design principles are based on the life cycle of product packaging materials, from research and development, material selection, manufacturing, transportation, use, to waste disposal, to continuously improve the environmental impact at each stage. For example, we are reducing the volume and weight of packaging by simplifying packaging, standardizing package sizes and print, and further reducing energy consumption for transportation. In addition, Acer strives to reduce the size and weight of product packaging to enhance the efficiency of delivery and reduce energy consumption during the delivery process, further reducing the carbon emissions generated during delivery, which can also reduce the cost of delivery.

With the development of the new business model of circular economy and sharing economy, we have also reduced the capital expenditure expenses of the company's one-time purchase model by replacing the purchase of hardware equipment with the purchase of services (rental), and instead flexibly incorporating the required hardware, software and even maintenance services through contracts that can be adjusted according to demand. From the perspective of product design, we use modular design to achieve easy disassembly, easy maintenance or refurbishment, easy recycling, and even sharing of materials to effectively use resources to extend the product life cycle.

In addition, the product's energy efficiency has always been one of the key indicators in our product design. We use the US Energy Star standard as the basis for product design and will continue to offer more low energy consumption products to consumers. Compared to 2016, we have reduced the average energy consumption of our laptop products by 39% and our desktop products by 35%, which also represents a reduction in the carbon footprint of our products during the usage. In the future, the Company will continue to provide more low-energy products and move toward the goal of reducing the average energy consumption of personal computer products by 45% by 2025.

Limited resources are recycled to create new value. And suitable mechanisms for recycling waste can also create a better future for humanity and greater environmental sustainability. As a citizen of the global village, Acer actively supports a variety of measures promoting recycling around the world, along with Individual Producer Responsibility (IPR), and is committed to working with the government, consumers, and channels/retailers to shoulder the responsibility for recycling and managing electronic waste.

6.1.1.3 Office Carbon Reduction and Energy Saving

The major source of energy consumption for Acer is office electricity, of which air conditioning, lighting, and information equipment use are the primary ones. For effective management, we use systematic data collection to understand the usage situation and grasp the trend of change, and encourage each office area to carry out energy-saving measures such as optimizing power consumption equipment and strengthening power consumption management, and reduce office power consumption every year.

The Xizhi Headquarter conducts ISO 50001 energy management system certification every year and uses the system to promote the setting of reduction targets. In 2022, after a comprehensive review and evaluation of the plan, we set a long-term goal of reducing total electricity consumption by 10% in 2030 compared to 2021. To further promote the use of energy efficiency in each office area, we are conducting energy-saving measures to evaluate two high electricity consumption office areas, including Acer's Cloud Framework Longtan Office and Aspire Resort II, and continue to explore the feasibility of various ways to reduce electricity consumption.

To reduce the impact of carbon dioxide from electricity consumption on the environment, in 2022 we launched the Green Earth Campaign. The largest green power park in Northern Taiwan, the Aspire Park, was planted with trees. We planted Acacia trees, a native species of Taiwan with high carbon sequestration efficiency, on the land formerly used as a weed forest for national conservation. Through the reuse of the idle site, a green cycle is created, and through this "demonstration site for carbon sequestration and reforestation", the industry is called upon to participate and promote the trend of tree planting and carbon reduction.

6.1.2 Safety and Health

6.1.2.1 Environmental and Health and Safety Management System

Acer actively pursues balanced economic, environmental and social development. We understand that all of our products, services and activities may affect the communities and environments in which we operate and are committed to environmental protection. We also conduct due diligence when corporate mergers and acquisitions or business partnerships are required in response to market demands and organizational growth. We also recognize that the safety and health of our employees is the foundation of our business and are committed to maintaining a healthy and safe working environment. We require our employees to understand their roles and responsibilities. We also require suppliers, service providers, contractors, outsourcers, logistics providers, merged and acquired companies and value chain partners to reduce environmental impacts through lifecycle assessment management and to comply with Acer's environmental safety and health policies to fulfill our commitment to the environment, health and safety.

To ensure our compliance with legal regulations and maintain occupational safety and health management performance, Acer Taiwan conducts annual ISO 45001 management system certification. Every year, we set up a system launch schedule with each unit selecting officers and representatives to form a team on environmental safety and health. We use internal and external training to develop the awareness and execution capabilities of occupational safety and health and conduct related common operations and internal/external audits to ensure that the system can maintain effective operation. In addition, to implement the PDCA cycle, the Occupational Safety and Health Committee convenes every quarter to report on the implementation of various operations and review and improve. To enable our employees to understand the safety and health management practices and results, we have established an internal safety and health website and information platform. At the same time, we are able to communicate with workers immediately to establish mutual consensus on their responses and feedback.

6.1.2.2 Working Environment and Employee Safety

To ensure that safety and health are effectively managed and monitored, we encourage employees to call our internal 1911 service line immediately if they find any safety and health issues in the workplace. At the same time, employees can use the labor-management meeting to propose safety and health improvement suggestions, and the responsible unit will evaluate and respond to the proposals according to their content. In addition, the ESH Team conducts an annual hazard assessment of the activities and service areas of all workers in the organization. At the same time, ESH Team conducts risk and opportunity assessment by investigating the needs and expectations of stakeholders. The ESH Team also sets management objectives for high-risk and high-opportunity items and propose a management plan, and track the implementation progress through regular meetings on a quarterly basis.

6.1.2.3 Emergency Response

The Company has set up a comprehensive set of contingency plans and procedures in the event of earthquakes, typhoons, power/water outages, statutory contagious diseases, and other major emergencies. To ensure adherence to laws and regulations, strengthen employees' knowledge of safety and health, and meet the emergency response needs of each office area, we conduct fire, earthquake, typhoon, power outage, and emergency rescue drills according to our annual plan, with seven drills held in 2022. We also run various safety and health education training programs on different focuses each year. Through such efforts, we aim to create a corporate culture of health and safety.

6.1.2.4 Employee Health Checks

The Company has always considered our staff among our most important assets, and we believe that strengthening staff health management is a crucial factor in maintaining our competitiveness. Actual specific practices include: Carrying out annual employee health checks, hiring full-time medical staff to conduct employee health management, organizing a wide variety of activities and events promoting good health, sponsoring large-scale sports events, holding a range of sports competitions, encouraging the establishment of sports clubs, and fostering a pro-exercise internal environment. Through such actions, we strive to constantly be boosting the health and performance of our staff. Although the total rate of employee health screening in 2022 was lower than that of the previous year, the overall satisfaction rating increased to 4.7, showing that employees are positive about health screening activities and continue to pay attention to personal health issues. In 2022, we have increased our employee health screening budget and optimized our employee health screening program to demonstrate our commitment to a healthy workplace.

6.2 Supply Chain Management

Acer and our suppliers are working together to provide customers with valuable products and services; these suppliers are our most important partners. Beyond economic value, we also focus on social and environmental value, building on a foundation of respect for human rights and working diligently toward a sustainable supply chain. With a solid foundation of cooperation and through the Acer Responsible Supply Chain Management (ARSM) mechanism, we jointly shoulder our responsibilities toward society and the environment alongside our supply chain.

The Company has been a member of the Responsible Business Alliance (RBA) since 2008 and participates in actions and discussions around supply chain social and environmental responsibility to better understand international trends in ESG and share in the practical experience of its members. Acer also requires all manufacturers and service providers to comply with both the RBA Code of Conduct and local regulations.

In addition, we carry out annual on-site RBA Code of Conduct supplier audits, gaining a deeper understanding of each location's working environment and the human rights conditions of the staff. We also encourage and require suppliers to uphold their corporate responsibility by ensuring their own suppliers implement socially and environmentally responsible management and to advocate for RBA Code of Conduct adherence, thus improving the working environment in the electronics supply chain worldwide.

We have also established the Acer Responsible Supply-Chain Management (ARSM) system, not only setting in place the social and environmental responsibilities of our first-tier suppliers but also rolling out to three tiers of suppliers in phases. The goal of this is to further expand the reach of our sustainability responsibility and influence. The Company requires first-tier suppliers to implement risk assessment and management of second-tier suppliers based on the RBA Code of Conduct. We also carry out on-site audits and tracking of improvements for higher-risk suppliers. We have also integrated performance in these into our Supplier ESG Scorecard assessments, realizing and expanding the environmental and social responsibility of our supply chain.

To review suppliers' performance in ESG practices, we have developed the Acer Supplier ESG Scorecard, a mechanism for early identification and tracking of supply chain risks in the areas of sustainable operations; environment, energy and climate change; labor, ethics, health and safety management, and assist suppliers in taking necessary measures to eliminate or mitigate risks. Overall, average performance across supplier categories in the 2022 scorecard continued to show improvement. Nearly 67% of suppliers achieved an "excellent" standard, and 27% of suppliers were found to be at the "medium" level. We also use quarterly business reviews and other communication methods to demand that underperforming suppliers implement appropriate actions to improve their ESG performance. In addition, to protect labor human rights, we continue to take a variety of measures to ensure that no enslaved or trafficked labor is used in our supply chain. These include supplier risk assessments, declarations, audits, and training.

Responsible sourcing of minerals is also a significant ongoing concern for the Company. Responsible minerals efforts began with the issue of tantalum, tin, tungsten, and gold (3TG) conflict minerals in the Democratic Republic of the Congo (DRC), and the Company's responsible minerals management has now been strategically expanded to include responsible sourcing management that reduces social and environmental risks. The Acer Responsible Minerals Procurement Project set out the need for priority management of minerals based on their ubiquity in products and their having come from conflict-affected and high-risk areas (CAHRAs). Acer's Responsible Sourcing Strategy defines Congolese tin tantalum, tungsten, and gold (3TG), Congolese cobalt, and Indonesian tin as priority minerals. In 2022, Acer continues to prioritize tantalum, tin, tungsten, gold, cobalt and mica in its responsible sourcing strategy and has issued a Responsible Minerals Report describing actions taken to conduct due diligence on priority minerals for the fifth consecutive year. We will continue to evaluate the priority minerals and participate in refining the process for recognition of the CAHRA. We will continue to assess priority minerals and participate in the process of defining conflict-affected and high-risk areas. Acer continues to issue the Responsible Minerals Report describing actions taken to conduct due diligence on priority minerals.

6.3 Communication

6.3.1 Stakeholder Engagement

Our vision is one of being a responsible global citizen, and we value the expectations of our relevant stakeholders, so we continually bring together the views of our stakeholders, including staff, customers, suppliers, investors, communities/charitable groups, governmental agencies, advocacy organizations, media, industry associations, and academic groups. In addition, we communicate our sustainability performance to internal and external stakeholders through our sustainability website, and we use a variety of methods to communicate with stakeholders on an ongoing basis.

6.3.2 Improving Supplier Capabilities, Supplier ESG Communication Meetings

We continue to communicate with our suppliers and enhance their ability to address sustainability issues, and encourage them to incorporate sustainability into their corporate management agenda. In accordance with Acer's sustainability strategy, we hold various supplier sustainability seminars and annual supplier ESG communication meetings to provide the latest ESG development trends, analyze the main focus of the supplier chain on various issues and the actions to be actively taken, as well as provide opportunities for two-way communication between suppliers and Acer executives to strengthen mutual cooperation and provide the supplier chain with the ability to enhance environmental and social responsibility. The annual supplier ESG communication meeting was held in December 2022 with over 150 supplier attendees.

6.3.3 Customer Relationships

Acer's vision is to become a "leading brand company in sustainable management through innovation and attentive service and customer care, continuously improving the efficiency and quality of service". We believe that our attitude and approach of "pursuing quality in everything we do" helps us to remain competitive in the market. "To better meet the needs of our customers, we plan and conduct regular customer satisfaction surveys in line with the characteristics of each region around the world, using these to gather feedback from our customers, find areas in need of improvement, and strengthen the quality of our customer service. We have set in place a comprehensive global service system with service centers in each of our major operating locations, and we plan different service solutions based on different customer attributes and channel types. Consumers and business customers can contact us through multiple channels. In aggregate, our 2022 survey results show high global satisfaction, with positive customer evaluations accounting for 94.6% of total evaluations.

6.4 Information Security and Privacy Protection

To pursue sustainable business operations and protect customer trust, Acer will begin to promote a company-wide information security management system in 2019 and establish an information security policy as a basis for information security management to ensure the security of Acer's information assets and the continuity of information services, and to reduce the threat and impact of information security incidents. We continued to pass ISO 27001 Information Security Management Systems certification in 2022 and regularly carried out internal and external audits and meetings on management review and information security management systems (ISMS) establishment to supervise system implementation.

We are committed to protecting our customers' confidential information and strictly adhere to our privacy policy. All employees are required to carefully safeguard confidential or proprietary information provided by customers, and our products make use of data security technology to protect the personal information of consumers. In addition, we have set up a dedicated mailbox to handle any complaints about privacy rights worldwide. In line with Taiwanese legislation on the protection of personal data information, from the point that we collect any personal information from a customer through any means, that information will be retained and used only when necessary until the customer requests its deletion. No complaints were received in 2022 about invasion of customer privacy or loss of customer information.



6.5 Social Participation

6.5.1 Acer ESG Project Awards

The Acer Group operates in more than 160 countries around the world, and Acer subsidiaries in all regions are not only concerned with local social issues, but also take action to participate in community activities. To encourage employees to propose projects that respond to the United Nations' sustainability goals, and in conjunction with the company's Project Humanity global program, the Acer Global ESG Project Awards have been held for six consecutive years to encourage employees to be creative and actively participate in community activities, demonstrating the corporate culture and spirit from the inside out. The 2022 Acer Global ESG Program continues to focus on themes such as "education" and "environment" from Acer Group projects around the world, including the following features: leveraging core competencies and products to achieve social impact; working in tandem with various stakeholders to create ESG synergy; and actively engaging employees to enhance their sense of recognition and satisfaction with the Company.

6.5.2 Philanthropy

We have worked with several local charities around the world for many years. These partnerships not only help communities, but also strengthen our ties to them and bring them closer together. We work with communities to address pressing social challenges through our many programs of social care, fundraising activities and disaster relief. We encourage our staff to contribute to the community by volunteering their time and expertise to gain new experiences and ideas, and gain new energy to face the challenges of work and clients. Acer employees are entitled to two days of paid volunteer leave per year.

6.5.3 Acer Foundation

For more than 20 years, Acer Foundation has been organizing the Dragon Series of competitions, from the earliest postgraduate thesis competitions to competitions that encourage college and research students to apply their theories to entrepreneurship, and has transformed into a driving force in assisting quality small and medium-sized enterprises. The 2022 Dragon Smile Competition was divided into international and sustainable categories, with the expectation of identifying corporate teams that have developed steadily in Taiwan and have plans and potential for overseas operations through invitation to the competition. In addition to offering high prizes to the winning teams, Acer Group's years of multinational experience and integration of marketing capabilities from various locations around the world helps the winning corporate teams optimize their marketing and internationalization, so that the future national teams of Taiwan with potential can develop more quickly towards overseas markets.



6.6 Promoting sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons for those differences

Activity	Implementation Status		Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	
I. Has the company established a governance structure to promote sustainable development, and set up a dedicated or ad hoc unit to promote sustainable development? Has the Board of Directors authorized senior management to handle the situation, and does the Board provide supervision?	✓		<p>In accordance with ESG's mission and policies, Acer has established the Corporate Sustainability Committee (CSC), chaired by the Chairman and CEO, with the ESG Office serving as the Executive Secretary. Committee members include: Chief Operating Officer, Chief Legal Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Sustainability Officer and other senior executives, who are responsible for approving sustainability visions, strategies and long-term goals, and reporting regularly to the Board of Directors. Under the Corporate Sustainability Committee, working groups are established to communicate and coordinate important sustainability issues across departments, and to plan, implement, and track the progress and effectiveness of action projects on key issues. The Corporate Sustainability Committee convenes meetings twice a year to oversee and review the sustainability actions and implementation status of each working group, respond to stakeholder requests and expectations, review annual sustainability goals and develop medium- and long-term goals, and discuss and resolve important sustainability issues.</p> <p>The ESG Office is led by the Chief Sustainability Officer, who serves as the Executive Secretary of the Corporate Sustainability Committee. In addition to reporting regularly to the Corporate Sustainability Committee on trends, impacts and performance on sustainability-related issues, the ESG Office also serves as the Executive Secretary of the Corporate Sustainability Committee. It also plays the role of communication and integration between the working groups and the Corporate Sustainability Committee. In addition, to communicate effectively with our global locations, we have also established ESG Executive Secretary at Regional Headquarters, who is responsible for formulating ESG action plans and programs at regional headquarters to implement various sustainability issues management.</p> <p>Implementation Status:</p> <p>We set up working groups on Corporate Governance, Risk Management, Innovation and Product Lifecycle, Environmental Management, and Supply Chain Management are established to communicate and coordinate important sustainability issues across departments, and to plan, implement, and track the progress and effectiveness of action projects on key issues. In accordance with the "Sustainability Development Roadmap for Listed Companies" in 2022, the company has specifically focused on greenhouse gas inventory and verification planning and established key work arrangements:</p> <p>(1) Set inventory boundaries: Acer Group's (including consolidated subsidiary) global operating locations.</p> <p>(2) Identify emission sources: including direct emissions (Scope 1), energy indirect emissions (Scope 2), and other indirect emissions (Scope 3).</p> <p>(3) Calculate emissions, prepare inventory reports, distribution, and documents management.</p>



Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	
			<p>(4) Verification procedures: Internal verification and third-party verification to track and verify that related operations are completed according to plan. It is expected to obtain the ISO 14064-1 greenhouse gas emission verification statement in June 2023.</p> <p>(5) Information system: already in place and continuously being optimized.</p> <p>(6) Employee education and training: Enhance the carbon reduction awareness, greenhouse gas management, and internal verification capabilities of Acer Group employees.</p> <p>(7) Strengthening of management awareness: Arrange sustainability professionals to share how corporate leaders can lead low-carbon ESG transformation plans to strengthen management's awareness and concept of sustainable development.</p> <p>The above key work arrangements were reported to the board of directors on May 5, 2022, August 4, 2022, and November 3, 2022, respectively, regarding their execution status.</p>	
<p>II. Does the company conduct risk assessment of environmental, social corporate governance issues related to the company's operations in accordance with the principle of materiality and formulate relevant risk management policies or strategies?(Note 2)</p>	✓		<p>1. This disclosure covers the Company's sustainable development performance in its major locations from January 2022 to December 2022. The risk assessment boundaries are focused around Acer Inc.</p> <p>2. The Company's Risk Management Working Group holds regular meetings every year to identify, evaluate and discuss potential and emerging risks on the three major aspects of environment, society and corporate governance. In 2022, the Risk Management Workgroup identified a total of 45 risk items. Designated personnel from the relevant departments are responsible for drafting of follow-up risk management strategies related implementation plans with regard to risk items identified and analyzed, including commonly used response methods: damage prevention plan, avoidance, isolation and backup, risk transfer and risk retention, etc., to minimize the possible negative impact of various potential risks on the business objectives and strengthen the risk resilience of the Company's overall operation. In addition, progress reports on material risk information and corporate risk management operations are provided to the Risk Management Committee and the Audit Committee on a regular basis.</p> <p>The Company employs the ISO 14001 Environmental Management Systems international standard to establish standard procedures for environmental management at each operating location, as well as continuously maintaining valid certifications. In 2022, the bulk of the Company's Taiwanese business units passed new ISO 14001:2015 Environmental Management System review, continuing to receive third-party certification. Other subsidiaries that have introduced ISO environmental management systems have similarly passed ISO 14001:2015 review.</p> <p>Source: https://www.acer-group.com/userfiles/ISO%2014001-acer-zh.pdf</p>	No discrepancy
<p>III Environmental Issues</p> <p>(I) Has the company established a suitable environmental management system based on the characteristics of its industry?</p>	✓		<p>The Company employs the ISO 14001 Environmental Management Systems international standard to establish standard procedures for environmental management at each operating location, as well as continuously maintaining valid certifications. In 2022, the bulk of the Company's Taiwanese business units passed new ISO 14001:2015 Environmental Management System review, continuing to receive third-party certification. Other subsidiaries that have introduced ISO environmental management systems have similarly passed ISO 14001:2015 review. Source: https://www.acer-group.com/userfiles/ISO%2014001-acer-zh.pdf</p>	No discrepancy



Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	
<p>(II) Is the company committed to improving its energy efficiency and to using renewable materials with a lower impact on the environment?</p>	✓		<p>The Company is committed to reducing the impact of our operations and products on the environment and to improving our resource usage efficiency. This includes the continued use of post-consumer recycled plastics and an emphasis on recyclable design in product packaging, with easily recyclable materials a priority in packaging material selection. On top of this, all of the posters included with products are produced with Forest Stewardship Council certified paper, while all printing uses environmentally friendly water-based and soy inks.</p> <p>In 2021, Acer launched the Aspire Vero, an eco-friendly notebook with a box made of 80% to 85% recycled paper pulp and paper-plastic cushioning made of 100% recycled paper pulp instead of traditional styrofoam or folded paper, and a paper sleeve instead of a plastic protective bag to wrap the cables; In addition, the notebook sleeve and the protective paper that prevents the keyboard from scratching the screen are made of 100% recycled PET material. Overall, the packaging is made of 100% recyclable material, and the interior of the box is even reusable and can be converted into a simple laptop stand in just a few simple steps. From 2022, we have expanded the Vero sustainable design concept to more product lines and more models, focusing on reducing energy consumption and pollution generated during new product development to expand Acer's eco-friendly products and their impact. All Vero products are EPEAT certified and have passed the stringent requirements of international certifications in all aspects, and for recycled materials, Vero products have also obtained international certifications such as TCO, EPEAT or the US Energy Star label.</p> <p>Acer has set sustainability goals and expects to achieve by 2025: a 45% reduction in average PC energy consumption by 2025 (base year: 2016); and a target of using 20-30% post-consumer recycled plastics in its core products.</p>	No discrepancy
<p>(III) Does the Company assess potential risks and opportunities for the Company now and in the future and take relevant responsive measures?</p>	✓		<p>The Company continues to grasp the risks associated with climate-change-related policies and regulations, physical operations, and transition strategies. We are analyzing and developing countermeasures for the various factors involved in these risks according to their probability of occurrence and their potential impact. In addition, with regard to opportunities that come with climate change, we continue to pursue improvements to product energy efficiency, but also strive to integrate our existing and new business groups to create a unified low carbon, sustainable strategies and innovative products.</p>	No discrepancy



Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences																
	Yes	No	Description																	
(IV) Has the Company collected statistics on greenhouse gas emissions, water consumption, and total weight of waste produced over the past two years? Has the Company formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	✓		<p>The Company continues to collect information on electricity, water, and waste through its online system, and discloses greenhouse gas emissions, water consumption, and total waste weight in its annual sustainability report. The following describes relevant management:</p> <ol style="list-style-type: none"> Greenhouse gas: We also have an integrated energy and climate change strategy and have set long-term carbon reduction targets in line with the methodology proposed by the Science-Based Targeting (SBT) initiative. We expect to achieve an 50% reduction in Scope 1 and Scope 2 emissions by 2030 compared to the baseline year of 2019. As far as greenhouse gas information is concerned, we obtained ISO 14064-1 certification through third-part assurance. Water consumption: Acer has set a short-term goal of reducing its global water consumption by 1% per year and a medium-term goal of reducing water consumption by 7% by 2025 (compared to 2018). In order to achieve further water savings, after repeated analysis and evaluation, the 2025 medium-term goal was revised to a 10% reduction in 2021. Waste products: Acer's main source of waste is municipal solid waste. In order to reduce waste output, we encourage our employees to reduce the use of disposable plastic, tableware, and paper cups, and to strengthen waste reuse through the implementation of various resource recycling and regular business waste recycling management methods. Water, waste, and greenhouse gas information is verified by SGS, a third-party inspector, and disclosed in the Sustainability Report. 	No discrepancy																
	✓		<p>Our greenhouse gas emissions, water consumption, and total waste generation for 2021 and 2022 are as seen below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Greenhouse Gas Emissions (tCO₂e)</th> <th rowspan="2">Water Consumption (m³)</th> <th rowspan="2">Total Waste Generation (tonne)</th> </tr> <tr> <th>Scope 1</th> <th>Scope 2 (market-based)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>5,195.39</td> <td>8,748.86</td> <td>140,131</td> <td>1,947</td> </tr> <tr> <td>2022</td> <td>2,705.30</td> <td>8,793.92</td> <td>162,655</td> <td>2,165</td> </tr> </tbody> </table> <p>Acer has kept collecting statistics on greenhouse gas emissions, water consumption and total waste generation. The information for the year 2022 is still in progress as of the printing date of the annual report. For the latest information, please refer to the ESG information summary in the sustainability report on our company's website at https://www.acer-group.com/sustainability/en/reports-certificates.html</p> <p>Note: ISO14064-1 certificate download: https://www.acer-group.com/sustainability/zh/reports-certificates.html</p>	Year	Greenhouse Gas Emissions (tCO ₂ e)		Water Consumption (m ³)	Total Waste Generation (tonne)	Scope 1	Scope 2 (market-based)	2021	5,195.39	8,748.86	140,131	1,947	2022	2,705.30	8,793.92	162,655	2,165
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Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?	✓		<ol style="list-style-type: none"> Respect for human rights has always been among Acer's fundamental values. To this end, we have established the Acer Group Human Rights Policy, which applies to all Acer Group companies and organizations. We take human rights into account at all points in our value chain, including employees, customers, suppliers, and partners. We also ask our suppliers and partners to take consistent action with Acer to comply with the standards of this policy and uphold human rights. We support and follow the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the International Labor Organization's core labor standards and local laws and regulations in formulating human rights policies and implement human rights protection based on the principles of protection, respect, and remedy. Assessing potential human rights issues is part of Acer's risk management, with such issues identified, assessed, and discussed by members of the Risk Management Working Group. The responsible units then formulate, implement, and manage mitigation actions for issues so identified. Human rights issues mainly affect: Acer employees (including women), employees of suppliers (third-party employees), and children. Human rights risks identified in 2022 include: forced labor, freedom of association, equal pay, discrimination, child labor, and other issues. We continue to provide training on human rights protection issues for Acer employees worldwide, offering education and training courses on issues such as operates with integrity business standards of conduct, anti-corruption, privacy, safe and healthy working environments, and sexual harassment prevention to create a friendly work environment built around equality, tolerance, and respect. In 2022, Acer offices worldwide had 17,159 participants in training related to human rights protection for 63,031 course hours. Average of 8.8 hours of training per person. 	No discrepancy



Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	
(II) Does the company formulate and implement reasonable employee benefits measures (including salaries, vacations, and other benefits) or staff compensation that appropriately reflect operating performance or results?	✓		<p>1. Workplace Diversity and Equality:</p> <p>Wherever we are in the world, Acer strives to adhere to labor laws when hiring staff. We insist on equal opportunity employment, hiring through an open selection process that does not discriminate on the basis of factors that have no bearing on work capability, including ethnicity, skin color, age, religious belief, nationality, ancestry, marital status, gender, sexual orientation, gender identity, military service, or political beliefs. With our focus on hiring the best people for the job, we have been able to assemble a diverse array of outstanding talent. As of 2022, female staff accounted for 38% of total staff; 31% of management, and 36% of senior management.</p> <ul style="list-style-type: none"> • Vacations: <p>In addition to granting employees leave in accordance with the law, Acer has several other practices that go beyond the Labor Standards Act, such as: giving full pay for sick leave, giving new staff a more annual leave days than regulations require, allowing staff to take advance special leave, providing paid volunteer leave, and offering flexible leave for Saturday make-up days.</p> <ul style="list-style-type: none"> • Gifts & Grants: <p>In addition to the benefits as stipulated by law, Acer also provides group life insurance, accident insurance, cancer insurance, and hospital room and board insurance. At the same time, we also provide financial bonuses for Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year, and birthdays, as well as cash gifts for weddings and funerals and sponsorships for employees' children.</p> <p>2. Employee Remuneration: The Company conducts a global survey of salaries among peers every year to formulate a reasonable and competitive salary system. We also provides differentiated performance bonuses to employees based on the performance of each unit and the real contributions of staff members. Operating locations around the world all operate in compliance with local regulations and customs, providing staff with outstanding benefits and easy communications channels.</p>	No discrepancy
(III) Does the company provide a safe and healthy working environment for employees and regularly provide employees with health and safety education?	✓		<p>1. To effectively implement internal communication and health & safety policy, we have put in place an environmental health and safety management system and brought together representatives of various units to form an Occupational Safety and Health Committee. Each year, health and safety projects are carried out in line with the annual plan, ensuring that the system continues to function effectively. We have also launched a range of health and safety education and training programs to ensure compliance with laws and regulations.</p> <p>2. In order to comply with laws and regulations and maintain occupational safety and health management performance, Acer Taiwan conducts ISO 45001 management system certification every year. The scope of certification covers not only the Xizhi headquarters and all office locations, but also six subsidiaries: ACSI, eDC, AEB, Acer Synergy Tech, ISU Service, and Highpoint Network Service.</p> <p>3. We take every accident in the workplace seriously. When an accident is reported, we provide health care to the injured employee, initiate investigation with labor representatives, develop corrective measures and conduct internal promotion to prevent recurrence of the accident. Although traffic accidents that occur during commuting are not included in the occupational accident statistics, we keep track of them because they are the main type of accidents. Acer Taiwan had 32 accidents in 2022.</p>	No discrepancy



Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	
(IV) Has the company set up effective career development training programs for employees?	✓		The company provides training programs for newcomers, specialist training for job categories, management training (including junior, middle, senior, and cross-level management training), and general education (including ESG-related training and internal instructor training), and provides employees with career development opportunities and challenges in line with the development needs of the organization and the abilities of employees, enabling people to make the best use of their talents and create value together.	No discrepancy
(V) Does the company comply with relevant legislation and international standards on customer health and safety, customer privacy, and marketing/labeling with regard to products and services across the regions in which we operate. In accordance with the law, all products and services carry required labeling and product information. Manuals for products include guidelines for safe usage, laying out proper usage of the product and relevant items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Consumers can also find the company's contact information in the product manual or on the company's website, so that they can seek assistance from phone or online customer service personnel when encountering any problems.	✓		We adhere to all laws and regulations pertaining to customer health and safety, customer privacy, and marketing/labeling with regard to products and services across the regions in which we operate. In accordance with the law, all products and services carry required labeling and product information. Manuals for products include guidelines for safe usage, laying out proper usage of the product and relevant items to be aware of, as well as environmentally friendly recycling methods for when replacing a product. Consumers can also find the company's contact information in the product manual or on the company's website, so that they can seek assistance from phone or online customer service personnel when encountering any problems.	No discrepancy
(VI) Has the company formulated supplier management policies that require suppliers to be in compliance with regulations on environmental protection, occupational health and safety, and labor rights, and does it monitor their implementation?	✓		<p>1. Contracts between the Company and its primary suppliers include compliance with relevant ESG policies, regulations, and codes of responsible business conduct. We have adopted the RBA Code of Conduct and are dedicated to compliance in terms of environmental, health and safety, labor rights, ethics, and management systems.</p> <p>2. With reference to the RBA Supplier Engagement Process, Acer makes use of a range of supplier social and environmental management approaches, engaging with suppliers through multiple channels and working with them to improve their capabilities. We implement supplier ESG scorecards to review supplier ESG practices and performance. This score is included in quarterly business review (QBR) for key product lines and critical components, and is presented to Acer and supplier senior executives to create a driving force in the business relationship. The overall performance of suppliers on the ESG scorecard in 2021 continued to improved, with 67% of suppliers achieving an "excellent" standard and 27% at the "medium" level. We also use quarterly business reviews and other communication methods to demand underperforming suppliers implement appropriate actions to improve their ESG performance.</p>	No discrepancy
V. Does the company make reference to international reporting standards or guidelines in its preparation of reports such as sustainability reports that disclose non-financial information? Do the aforementioned reports receive assurance from third-party organizations?	✓		<p>1. The content and structure of Acer's sustainability report follows the Global Reporting Initiative's (GRI) GRI Sustainability Reporting Standards Universal Standards 2021 and uses the Sustainability Accounting Standard Board (SASB) Sustainability Indicators and the Task Force on Climate related Financial Disclosures (TCFD) framework. The sustainability report is accompanied by a cross-reference for GRI and SASB indicators.</p> <p>2. SGS Taiwan was contracted in accordance with the limited assurance standards of ISAE3000.</p>	No discrepancy

Activity	Implementation Status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies & Reasons for Those Differences
	Yes	No	Description	

VI. If the company has established its sustainable development code of practice according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed please describe the operational status and differences:

To boost Acer's overall competitiveness; fulfill our corporate responsibility in social, economic and environmental terms; and make Acer a leading brand, our Standards of Integrity Management & Business Conduct (SBC) gives Acer employees worldwide guidance and principles for conduct when interacting with customers, business partners, stakeholders, and the community. These standards provide fundamental guidance and instruction to staff for interactions with customers, business partners, shareholder, and the community. They are built around Acer's core values of passion, user-orientation, innovation, teamwork, balancing interests, and integrity, and serve as detailed guidelines for decision-making and action with regard to working environments, environmental protection, business matters (e.g., user-oriented commitments, fair competition, and conflicts of interest), supply chain management, gifts & hospitality, finance, information security, the law, marketing communication, and community engagement.

We have also formulated our Principles of Corporate Governance Best-Practice, Anti-Bribery and Anti-Corruption Policy, Antitrust and Fair Competition Guidelines, Regulations on Insider Trading, Personal Information Protection Policy, and Subject Regulations of Prevention, Complaint and Punishment of Sexual Harassment to strengthen ESG at all levels of our business activities. For further information on the Company's ESG/sustainable development operations, please refer to this report's explanation of "sustainable development" and related ESG information on our corporate website. Websites: <https://www.acer-group.com/sustainability/zh>

VII. Other important information to help understand the implementation of sustainable development efforts.

Please visit the following websites to learn more about Acer's efforts and achievements in promoting ESG

Sustainable Acer: <https://www.acer-group.com/sustainability/zh/>

Financial Standing



7.1. Five-Year Condensed Balance Sheets and Statement of Comprehensive Income

7.1.1 Condensed Balance Sheet

Financial Information (Consolidated)

Unit: NTD Thousands

Item	Period	2018	2019	2020	2021	2022
Current assets		123,120,995	121,729,074	148,736,476	175,095,238	146,657,025
Property, plant and equipment		3,846,752	3,561,644	3,865,909	4,055,870	4,298,887
Intangible assets		17,311,344	16,930,072	16,292,729	16,527,283	18,530,591
Other assets		9,710,319	13,875,774	15,013,558	19,109,920	19,553,216
Total assets		153,989,410	156,096,564	183,908,672	214,788,311	189,039,719
Current liabilities	Before Distribution	86,816,928	84,473,257	110,720,318	129,423,055	99,523,732
	After Distribution	89,148,576	86,804,540	115,221,980	136,265,580	104,025,394 (note)
Non-Current liabilities		8,186,196	12,428,068	11,246,390	19,342,313	19,081,792
Total Liabilities	Before Distribution	95,003,124	96,901,325	121,966,708	148,765,368	118,605,524
	After Distribution	97,334,772	99,232,608	126,468,370	155,607,893	123,107,186 (note)
Equity						
Common stock		30,749,338	30,749,338	30,478,538	30,478,538	30,478,538
Capital surplus	Before Distribution	27,913,351	28,152,962	27,378,068	27,514,269	27,795,883
	After Distribution	27,949,402	27,174,650	27,448,187	27,620,851	27,866,002(note)
Retained Earnings	Before Distribution	5,901,450	6,196,256	10,869,033	16,886,389	14,897,145
	After Distribution	3,533,751	4,843,285	6,297,252	9,937,282	10,325,364(note)
Other equity		(3,381,189)	(4,342,227)	(5,517,452)	(8,287,624)	(4,309,253)
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)
Non-controlling interests		718,192	1,353,766	1,648,633	2,346,227	4,486,738
Total equity	Before Distribution	58,986,286	59,195,239	61,941,964	66,022,943	70,434,195
	After Distribution	56,654,638	56,863,956	57,370,183	59,180,418	65,932,533(note)

Note: The amount approved by Board of Directors on March 16, 2023.

Financial Information (Unconsolidated)

Unit: NTD Thousands

Item	Period	2018	2019	2020	2021	2022
Current assets		44,854,355	43,308,261	61,019,791	82,248,594	46,888,721
Property, plant and equipment		1,355,056	1,310,885	1,844,520	1,740,178	1,754,509
Intangible assets		229,136	207,915	180,529	175,814	179,677
Other assets		72,121,938	71,916,038	73,557,412	78,832,252	88,527,197
Total assets		118,560,485	116,743,099	136,602,252	162,996,838	137,350,104
Current Liabilities	Before Distribution	54,079,626	50,149,978	69,214,147	84,291,938	56,177,452
	After Distribution	56,411,274	52,481,261	73,715,809	91,134,463	60,679,114 (note)
Non-Current liabilities		6,212,765	8,751,648	7,094,774	15,028,184	15,225,195
Total Liabilities	Before Distribution	60,292,391	58,901,626	76,308,921	99,320,122	71,402,647
	After Distribution	62,624,039	61,232,909	80,810,583	106,162,647	75,904,309 (note)
Equity						
Common stock		30,749,338	30,749,338	30,478,538	30,478,538	30,478,538
Capital surplus	Before Distribution	27,913,351	28,152,962	27,378,068	27,514,269	27,795,883
	After Distribution	27,949,402	27,174,650	27,448,187	27,620,851	27,866,002 (note)
Retained Earnings	Before Distribution	5,901,450	6,196,256	10,869,033	16,886,389	14,897,145
	After Distribution	3,569,801	4,843,285	6,367,371	10,043,864	10,325,364 (note)
Other equity		(3,381,189)	(4,342,227)	(5,517,452)	(8,287,624)	(4,309,253)
Treasury Stock		(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)	(2,914,856)
Total equity	Before Distribution	58,268,094	57,841,473	60,293,331	63,676,716	65,947,457
	After Distribution	55,936,446	55,510,190	55,791,669	56,834,191	61,445,795 (note)

Note: The amount approved by Board of Directors on March 16, 2023.

7.1.2 Condensed Statement of Comprehensive Income

Financial Information (Consolidated)

Unit: NTD Thousands

Item	Period	2018	2019	2020	2021	2022
Revenue		242,270,406	234,285,354	277,112,477	319,005,456	275,423,744
Gross profit		25,828,199	24,716,786	30,119,615	37,191,056	29,744,487
Operating income		3,738,489	3,077,814	8,935,838	14,162,861	6,927,697
Non-operating income and (expenses)		513,891	634,206	(30,735)	1,272,784	946,124
Income (loss) before taxes		4,252,380	3,712,020	8,905,103	15,435,645	7,873,821
Net income (loss)		2,901,960	2,568,374	6,145,610	11,287,313	5,603,292
Other comprehensive income (loss)		(192,878)	(950,104)	(1,171,551)	(3,142,607)	3,927,825
Total comprehensive income (loss)		2,709,082	1,618,270	4,974,059	8,144,706	9,531,117
Net income (loss) attributable to shareholders of the Parent		3,060,429	2,632,565	6,029,287	10,897,427	5,003,688
Net income (loss) attributable to non-controlling interests		(158,469)	(64,191)	116,323	389,886	599,604
Total comprehensive income (loss) attributable to shareholders of the Parent		2,876,293	1,693,913	4,850,535	7,818,893	8,930,204
Total comprehensive income (loss) attributable to non-controlling interests		(167,211)	(75,643)	(123,524)	325,813	600,913
EPS (in New Taiwan Dollars)		1.01	0.87	2.01	3.63	1.67

Consolidated financial statements for each year have been audited by CPA.

Financial Information (Unconsolidated)

Unit: NTD Thousands

Item	Period	2018	2019	2020	2021	2022
Revenue		177,953,077	173,659,404	209,586,473	246,828,456	169,284,764
Gross profit		8,470,194	7,735,758	10,523,192	15,332,968	10,132,296
Operating income		2,726,867	2,299,916	4,490,834	8,504,857	4,217,143
Non-operating income and (expenses)		1,185,723	964,619	2,873,428	5,198,004	2,142,707
Income (loss) before taxes		3,912,590	3,264,535	7,364,262	13,702,861	6,359,850
Net income (loss)		3,060,428	2,632,565	6,029,287	10,897,427	5,003,688
Other comprehensive income (loss)		(184,136)	(938,652)	(1,178,752)	(3,078,534)	3,926,516
Total comprehensive income (loss)		2,876,293	1,693,913	4,850,535	7,818,893	8,930,204
EPS (in New Taiwan Dollars)		1.01	0.87	2.01	3.63	1.67

Financial statements for each year have been audited by CPA.

7.1.3 CPAs' and Auditors' Opinions

CPAs and opinions in the past five years

Year	Name of CPA(s)	Auditors' Opinion
2018	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion with the paragraph on emphasis of matter
2019	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2020	Huei-Chen Chang, Tzu-Chieh Tang	An Unqualified Opinion
2021	Huei-Chen Chang, Ching-Wen Kao	An Unqualified Opinion
2022	Huei-Chen Chang, Ching-Wen Kao	An Unqualified Opinion

7.2 Five-Year Financial Analysis

Financial Information (Consolidated)

Item		Period					
		2018	2019	2020	2021	2022	
Financial Ratio	Total liabilities to total assets(%)	61.69	62.08	66.32	69.26	62.74	
	Long-term debts to fixed assets (%)	1,746.21	2,010.96	1,893.17	2,104.73	2,082.31	
Ability to Payoff Debt	Current ratio(%)	141.82	144.10	134.34	135.29	147.36	
	Quick ratio(%)	89.02	90.30	91.89	87.56	100.94	
	Interest protection	25.26	20.61	58.34	46.85	41.65	
Ability to Operate	A/R turnover (times)	5.13	4.83	5.30	5.35	4.77	
	A/R turnover days	71.15	75.56	68.86	68.22	76.51	
	Inventory turnover (times)	5.27	5.04	5.88	5.54	4.87	
	A/P turnover (times)	5.23	5.57	5.84	5.25	5.49	
	Inventory turnover days	69.25	72.42	62.07	65.88	74.94	
	Fixed assets turnover (times)	60.92	63.25	74.62	80.54	65.93	
	Total assets turnover (times)	1.55	1.51	1.63	1.60	1.36	
Earning Ability	Return on assets(%)	1.95	1.75	3.69	5.80	2.85	
	Return on equity(%)	4.96	4.35	10.15	17.64	8.21	
	To Pay-in Capital (%)	Operating income	12.16	10.01	29.32	46.47	22.73
		PBT	13.83	12.07	29.22	50.64	25.83
	Net income ratio(%)	1.20	1.10	2.22	3.54	2.03	
	EPS(NTD)	1.01	0.87	2.01	3.63	1.67	
Cash Flow(%)	Cash flow ratio	(2.46)	(1.63)	24.83	5.02	5.96	
	Cash flow adequacy ratio	20.94	(20.56)	111.82	63.59	88.44	
	Cash reinvestment ratio	(7.34)	(5.90)	37.82	2.66	(1.17)	
Leverage	Operating leverage	6.68	7.81	3.27	2.58	4.24	
	Financial leverage	1.05	1.07	1.02	1.02	1.03	

Analysis of Deviation over 20%:

Return on assets, return on equity, operating income to pay-in capital, PBT to pay-in capital, net income ratio, EPS and operating leverage: mainly due to decrease in operating income, income before taxes and net income.

Cash reinvestment ratio: mainly due to decrease in cash flows from operating activities.

Cash flow adequacy ratio: mainly due to increase in the most recent 5-year cash flow from operating activities.

Financial Information (Unconsolidated)

Item		Period					
		2018	2019	2020	2021	2022	
Financial Ratio	Total liabilities to total assets(%)	50.85	50.45	55.86	60.93	51.99	
	Long-term debts to fixed assets (%)	4,758.54	5,080.01	3,653.42	4,522.81	4,626.52	
Ability to Payoff Debt	Current ratio(%)	82.94	86.36	88.16	97.58	83.47	
	Quick ratio(%)	57.53	60.51	68.11	78.06	60.74	
	Interest protection	32.79	29.64	113.38	266.24	57.02	
Ability to Operate	A/R turnover (times)	7.93	6.65	7.44	6.64	5.63	
	A/R turnover days	46.03	54.88	49.06	54.97	64.83	
	Inventory turnover (times)	12.59	12.61	15.09	15.50	11.08	
	A/P turnover (times)	5.01	5.39	5.64	5.08	4.52	
	Inventory turnover days	28.99	28.94	24.18	23.54	32.94	
	Fixed assets turnover (times)	131.15	130.28	132.84	137.71	96.88	
	Total assets turnover (times)	1.50	1.48	1.65	1.65	1.13	
Earning Ability	Return on assets(%)	2.66	2.32	4.80	7.30	3.39	
	Return on equity(%)	5.30	4.53	10.21	17.58	7.72	
	To Pay-in Capital (%)	Operating income	8.87	7.48	14.73	27.90	13.84
		PBT	12.72	10.62	24.16	44.96	20.87
	Net income ratio(%)	1.72	1.52	2.88	4.41	2.96	
	EPS(NTD)	1.01	0.87	2.01	3.63	1.67	
Cash Flow(%)	Cash flow ratio	(9.66)	(1.10)	25.50	5.79	12.27	
	Cash flow adequacy ratio	(23.75)	(57.81)	60.56	98.24	106.49	
	Cash reinvestment ratio	(11.10)	(4.27)	21.71	0.47	0.06	
Leverage	Operating leverage	3.02	3.22	2.28	1.79	2.40	
	Financial leverage	1.05	1.05	1.01	1.01	1.03	

Analysis of Deviation over 20%:

Quick ratio: mainly due to decrease in current assets.

Inventory turnover (times) and inventory turnover days: mainly due to decrease in cost of revenue.

Fixed assets turnover (times) and total assets turnover (times): mainly due to decrease in net revenue.

Interest protection, return on assets, return on equity, operating income to pay-in capital, PBT to pay-in capital, net income ratio, EPS and operating leverage: mainly due to decrease in operating income, income before taxes and net income.

Cash flow ratio: mainly due to increase in cash flows from operating activities.

Cash reinvestment ratio: mainly due to decrease in the difference between cash flows from operating activities and cash dividends.

1. Financial Ratio

- (1) Total liabilities to total assets=total liabilities/total assets
- (2) Long-term funds to Net property, plant and equipment= (net equity+long term debts)/net property, plant and equipment

2. Ability to Pay off debt

- (1) Current ratio=current assets/current liability
- (2) Quick ratio= (current assets-inventory-prepaid expenses)/current liability
- (3) Interest protection=net income before income tax and interest expense/interest expense

3. Ability to Operate

- (1) Account receivable (including account receivable and notes receivable from operation) turnover=net sales/the average of account receivable (including account receivable and notes receivable from operation) balance
- (2) A/R turnover day=365/account receivable turnover
- (3) Inventory turnover=cost of revenue/the average of inventory
- (4) Account payable (including account payable and notes payable from operation) turnover=cost of revenue /the average of account payable (including account payable and notes payable from operation) balance
- (5) Inventory turnover day=365/Inventory turnover
- (6) Net property, plant and equipment turnover=net sales/average Net property, plant and equipment
- (7) Total assets turnover=net sales/average Total assets

4. Earning Ability

- (1) Return on assets= [PAT+interest expense× (1-tax rate)]/the average of total assets
- (2) Return on equity=PAT/the average of total equity
- (3) Net income ratio=PAT/net sales
- (4) EPS = (Earning attributable to shareholders of the Company -dividend from prefer stock)/weighted average outstanding shares

5. Cash Flow

- (1) Cash flow ratio=cash flow from operating activities/current liability
- (2) Cash flow adequacy ratio=most recent 5-year cash flow from operating activities=most recent 5-year (capital expenditure+the increase of inventory+cash dividend)
- (3) Cash reinvestment ratio= (cash flow from operating activities-cash dividend)/(gross property, plant and equipment+long-term investment+other non-current assets+working capital)

6. Leverage

- (1) Operating leverage= (net revenue-variable cost of revenue and operating expense)/operating income
- (2) Financial leverage=operating income/ (operating income-interest expenses)

7.3 Audit Committee Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and the Proposal for profit & loss appropriation. The CPA Huei-Chen Chang and Ching-Wen Kao from KPMG were retained to audit Acer'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.

Acer Incorporated

Convener of the Audit Committee: Ching-Hsiang, Hsu

March 16, 2023

7.4 Consolidated Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix I.

7.5 Parent-Company-Only Financial Statements Audited by CPAs of the Past Year

Please refer to Appendix II.

7.6 Disclosure of the Impact on Company's Financial Status Due to Financial Difficulties

None

Review of Financial Position, Management Performance and Risk Management



8.1 Financial position (Consolidated Financial Statements)

Major impact on financial position

Unit: NTD Thousands

Item	Period	2022	2021	Difference	
				Amount	%
Current assets		146,657,025	175,095,238	(28,438,213)	(16.24)
Property, plant and equipment		4,298,887	4,055,870	243,017	5.99
Intangible assets		18,530,591	16,527,283	2,003,308	12.12
Other assets		19,553,216	19,109,920	443,296	2.32
Total assets		189,039,719	214,788,311	(25,748,592)	(11.99)
Current liabilities		99,523,732	129,423,055	(29,899,323)	(23.10)
Non-current liabilities		19,081,792	19,342,313	(260,521)	(1.35)
Total liabilities		118,605,524	148,765,368	(30,159,844)	(20.27)
Common stock		30,478,538	30,478,538	0	0.00
Capital surplus		27,795,883	27,514,269	281,614	1.02
Retained earnings		14,897,145	16,886,389	(1,989,244)	(11.78)
Other equity		(4,309,253)	(8,287,624)	3,978,371	(48.00)
Treasury stock		(2,914,856)	(2,914,856)	0	0.00
Equity attributable to shareholders of the Parent		65,947,457	63,676,716	2,270,741	3.57
Total equity		70,434,195	66,022,943	4,411,252	6.68

Analysis of Deviation over 20%:

1. Current liabilities: The decrease was mainly due to decrease in Notes and accounts payable.
2. Total liabilities: The decrease was mainly due to decrease in Notes and accounts payable.
3. Other equity: The increase was mainly due to increase in gain from foreign currency translation difference.

8.2 Financial performance (Consolidated Financial Statements)

Unit: NTD Thousands

Item	Period	2022	2021	Difference	
				Amount	%
Revenue		275,423,744	319,005,456	(43,581,712)	(13.66)
Cost of revenue		(245,679,257)	(281,814,400)	36,135,143	(12.82)
Gross profit		29,744,487	37,191,056	(7,446,569)	(20.02)
Operating expenses		(22,954,863)	(23,140,474)	185,611	(0.80)
Other operating income and expenses, net		138,073	112,279	25,794	22.97
Operating income		6,927,697	14,162,861	(7,235,164)	(51.09)
Non-operating income and loss		946,124	1,272,784	(326,660)	(25.66)
Income before taxes		7,873,821	15,435,645	(7,561,824)	(48.99)
Income tax expense		(2,270,529)	(4,148,332)	1,877,803	(45.27)
Net income		5,603,292	11,287,313	(5,684,021)	(50.36)
Other comprehensive loss for the year, net of taxes		3,927,825	(3,142,607)	7,070,432	(224.99)
Total comprehensive income		9,531,117	8,144,706	1,386,411	17.02
Net income attributable to shareholders of the Parent		5,003,688	10,897,427	(5,893,739)	(54.08)
Total comprehensive income attributable to shareholders of the Parent		8,930,204	7,818,893	1,111,311	14.21

Analysis of Deviation over 20%:

- Gross profit: The decrease was mainly due to lower revenue.
- Other operating income and expenses, net: The increase was mainly due to higher government grant.
- Operating income: The decrease was mainly due to lower gross profit.
- Non-operating income and loss: The decrease was mainly due to higher foreign currency exchange loss.
- Income before taxes: The decrease was mainly due to lower gross profit.
- Income taxes expense: The decrease was mainly due to lower income before taxes.
- Net income: The decrease was mainly due to lower gross profit.
- Other comprehensive loss for the year, net of taxes: The increase was mainly due to increase in gain from foreign currency translation difference.
- Net income attributable to shareholders of the Parent: The decrease was mainly due to lower net income.

8.3 Cash flows (Consolidated Financial Statements)

8.3.1 Major impact on cash flows

Unit: NTD Thousands

Item	Period	2022
Cash and cash equivalents at beginning of period		44,619,541
Cash flows from operating activities		5,934,436
Cash flows from investing activities		(903,029)
Cash flows from financing activities		(5,839,256)
Effect of foreign exchange rate changes		3,031,210
Cash and cash equivalents at end of period		46,842,902

Analysis of cash flows in 2022:

NT\$5.9 billion net cash provided by operating activities: mainly from transfer of profit before tax, and decrease in notes and accounts receivable, net and inventories.

NT\$0.9 billion net cash used in investing activities: mainly from acquisition of financial assets measured at fair value through profit or loss and at amortized cost and subsidiaries.

NT\$5.8 billion net cash used in financing activities: mainly from cash dividends paid.

8.3.2 Remedial actions for liquidity shortfall

Remedial actions are not required.

8.3.3 Analysis of cash liquidity for next year

Not applicable

8.4 Major capital expenditures and impact on financial and business in recent years

None

8.5 Long-term investment policy and results

The investments accounted for using equity method are for strategic purpose. The share of profits of associates and joint ventures amounted to NT\$120,823 thousands on consolidated statements mainly due to transformation. Acer will still focus on strategic purpose with adequate and prudent assessment.

8.6 Risk Management

8.6.1 Impact of Interest Rate, Exchange Rate and Inflation on Company's P&L and Future Strategy

1. Interest Rate Fluctuation

With high inflation continues, FED is expected to rate hike and keep it at high level in 2023, the market will be concerned about its progress in raising rate. ECB will follow the footsteps of FED to adjust its monetary policy. The Central Bank of the Republic of China (Taiwan) is expected to ensure the interest rate stable and Acer's interest expense will reflect the market trend. Short-term TWD and foreign currency deposits remain to be the most common used instruments for Acer to optimize return while reducing risk.

2. Exchange Rate

With hawkish monetary policy and more rate hike expectation, USD would outperform than other currencies. EUR might be weak accordingly due to geopolitical risks and slow recovery of economy. China reopening will support RMB. The monetary policies of major economies influence the stability of the currencies in emerging markets. Acer will maintain its strategy to meticulously hedge its foreign positions to minimize the impacts on earnings caused by foreign exchange rate fluctuations.

3. Inflation

According to recent IMF World Economic Outlook, Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024, it is higher than seen in several decades. Appropriate measures will be taken accordingly to minimize impacts on business operation if need.

8.6.2 The Policy Regarding High-Risk/Highly Leveraged Investments, Lending, Endorsements, and Guarantees for Other Parties; The Main Reasons for the Profits/Losses Generated Thereby; And Response Measures To Be Taken In The Future

Company will use high-safety, high-liquidity, and fixed-income financial instruments provided by financial institutions with high credit rating for the utilization of short-term idle funds. Company will use investment of leading and relative industry for the utilization of long-term idle funds.

Company does not engage in lending, endorsements and guarantees, unless for its subsidiaries; provides, if there is any necessities to lend, endorse, and guarantee to other parties for business purpose, it shall be done in accordance with Company's "Procedures Governing the Acquiring or Disposing of Assets" and "Procedures Governing Endorsement and Guarantee".

As of December 31, 2022, the aggregated amount of guarantees provided is NTD 22,564,546,000, among which NTD 4,392,592,100 was actually used.

Company does not engage in financial derivative transactions unless for hedging purpose. ; If Company engages in financial derivative transactions for business purpose, it shall be done in accordance with Company's "Regulations of Foreign Exchange Risk Management and Structured Deposit."

8.6.3 Research and Development Plan in the Future and Estimated Expense

Company and its affiliates focus on keeping invest in researching and developing (R&D) not only for computers and accessories & peripherals, but for smart retail, artificial intelligence application, smart medicine and healthcare, technology of big data, cloud platform, Video System and Electric bicycle etc. in the near future. The plans are summarized as follows:

Research item	Description
Artificial intelligence	R&D of algorithm, application and service of machine learning and artificial intelligence.
Smart medicine and healthcare	To develop assistant tools and service of artificial intelligence diagnosis, and wearable of physiology monitor by Acer's deep learning and big data system technologies, as well as cooperation with hospital's huge amount of data and medical knowledge.
Big data technology	Data mining, data cleaning, big data management, machine learning and advance analysis of big data.
Cloud platform	To build and develop a cloud platform, and provide a complete solution with the applications of information analysis and artificial intelligence for the necessity for IOT devices.
Video System	In response to post-epidemic era, we develop Video Conference System, Remote Medical System, and apply key Video Technology to the field needing the system in the future.
Electric bicycle	Research and develop motor controller hardware and software algorithm, combine various electric-assist bicycle motors, and analyze those data to optimize motor output power and performance.

It is estimated expense around 0.8% to 1.5% of 2023 total revenue for all R&D plans.

8.6.4 Impacts associated with domestic and international important policies and regulation changes to Company's financial and business and the response measures to be taken in the future

As of the date of print of this annual financial report, the relevant domestic and international important policies and regulation changes have no immediate, obvious and significant expected impacts on the Company's finances and business. Company continues to pay attention to domestic and international important policies and regulation changes to evaluate the impacts timely and then take appropriate steps to protect the Company's finance and business.

8.6.5 Impact Associated with Changes in technology and industry to Company's financial and business and the response measures to be taken in the future

Nowadays, the Information and Communication Industry and relevant technologies change rapider and rapider, which, though, causes no immediately foreseeable, significant and negative impacts on the company's finance and business, Company still continuously and densely focus on the prospects of technology and trends of markets for lead arrangement of business operating. Except self-developing /controlling technologies, Company cooperates with partners in Joint-Development and Joint-Business, and develops new business to foresee the future trendy to technologies and changes of business for keeping competitiveness. Meanwhile, Acer puts the dual transformation strategy into practice vigorously not for finding new markets to its core business, but for new business multiple growth engines by its existing sources and reputations, and that will ambitiously strengthen its performance and new business development. Moreover, Company will focus on gaming PCs, Creator solutions, commercial business growth, in addition to new initiatives including AOPEN, ACSI, AST, Weblink, and more, as its main growth energy to maintain Acer's energy of innovation and progress.

The Company was attacked by ransomware because a employee accidently opened a phishing email, and will probable face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues in the future:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope eve under the hacker's malicious attack, and recover the system within an acceptable time frame.

8.6.6 The Impacts of enterprise crisis management from Changes in Corporate Reputation and the response measures to be taken in the future

Company has transformed manufacturing into a brand company of information and communication products and service, thus, it focuses on global operations and supply chain management, which results in the shift of the scope of corporate crisis management. Via multi-vendor strategies to separate the risks of cooperation with a single partner, the inventory management of Company will be more resilient. In addition, due to the uncertain global situation, crisis and challenges may occur at any time, Company actively strengthens the awareness of crisis management, develops preventive measures to avoid the occurrence of crisis, and establishes risk management mechanism. If a crisis should be encountered, the losses of risk could be reduced to ensure Company will be evergreen.

8.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

None

8.6.8 Predicted Benefits and Potential Risk to Company with Factory/Office Expansion

None

8.6.9 Potential Risks to Company from the Concentration of Procurement and Sales

None

8.6.10 Affect on Company from Shares Transfers by Directors, Supervisors or Shareholders Holding More Than 10% Shares

None

8.6.11 Impact and Potential Risks to Company Management Team Change

None

8.6.12 The major litigious, non-litigious or administrative disputes that: (1) involve Acer and/or any Acer director, any Acer supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 %, and/or any company or companies controlled by Acer; and (2) have been concluded by means of a final and definitive judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of printing of this annual report shall be disclosed as follows

- The status of the dispute as of the date of printing of this annual report:
 - An American company has filed a lawsuit against Acer for violating confidential agreement and trade secret. The Group had appointed outside counsel to handle the case. Acer won the summary motion to dismiss but the plaintiff filed appeal. The appellate procedure is still under review. However, the Group has recognized the litigation provisions based on the development of the aforesaid lawsuit. The management foresees no immediate material adverse effect on the Group's business operations and finance.
 - Acer from time to time receives notices from third parties asserting that Acer has infringed certain patents or demands Acer obtain certain patents licenses. Although Acer does not expect that outcome of the notices, individually or collectively, will have a material adverse effect on Acer's financial position or operation, given the outcome of legal proceedings are difficult to foresee, relevant settlements may affect Acer's result of operation or cash flow in a particular period.
 - Due to the globally fast-changing environment, Acer has faced many kinds of challenges and different interpretation from local tax authorities; therefore, for the tax cases which reach the requirements of liability reserve (including but not limited income tax, withholding tax, and sale tax), Acer has prior-estimated properly accordance with relevant rules. However, tax issues are usually complicated, time-consuming, and unpredictable, thus there would be an influence to Acer's business result or cash flow on specific period.
- In year 2022 and as of the date of printing of this annual report, any Acer director, supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10% were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect shareholders' equity or the prices of Acer's securities.
- In year 2022 and as of the date of printing of this annual report, any subsidiaries and affiliates controlled by Acer were not involved in any material litigious, non-litigious or administrative disputes of which the result could materially affect Acer shareholders' equity or the prices of Acer's securities.

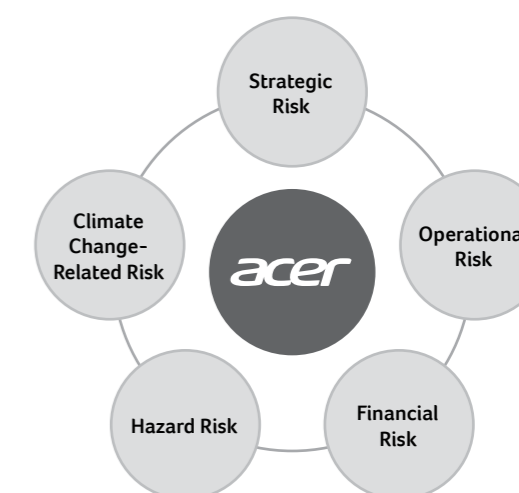
8.6.13 Other important risks

Acer's corporate philosophy is based on the ultimate goal of "sustainable development". We believe that rigorous and pragmatic risk management not only reflects Acer's persistent commitment to our customers, employees, supply chain partners and investors, but also to our long-term commitment to ensuring sound business performance and compliance of corporate social responsibility. It is also a concrete act of ensuring sound business performance and fulfilling corporate social responsibility. The relationship between sustainable corporate development and risk management is intricate. Only by continuously identifying and analyzing the short-term dynamic changes and long-term trends of risks and implementing relevant risk management strategies, and by establishing a risk-conscious corporate culture through frank internal communication and training programs, can we ensure our hard-earned business results and achieve our goal of "sustainability".

To realize the vision of sustainable development and establish a risk-conscious corporate culture, the Company not only follows the relevant risk management measures under the organizational management system and operational processes at all levels, but also commits to continuously improve the Company's risk management practices through the participation of senior managers, using international standards such as ISO 31000:2018 risk management system and the Corporate Risk Management Integrated Framework (COSO ERM 2017) issued by the National Council on Fraudulent Financial Reporting (NCFR) as references. The Company will continue to improve its risk management practices through the participation of its senior management, and will establish a risk management policy based on international standards such as ISO 31000:2018 risk management system and COSO ERM 2017, which was approved by the Board of Directors on March 16, 2022.

Acer takes a proactive and cost-efficient approach to manage risk. The risk management scope is based on strategic, operational, financial, disaster and climate change risk components, and regular overall assessment of the internal and external business environment (external business environment assessment includes various external international risk reports and relevant reports/research results of the insurance industry/risk management consultants for the purpose of assessing the integrity of risk perception) and establishing a risk radar. The Acer Risk Radar for 2022 identified 19 internal risks and 26 external risks, totaling 45 risks, through the aforementioned process. Risk Prioritization and Risk Appetite are conducted for the purpose of business growth and effective resource allocation, and corresponding risk management strategies and preventive/mitigation measures, implementation mechanisms and responsible organizations are formulated to ensure that the relevant key risks are effectively controlled and responded to appropriately. To continuously monitor and strengthen risk management practices and response measures, the Audit Committee evaluates and incorporates them into the regular agenda based on the importance and urgency of the risk ranking, and decides on the reporting issues and the responsible units. The Audit Committee regularly summarizes the risk environment, risk management priorities, risk assessment results and related countermeasures together with information security risk management implementation in the Board of Directors' report (at least once a year).

Scope of Acer Risk Management



Acer Risk Management Organization Structure

Organizational History

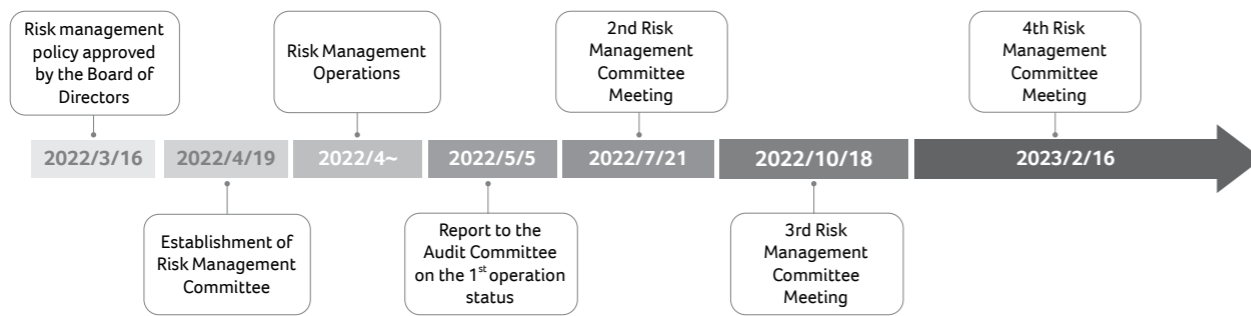
- End of 2012: The Company has established a Risk Management Group, whose members include Legal, Finance, Human Resources, Supply Chain Management, Corporate Communication, Marketing, Quality and Service, IT and Information Security, Environmental Safety and Health, Asset Management, various product business groups, and the Sustainable Development Office. Through regular meetings of the Risk Management Working Group, members of the Working Group are invited to identify, evaluate and discuss potential and emerging risks in the three major areas of economy, environment and society.
- 2018: The Company reorganized the former Global Corporate Social Responsibility Committee (GCSRC) into the Corporate Sustainability Committee (CSC), with the Risk Management Working Group as a unit under the CSC. We believe that the aforementioned reorganization will not only further strengthen the existing risk management practices, but also gradually build a corporate culture with risk management awareness through discussions and participation of all departments and business unit-level executives.

- 2022: Acer formally establishes the Risk Management Committee and completes the development of Acer's Risk Management Policy. The establishment of the Risk Management Committee and the risk management policy were approved by the Audit Committee at its March meeting and then submitted by the Audit Committee to the Board of Directors for approval.

■ Acer Risk Management Organization Chart



■ Responsibilities of the Acer Risk Management Organization



■ Responsibilities of the Acer Risk Management Organization



Risk Management Procedures

1. Risk Identification and Assessment
 - Risk Management Working Group members identify risks and assess potential risk scenarios and operational impacts using relevant risk management assessment tools such as Risk Register and Risk Map.
2. Risk Control and Risk Mitigation
 - Use the Risk Management Working Group as a platform to communicate risk across business units/functional organizations, and promote the strengthening of risk control and mitigation programs for each business unit/functional organization
 - The Risk Management Working Group implements risk management programs and regularly tracks the progress and effectiveness of implementation to ensure continuous improvement of risk management.
 - Each unit will include risk control in the annual internal control self-assessment review
3. Risk Monitoring and Corporate Risk Management Report
 - The Risk Management Working Group summarizes the risk environment, risk management priorities, assessment results and related response measures, and the Risk Management Committee approves/decides.
 - The Risk Management Committee shall report to the Audit Committee and the Board of Directors at least once a year.

■ Risk Management Procedure



■ The "Three Lines of Defense" Framework for Organizational Risk Management



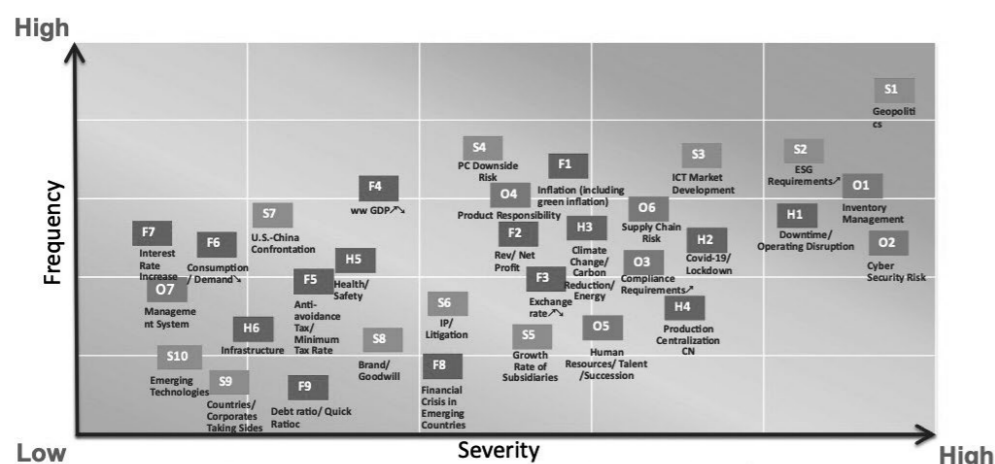
Risk Identification and Management Effectiveness in 2022

The Company identifies, evaluates and discusses potential and emerging corporate risks in three major areas: environmental, social and corporate governance. Risk management organizations use the Risk Map to assess the potential threat level of each risk to the company's future operations based on the likelihood of occurrence of each risk and the degree/severity of loss that may be caused once the risk occurs, and to prioritize risk management strategies by classifying the risk level. We also use Sensitivity Analysis and Stress Test to further quantify and analyze the risks and examine whether there is a high correlation between the risk factors. The Risk Map for 2022 includes six risk items with a medium to high level, including geopolitical risk, information security risk, inventory risk, ICT market downside risk, downtime/operational disruption, and ESG-related risk (Refer to the 2022 Risk Map for details).

The Risk Management Working Group compiles the results of the aforementioned analyses and tests, draws up a follow-up implementation plan, and reports them to the Risk Management Committee on a regular basis (quarterly); in 2022, the Risk Management Working Group has a total of 16 departments/units to coordinate with. To integrate the implementation of ERM with the daily operation procedures of each department/unit and the Business Objective, each department/unit first compiles 46 Key Performance Indicators (KPIs) and then develops/identifies 82 Risk Scenarios that may actually cause operational impacts on the aforementioned KPIs. Based on the identified and analyzed risk items, the relevant department staff are assigned to prepare the subsequent risk management strategy and related implementation plan (Risk Mitigation), including the common risk management responses in practice: Loss Prevention, Avoidance, Separation & Duplication, Transfer and Retention. Duplication, Transfer, and Retention, etc., and evaluate the appropriate resource input, implementation priorities, and follow-up progress tracking methods. At the same time, we have developed the Incident Response and Crisis Management plans to minimize the negative impact of potential risks on our business objectives and to strengthen the risk resilience of our overall operations. The aforementioned risk management strategy and related implementation plan are based on the cycle of Plan, Do, Check, and Action, and the effectiveness of the risk management plan and the room for improvement are reviewed periodically during the working group meetings for continuous adjustment/refinement. Finally, progress reports on material risk information and corporate risk management operations are made regularly to the Risk Management Committee and the Audit Committee.

In summary, we continue to actively engage in risk management activities with a proactive approach to address current and future risks and challenges in a prudent manner. The Audit Committee also summarizes the risk environment, risk management focus, risk assessment results and the corresponding response measures, which are reported by the Chairman at the Board of Directors' meeting.

2022 Risk Map



* Risks are ranked according to Severity/Frequency. The higher the severity of risk on the right, the higher the probability of occurrence on the top

Note:

1. The risk identification/analysis process is initiated in the 4th quarter of each year and completed in the 1st quarter of the following year.
2. The Risk Map is based on the risk level assessment of the risk items in 2022.
3. Materiality analysis is part of the ERM integration process. Therefore, ESG-related risks, compliance requirements and human rights-related risks have been incorporated into the risk identification/analysis/ranking/control measures process.
4. Risk item codes (S)-strategic risk, (O)-operational risk, (F)-financial risk, (H)-hazard risk; the numbers represent the serial numbers in the risk register and are not related to the risk level.

Emerging Risks

The Risk Management Working Group has identified emerging risks such as information security risks, extreme climate risks, large-scale infectious diseases, supply chain-related risks and geopolitical risks in 2021. After regular reconsideration and review in 2022, the Risk Management Committee and Working Group identified a number of emerging risks in 2022, including geopolitical risks (including geo-economic), ICT market downside, inventory management, inflation (including green inflation), interest rate increase, and global climate change. Through group discussions and focused thinking, we hope to carefully assess the potential negative impact of each emerging risk item on the company's future operations, and to consider and structure feasible and cost-effective risk management action plans for registration in the risk analysis/registration worksheet. Cyber Security Risk continues to be a key risk concern for the Company, especially considering the risk correlation between geopolitical and global economic environment and cyber security risk. The Risk Management Working Group summarizes possible loss types (including loss of goodwill, business interruption, data leakage, ransomware, etc.), and the IT department has also compiled the following basic information security principles and continues to work on them to obtain ISO 27001 international certification for information security in 2020. In addition, Acer has continued to purchase global information security insurance policies since 2018 and regularly reviews the integrity of the overall coverage every year. In addition to risk transfer considerations, Acer also expects to obtain further assistance and resources from external information security experts through the international information security insurance market. With the rapid development of information technology, the trend of digital transformation and the continuous investment in various innovative applications, we will continue to pay attention to the development trend of cyber security risks (e.g., cyber security risks arising from the adoption of remote working mode) in order to continuously review and improve the relevant information security principles and appropriate risk transfer measures.

- Reviewing external services that are open to the public
- Using the least privilege principle and encryption
- Verifying and securing endpoints
- Considering the security of the application
- Educating users
- Identifying and protecting the weakest points
- Keeping up with the latest information security regulations and understanding the latest attack techniques

The future trends and potential negative impacts of geopolitical risks (geo-economics), such as country-to-country trade protectionism, related barrier measures and economic and financial sanctions. The Risk Management Working Group collects and summarizes possible loss patterns (including a decline in sales volume or market share due to political and economic instability, or an increase in labor and other related costs due to the relocation of production bases). We will closely monitor the long-term development trend of related risks and their subsequent impact, and make efforts to integrate upstream components with diversified suppliers, and continue our efforts to develop new niche markets and sales channels in order to diversify operational risks and reduce the impact and uncertainty caused by changes in supply chain, logistics and global political and economic conditions.

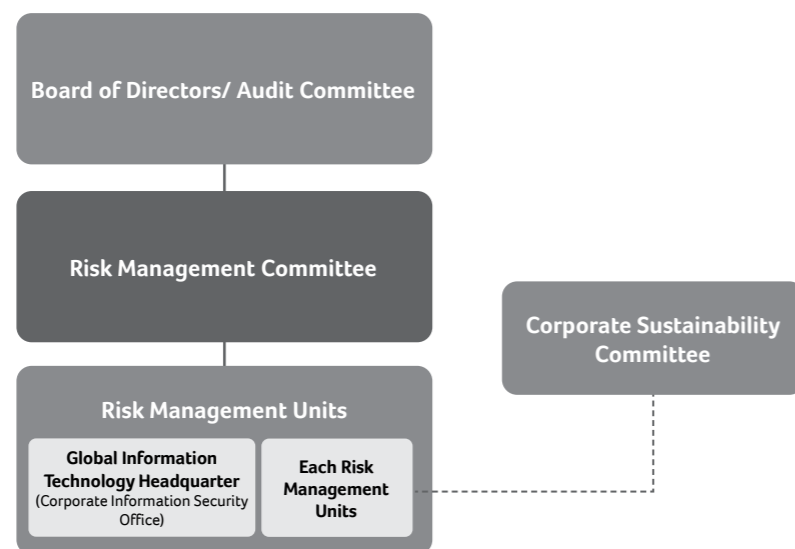
Acer continues to focus on the long-term trends and threats of global climate change and extreme weather phenomena, and has formally introduced the Task Force on Climate-Related Financial Disclosures (TCFD) assessment framework in 2020. Currently, the supply chain management department assesses the potential low-temperature variation during the shipment period for a specific shipment route and, depending on the type and characteristics of the product, consults with the insurance industry/risk management consultant to discuss and cooperate with the shipping company to take feasible and cost-effective damage prevention measures. For infrastructure service interruptions and other operation-related risks (e.g., typhoons, floods, fires, etc.) with a high probability of occurrence, similar to the impact of the Texas snowstorm, Acer has started to develop a basic emergency response/business continuity management plan (IR/BCP) for global warehousing locations in 2021. The Company started with a pilot project at the Taiwan headquarters (the project was completed in January 2022 and the on-site exercise and validation were completed at Acer's Taoyuan warehouse), with a view to gradually evaluating and incorporating the implementation/improvement and regular audits according to the current resource situation at each global warehouse location, or further incorporating it into the evaluation items for the selection of warehouse service providers, in order to gradually and orderly strengthen the risk resilience in warehouse logistics management.

8.6.14 Information disclosure of Cybersecurity Management

8.6.14.1 Cybersecurity Management Strategy and Framework

1. Cybersecurity Risk Management Framework

The Company established Risk Management Committee in 2022. The head of the Corporate Information Security Division under the Global Information Technology Headquarter is one of the members of the committee. The Corporate Information Security Division is responsible for the adoption, execution and risk management of the Company's cybersecurity management and protection policies. The officer of Risk Management Committee would report the cybersecurity management results, cybersecurity issues and directions to board of directors and audit committee at least once a year.



2. Cybersecurity Policies

(1) Corporate Cybersecurity Management Strategy and Framework

In order to fully enforce the cybersecurity management, the corporate cybersecurity unit may convene the meeting of ISMS (Information Security Management System, ISMS) every two weeks for reviewing cybersecurity policies' applicability and protection measures based on Plan-Do Check-Act (PDCA) management cycle system, and would annually arrange internal and external audit to ensure the operation compliance and protection of the material assets' confidentiality, Integrity and availability. ISMS focuses on cybersecurity risk management, and ensure IT infrastructure and core systems to continuously obtain the certification of ISO/IEC 27001., to reduce the threats of corporate cybersecurity from the perspectives of system, technology and procedure, and build up the confidential information protection for the company

In addition to ISMS, the Company took NIST Cybersecurity Framework (CSF) as a reference in 2021 to increase multilayer cybersecurity protections by covering cybersecurity's five functions, including identity (developing an organizational understanding for managing cybersecurity risk to systems, people, assets, data, and capabilities), protection (establishment of appropriate safeguards to ensure delivery of critical infrastructure services), detect (defining the appropriate activities for identifying the occurrence of a cybersecurity event.), respond (adoption of appropriate activities to take action regarding a detected cybersecurity incident) and recover (identifying appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident). The Company fully enforce the cybersecurity life cycle's risk management, continuously implements new cybersecurity defense technology, integrate the cybersecurity control mechanism into software and hardware operation and daily operation procedure, systematizes cybersecurity monitor, and use NIST CSF framework to continuously review the Company's cybersecurity for developing future strengthen plan.

(2) Corporate Cybersecurity Risk Management and continuous Improvement Structure



(3) Comprehensive Management Plan

Key Points and Achievements:

- Acer's ISO 27001:2013 certification has been re-validated as continuously effective by the third-party information security verification company BSI, and the scope of ISO 27001 certification has been expanded to include e-commerce systems.
- The implementation of ISO 27001 has been promoted for important core systems by the Pan-European IT team.
- Acer's Global Information Technology Headquarter has enacted "Cloud Operations Management Specification" to ensure that Acer IT may secure operation of systems when using cloud services.
- The implementation of EDR threat detection, response, compliance detection and defense mechanisms, has been implemented globally, significantly enhancing Acer's global security defense capabilities.
- A global vulnerability management dashboard has been established for real-time monitoring, providing a quick overview of the information needed for risk control and enhancing repair standards to reduce risk.
- A global defense and detection information dashboard has been established to provide a comprehensive view of information security risks in real-time.
- Continuously transferring internet information services to the cloud, enhancing DDoS protection for reduction of cybersecurity risks.

Multilayer Cybersecurity Protection

Device Security	<ul style="list-style-type: none"> • To comprehensively implement EDR (Endpoint Detection and Response). • To strengthen the detection of malicious software by endpoint antivirus solution.
Account Security	<ul style="list-style-type: none"> • To comprehensively implement MFA (Multi-Factor Authentication) when the employee need to remotely use the Company's resources, such as VPN and cloud services. • To cooperate with third party for searching the account exposed in dark web so the Company may change the passwords actively.
Network Security	<ul style="list-style-type: none"> • To strengthen the firewalls and the management of ACL (Access-control list). • To implement NAC (Network Access Control) and forbid non-complaint devices to access the Company's resources.
Application Security	<ul style="list-style-type: none"> • To annually conduct web security assessment to the website which provide public service and patch its vulnerability. • To review outdated and vulnerable software and implement necessary upgrade.

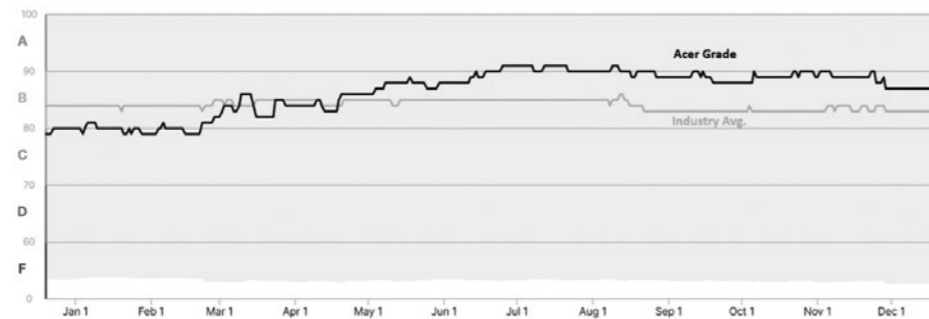
Cybersecurity Management Result Monitoring

The Company continuously responds and corrects cybersecurity defects by third-party assessments to ensure that its cybersecurity protection mechanism meets industry standards.

Assessment of Cybersecurity Maturity

- To engage external experts for the Company's cybersecurity assessment.

The industry average standard, represented by the blue line, is around 83 points, indicating a maturity level of B. Acer, represented by the black line, has maintained an upward trend and has been consistently performing above the industry average since May 2022, with a score of 88, which is higher than the market average of 83.



Review and Continuous Improvement

Cybersecurity Training and Publicity

- To conduct training periodically for enhance the employees' cybersecurity awareness.
- To strengthen the employees' awareness to phishing email and implement related email protection solution.

(4) Investments in Resources for Cybersecurity Management

2022 Corporate Cybersecurity Measure Execution Results

Policy

22 ISMS

Headquarter added/ revised 22 ISMS cybersecurity management guidelines and rules

Headquarter added/ revised 3 CSF cybersecurity rules

Year	Count
2020	1
2021	22
2022	51

Certification

Headquarter obtained the cybersecurity certification of ISO/IEC 27001 in 2019: 2013 Initial Certification

Headquarter obtained the cybersecurity certification of ISO/IEC 27001 in 2022: 2013 Recertification

Publicity

6 publicity videos

The Company made 6 videos and held 9 seminars toward IT personnel of Acer to announce the rules and important matters with respect to cybersecurity.

532 persons

532 new employees completed cybersecurity courses during new employee orientation.

Year	Count
2020	442
2021	637
2022	532

17 cybersecurity announcements

17 cybersecurity announcements conveyed the rules and important matters with respect to cybersecurity.

Year	Count
2020	7
2021	10
2022	17

6,711 persons

6219 employees completed cybersecurity annual online training programs.

Year	Count
2020	5850
2021	6219
2022	6711

2 email social engineering practices

The Company executed 2 email social engineering practices for more than 7000 employees.

Year	Count
2020	6219
2021	6711
2022	7669

Risk Control

Cloud security

Performing monthly cloud security scans and a total of 3437 risk issues have been fixed.

9 penetration tests

The Company executed 9 penetration tests globally assessing over 96 targets.

Year	Count
2020	47
2021	311
2022	95

1 web vulnerability scan

The Company conducted 1 web vulnerability scan to check 120 website URLs.

Year	Count
2020	0
2021	218
2022	120

2 OS vulnerability scans

The Company executed 2 OS vulnerability scans and assessed over 7198 vulnerabilities.

Year	Count
2020	2705
2021	3911
2022	7198

133

8.6.14.2 Cybersecurity Risks and Mitigating Measures:

1. Cybersecurity Risks and Management Measures:

The Company has been established comprehensive internet and computer cybersecurity protection measures but cannot guarantee to fully avoid the third party's internet attacks which may cause breakdown of the computer systems controlling the corporate's major functions. Under the condition of serious internet attacks, the systems may probably lose the Company's important data. Malicious hackers and the internet attacks caused by geopolitics can also intentionally spread computer virus, destructive software, and ransomware in the Company's systems and disturb the Company's operation.

The Company was attacked by ransomware because a WFH employee accidentally opened a phishing email, and will probably face similar attacks in the future. In order to prevent and mitigate the damages caused by these kinds of attacks, the Company implements and continuously improves related measures. For example, the Company may implement malicious email filter mechanism can reduce the phishing emails received by the employee, strengthen the firewalls and network control to prevent malware infection crossing different regions, control special accounts by multilayer mechanism to prevent account hacking, implement advanced resolutions to review the machine compliance, execute the system vulnerability scan and patching periodically and conduct the employee's awareness practice.

The Company's cybersecurity defenses would focus on the following issues in the future:

1. The Company shall prevent the customer data leakage. Given that the Company is under multilayer protections, the hackers is unable to obtain the customer data by ransomware attack.
2. The Company shall strengthen overall cybersecurity defense and monitor mechanism. Considering the difficulties of attack, the hackers may reduce their attack intentions. The Company may also implement overall endpoint detection and response software to ensure the visibility of abnormal behaviors.
3. The Company may divide its internal systems, adopt zero trust structure among each regional system and the headquarters' data center, and strengthen the business continuity practice of IT systems. Therefore, the Company may reduce the affected scope even under the hacker's malicious attack, and recover the system within an acceptable time frame.

2. Major Cybersecurity Event:

There is no major cybersecurity event in 2022.

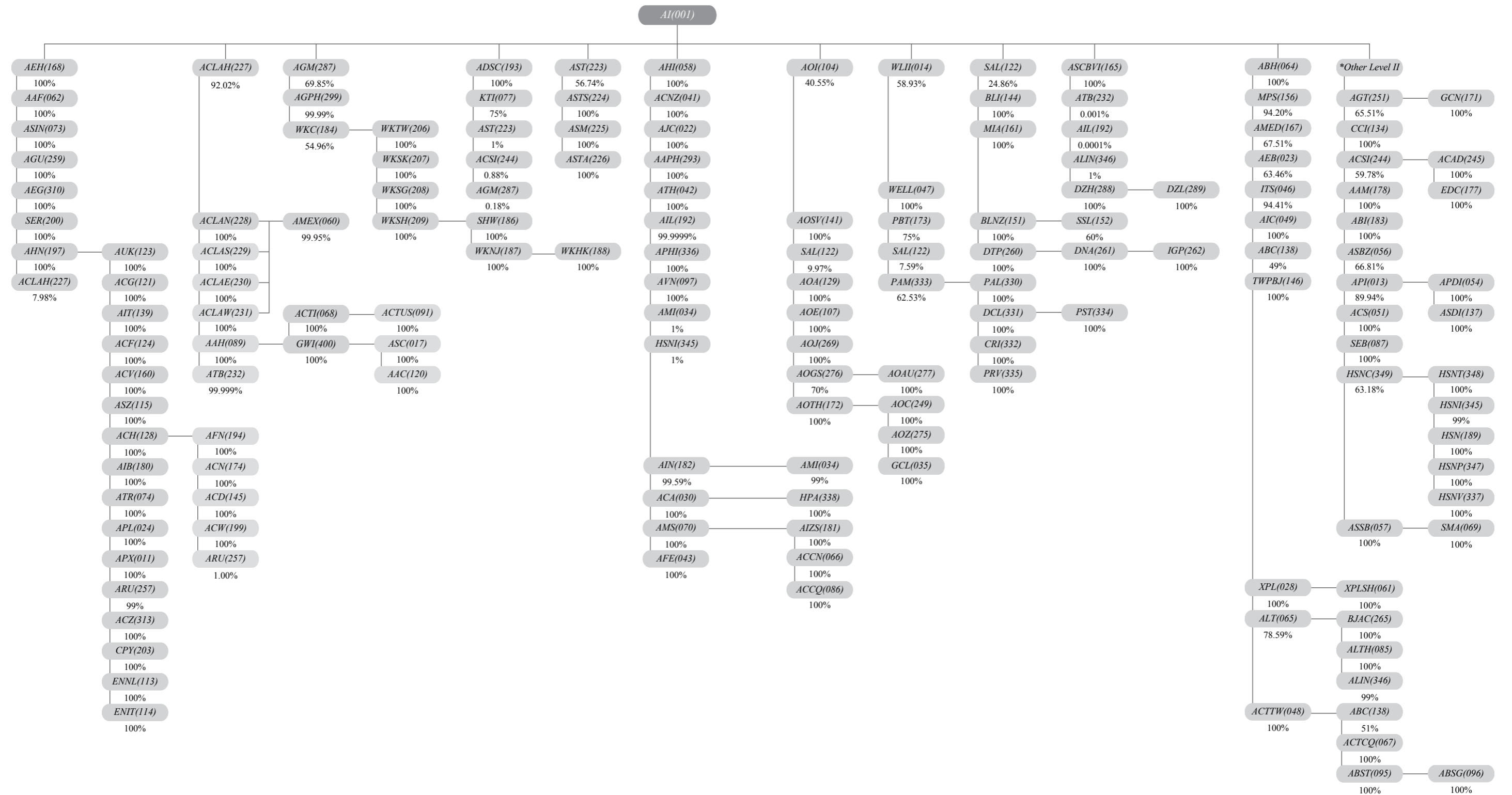
8.7 Other Necessary Supplement: None

Special Notes

1. Information related to the company's affiliates

1.1 Organization Chart of Subsidiaries

As of December 31, 2022



1.2 Acer Subsidiaries

1.2.1 Acer IPO Subsidiaries

AOPEN Incorporated (AOPEN, Code 3046)

Company Profile

- (1) Date of Incorporation : 1996/12/1 (3) Tel : +886-2-7710-1195
 (2) Address : 9F, No.88, Sec. 1 Xintai 5th Road, Xizhi, New Taipei City 221, Taiwan, R.O.C (4) Website : www.aopen.com

Introduction

AOPEN, a multinational technology company headquartered in Taiwan, it was founded in 1996 and is now an Acer group company. AOPEN provides global certified service and specializes in commercial and industrial services and products, including industrial PC (IPC) products for process control and data acquisition, as well as Artificial Intelligence of Things (AIoT) technologies and digital signage applications. With Acer technology and group power, AOPEN is well-positioned to meet the needs of its partners and customers across quality and support.

AOPEN has extensive experience in global industrial applications market. It serves customers in more than 100 countries and covers various industries. It also cooperates with partners to cultivate business in digital signage, Kiosk, cloud computing, Product design of miniaturized computing host technology and touch technology such as machine vision and security monitoring.

Management Team

Chairman : Victor Chien Independent Directors : Grace Lung, Steve Tso, Andrew Chang
 Directors : Jason Chen, Dale Tsai, Maverick Shih President : Ken Wang

The company's shareholding

Number of shares: 28,970,000 shares Percentage of Ownership: 40.55%

Company Profile (Consolidated)

As date of 2022/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
714,480	1,780,555	836,288	853,746	3,329,551	71,907	197,965	2.79

Acer Cyber Security Inc. (ACSI, 6690.TW)

Company Profile

- (1) Date of Incorporation : 2000/5/29 (3) Tel : +886-2-8979-6286
 (2) Address : 8F., No. 563, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.) (4) Website : www.acercsi.com

Introduction

Acer Cyber Security Inc. (ACSI) is a professional information security service provider specializing in IT and operation technology (OT) management. Its main services include information security consulting management, security operation center (SOC) operation management, operation continuity, information sharing and analysis center (ISAC) setup and monitoring services, antivirus and anti-hacking, security testing, vulnerability scanning, penetration testing, and digital forensics.

In terms of business operations, ACSI relies on its own professional technical capabilities in information security research and development, to assist enterprises in managing IT and OT security, cloud applications, and daily data and system backup, providing a comprehensive range of security services and helping customers build lean security protection capabilities.

ACSI has collaborated with Acer eDC, a cloud architecture provider, to develop the Cloud SOC service, which provides integrated cloud security services for enterprises. Acer eDC's cloud security technology capabilities have earned it the title of Microsoft Top Security's best security partner. The Azure cloud device log and data integration platform API are integrated with ACSI's SOC core technology strength, to report related cloud security events, making Acer eDC an important piece in ACSI's fast-developing cloud security service offerings. This collaboration not only meets the urgent needs of enterprises for cloud security, but also builds operational advantages for ACSI in sustainable development of security services.

Future/Currently Developing New Products and Services

In response to the increasingly diverse patterns of cybersecurity threats, and to better meet market demand, ACSI continues to innovate and optimize the quality of its cybersecurity services. ACSI continues to invest resources in the development of emerging cybersecurity services and solutions. Currently, ACSI's main strategy still centers around the Security Operation Center (SOC) as its core, while increasing its clients' demand for zero-trust architecture, accelerating the deployment of Cloud SOC, integrating cloud and on-premise event notification and 24/7 monitoring. ACSI not only strengthens its existing cybersecurity detection, compliance inspection, and OT detection, but also adds new semiconductor production line equipment cybersecurity standard specifications (SEMI E187) and cloud service detection.

Acer Cyber Security Academy, a subsidiary dedicated to promoting cybersecurity talent development, has obtained certification from the Taiwan Occupational Skill Development and Quality Management System (TTQS) of the Ministry of Labor. This accelerates the establishment of vocational training institutions, which will expand the scale of physical courses and enterprise training, enhancing the capacity for talent development and cybersecurity skills education and training services. In response to various hacking attacks recently, ACSI provides cybersecurity attack and defense field exercises service. I.e., within a certain time frame, the referee ("Purple Team") issues exercise propositions for the attack team ("Red Team") and the defense team ("Blue Team") to conduct practical attack and defense exercises in order to simulate, as a government agency or an enterprise facing attacks from hackers, how to respond to such attacks in time and trace attack IP addresses. Through such attack and defense field exercise service, the cybersecurity resilience for national critical infrastructures or enterprises' operation continuity can be strengthened, and the ability of government agencies or enterprises to respond to unexpected hacker attacks can be verified.

Management Team

Chairman : Maverick Shih Independent Directors : Grace Lung, Sophia Tong, Dung-Chun Tsai, Catherine Lee
 Directors : Tiffany Huang, Meggy Chen President : Rex Wu

The company's shareholding

Number of shares: 13,295,601 shares Percentage of Ownership: 59.78%

Company Profile (Consolidated)

As date of 2022/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
222,407	2,135,338	926,374	1,208,964	1,603,216	185,451	155,366	7.92

Acer Synergy Tech Corp. (AST, 6751.TW)

Company Profile

- (1) Date of Incorporation: 2017/9/13 (3) Tel : +886-3-533-9141
 (2) Address: 6F.-3, No. 33, Huanke 1st Rd., Zhubei City, Hsinchu County, Taiwan (R.O.C.) (4) Website : www.acer-ast.com

Introduction

Acer Synergy Tech Corp. ("AST") was founded in 2017 and listed on the Taipei Exchange in December 2020 with the stock symbol: 6751. AST provides customers one-stop-shop for integrated IT services. The extensive experience and knowledge of AST's professional and technical teams, combined with the collaboration with strategic business partner, AST provides customized application systems based on the needs of customers for the IT environment. The AST's service of information system integration includes the installation of computer equipment, network equipment, storage devices, application software and planning, integration, consulting, and management of enterprise infrastructure, as well as long and short term outsourcing services. Customers can rely on AST for the technical knowhow and the aforementioned service, and achieves their goals of operation and strategy related to the information technology plan.

Current service offering are as follows:

A. Enterprise Infrastructure

AST will consider and design the Information Technology ("IT") architecture planning and application architecture planning together to provide customers a comprehensive enterprise infrastructure planning. IT architecture planning includes: Datacenter Planning; Network Planning; Infrastructure Planning; Information Security Surveillance and Consulting; Sustainable Development and IT Backup Planning; Virtual Infrastructure Planning; Shared System Mechanism Planning; and Operation Management Planning.

B. Information System Integration Service

The service item includes: Server Infrastructure Optimization; Network Setting and Optimization; Infrastructure Implementation and Optimization; Solution Designation and Implementation; and the Planning, integration, installation, fault diagnosis, troubleshooting, online support and management of enterprise information infrastructure.

C. Information Infrastructure Operation Service

AST will provide support service in various fields after setting up the information infrastructure completely, and the service includes: Server Monitoring; Storage Management and Monitoring; Communication Management for Datacenter; Virtual System Management; Terminal Desktop Management (PC/NB/VDI).

AST can monitor relevant data, aggregate the information system application situation, and provide customers suggestions and optimization of operation management and system capacity planning.

D. IT Project Outsourcing Service

AST will provide IT Project Outsourcing Service to clients, including : Information Service management Outsourcing and Long and Short Term Project Outsourcing.

Future/Current Development of New Products and Service:

A. The Consulting Service of Enterprise Infrastructure:

- Industry application information system architecture planning in the financial and manufacturing industries.
- Information system integration application in other industries.

B. The Integrated Application between Information Security Products and System Platform.

- The integrated application solutions for information security (network isolation) products.
- The integrated application solution for Software define data center.
- The information platform establishment and integration services.
- The integrated application solutions for IT service management services.

Management Team

Chairman : Maverick Shih Independent Directors : Nancy Hu, Teresa Cheng, Cathy Yen, Ian Liao
 Directors : Meggy Chen, Andy Lin President : KS Harn

The company's shareholding

Number of shares: 11,349,112 shares Percentage of Ownership: 56.74%

Company Profile (Consolidated)

As date of 2022/12/31

Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
200,000	1,108,971	409,462	699,509	1,388,886	73,689	75,902	4.05

Weblink International Inc. (Weblink, 6776.TW)

Company Profile

- (1) Date of Incorporation: 1977/12/22 (3) Tel: +886-2-2371-6000
 (2) Address: 2-4F., No. 39, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.) (4) Website: www.weblink.com.tw

Introduction

Weblink was founded in 1997, spun off from Acer, Technology Software and Peripherals Department. Weblink was a listed company at emerging stock market in March, 2020, and a listed company at stock exchange market in March, 2021. Weblink is positioned as a professional channel agent, and fully cooperate with vendors to provide the product distribution, stocking, technical support. Weblink's product portfolio comprises of 150 leading brands including commercial and home information electronics, application software, digital entertainment, system integration, and SMB's solution services etc. In addition to computer and communication related products, Weblink also entered to the beauty-life product business, towards multi-business operations, and to meet the diverse needs of customers.

Weblink acts as the agent for following products:

Category	Main Products
Peripheral products	Screens, Printers and consumables, Motherboards, Graphic cards, Handy drives, Memory cards, Video systems, etc.
System and Mobile device products	Desktop PC, NB, Tablets, and Mobile phones, etc.
Software	Office software, ERP, Graphics, font software, etc.
Living and Tech. products	Game console, Game software, TV, Refrigerators, Washing machines, Air conditioners, Air purifiers, etc.
System Integration products	Workstations, Servers, Netcom, UPS, Digital signages, etc.

Future/Current Development of New Products and Service:

- Act as agent for the related artificial intelligence, big data analysis, cloud computing products.
- Increase the distributorship for or the right of agency of international brands related to computing system.
- Aggressively expand the right of agency for the software of business management solutions.
- Combine the resources of physical appliance stores and virtual channels, to develop a new O2O business operation by Online to Offline model and to create a multiple win-win business model for vendors, distributors, dealers and customers.
- Expand the distributorship for or the right of agency of beauty-life product business.

Management Team

Chairman : Jason Chen
 Directors : Meggy Chen, Dave Lin
 Independent Directors : Rex Dang, Steven Shaw, JJ Wang, YR Cheng
 President : Dave Lin

The company's shareholding

Number of shares: 48,073,116 shares Percentage of Ownership: 58.93%

Company Profile (Consolidated)

As date of 2022/12/31
Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
815,814	6,876,230	4,593,036	2,283,194	23,281,994	522,880	441,450	5.09

Acer e-Enabling Service Business Co., Ltd (AEB, 6811 TW)

Company Profile

- (1) Date of Incorporation : 2012/2/22 (3) Tel : +886-2-2784-1000
 (2) Address : 9F., No. 6, Sec. 4, Xinyi Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) (4) Website : https://www.aceraeb.com

Introduction

AEB (Acer e-Enabling Service Business Co., Ltd) was incorporated in 2012 as a key strategic investment of global IT leader Acer Inc. in the ICT segment. It aims to be the smart digital partner of enterprises in pursuit of digital transformation. AEB and its team of customer-success professionals commit to bring corporates proved and best-in-class solutions. The company is also the first IT vendor in Taiwan to be certified by Microsoft Taiwan as AE Managed Service Provider (MSP), Cloud Solution Provider (CSP) and Licensing Solution Partner (LSP).

AEB is a key-account based, enterprise focus, B2B IT service provider that serves more than 2000 large accounts from government, high-tech, finance institutions, telecommunications, manufacturing, medical and education industries. In the era of Cloud, AEB partners with 200 plus first-tier solution vendor such as Microsoft, IBM, TrendMicro, Google, AWS, Adobe, Autodesk, Commvault, etc., translates global best practices of digital transformation into local use cases, and enables the success of customers' DX journey with professionals of both business and technology domains.

AEB offers technology consultant, value-added application/ customization development and integration services, system operation and business continuity services to enterprises, and commits to bring enterprises proven and best-in-class solutions of "C3A+P":

- A. Cloud Service: Private Cloud/ Public Cloud/ Hybrid Cloud/ Multi Cloud.
 B. AIoT: Smart Retail/ Smart Medical/ Smart Inspection/ AI Factory.
 C. Application: Mobile/ Web/ Commercial/ e-Commerce/ Value-added system integration/ Customized Development and Deploy.
 D. Appliance: Network and Edge Computing.
 E. PaaS (Platform as a Service): Cloud Managed Service Platform/ e-Book Platform/ e-Payment Platform/ e-Ticketing Platform.

Future/Currently Developing New Products (Services):

- A. Stay focus on cloud service: With the launch of in-house developed iCMP- intelligent Cloud Management Platform, AEB is now a cloud managed service provider that provides enterprise clients multi-cloud and hybrid cloud services.
 B. Expand information security solutions: The company invested in DataSitter, a digital asset protection expert of Greater China region, in Q4 of 2022, further completing its security solution offering as it is now able to provide customer last mile services such as backup and disaster recovery on corporate's valuable digital data.
 C. Continue innovation of smart solutions for medical industry, such as hospital health examination platform, medical technology e-forum platform will be available in near future.
 D. Cloud-based Data Middle Platform for retail or manufacture industry to carry out precision marketing or predication production.

Management Team

Chairman : Jason Chen Independent Directors : H.T. Chou, M.C. Tzeng, David Yeh, Kevin Hou
 Directors : Meggy Chen, Maverick Shih President : Sandy Chou

The company's shareholding

Number of shares: 26,304,000 shares Percentage of Ownership: 63.46%

Company Profile

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
414,490	5,393,124	3,612,564	1,780,560	7,189,523	518,066	436,771	11.35

Acer Medical Inc. (AMED, 6857, TW)

Company Profile

- (1) Date of Incorporation: 2008/04/25 (3) Tel: +886-2-2696-0366
 (2) Address: 7F., No. 86, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221006, Taiwan (R.O.C.) (4) Website: https://www.acer-medical.com/

Introduction

Acer Medical Inc. (AMED) is a subsidiary of the Acer Group that employs communication expertise and focuses on AI and big data analysis technology to work with hospitals and healthcare-related industries in cross-domain collaboration, and designs and develops intelligent medical products for use within the healthcare field and promotion on the international market. AMED passed the QMS and ISO 13485 certification regarding AI-assisted diagnostic and screening software, its product "VeriSee DR", AI-assisted diagnostic software for Diabetic Retinopathy (DR) identification, is even the first TFDA-certified AI-assisted diagnostic software for ophthalmic smart medical materials in Taiwan.

VeriSee DR is an AI diagnostic aid that has been trained using DR diagnosis experience from multiple ophthalmologists and uses AI deep learning techniques to produce diagnosis results similar to that of professional physicians. AMED AI software can be used for edge computing without a network connection. The introduction of VeriSee DR in medical clinics and health examination centers with ophthalmoscopes allows initial screening to be conducted without an ophthalmologist. Analysis results can be seamlessly integrated with hospital information system and operation process, which are used to inform patients whether or not they require a referral to an ophthalmology department for a more detailed examination, in order to avoid missing opportunities for treatment. AMED has signed cooperation agreements with various medical centers, research institutions, international pharmaceutical companies and international medical device manufacturers for expanding the application and commercialization of VeriSee DR. In terms of overseas promotion, VeriSee DR has also obtained medical device licenses in Thailand, Indonesia and the Philippines.

AMED, with its outstanding achievements in the research and development and promotion of artificial intelligence medical device, was officially listed on the Pioneer Stock Board (PSB) (code: 6857) in October 2021, and transferred to the emerging stock market in March 2022.

The new products and services AMED develops now:

- A. Increase the offerings of ophthalmology AI product, so that the same medical image taken from eyes can be used to detect more symptoms through AI-assisted diagnosis and screening, as well as improving the chances of early detection and treatment, reducing the burden of screening for medical personnel, and therefore increasing public health and wellbeing
 B. Expand the non-ophthalmology products and develop the digital healthcare market in order to improve public's awareness of their own health risks as well as the efficiency of the use of medical resources, so as to prevent diseases and improve public health.

Management Team

Chairman : RC Chang Independent Directors : Mon-Han Wu, Shou-Jen Kuo, Hsu-Sung Kuo, Wen-Yueh Chan
 Directors : Jason Chen, Stan Shih President : YH Hsu

The company's shareholding

Number of shares: 10,279,005 shares Percentage of Ownership: 67.51%

Company Profile

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
152,260	290,158	30,040	260,118	13,060	(55,177)	(54,706)	(4.43)

Highpoint Service Network Corporation (HSNC, 6884, TW)

Company Profile

- (1) Date of Incorporation: 2018/9/14 (3) Tel: +886-2-2719-5000
 (2) Address: 7F.-5, No. 369, Fuxing N. Rd., Zhongshan Dist., Taipei City 104100, Taiwan (R.O.C.)

Introduction

Highpoint Service Network Corporation (HSNC) is a company providing computer, computer accessories, server, workstation, consumer electronics, network equipment, and server room equipment malfunction detect, repair and maintenance service for multiple brands.

Besides headquarter and several service centers in Taiwan, HSNC has also set up subsidiaries in Malaysia, Thailand, Philippines, Indonesia, and Vietnam to provide service around Taiwan and South East Asia region.

HSNC not only services enterprise clients but also general consumers. HSNC can provide customization service for equipment malfunction detect, repair and maintenance depending on enterprise clients' need. To service consumers, HSNC has established several service centers around Taiwan and South East Asia region. Consumers may obtain professional malfunction detect, repair service in HSNC service centers during normal business hours. In addition, HSNC has successfully built business relationship with some well-known electronic product and accessories brand companies as their authorized malfunction detect, repair and maintenance service provider. HSNC would keep expand service scope and enhance service quality. Currently, HSNC has been registering the public issuance of its shares on the emerging stock market and is preparing to file application for its shares to be listed over-the-counter (OTC) in Taiwan.

Currently, HSNC's main business scope includes:

A. Multi-brands malfunction detect and repair service center:

HSNC has established several multi-brands repair service centers in Taiwan and South East Asia region. By those service centers, HSNC can cooperate with well-known electronic product and accessories brand companies, provide them satisfied and high-quality service, assist them to build service base rapidly in specific areas, and play a professional malfunction detect and repair service consultant role for them. Meanwhile, general consumers also have access to HSNC service center for professional repair service.

B. Global Contact Center:

In order to fulfill clients' service demand globally, HSNC has established Global Contact Center in Philippines due to the language advantage there, aiming global Business Process Outsourcing (BPO) market. By doing so, HSNC can provide brand clients with more valuable service and expand its service area to other areas.

C. Enterprise malfunction detect, repair and maintenance service:

Currently, HSNC's business is focus on Taiwan and South East Asia region, providing hardware and software on-site repair and maintenance service and solutions to enterprise clients. One of the major competition advantage of HSNC is its capability of providing service in multiple countries, therefore HSNC would be able to cover multinational enterprise clients. HSNC is successfully being clients' primary cooperation choice because of its consistent high-quality service and the capacity of creating extra value.

Management Team

Chairman : Andrew Hou Independent Directors : Syuan Wang, Yao-Dong Wang, Shou-Jhen Cheng, Shao-Guo Huang
 Directors : Tiffany Huang, Meggy Chen President : Jacky Lin

The company's shareholding

Number of shares: 10,241,881 shares Percentage of Ownership: 63.18%

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
162,100	427,743	225,539	202,204	744,616	28,286	22,332	1.37

Acer Gadget Inc.(AGT, 2432.TW)

Company Profile

- (1) Date of Incorporation: 1986/03/27 (3) Tel: +886-2-2696-0296
 (2) Address: 7F.-5, NO. 369, FUXING N. RD., SONGSHAN DIST., TAIPEI CITY 105001, TAIWAN (R.O.C.) (4) Website: www.acergadget.com

Introduction

Acer Gadget Inc. (Acer Gadget) is a subsidiary of Acer Inc., a top global information and communication technology enterprise. Acer Gadget is headquartered in Taiwan and is dedicated to innovative lifestyle gadgets with operations across five continents around the globe. The mission of Acer Gadget is to break the barriers between people and technology and foster smart lifestyles with innovative technologies. Acer Gadget aims to provide different products, services and solutions across a variety of industries to enable digital transformation and improve customer lifestyles.

Product Lineup

• Acer Apparel

Acer Apparel originated from the Acer Group and is now part of the Acer Gadget's business. It has distributed millions of computer bags around the world every year for over 20 years. Acer Apparel designs, procures, distributes and markets soft products and luggage such as bags, backpacks, protective covers, mouse pads, and more. In recent years, existing resources have been integrated to further expand business to clothing and related wearable accessories, providing a more diversified product portfolio for an existing and newly expanded customer base.

• Xplova

Xplova is Acer Gadget's outdoor and sports brand. Starting from the needs of sports and outdoor enthusiasts, Xplova is challenging customer to push their physical limits, whether indoors, outdoors, running, or cycling. Xplova products are now available worldwide.

Through a marriage of software and hardware, harnessing fitness data, and recreating realistic virtual environments, we are helping consumers have fun and develop fitness habits through technology. Xplova is committed to fostering a social network for sports enthusiasts to achieve healthy living.

• ePay Wearable Product Series

The Acer Gadget Wearable Products Series is committed to creating products for a multitude of customer lifestyles. Among them, the ePay wearable product series is designed for contactless payment to conveniently change payment methods as we go about our lives. The ePay Wearable Series is a series of wearable accessories developed in cooperation with several electronic payment companies in Taiwan. With exclusively developed 3D sensor payment technology, users can travel between cities with contactless payment.

• Digital Solutions: Mobile App and Ecommerce Website Customization

Acer Gadget provides customized application and ecommerce website building services to clients from all walks of life, helping clients create and optimize product portfolios and drive success stories.

Management Team

Chairman : Jerry Kao Independent Directors : Chen Kuang Wang, Ming Hui Lin, Lori King, Jones Yu
 Directors : Jason Chen, Sophia Chen President : Allen Jong

The company's shareholding

Number of shares: 39,308,288 shares Percentage of Ownership: 65.51%

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
600,000	1,530,701	480,675	1,050,026	1,662,340	93,927	135,312	3.04

Acer Gaming Inc. (AGM, 6908.TW)

Company Profile

- (1) Date of Incorporation: 2020/07/31 (3) Tel: +886-2-2696-0068
 (2) Address: 7F.-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City (4) Website: https://www.acergaming.com/

Introduction

Acer Gaming Inc. (AGM), established on July 31, 2009, originally intends to be the e-sports ecosystem builder, and provides services including consumer electronics, gaming software and gaming points, as well as platforms and network services. After obtaining the agent right of Sony PlayStation 5 in Taiwan, and successively obtained the agency right of Logitech racing simulation equipment, ASTRO gaming headset microphone, SEGA's game and products of HORI, Japanese gaming accessories leading brand, in Taiwan in 2022, AGM actively satisfies the players' demand and continue to actively strive for international game companies to become our company's partners.

AGM endeavors to provide consumers with complete online and offline life experience. In addition to selling products and services, it is also committed to providing customers with a complete experience, including gaming hardware, software, gaming accessories, and IP integrated sale, from PC and home console games to the cloud game experience, from the end game to the Metaverse. AGM owns six growth engines, including PS5 game consoles in Taiwan and overseas markets, e-sports peripherals, hardware equipment, digital sales, and game content development, and its operation layout spans the upper, middle and lower reaches of the gaming industry chain, and has advantages in the gaming industry.

Management Team

Chairman : Jerry Kao Independent Directors : Dennis Chan, Liao, Ying-Ying, Allen Lien, Lan Liao
 Directors : Jason Chen, Vincent Wei President: James Hsu

The company's shareholding

Number of shares: 24,449,062 shares Percentage of Ownership: 69.85%

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
350,000	2,301,911	910,237	1,391,674	2,262,793	48,373	39,840	1.91

1.2.2 Acer IPO Subsidiaries in plans

Altos Computing Inc. (ALT)

Company Profile

- (1) Date of Incorporation: 2016/9/20 (3) Tel: +886-2-2696-0289
 (2) Address: 6F., No. 99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.) (4) Website: www.altoscomputing.com

Introduction

The business model of Altos Computing Inc. (ALT) is to provide solution of High-Performance Computing system (including artificial intelligent computing) and cloud computing. ALT also provides customized system and solutions to customers for their needs on meteorology simulation, fluid dynamics calculation, deep learning calculation, computer learning calculation, edge computing, cloud computing. The main products and service scope of ALT are as following :

A. High-Performance Computing solution

ALT provides High-Performance Computing system with high clock speed and multi-core processor, large capacity memory, and broadband internet. ALT High-Performance Computing system has the ability to provide remote system management, preventive error detection management, server group management, group power management strategy, automatic prompt alert and multi-tunnel notification service to satisfy the demand of high-performance computing from government institution, universities, and enterprise clients for fundamental science research and development of advanced technology.

ALT also provides customized system for the requirement of artificial intelligence computing system. The customized system may provide optimal management on existing accelerator through unique load-balancing algorithm based on the demand of deep learning and computer learning and would effectively enhance preciseness of artificial intelligence computing system and calculation efficiency.

B. Cloud computing solution

ALT supplies various systems architecture integrated with servers, workstations, storage system, Thin Client, or virtualization technology as application solutions to help education institution and enterprise clients. For example, Virtual Desktop Infrastructure (VDI) can simplify system management and operation, and enhance flexibility to reduce the cost incurred from computer terminal control and improve system liability. And Intelligent Desktop Virtualization (IDV) can satisfy clients' demand on computer terminal's centralization management, flexibility, computing efficiency optimization but keep uniformity of system management and operation simultaneously by utilizing virtualization technology in computer terminal to enhance computing performance.

C. Computing system products

ALT provides various series of servers and workstations to clients, and develops AI Development Platform (ADP), Thin Clients, Uninterruptible Power Supply system.

Future/Current Development of New Products and Service:

A. Intelligent computing application solution:

Virtual Desktop Infrastructure and Intelligent Desktop Virtualization platform service solution.

B. New generation of computing system:

New generation of high density server, rack server, tower server, workstation, edge computing system, storage system, Thin Client, Uninterruptible Power Supply system.

Management Team

Chairman : Andrew Hou Supervisor: Dick Tan, Vincent Chi
 Directors : Jason Chen, Jerry Kao, Meggy Chen, Jeff J. Lee President : Jackie Lee

The company's shareholding

Number of shares: 6,580,717 shares Percentage of Ownership: 78.59%

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
83,730	592,981	508,740	84,241	1,341,330	12,881	1,338	0.16

Acer ITS Incorporated (ITS)

Company Profile

- (1) Date of Incorporation: 2017/9/21 (3) Tel:+886-2-2696-3690
 (2) Address : 23F, NO.94, SEC. 1, XINTAI 5TH RD., XIZHI DIST., NEW TAIPEI CITY, TAIWAN (R.O.C.) (4) Website: www.acerits.com

Introduction

Acer ITS, an Acer subsidiary, specializes in solutions which incorporate smart transportation and electronic payment capabilities to improve people's quality of life. Acer ITS extends the application of multi-payment technology to various fields of life, whether it is multi-payment for public transportation, taxi or rehabilitation bus, payment for Roadside parking at smart parking meters. These technical services provided by Acer ITS are ubiquitous.

As a pioneer of smart city solutions, Acer ITS pays more attention to the executable application. Among them, the market share of the "smart Roadside parking management system" has reached as high as 90%. There are commercial-operated areas in Tainan City, Taipei City, New Taipei City, Miaoli Zhunan, Kaohsiung Software Technology Park. In recent years, in line with the development trend of EV, some of the new generations of smart parking meters have been integrated into EV chargers, adhering to the original intention of Acer Group for the sustainable development of ESG.

With more than 20 years of experience in payment technology research and development, we have outlined a blueprint for various applications for smart cities. The application fields of the multi-payment solutions include public transportation, private vehicles, and various life fields:

- A. Smart Multiple Payment Solutions: Bus/Exhibition/Paratransit system/stores
 B. Smart Roadside Parking and EV Charging Solution: On-street parking
 C. Smart Parking and EV Charging Solution: Off-street parking
 D. Smart Micro e-ticketing module: More life fields (including shared bicycles/libraries, etc.)

Management Team

Chairman : Jason Chen Supervisor: Dick Tan, Vincent Chi
 Directors : Maverick Shih, Lydia Wu, Meggy Chen, Andy Lin President : Kenny Yu

The company's shareholding

Number of shares: 34,307,799 shares Percentage of Ownership: 94.41%

Company Profile

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
363,385	648,271	614,930	33,341	283,271	(77,785)	(80,168)	(2.21)

PROTRADE APPLIED MATERIALS CORP. (Protrade)

Company Profile

- (1) Date of Incorporation: 2001/8/7 (3) Tel: +886-2-2795-5338
 (2) Address: 8F., No. 59, Ln. 77, Xing'ai Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.) (4) Website: http://www.protrade.org

Introduction

Protrade is a professional trading and distribution company of rubber and plastic materials, with complete logistics solutions such as product procurement, distribution, storage and packaging, providing customers with perfect and reliable services.

Protrade and its affiliates was founded in 1985 in Redmond, Washington State, USA, and established its operating headquarters in Taipei in 2001. The main product categories include synthetic rubber, natural rubber, plastic, hydrocarbon resins, fillers, processing oils, chemicals, etc. The business activities cover more than 40 countries on five continents. In addition to the United States and Taiwan, it has offices in Shanghai - China, Mumbai - India and Ho Chi Minh City - Vietnam.

Management Team

Chairman : Dave Lin Supervisor: Cathay Wang, Alice Chang
 Directors : Jason Chen, Andy Lin, Lydia Wu, Sophia Chen President : Dave Lin

The company's shareholding

Acer's subsidiary, Weblink International, owns 62.53% majority shares of Protrade Group.

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
229,347	1,756,845	1,236,844	520,001	5,037,171	145,539	69,473	3.03

Winking Entertainment Ltd (WINKING)

Company Profile

- (1) Date of Incorporation: 2005/12/15 (3) Tel:+886.2. 8979-5568
 (2) Address: 1F., No. 158, Ruihu St., Neihu Dist., Taipei City (4) Website : https://www.winkingworks.com

Introduction

WINKING ENTERTAINMENT LTD (WINKING), found from "WindThunder Studio" in 1997, has accumulated more than 20 years of experience in the gaming industry, and it provides digital art production and game development services. It is one of the largest digital art production and gaming development and production service providers in Greater China area. With advanced manufacturing process and abundant management experience, it provides complete art production and gaming development services for global gaming manufacturers. Including digital content such as computer games, video games, mobile games, VR, Metaverse, NFT, etc., WINKING, according to customers' need, plot content and character personality, provides 2D original paintings/3D models/game 3D actions, game scenes, props and a series of rich and diverse creativity and innovative art achievements for the characters.

WINKING has provided professional services for more than 150 customers and more than 1,100 projects. WINKING's major customers and partners all over the world are leaders in the gaming industry and well-known manufacturers loved by consumers. WINKING has established professional R&D studios and operating bases in Taipei, Shanghai, Nanjing, and Singapore, with more than 700 employees, providing trusted products and services, and establishing a good reputation and a well-known brand.

Future/Currently developing new products (services):

- A. Keep improving technology and innovation capabilities, realize the trends of VR and metaverse, and develop internationally renowned brands.
 B. Make a global layout, enhance the team's production, and establish a diversified and international service team.

Management Team

Chairman : Cheng-Han Jan Directors : Cheng-Han Jan, Tai-Wei Cha, Kuang-Pin I, TLC CAPITAL CO.,LTD., Cheng-Chung Liou, Yi-Hao Chang, Youn, Wen-Der
 President : Cheng-Han Jan

The company's shareholding

Acer's subsidiary, Acer gaming Inc., owns 54.96% majority shares of WINKING.

Company Profile (Consolidated)

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
157,019	599,661	292,961	306,700	731,250	21,281	31,905	2.03

MPS ENERGY INC. (MPS)

Company Profile

- (1) Date of Incorporation: 2015/07/31 (3) Tel:+886-2-2696-0008
 (2) Address : 7F.-5, No. 369, Fuxing N. Rd., Zhongshan Dist., Taipei City, Taiwan (4) Website : https://www.mpsenergy.com.tw

Introduction

MPS Energy Inc. (hereinafter referred to as MPS) is a lithium-ion battery pack designer and e-bike propulsion system solution provider.

Founded in 2015, MPS has been committed to lithium-ion battery pack design and manufacturing since establishment. The self-designed intelligent Battery Management System (BMS) protects and manages cells, and the robust BMS & cell holder with clear layout inside assure the safety of battery packs. MPS battery packs are manufactured by ISO9001 certified plants, and have obtained several certifications from CE, cTUVus, FCC, EN13849, UN38.3, RoHS, and REACH. MPS battery packs can be applied to various types of applications such as e-bikes, e-cargo bikes, and smart parking charging piles.

MPS also advances in e-bike propulsion system integration. MPS integrates in-house designed battery packs, controllers, HMI, with mid-drive/hub motors, sensors, IoT technology, into a seamless system, providing customers an one-stop total solution. Depending on each customer's intended use, MPS optimizes the performance and functionality of each component, and aims to create an efficient system that delivers smooth and responsive riding experience for users.

MPS have collaborated with many e-bike brands or shared e-bike companies across Europe, North America, and Australia. MPS core technologies lie in the safety and functional design of battery pack, well integrated propulsion system that meet the highest standards of e-bikes. MPS also provides customized services to clients and actively expands the application of battery module technology.

Management Team

Chairman : RC Chang Supervisor: Sophia Chen, Vincent Chi
 Directors : Jason Chen, Meggy Chen, Lydia Wu, Andy Lin President : Bryan Yeh

The company's shareholding

Number of shares: 9,750,278 shares Percentage of Ownership: 94.20%

Company Profile

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
103,502	205,031	123,304	81,727	133,539	(22,104)	(25,780)	(3.83)



ACER SYNERGY MANPOWER CORP. (ASM; Original Name: ISU Service Corp.)

Company Profile

- (1) Date of Incorporation: 2019/11/20 (3) Tel: +886-3-533-9141
 (2) Address : 6 F.-2, No. 33, Huanke 1st Rd., Zhubei City, Hsinchu County 302047, Taiwan (R.O.C.)

Introduction

Acer Synergy Manpower Corp. (ASM), previously known as ISU Service Corp., was established in November 2019 to cater to the growing demand for diversified and flexible human resources integration services.

With the intensifying international competition, industries require a wide range of human resources to maintain their competitive edge. As a member of the Acer Group, ASM leverages over 30 years of experience in the information services industry, strong service technology expertise, professional information planning consultants, and numerous partners to provide full-function human resources services, software development services, and enterprise management platform integration services. Whether it's short-term or long-term, ASM's services cater to the operational strategies of our customers, enabling them to focus on developing their core businesses, maintaining their competitive advantages, controlling costs effectively, reducing labor costs and operational risks, and maintaining flexibility in corporate development.

Business operations include:

1. Professional human resources services: providing short-term to long-term outsourcing and dispatching services for the information and technology industry, aimed at providing customers with the best talent and assistance.
2. Software project development services: providing assistance to customers with software project planning and development, and also dispatches professional personnel to enterprises to provide software development services tailored to the customer's needs.
3. Enterprise management platform integration services: providing service platform integration planning, recommendations, and execution according to the customer's operational needs.

Operational advantages include:

1. Team with IT expertise: professional team with over 30 years of experience in hardware, software, and information services.
2. Team with HR service expertise: professional team with extensive experience in human resources services, providing professional services for different needs of talents.
3. Full-function enterprise solutions: with a range of solutions for enterprises, offering diverse and flexible service modes.
4. Global supports: With the support of ACER group's global service locations, ASM are able to meet the global strategic needs of our customers.

Management Team

Chairman : KS Harn Supervisor: JR Wu
 Directors : Meggy Chen, Maverick Shih

The company's shareholding

Number of shares: 2,000,000 shares Percentage of Ownership: 100%

Company Profile

As date of 2022/12/31
 Unit : NT\$K

Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
20,000	91,595	50,796	40,799	301,886	22,232	17,891	8.95

1.3 Information of Acer Subsidiaries

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
0	001	AI	Acer Incorporated	1976/8/1	Taiwan	NTD	30,478,538	1.00	Sale of brand-name IT products
1	011	APX	Asplex Sp. z o.o.	2009/5/15	Poland	PLN	100	7.02	Repair and maintenance of brand-name IT products
2	013	API	AcerPure Inc.	2016/10/24	Taiwan	NTD	250,000	1.00	Intelligent solutions of air quality
3	014	WLII	Weblink International Inc.	1977/12/22	Taiwan	NTD	815,814	1.00	Sale of computers and communication products
4	017	ASC	Acer Service Corporation	2005/9/12	U.S.A.	USD	0	30.71	Repair and maintenance of IT products
5	022	AIC	Acer Japan Corp.	1988/2/9	Japan	JPY	200,000	0.23	Sale of brand-name IT products
6	023	AEB	Acer e-Enabling Service Business Inc.	2012/2/22	Taiwan	NTD	414,490	1.00	Providing solutions of cloud and digitalization
7	024	APL	Acer Poland sp. z o.o.	2010/11/25	Poland	PLN	100	7.02	Marketing of brand-name IT products
8	028	XPL	Xplova Inc.	2008/9/5	Taiwan	NTD	23,098	1.00	Design, development and sale of smart bicycle speedometer
9	030	ACA	Acer Computer Australia Pty. Limited	1989/9/21	Australia	AUD	67,296	20.92	Sale of brand-name IT products
10	034	AMI	PT. Acer Manufacturing Indonesia	2012/1/12	Indonesia	IDR	2,300,000	0.00	Assembly of brand-name IT products
11	035	GCL	Great Connection LTD.	1993/6/1	H.K.	HKD	300	3.94	Sale of computer, apparatus system, and peripheral equipment
12	041	ACNZ	Acer Computer New Zealand Limited	1993/8/18	New Zealand	NZD	12,179	19.50	Sale of brand-name IT products
13	042	ATH	Acer Computer Co., Ltd.	1993/10/29	Thailand	THB	224,078	0.88	Sale of brand-name IT products
14	043	AFE	Acer Computer (Far East) Limited	1986/9/30	H.K.	HKD	228,420	3.94	Sale of brand-name IT products
15	046	ITS	Acer ITS Inc.	2017/9/21	Taiwan	NTD	363,385	1.00	Programs and services of intelligent transportation and electronic ticketing
16	047	WELL	Wellife Inc.	2015/12/22	Taiwan	NTD	10,000	1.00	Sales of 3C products and home appliances
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	2016/6/6	Taiwan	NTD	29,000	1.00	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware
18	049	AIC	Acer AI Cloud Inc.	2014/10/1	Taiwan	NTD	29,000	1.00	Providing cloud technology and solutions
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	1990/11/29	Singapore	SGD	3,985	22.92	Sale of brand-name IT products
20	054	APDI	Acer Property Development Inc.	1989/7/27	Taiwan	NTD	29,577	1.00	Solar optronics business
21	056	ASBZ	StarVR Corporation	2016/10/3	Taiwan	NTD	6,602	1.00	Solutions provider of B2B virtual reality
22	057	ASSB	Acer Sales and Services SDN BHD	1990/9/18	Malaysia	MYR	30,969	6.97	Sale of brand-name IT products
23	058	AHI	Acer Holdings International, Incorporated	1991/4/8	B.V.I.	USD	191,155	30.71	Investment and holding activity
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	1998/6/1	Mexico	MXN	1,374,595	1.57	Sale of brand-name IT products
25	061	XPLSH	Xplova (Shanghai) Ltd.	2016/5/17	China	RMB	2,000	4.45	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports



No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
26	062	AAF	Acer Africa (Proprietary) Limited	1994/11/29	South Africa	ZAR	368	1.80	Marketing and support services
27	064	ABH	Acer BeingWare Holding Inc.	2016/5/17	Taiwan	NTD	1,303,085	1.00	Investment and holding activity
28	065	ALT	Altos Computing Inc.	2016/9/20	Taiwan	NTD	83,730	1.00	High performance computing, cloud computing, software-defined storage, and IT solution
29	066	ACCN	Acer Computer (Shanghai) Ltd.	2005/10/31	China	RMB	16,168	4.45	Repair and maintenance of IT products
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	2015/7/21	China	RMB	31,325	4.45	Design, development, sales, and advisory of computer software and hardware
31	068	ACTI	Acer Cloud Technology Inc.	2012/1/12	U.S.A.	USD	6,155	30.71	Investment and holding activity
32	069	SMA	Servex (Malaysia) Sdn Bhd	1991/6/25	Malaysia	MYR	4,748	6.97	Sale of computers and communication products
33	070	AMS	Acer Market Services Limited	1992/12/8	H.K.	HKD	1,218,717	3.94	Investment and holding activity
34	073	ASIN	Acer Sales International SA	2015/5/8	Switzerland	USD	105	30.71	Sale of brand-name IT products
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	2013/3/20	Turkey	TRY	100	1.64	Marketing of brand-name IT products
36	077	KTI	Keypack Technology Incorporated	2022/1/21	Taiwan	NTD	20,000	1.00	Manufacturing of lithium battery module
37	085	ALTH	Altos Computing (Thailand) Co., Ltd.	2022/1/10	Thailand	THB	613	0.88	High performance computing, cloud computing, software-defined storage, and IT solution
38	086	ACCQ	Acer (Chongqing) Ltd.	2010/11/9	China	RMB	991,050	4.45	Sale of brand-name IT products
39	087	SEB	Sertec (Beijing) Ltd.	2017/4/14	China	RMB	1,000	4.45	Repair and maintenance of IT products
40	089	AAH	Acer American Holdings Corp.	2007/10/15	U.S.A.	USD	0	30.71	Investment and holding activity
41	091	ACTUS	Acer Cloud Technology (US), Inc.	2016/8/15	U.S.A.	USD	2	30.71	Cloud technology service and research, development, and design of IoT platform
42	095	ABST	Acer Being Signage Inc.	2017/5/17	Taiwan	NTD	25,000	1.00	Technical service and research of aBeing cloud digital content management
43	096	ABSG	Acer Being Signage GmbH	2016/12/15	Germany	EUR	6,029	32.87	Technical service and research of aBeing cloud digital content management
44	097	AVN	Acer Vietnam Co., Ltd.	2000/1/10	Vietnam	VND	76,283,170	0.00	Sale of brand-name IT products
45	104	AOI	AOPEN Inc.	1996/12/1	Taiwan	NTD	714,480	1.00	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products
46	107	AOE	AOPEN Computer B.V.	1997/12/1	Netherlands	EUR	18	32.87	Sale of computer, apparatus system, and peripheral equipment
47	113	ENNL	Enfinitec B.V.	2021/1/25	Netherlands	EUR	0	32.87	Repair and management of IT products
48	114	ENIT	Enfinitec Italy S.R.L.	2021/7/16	Italy	EUR	10	32.87	Repair and management of IT products
49	115	ASZ	Acer Computer (Switzerland) AG	1997/12/1	Switzerland	CHF	50	33.22	Sale of brand-name IT products
50	120	AAC	Acer America Corporation	1984/5/4	U.S.A.	USD	42,292	30.71	Sale of brand-name IT products
51	121	ACG	ACER Computer GmbH	1987/5/17	Germany	EUR	14,561	32.87	Sale of brand-name IT products



No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
52	122	SAL	Bluechip Infotech Pty Ltd	1996/12/13	Australia	AUD	9,203	20.92	Sale of computer peripherals and software system
53	123	AUK	Acer U.K. Limited	1988/5/9	U.K.	GBP	9,072	37.10	Sale of brand-name IT products
54	124	ACF	Acer Computer France S.A.S.U.	1987/9/3	France	EUR	13,609	32.87	Sale of brand-name IT products
55	128	ACH	Acer Computer B.V.	1988/5/9	Netherlands	EUR	2,612	32.87	Sale of brand-name IT products
56	129	AOA	AOPEN America Inc.	1997/12/1	U.S.A.	USD	15,000	30.71	Sale of computer, apparatus system, and peripheral equipment
57	134	CCI	Cross Century Investment Limited	1997/11/11	Taiwan	NTD	1,000	1.00	Investment and holding activity
58	137	ASDI	Aspire Service & Development Inc.	1997/10/13	Taiwan	NTD	50,000	1.00	Hotel management service
59	138	ABC	Acer Being Communication Inc.	2014/12/16	Taiwan	NTD	25,000	1.00	Software design service
60	139	AIT	Acer Italy S.R.L.	1996/2/19	Italy	EUR	802	32.87	Sale of brand-name IT products
61	141	AOSV	Aopen SmartVision Incorporated	2002/2/1	Taiwan	NTD	15,000	1.00	Sale of computer, apparatus system, and peripheral equipment
62	144	BLI	Bluechip Infotech Incorporated	2020/5/11	Taiwan	NTD	1,000	1.00	Sale of computer peripherals and software system
63	145	ACD	Acer Denmark A/S	1991/10/1	Denmark	DKK	1,000	4.42	Marketing of brand-name IT products
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	1997/12/3	China	RMB	24,659	4.45	Sale of commercial and cloud application software and technical services
65	151	BLNZ	Bluechip Infotech (NZ) Limited	2021/7/26	New Zealand	NZD	3,600	19.50	Investment and holding activity
66	152	SSL	Soft Solutions Limited	2021/1/12	New Zealand	NZD	-	19.50	Sales of peripheral computer software
67	156	MPS	MPS Energy Inc.	2015/7/31	Taiwan	NTD	103,502	1.00	Research, development, and sale of batteries
68	160	ACV	Acer Austria GmbH	1992/7/30	Austria	EUR	218	32.87	Marketing of brand-name IT products
69	161	MIA	Mia Telecomms Pty Limited	2022/8/1	Australia	AUD	665	20.92	Sale of computer peripherals and software system
70	165	ASCBVI	Acer SoftCapital Incorporated	1997/12/2	B.V.I.	USD	118,856	30.71	Investment and holding activity
71	167	AMED	Acer Medical Inc.	2018/4/25	Taiwan	NTD	152,260	1.00	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange
72	168	AEH	Acer European Holdings SA	1996/12/28	Switzerland	EUR	131	32.87	Investment and holding activity
73	171	GCN	Gadgetek (Shanghai) Limited	2019/7/3	China	RMB	3,529	4.45	Sale of peripheral 3C products
74	172	AOTH	AOPEN Technology Inc.	1999/5/1	B.V.I.	USD	50	30.71	Sale of computer, apparatus system, and peripheral equipment
75	173	PBT	Pecer Bio-medical Technology Incorporated	2020/9/17	Taiwan	NTD	1,000	1.00	Sale of health supplements and biotech service
76	174	ACN	Acer Computer Norway AS	1994/11/22	Norway	NOK	6,531	3.13	Marketing and support services
77	177	EDC	Acer e-Enabling Data Center Incorporated	2017/12/31	Taiwan	NTD	444,623	1.00	Uninterrupted operation and IT operation outsourcing services
78	178	AAM	Acer Asset Management Incorporated	2021/8/31	Taiwan	NTD	1,077,189	1.00	Property held and related management business
79	180	AIB	Acer Computer Iberica, S.A.	1995/3/16	Spain	EUR	855	32.87	Sale of brand-name IT products
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	1999/4/26	China	RMB	12,416	4.45	Sale of brand-name IT products



No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
81	182	AIN	PT. Acer Indonesia	1999/7/8	Indonesia	IDR	2,077,485	0.00	Sale of brand-name IT products
82	183	ABI	Acer Beverage Incorporated	2022/11/27	Taiwan	NTD	15,000	1.00	Sale of beverage and other related products
83	184	WKC	Winking Entertainment Ltd	2005/12/15	Cayman Islands	NTD	157,019	1.00	Investment and holding activity
84	186	SHW	Shanghai Wishing Entertainment Limited	2007/12/20	China	RMB	92,000	4.45	Management of collaborative art design and IP licensing in Mainland China
85	187	WKNJ	Nanjing Winking Entertainment Ltd	2009/8/18	China	RMB	88,847	4.45	Art outsourcing
86	188	WKHK	Winking Art Limited	2017/8/2	H.K.	USD	1,026	30.71	Art outsourcing
87	189	HSN	HighPoint Service Network Sdn Bhd	1999/7/16	Malaysia	MYR	1,000	6.97	After-sales and value-added services of IT products
88	192	AIL	Acer India Private Limited	1999/9/9	India	INR	78,804	0.37	Sale of brand-name IT products
89	193	ADSC	Acer Digital Service Co.	1999/10/5	Taiwan	NTD	662,149	1.00	Investment and holding activity
90	194	AFN	Acer Finland Oy	1996/10/25	Finland	EUR	8	32.87	Marketing and support services
91	197	AHN	Acer Europe B. V.	1996/11/15	Netherlands	EUR	3,321	32.87	Investment and holding activity
92	199	ACW	Acer Sweden AB	1996/5/21	Sweden	SEK	100	2.94	Marketing of brand-name IT products
93	200	SER	Sertec 360 SA	2014/8/26	Switzerland	EUR	82	32.87	Repair and maintenance of IT products
94	203	CPY	CPYou B.V.	2020/2/20	Netherlands	EUR	1	32.87	Sale of brand-name IT products
95	206	WKTW	Winking Entertainment Corporation	2016/7/21	Taiwan	NTD	122,361	1.00	IP licensing, design, research and development of original computer games
96	207	WKSK	Winking Skywalker Entertainment Limited	2010/2/1	H.K.	USD	-	30.71	IP licensing and Game distribution on international platform
97	208	WKSG	Winking Art Pte. Ltd	2021/1/4	Singapore	USD	11,462	30.71	Art outsourcing
98	209	WKSH	Shanghai Winking Entertainment Limited	2004/1/13	China	RMB	446,030	4.45	Holding activity, Art outsourcing and Game development headquarter
99	223	AST	Acer Synergy Tech Corp.	2017/9/13	Taiwan	NTD	200,000	1.00	System integration service
100	224	ASTS	Shanghai AST Technology Service Ltd.	2018/6/15	China	RMB	4,400	4.45	System integration service
101	225	ASM	Acer Synergy Manpower Corp.	2019/11/20	Taiwan	NTD	20,000	1.00	Human resources and project service
102	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	2021/6/7	U.S.A.	USD	500	30.71	System integration service
103	227	ACLAH	Boardwalk Capital Holdings Limited	2000/6/26	B.V.I.	USD	1,373,071	30.71	Investment and holding activity
104	228	ACLAN	ACLA Holdings North, LLC	1999/11/10	U.S.A.	USD	-	30.71	Investment and holding activity
105	229	ACLAS	ACLA Holding South, LLC	1999/11/10	U.S.A.	USD	-	30.71	Investment and holding activity
106	230	ACLAE	ACLA Holding East, LLC	1999/11/10	U.S.A.	USD	-	30.71	Investment and holding activity
107	231	ACLAW	ACLA Holding West, LLC	1999/11/10	U.S.A.	USD	-	30.71	Investment and holding activity
108	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	2009/8/6	Brazil	BRL	249,467	5.82	Sale of brand-name IT products



No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
109	244	ACSI	Acer Cyber Security Incorporated	2000/5/29	Taiwan	NTD	222,407	1.00	Cyber security service
110	245	ACAD	ACSI Cyber Security Academy Inc.	2021/8/12	Taiwan	NTD	10,000	1.00	Cyber security training
111	249	AOC	AOPEN International (Shanghai) Co., Ltd	2000/7/1	China	RMB	39,244	4.45	Sale of computer, apparatus system, and peripheral equipment
112	251	AGT	Acer Gadget Inc.	1986/3/27	Taiwan	NTD	600,000	1.00	Research, design and sale of smart handheld products and peripheral 3C products
113	257	ARU	Acer Marketing Services LLC	2009/7/1	Russia	RUB	20,000	0.44	Marketing of brand-name IT products
114	259	AGU	AGP Insurance (Guernsey) Limited	2009/10/1	Guernsey	EUR	5,000	32.87	Insurance captive
115	260	DTP	Dingo Tech Pty Ltd	2021/2/17	Australia	AUD	0	20.92	Investment and holding activity
116	261	DNA	Digital Networks Australia Pty Ltd	2020/3/28	Australia	AUD	0	20.92	Sales of peripheral computer software
117	262	IGP	Ingeniq Pty Ltd	2014/10/21	Australia	AUD	0	20.92	Sales of peripheral computer software
118	265	BIAC	Beijing Altos Computing Ltd.	2018/3/1	China	RMB	4,400	4.45	High performance computing, cloud computing, software-defined storage, and IT solution
119	269	AOJ	AOPEN Japan Inc.	2000/10/1	Japan	JPY	10,000	0.23	Sale of computer, apparatus system, and peripheral equipment
120	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	2001/4/1	China	RMB	104,954	4.45	Manufacture and sale of computer parts and components
121	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	2013/1/1	Australia	AUD	150	20.92	Sale of computer, apparatus system, and peripheral equipment
122	277	AODAU	AOPEN Australia & New Zealand Pty Ltd	2013/1/1	Australia	AUD	0	20.92	Sale of computer, apparatus system, and peripheral equipment
123	287	AGM	Acer Gaming Inc.	2020/7/31	Taiwan	NTD	350,000	1.00	Agency of video game console and peripherals
124	288	DZH	DropZone Holding Limited	2001/7/9	Cayman Islands	USD	100	30.71	Investment and holding activity
125	289	DZL	DropZone (Hong Kong) Limited	2019/12/9	H.K.	USD	30	30.71	Operation and maintenance of eSports platform
126	293	AAPH	Acer Asia Pacific Sdn Bhd	2007/11/14	Malaysia	USD	1,000	30.71	Sale of brand-name IT products
127	299	AGPH	Acer Global Merchandise Philippines Inc.	2022/4/1	Philippines	PHP	15,359	0.55	Agency of video game console and peripherals
128	310	AEG	Acer Europe SA	2002/4/1	Switzerland	EUR	1,164	32.87	Sale of brand-name IT products
129	313	ACZ	Acer Czech Republic s.r.o.	2002/4/8	Czech	CZK	2,000	1.36	Marketing, repair and maintenance of brand-name IT products
130	330	PAL	Protrade Asia Limited	2017/1/23	B.V.I.	USD	700	30.71	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
131	331	DCL	Dakota Co., Ltd.	2009/8/21	SAMOA	USD	650	30.71	Investment and holding activity
132	332	CRI	Cascadia Resources Inc.	2011/10/14	U.S.A.	USD	2,000	30.71	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
133	333	PAM	Portrade Applied Materials Corp.	2001/8/7	Taiwan	NTD	229,347	1.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
134	334	PST	Portrade Shanghai Trading Co., Ltd.	2006/3/10	China	RMB	5,068	4.45	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers
135	335	PRV	Portrade Resources Vietnam Company Limited	2020/8/20	Vietnam	VND	2,320,000	0.00	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers

No.	Company Code	Brief Name	Company	Date of Incorporation	Place of Registration	Capital Stock		Exchange Rate	Business Activities
						Currency	Amount		
136	336	APHI	Acer Philippines, Inc.	2003/1/1	Philippines	PHP	13,510	0.55	Sale of brand-name IT products
137	337	HSNV	HighPoint Service Network Vietnam Company Limited	2020/12/14	Vietnam	VND	3,439,500	0.00	After-sales and value-added services of IT products
138	338	HPA	HighPoint Australia Pty Ltd	2003/2/1	Australia	AUD	500	20.92	After-sales and value-added services of IT products
139	345	HSNI	PT HSN Tech Indonesia	2018/11/15	Indonesia	IDR	14,900,000	0.00	After-sales and value-added services of IT products
140	346	ALIN	Altos Computing (India) Private Limited	2018/6/21	India	INR	-	0.37	Sale of brand-name IT products
141	347	HSNP	HighPoint Services Network Philippines, Inc.	2018/8/28	Philippines	PHP	10,600	0.55	After-sales and value-added services of IT products
142	348	HSNT	HighPoint Service Network (Thailand) Co., Ltd	2018/11/7	Thailand	THB	2,450	0.88	After-sales and value-added services of IT products
143	349	HSNC	HighPoint Service Network Corporation	2018/9/14	Taiwan	NTD	162,100	1	After-sales and value-added services of IT products
144	400	GWI	Gateway, Inc.	1991/1/14	U.S.A.	USD	0	30.71	Investment and holding activity

1.4 A company assumed to be controlled, subordinated or there would be same shareholders with the parent company:

The main business is to sell brand IT products and provide electronic information services around the world. In the future, it will aim at the integrated application of the IoT and service-oriented technologies, and launch more products combining software, hardware and services for the consumer and commercial markets.

1.5 The business and operating scope of the Company's affiliates:

The industries covered by the company's overall affiliated companies are mainly engaged in the domestic and foreign sales of brand information products of Acer, gateway, eMachines and Packard Bell.



1.6 Operational Highlights of Acer's Subsidiaries

As of December 31, 2022
Unit: NT\$ thousands, except EPS (NT\$)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
0	001	AI	Acer Incorporated	30,478,538	137,350,104	71,402,647	65,947,457	169,284,764	4,217,143	5,003,688	1.67
1	011	APX	Asplex Sp. z o.o.	702	840,392	335,466	504,926	1,758,105	34,833	19,574	9,786.85
2	013	API	AcerPure Inc.	250,000	361,196	63,681	297,515	200,529	(10,387)	(622)	(0.03)
3	014	WLI	WebLink International Inc.	815,814	5,515,907	3,490,061	2,025,846	18,166,842	375,385	415,049	5.09
4	017	ASC	Acer Service Corporation	0	704,126	799,846	(95,720)	1,099,367	12,928	11,391	11,390.68
5	022	AIC	Acer Japan Corp.	46,840	984,958	1,599,912	(614,954)	1,923,776	(6,894)	(19,788)	(865.53)
6	023	AEB	Acer e-Enabling Service Business Inc.	414,490	5,393,124	3,612,564	1,780,560	7,189,523	518,066	436,771	11.35
7	024	APL	Acer Poland sp. z o.o.	702	52,382	17,374	35,008	141,242	6,726	5,448	2,723.95
8	028	XPL	Xplova Inc.	23,098	14,482	330	14,152	0	(128)	1,623	0.70
9	030	ACA	Acer Computer Australia Pty. Limited	1,407,924	3,156,611	2,833,378	323,233	7,729,042	139,275	75,323	1.12
10	034	AMI	PT. Acer Manufacturing Indonesia	4,537	743,807	633,966	109,841	3,115,649	63,286	43,101	172.41
11	035	GCL	Great Connection LTD.	1,181	4,020	130	3,890	76	(1)	(1)	(0.00)
12	041	ACNZ	Acer Computer New Zealand Limited	237,483	416,991	272,864	144,127	843,229	7,169	379	0.03
13	042	ATH	Acer Computer Co., Ltd.	198,108	2,145,641	1,380,761	764,880	6,119,263	63,615	24,995	1.16
14	043	AFE	Acer Computer (Far East) Limited	899,088	320,745	608,661	(287,916)	691,974	(217,137)	(222,985)	(1.51)
15	046	ITS	Acer ITS Inc.	363,385	648,271	614,930	33,341	283,271	(77,785)	(80,169)	(2.21)
16	047	WELL	Wellife Inc.	10,000	107,102	79,599	27,503	588,465	21,291	16,737	16.74
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	29,000	(42,409)	41	(42,450)	66	0	(9,161)	(3.16)
18	049	AIC	Acer AI Cloud Inc.	29,000	46,624	30,326	16,298	31,497	(81)	(556)	(0.19)
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	91,365	611,295	387,343	223,952	2,680,088	13,357	7,072	1.77
20	054	APDI	Acer Property Development Inc.	29,577	146,279	107,612	38,667	17,032	(1,366)	1,577	0.53
21	056	ASBZ	StarVR Corporation	6,602	35,118	23,668	11,450	43	(253)	692	1.05
22	057	ASSB	Acer Sales and Services SDN BHD	215,941	2,230,322	826,187	1,404,135	3,211,744	(24,687)	15,098	0.49
23	058	AHI	Acer Holdings International, Incorporated	5,870,002	16,340,939	2,095	16,338,844	0	(3,835)	11,812	0.06
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	2,163,682	1,056,494	723,523	332,971	1,924,476	19,339	29,232	0.02
25	061	XPLSH	Xplova (Shanghai) Ltd.	8,905	5,305	141	5,164	0	(271)	(378)	N.A.
26	062	AAF	Acer Africa (Proprietary) Limited	663	113,372	9,819	103,553	121,458	1,662	5,596	0.15
27	064	ABH	Acer BeingWare Holding Inc.	1,303,085	1,954,898	120	1,954,778	0	(158)	156,012	1.20
28	065	ALT	Altos Computing Inc.	83,730	441,552	358,001	83,551	881,390	(9,830)	1,338	0.16



No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
29	066	ACCN	Acer Computer (Shanghai) Ltd.	71,968	1,407,302	150,654	1,256,648	503,967	84	15,766	N.A.
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	139,438	25,277	(3,385)	28,662	0	(247)	112,908	N.A.
31	068	ACTI	Acer Cloud Technology Inc.	189,011	267,444	1,816	265,628	0	(629)	(7,974)	(0.00)
32	069	SMA	Servex (Malaysia) Sdn Bhd	33,107	892,523	142,600	749,923	3,389,751	41,430	33,748	7.11
33	070	AMS	Acer Market Services Limited	4,797,011	6,195,174	1,905	6,193,269	0	(4,830)	(55,939)	(0.05)
34	073	ASIN	Acer Sales International SA	3,229	5,589,194	5,177,178	412,016	20,465,545	(51,407)	(189,397)	(1,893.97)
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	164	10,131	1,960	8,171	9,674	491	3,098	3,097.81
36	077	KTI	Keypack Technology/Incorporated	20,000	23,693	14,967	8,726	5,206	(11,228)	(11,274)	(5.64)
37	085	ALTH	Altos Computing (Thailand) Co., Ltd.	542	34,507	29,301	5,206	52,187	4,790	3,945	161.03
38	086	ACCQ	Acer (Chongqing) Ltd.	4,411,498	8,011,141	3,523,625	4,487,516	14,990,498	(66,287)	(2,887)	N.A.
39	087	SEB	Sertec (Beijing) Ltd.	4,451	9,205	42	9,163	0	(48)	5	N.A.
40	089	AAH	Acer American Holdings Corp.	0	29,703,144	0	29,703,144	0	(1,077)	480,203	533,558.44
41	091	ACTUS	Acer Cloud Technology (US), Inc.	61	305	2	303	0	(59)	(59)	(0.02)
42	095	ABST	Acer Being Signage Inc.	25,000	37,750	101,303	(63,553)	0	(59)	(492)	(0.20)
43	096	ABSG	Acer Being Signage GmbH	198,191	136,128	158,725	(22,597)	72,288	928	244	9.77
44	097	AVN	Acer Vietnam Co., Ltd.	98,840	160,906	57,685	103,221	370,338	38,424	30,698	N.A.
45	104	AOI	AOPEN Inc.	714,480	1,841,394	944,267	831,637	3,329,551	71,907	199,102	2.79
46	107	AOE	AOPEN Computer B.V.	597	198,209	214,823	(16,614)	454,182	5,440	(1,065)	(26.625.00)
47	113	ENNL	Enfinitec B.V.	3	114,060	79,258	34,802	193,794	(4,221)	(4,529)	(44.838.02)
48	114	ENIT	Enfinitec Italy S.R.L.	329	301	0	301	0	(27)	(27)	(26.866.79)
49	115	ASZ	Acer Computer (Switzerland) AG	1,661	630,962	300,813	330,149	2,426,813	15,774	11,837	236,731.36
50	120	AAC	Acer America Corporation	1,298,714	27,261,344	14,666,190	12,595,154	57,526,528	518,537	490,050	158.08
51	121	ACG	ACER Computer GmbH	478,649	8,236,882	5,658,993	2,577,889	20,093,485	134,626	87,366	N.A.
52	122	SAL	Bluechip Infotech Pty Ltd	192,548	1,548,616	1,159,694	388,922	4,162,794	54,209	36,737	10.01
53	123	AUK	Acer U.K. Limited	336,604	3,677,995	2,404,939	1,273,056	6,752,093	43,889	35,375	3.90
54	124	ACF	Acer Computer France S.A.S.U.	447,364	5,223,149	3,411,327	1,811,822	8,969,784	59,201	40,565	15.56
55	128	ACH	Acer Computer B.V.	85,873	2,297,177	1,431,706	865,471	4,142,657	26,927	33,292	127.45
56	129	AOA	AOPEN America Inc.	460,620	74,605	242,568	(167,963)	212,917	1,072	(646)	(0.04)
57	134	CCI	Cross Century Investment Limited	1,000	389,349	51	389,298	0	(88)	3,997	N.A.
58	137	ASDI	Aspire Service & Development Inc.	50,000	709,838	627,216	82,622	213,012	21,072	26,784	5.36
59	138	ABC	Acer Being Communication Inc.	25,000	13,502	37,562	(24,060)	7,519	(11,365)	(11,494)	(4.60)
60	139	AIT	Acer Italy S.R.L.	26,364	2,090,074	1,056,778	1,033,296	4,304,325	42,069	25,305	N.A.
61	141	AOSV	Aopen SmartVision Incorporated	15,000	14,797	1,224	13,573	(275)	(295)	20	0.01



No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
62	144	BLI	Bluechip Infotech Incorporated	1,000	5,536	8,190	(2,654)	7,744	(702)	(1,040)	(10.40)
63	145	ACD	Acer Denmark A/S	4,420	49,417	16,938	32,479	83,426	4,055	3,063	30,632.72
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	109,766	137,915	145,279	(7,364)	267,401	2,186	(6,480)	N.A.
65	151	BLNZ	Bluechip Infotech (NZ) Limited	70,198	75,908	930	74,978	10,469	1,353	4,311	1.20
66	152	SSL	Soft Solutions Limited	0	95,232	83,131	12,101	469,614	10,306	9,360	3.12
67	156	MPS	MPS Energy Inc.	103,502	205,031	123,304	81,727	133,539	(22,104)	(25,780)	(3.83)
68	160	ACV	Acer Austria GmbH	7,167	37,429	10,443	26,986	25,023	1,171	824	N.A.
69	161	MIA	Mia Telecomms Pty Limited	13,921	141,763	123,096	18,667	173,178	(805)	(3,407)	(4.74)
70	165	ASCBVI	Acer SoftCapital Incorporated	3,649,845	1,615,469	77	1,615,392	0	(3,374)	70,855	0.45
71	167	AMED	Acer Medical Inc.	152,260	290,158	30,040	260,118	13,060	(55,177)	(54,706)	(4.43)
72	168	AEH	Acer European Holdings SA	4,315	19,680,552	292,205	19,388,347	296,588	(25,498)	331,884	2,257.71
73	171	GCN	GadgeTek (Shanghai) Limited	15,707	109,077	62,493	46,584	203,506	14,881	11,184	N.A.
74	172	AOTH	AOPEN Technology Inc.	1,535	320,387	0	320,387	0	(46)	45,541	910.82
75	173	PBT	Pecer Bio-medical Technology Incorporated	1,000	1,194	175	1,019	361	(9)	(7)	(0.07)
76	174	ACN	Acer Computer Norway AS	20,457	58,532	22,363	36,169	143,560	2,399	1,768	270.70
77	177	EDC	Acer e-Enabling Data Center Incorporated	444,623	1,227,018	662,835	564,183	756,245	103,589	89,192	2.01
78	178	AAM	Acer Asset Management Incorporated	1,077,189	1,078,928	3,911	1,075,017	31,200	(2,264)	(2,222)	(0.02)
79	180	AIB	Acer Computer Iberica, S.A.	28,121	2,586,930	1,643,265	943,665	4,606,662	30,865	26,384	185.36
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	55,268	222,058	108	221,950	0	(7)	3,569	N.A.
81	182	AIN	PT. Acer Indonesia	4,098	2,557,145	1,525,712	1,031,433	9,328,587	116,193	142,001	473.34
82	183	ABI	Acer Beverage Incorporated	15,000	16,006	10,856	5,150	7,509	(9,847)	(9,849)	(6.57)
83	184	WKC	Winking Entertainment Ltd	157,019	315,171	8,471	306,700	0	(88)	31,905	2.03
84	186	SHW	Shanghai Winking Entertainment Limited	92,000	17,367	895	16,472	77,958	3,513	4,785	N.A.
85	187	WKNJ	Nanjing Winking Entertainment Ltd	88,847	360,518	152,708	207,810	558,982	(32,664)	12,688	N.A.
86	188	WKHK	Winking Art Limited	1,026	83,564	703	82,861	97,087	39,354	10,968	10,967,790.57
87	189	HSN	HighPoint Service Network Sdn Bhd	6,973	149,262	44,930	104,332	383,833	31,364	24,488	24.49
88	192	AIL	Acer India Private Limited	29,249	6,214,077	5,696,900	517,177	16,486,625	96,295	86,269	1.09
89	193	ADSC	Acer Digital Service Co.	662,149	1,293,828	25,792	1,268,036	0	(558)	47,216	0.71
90	194	AFN	Acer Finland Oy	276	44,184	4,601	39,583	13,751	646	513	10,269.95
91	197	AHN	Acer Europe B.V.	109,166	11,580,951	21,281	11,559,670	0	(13,613)	285,283	1,718.13
92	199	ACW	Acer Sweden AB	294	48,405	12,231	36,174	27,189	1,331	745	744.91
93	200	SER	Sertec 360 SA	2,706	397,336	320,035	77,301	1,524,808	151	548	547.67

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
94	203	CPY	CPYou B.V.	33	615,521	390,892	224,629	1,452,345	(3,061)	(14,901)	(14,900.88)
95	206	WKTW	Winking Entertainment Corporation	122,361	95,709	90,149	5,560	97,081	(27,460)	(26,991)	(2.21)
96	207	WKSK	Winking Skywalker Entertainment Limited	92,124	4,816	4,297	519	721	741	362	0.12
97	208	WKSG	Winking Art Pte. Ltd	11,462	67,294	44,973	22,321	52,022	8,912	7,112	3.56
98	209	WKSH	Shanghai Winking Entertainment Limited	446,030	369,758	80,721	289,037	268,658	20,963	44,641	N.A.
99	223	AST	Acer Synergy Tech Corp.	200,000	1,052,046	352,537	699,509	1,088,713	33,021	75,902	4.05
100	224	ASTS	Shanghai AST Technology Service Ltd.	19,586	35,814	5,972	29,842	16,684	666	713	N.A.
101	225	ASM	Acer Synergy Manpower Corp.	20,000	91,595	50,796	40,799	301,886	22,239	17,891	8.95
102	226	ASTA	ACER SYNERGY TECH AMERICA CORPORATION	15,354	131,965	107,793	24,172	142,806	16,762	11,236	22,472.00
103	227	ACLAAH	Boardwalk Capital Holdings Limited	42,164,275	31,407,290	281,675	31,125,615	0	(15)	265,260	0.19
104	228	ACLAN	ACLA Holdings North, LLC	0	0	0	0	0	0	0	N.A.
105	229	ACLAS	ACLA Holding South, LLC	0	0	0	0	0	0	0	N.A.
106	230	ACLAE	ACLA Holding East, LLC	0	0	0	0	0	0	0	N.A.
107	231	ACLAW	ACLA Holding West, LLC	0	0	0	0	0	0	0	N.A.
108	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	1,450,767	5,212,541	4,211,398	1,001,143	12,602,256	(370,504)	(260,991)	(1.05)
109	244	ACSI	Acer Cyber Security Incorporated	222,407	1,537,904	328,940	1,208,964	905,003	68,372	155,366	7.92
110	245	ACAD	ACSI Cyber Security Academy Inc.	10,000	7,512	1,590	5,922	9,319	(1,788)	(1,783)	(1.78)
111	249	AOC	AOPEN International (Shanghai) Co., Ltd	174,687	73,910	61,142	12,768	297,573	(3,248)	(2,864)	N.A.
112	251	AGT	Acer Gadget Inc.	600,000	1,468,209	418,183	1,050,026	14,458,833	80,875	135,312	3.00
113	257	ARU	Acer Marketing Services LLC	8,732	68,024	124,731	(56,707)	154,416	28,197	23,862	N.A.
114	259	AGU	AGP Insurance (Guernsey) Limited	164,365	1,111,682	83,296	1,028,386	47,779	34,121	44,250	8.85
115	260	DTP	Dingo Tech Pty Ltd	2	6	4	2	0	0	0	0.00
116	261	DNA	Digital Networks Australia Pty Ltd	4	16,119	5,602	10,517	34,836	(1,857)	(2,055)	(10,273.41)
117	262	IGP	Ingeniq Pty Ltd	2	928	(4,224)	5,152	5,881	5,113	5,089	50,894.88
118	265	BIAC	Beijing Altos Computing Ltd.	19,586	107,302	14,007	93,295	109,869	4,430	(2,029)	N.A.
119	269	AOI	AOPEN Japan Inc.	2,342	46,151	17,738	28,413	43,542	1,045	727	3,635.00
120	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	467,185	328,785	25,208	303,577	35,787	986	48,454	N.A.
121	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	3,138	15,504	0	15,504	0	(8)	(4,646)	(30.97)
122	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	2	37,383	24,028	13,355	63,268	(5,216)	(4,646)	(46,460.00)
123	287	AGM	Acer Gaming Inc.	350,000	1,806,439	662,621	1,143,818	2,330,060	47,042	39,841	1.91
124	288	DZH	DropZone Holding Limited	3,071	853	0	853	0	0	(33)	(0.33)

No.	Company Code	Brief Name	Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) From Operation	Net Income (Loss)	Basic Earning (Loss) Per Share
125	289	DZL	DropZone (Hong Kong) Limited	921	855	60	795	30	(28)	(33)	(11.04)
126	293	AAPH	Acer Asia Pacific Sdn Bhd	30,708	33,430	420	33,010	0	(318)	(4,295)	(1.29)
127	299	AGPH	Acer Global Merchandise Philippines Inc.	8,463	248,509	231,376	17,133	229,406	1,367	8,608	56.05
128	310	ATEG	Acer Europe SA	38,252	17,627,223	13,806,447	3,820,776	67,799,892	203,410	163,781	99,261.27
129	313	ACZ	Acer Czech Republic s.r.o.	2,722	225,191	129,999	95,192	573,772	7,547	7,193	N.A.
130	330	PAL	Protrade Asia Limited	21,496	143,947	104,688	39,259	863,644	29,084	16,488	235.54
131	331	DCL	Dakota Co., Ltd.	19,960	124,060	145	123,915	0	(449)	(10,863)	(16.71)
132	332	CRI	Cascadia Resources Inc.	61,419	769,234	633,785	135,449	1,927,007	97,490	70,590	35.30
133	333	PAM	Protrade Applied Materials Corp.	229,347	964,584	444,583	520,001	2,186,199	16,346	4,486	0.31
134	334	PST	Protrade Shanghai Trading Co., Ltd.	22,560	326,724	205,826	120,898	996,589	4,226	(10,743)	(16.53)
135	335	PRV	Protrade Resources Vietnam Company Limited	3,006	3,441	1,194	2,247	474	(767)	(655)	(654,725.45)
136	336	APHI	Acer Philippines, Inc.	7,444	1,084,588	925,224	159,364	3,183,250	31,014	28,112	208.08
137	337	HSNV	HighPoint Service Network Vietnam Company Limited	4,457	11,338	7,108	4,230	41,993	1,510	1,233	N.A.
138	338	HPA	HighPoint Australia Pty Ltd	10,461	0	(25,234)	25,234	0	0	0	0.00
139	345	HSNI	PT HSN Tech Indonesia	29,390	55,247	12,289	42,958	24,567	4,377	4,943	4.99
140	346	ALIN	Altos Computing (India) Private Limited	0	127,357	111,788	15,569	341,054	13,197	9,742	0.60
141	347	HSNP	HighPoint Services Network Philippines, Inc.	5,841	62,728	30,612	32,116	93,845	13,241	10,994	103.72
142	348	HSNT	HighPoint Service Network (Thailand) Co., Ltd	2,166	68,260	59,824	8,436	106,385	4,514	3,708	151.34
143	349	HSNC	HighPoint Service Network Corporation	162,100	277,266	77,932	199,334	96,583	(26,720)	22,285	1.37
144	400	GWJ	Gateway, Inc.	0	24,154,949	300,478	23,854,471	8	95	504,187	5,041,868.61

1.7 Rosters of Directors, Supervisors, and Presidents of Acer's Subsidiaries

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
1	011	APX	Asplex Sp. z o.o.	Director	Emmanuel Fromont, Tai Chi Shih	2,000	100.00%
				President	-		
2	013	API	AcerPure Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen		
				President	-	22,484,000	89.94%
				Supervisor	Sophia YL Chen		
3	014	WLIJ	Weblink International Inc.	Director	Jason Chen, Dave Lin, Meggy Chen		
				President	Dave Lin	48,173,116	58.93%
				Independent Director	Cheng Yeh Ran, Jui Po Tang, Wang Ming-Ihy, Steven Shaw		
4	017	ASC	Acer Service Corporation	Director	Gregg Prendergast, Ming Wang, Meggy Chen	1,000	100.00%
				President	Gregg Prendergast		
5	022	AIC	Acer Japan Corp.	Director	Andrew Hou, Meggy Chen, Bob Sen	22,862	100.00%
				President	-		
				Supervisor	Sophia YL Chen, Ryan Yen		
6	023	AEB	Acer e-Enabling Service Business Inc.	Director	Jason Chen, Maverick Shih, Meggy Chen	26,304,000	63.46%
				President	Sandy Chou		
				Independent Director	Kevin Hou, David Yeh, H.T. Chou, M.C. Tzeng		
7	024	APL	Acer Poland sp. z o.o.	Director	Emmanuel Fromont, Tai Chi Shih, Lukasz Lopuszynski	2,000	100.00%
				President	-		
8	028	XPL	Xplova Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	2,309,770	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
9	030	ACA	Acer Computer Australia Pty. Limited	Director	Gaba Cheng, Sophia YL Chen, Andrew Hou	67,295,984	100.00%
				President	-		
10	034	AMI	PT. Acer Manufacturing Indonesia	Director	Herbet Ang, Meggy Chen, Andrew Hou, Parman Iskak	250,000	100.00%
				President	Herbet Ang		
11	035	GCL	Great Connection LTD.	Director	Dale Tsai, Edward Chen	300,000	40.55%
				President	-		
12	041	ACNZ	Acer Computer New Zealand Limited	Director	Gaba Cheng, Sophia YL Chen, Andrew Hou	12,178,861	100.00%
				President	-		

As of December 31, 2022



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
13	042	ATH	Acer Computer Co., Ltd.	Director	Alan Chiang, Andrew Hou, Sophia YL Chen	21,507,750	100.00%
				President	Alan Chiang		
14	043	AFE	Acer Computer (Far East) Limited	Director	Jason Chen, Meggy Chen	147,420,000	100.00%
				President	Jason Chen		
15	046	ITS	Acer ITS Inc.	Director	Jason Chen, Meggy Chen, Andy HT Lin, Maverick Shih, Lydia Wu	34,307,799	94.41%
				President	Kenny Yu		
				Supervisor	Dick Tan, Vincent Chi		
16	047	WELL	Wellife Inc.	Director	Dave Lin, Meggy Chen, Lydia Wu	1,000,000	58.93%
				President	-		
				Supervisor	Sophia YL Chen		
17	048	ACTTW	Acer Cloud Technology (Taiwan) Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,900,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
18	049	AIC	Acer AI Cloud Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	2,900,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
19	051	ACS	Acer Computer (Singapore) Pte. Ltd.	Director	Andrew Hou, Chia Li Shi, Sophia YL Chen	3,985,385	100.00%
				President	-		
20	054	APDI	Acer Property Development Inc.	Director	Andy HT Lin, Meggy Chen, Mercury Kuo	2,957,742	89.94%
				President	-		
				Supervisor	Sophia YL Chen		
21	056	ASBZ	StarVR Corporation	Director	Emmanuel Marquez, Jerry Kao, Meggy Chen	32,211,790	66.81%
				President	-		
				Supervisor	Sophia YL Chen		
22	057	ASSB	Acer Sales and Services SDN BHD	Director	Tek Young Kon, Ricky Tan, Andrew Hou	30,969,332	100.00%
				President	-		
23	058	AHI	Acer Holdings International, Incorporated	Director	Meggy Chen, Jason Chen	191,155,465	100.00%
				President	-		
24	060	AMEX	Acer Computec Mexico, S.A. de C.V.	Director	Juan Jose Cordova	1,373,840,957	99.95%
				President	Germano Couy		



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
25	061	XPLSH	Xplova (Shanghai) Ltd.	Director	Ben Wan, Mercury Kuo, Meggy Chen	N.A.	100.00%
				President	Ben Wan		
				Supervisor	Sophia YL Chen		
26	062	AAF	Acer Africa (Proprietary) Limited	Director	Emmanuel Fromont, Glenn Du toit, Tai Chi Shih	36,800,000	100.00%
				President	-		
27	064	ABH	Acer BeingWare Holding Inc.	Director	Jason Chen, Meggy Chen, Lydia Wu	130,308,478	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
28	065	ALT	Altos Computing Inc.	Director	Andrew Hou, Jason Chen, Meggy Chen, Jerry Kao, Jeff Lee	6,580,717	78.59%
				President	Jackie Lee		
				Supervisor	Dick Tan, Vincent Chi		
29	066	ACCN	Acer Computer (Shanghai) Ltd.	Director	Mercury Kuo, Jason Chen, Lydia Wu	N.A.	100.00%
				President	Mercury Kuo,		
				Supervisor	Sophia YL Chen		
30	067	ACTCQ	Acer Cloud Technology(Chongqing) Ltd.	Director	Maverick Shih, Jason Chen, Meggy Chen	N.A.	100.00%
				President	Ann Lin		
				Supervisor	Dick Tan		
31	068	ACTI	Acer Cloud Technology Inc.	Director	Maverick Shih, Meggy Chen, Jason Chen	32,000,000,001	100.00%
				President	Maverick Shih		
32	069	SMA	Servex (Malaysia) Sdn Bhd	Director	Tek Young Kon, Ricky Tan	4,748,000	100.00%
				President	-		
33	070	AMS	Acer Market Services Limited	Director	Meggy Chen	1,218,717,000	100.00%
				President	-		
34	073	ASIN	Acer Sales International SA	Director	Tai Chi Shih, Grigory Nizovsky	100,000	100.00%
				President	Grigory Nizovsky		
35	074	ATR	Acer Bilisim Teknolojileri Limited Sirketi	Director	Emmanuel Fromont, Grigory Nizovsky, Tai Chi Shih, Savas Yalcin	1,000	100.00%
				President	-		
36	077	KTI	Keypack Technology Incorporated	Director	RC Chang, Alice Chang, Key Cheng	1,500,000	75.00%
				President	-		
				Supervisor	Sophia YL Chen		
37	085	ALTH	Altos Computing (Thailand) Co., Ltd.	Director	Ryan Yen, Supong Tangtongbenjasin, Suwan Keitiwattanapong, Preeyaporn Puengpiboon	24,499	78.59%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
38	086	ACCQ	Acer (Chongqing) Ltd.	Director	Mercury Kuo, Jason Chen, Lydia Wu	N.A.	100.00%
				President	Mercury Kuo,		
				Supervisor	Sophia YL Chen		
39	087	SEB	Sertec (Beijing) Ltd.	Director	Sophia YL Chen, Andrew Hou, Victor Soon	N.A.	100.00%
				President	Victor Soon		
				Supervisor	Jim Liu		
40	089	AAH	Acer American Holdings Corp.	Director	Gregg Prendergast, Jason Chen, Meggy Chen	900	100.00%
				President	-		
41	091	ACTUS	Acer Cloud Technology (US), Inc.	Director	Maverick Shih, Dick Tan	3,899,800	100.00%
				President	Wei Ding		
42	095	ABST	Acer Being Signage Inc.	Director	Maverick Shih, Jason Chen, Meggy Chen	2,500,000	100.00%
				President	-		
				Supervisor	Dick Tan		
43	096	ABSG	Acer Being Signage GmbH	Director	Wayne Ma	25,000	100.00%
				President	-		
44	097	AVN	Acer Vietnam Co., Ltd.	Director	Andrew Hou, Tony Vo, Sophia YL Chen	N.A.	100.00%
				President	Tony Vo		
45	104	AOI	AOPEN Inc.	Director	Victor Chien, Jason Chen, Maverick Shih, Dale Tsai	28,970,000	40.55%
				President	Ken Wang		
46	107	AOE	AOPEN Computer B.V.	Independent Director	Grace Lung, Steve Tso, Andrew Chang	40	40.55%
				Director	Jack Chou, Victor Chien, Ken Wang		
				President	Jack Chou		
47	113	ENNL	Enfinitec B.V.	Director	Tobi Musson, Bart Janssen, Tai Chi Shih, Emmanuel Pierre	101	100.00%
				President	Marie Fromont		
48	114	ENIT	Enfinitec Italy S.R.L.	Director	Emmanuel Pierre Marie Fromont, Tai Chi Shih, Tobi Musson	1	100.00%
				President	-		
49	115	ASZ	Acer Computer (Switzerland) AG	Director	Emmanuel Fromont, Tai Chi Shih	50	100.00%
				President	-		
50	120	AAC	Acer America Corporation	Director	Jason Chen, Ming Wang, Gregg Prendergast	3,100,000	100.00%
				President	Gregg Prendergast		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
51	121	ACG	ACER Computer GmbH	Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Robert Perenz	N.A.	100.00%
				President	-		
52	122	SAL	Bluechip Infotech Pty Ltd	Director	Chiang Sheng Hsiung, Ronald Keith Jarvis, Jerry Lin, Yu Hsiu Chen	2,424,334	33.38%
				President	-		
53	123	AUK	Acer U.K. Limited	Director	Emmanuel Fromont, Tai Chi Shih, Craig Booth	9,071,790	100.00%
				President	-		
54	124	ACF	Acer Computer France S.A.S.U.	Director	Jean Luc Bayel, Angelo D'Ambrosio, Emmanuel Fromont, Tai Chi Shih	2,606,140	100.00%
				President	-		
55	128	ACH	Acer Computer B.V.	Director	Bart Janssen, Emmanuel Fromont, Tai Chi Shih	261,226	100.00%
				President	-		
56	129	AOA	AOPEN America Inc.	Director	Victor Chien, Jim Chen, Ken Wang	15,000,000	40.55%
				President	Aaron Pompey		
57	134	CCI	Cross Century Investment Limited	Director	Jason Chen, Sophia YL Chen, Meggy Chen	N.A.	100.00%
				President	-		
58	137	ASDI	Aspire Service & Development Inc.	Director	Andy HT Lin, Meggy Chen, Andrew Hou	5,000,000	89.94%
				President	-		
				Supervisor	Sophia YL Chen		
59	138	ABC	Acer Being Communication Inc.	Director	Jason Chen, Maverick Shih, Po Po	2,500,000	100.00%
				President	-		
				Supervisor	Sophia YL Chen		
60	139	AIT	Acer Italy S.R.L.	Director	Diego Cavallari, Emmanuel Fromont, Tai Chi Shih, Marco Peverelli, Roberta Matrone, Giovanni Borgini	N.A.	100.00%
				President	-		
61	141	AOSV	Aopen SmartVision Incorporated	Director	Victor Chien, Ken Wang, Edward Chen	1,500,000	40.55%
				President	-		
				Supervisor	Alice Yang		
62	144	BLI	Bluechip Infotech Incorporated	Director	Chiang Sheng Hsiung, Jerry Lin, Peter L.J. Pan	100,000	33.38%
				President	-		
				Supervisor	Edward Chen		
63	145	ACD	Acer Denmark A/S	Director	Tai Chi Shih, Henrik Frydahl, Emmanuel Fromont	100	100.00%
				President	-		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
64	146	TWPBJ	Acer Third Wave Software (Beijing) Co. Ltd	Director	Mercury Kuo	N.A.	100.00%
				President	Mercury Kuo		
				Supervisor	Edward Chen		
65	151	BLNZ	Bluechip Infotech (NZ) Limited	Director	Jerry Lin, Chiang Sheng Hsiung	3,600,000	33.38%
				President	-		
66	152	SSL	Soft Solutions Limited	Director	Jerry Lin, Chiang Sheng Hsiung, Christopher James Walter Fitzgerald	3,000,000	20.03%
				President	-		
67	156	MPS	MPS Energy Inc.	Director	RC Chang, Jason Chen, Meggy Chen	9,750,278	94.20%
				President	-		
				Supervisor	Sophia YL Chen, Vincent Chi		
68	160	ACV	Acer Austria GmbH	Director	Emmanuel Fromont, Michael Stuhr, Tai Chi Shih	N.A.	100.00%
				President	-		
69	161	MIA	Mia Telecomms Pty Limited	Director	Matthew Brian Milne, Chiang Sheng Hsiung	719,286	33.38%
				President	-		
70	165	ASCBI	AcerSoftCapital Incorporated	Director	Meggy Chen, Jason Chen	158,475,324	100.00%
				President	-		
				Director	RC Chang, Stan Shih, Jason Chen		
				President	YH Hsu	10,279,005	67.51%
				Independent Director	Shou-Jen Kuo, Hsu-Sung Kuo, Wen-Yueh Chan, Mon-Han Wu		
72	168	AEH	Acer European Holdings SA	Director	Emmanuel Fromont, Bruno Pelletier, Tai Chi Shih, Jason Chen, Meggy Chen	147,000	100.00%
				President	-		
				Director	Jack Lan		
73	171	GCN	GadgeTek (Shanghai) Limited	President	-	N.A.	65.51%
				Supervisor	-		
74	172	AOTH	AOPEN Technology Inc.	Director	Ken Wang, Edward Chen	50,000	40.55%
				President	-		
				Director	Jason Chen, Dave Lin, Steve Lin		
75	173	PBT	PecerBio-medical Technology Incorporated	President	-	75,000	44.20%
				Supervisor	Sophia YL Chen		

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
76	174	ACN	Acer Computer Norway AS	Director	Emmanuel Fromont, Anne-Mette Guthus, Tai Chi Shih, Wilfried Thom	6,531	100.00%
				President	-		
77	177	EDC	Acer e-Enabling Data Center Incorporated	Director	Maverick Shih, Rex Wu, Meggy Chen	44,462,350	60.66%
				President	Rex Wu		
				Supervisor	Dick Tan		
78	178	AAM	Acer Asset Management Incorporated	Director	Jason Chen, Lydia Wu, Andy HT Lin	107,718,900	100.00%
				President	-		
				Supervisor	-		
79	180	AIB	Acer Computer Iberica, S.A.	Director	Ivana Clemente, Emmanuel Fromont, Tai Chi Shih	142,338	100.00%
				President	-		
80	181	AIZS	Acer Information (Zhong Shan) Co., Ltd.	Director	KV Cheng, Sophia YL Chen, Mercury Kuo	N.A.	100.00%
				President	-		
				Supervisor	Jim Liu		
81	182	AIN	PT. Acer Indonesia	Director	Teck Chee Hean, Jacky Lin, Gerald Ho	300,000	100.00%
				President	Soon, Peng Sin		
82	183	ABI	Acer Beverage Incorporated	Director	Jason Chen, Sophia YL Chen, Kate Shang	1,500,000	100.00%
				President	Ted Chiou		
				Supervisor	Dick Tan		
83	184	WKC	Winking Entertainment Ltd	Director	Jan Cheng-Han, Cho Tai-Wei, Li Kuan-Pin, TLC CAPITAL CO., LTD., Liou Cheng-Chung, Chang Yi-Hao, Youn Wen-Der	9,588,613	38.49%
				President	-		
84	186	SHW	Shanghai Wishing Entertainment Limited	Director	Jan Cheng-Han	N.A.	38.49%
				President	Jan Cheng-Han		
				Supervisor	Yen Chen-Te		
85	187	WKNI	Nanjing Winking Entertainment Ltd	Director	Jan Cheng-Han	N.A.	38.49%
				President	Li Zi Ting		
				Supervisor	Yen Chen-Te		
86	188	WKHK	Winking Art Limited	Director	Jan Cheng-Han	1	38.49%
				President	-		
				Supervisor	-		
87	189	HSN	HighPoint Service Network Sdn Bhd	Director	Tek Young Kon, Ricky Tan	1,000,000	63.18%
				President	Gerald Ho		



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
88	192	AIL	Acer India Private Limited	Director	Sophia YL Chen, Andrew Hou, Harish K. Kohli	78,803,764	100.00%
				President	-		
89	193	ADSC	Acer Digital Service Co.	Director	Jason Chen, Meggy Chen, Lydia Wu		
				President	-	66,214,874	100.00%
				Supervisor	Sophia YL Chen		
90	194	AFN	Acer Finland Oy	Director	Emmanuel Fromont, Tai Chi Shih, Wilfried Thom, Henrik Frydahl		
				President	-	50	100.00%
91	197	AHN	Acer Europe B. V.	Director	Emmanuel Fromont, Els Vandersickel, Tai Chi Shih, Tobi Musson	166,043	100.00%
				President	-		
92	199	ACW	Acer Sweden AB	Director	Emmanuel Fromont, Henrik Frydahl, Tai Chi Shih, Niels Bjorling	1,000	100.00%
				President	-		
93	200	SER	Sertec 360 SA	Director	Tobi Musson, Marcus Kueppers, Emmanuel Fromont, Tai Chi Shih	1,000	100.00%
				President	-		
94	203	CPY	CPYou B.V.	Director	Bart Janssen, Els Vandersickel, Tai Chi Shih, Philippe Henry	1,000	100.00%
				President	-		
95	206	WKTW	Winking Entertainment Corporation	Director	Jan Cheng-Han		
				President	Jan Cheng-Han	12,236,060	38.49%
				Supervisor	-		
96	207	WKSK	Winking Skywalker Entertainment Limited	Director	Jan Cheng-Han		
				President	-	3,000,000	38.49%
				Supervisor	-		
97	208	WKSG	Winking Art Pte. Ltd	Director	Jan Cheng-Han, Yen Chen-Te	2,000,000	38.49%
				President	Jan Cheng-Han		
				Director	Jan Cheng-Han		
98	209	WKSH	Shanghai Winking Entertainment Limited	President	Jan Cheng-Han	N.A.	38.49%
				Supervisor	Cho Tai-Wei		
				Director	Maverick Shih, Meggy Chen, Andy HT Lin		
				President	KS Harn		
99	223	AST	Acer Synergy Tech Corp.	Independent Director	Nancy Hu, Teresa Cheng, Cathy Yen, Ian Liao	11,549,076	57.75%



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
100	224	ASTS	Shanghai AST Technology Service Ltd.	Director	Lydia Wu, Maverick Shih, Meggy Chen	N.A.	57.75%
				President	KS Harn		
				Supervisor	Sophia YL Chen		
101	225	ASM	Acer Synergy Manpower Corp.	Director	KS Harn, Maverick Shih, Meggy Chen	2,000,000	57.75%
				President	-		
				Supervisor	IR Wu		
102	226	ASTA	ACERSYNERGY TECH AMERICA CORPORATION	Director	Maverick Shih, KS Harn	500	57.75%
				President	-		
103	227	ACLAH	Boardwalk Capital Holdings Limited	Director	Jason Chen, Meggy Chen	1,373,071,341	100.00%
				President	-		
104	228	ACLAN	ACLA Holdings North, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
105	229	ACLAS	ACLA Holding South, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
106	230	ACLAE	ACLA Holding East, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
107	231	ACLAW	ACLA Holding West, LLC	Director	Ming Wang	N.A.	100.00%
				President	Ming Wang		
108	232	ATB	AGP Tecnologia em Informatica do Brasil Ltda.	Director	-	249,466,846	100.00%
				President	Alexandre Gerardo		
				Director	Maverick Shih, Tiffany Huang, Meggy Chen		
109	244	ACSI	Acer Cyber Security Incorporated	President	Rex Wu	13,390,602	60.66%
				Independent Director	Chie-Shiang Tong, Grace Lung, Catherine Lee, Dung-Chun Tsai		
110	245	ACAD	ACSI Cyber Security Academy Inc.	Director	Rex Wu, Chris Kuo, CY Huang	1,000,000	60.66%
				President	Dick Tan		
				Supervisor	-		
111	249	AOC	AOPEN International (Shanghai) Co., Ltd	Director	Victor Chien, Edward Chen, Ken Bc1 Wang	N.A.	40.55%
				President	Sunny Liao		
				Supervisor	-		
112	251	AGT	Acer Gadget Inc.	Director	Jerry Kao, Jason Chen, Sophia YL Chen		
				President	Maurice Chang, Allen Jong	39,308,288	65.51%
				Independent Director	Jones Yu, Lori King, JK Wang, Minghui Lin		



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
113	257	ARU	Acer Marketing Services LLC	Director President	Tai Chi Shih, Julia Volodina, Bruno Pelletier -	N.A.	100.00%
114	259	AGU	AGP Insurance (Guernsey) Limited	Director President	David Allen, Christopher Andersen, Alfredo Crespi, Meggy Chen, Christian Greisberger -	5,000,000	100.00%
115	260	DTP	Dingo Tech Pty Ltd	Director President	Chiang Sheng Hsiung Chiang Sheng Hsiung	100	33.38%
116	261	DNA	Digital Networks Australia Pty Ltd	Director President	Chiang Sheng Hsiung Chiang Sheng Hsiung	200	33.38%
117	262	IGP	Ingeniq Pty Ltd	Director President	Chiang Sheng Hsiung Chiang Sheng Hsiung	100	33.38%
118	265	BJAC	Beijing Altos Computing Ltd.	Director President Supervisor	Jackie CC Lee, Andrew Hou, Meggy Chen - Sophia YL Chen	N.A.	78.59%
119	269	AOI	AOPEN Japan Inc.	Director President Supervisor	Ken Wang, Frank Huang, Victor Chien - Edward Chen	200	40.55%
120	275	AOZ	AOPEN Information Products (Zhongshan) Inc.	Director President Supervisor	Ken Wang, Steve Yu Steve Yu Edward Chen	N.A.	40.55%
121	276	AOGS	AOPEN GLOBAL SOLUTIONS PTY LTD.	Director President	Stephen Borg, Dale Tsai, Edward Chen -	105,000	28.39%
122	277	AOAU	AOPEN Australia & New Zealand Pty Ltd	Director President	Dale Tsai, Edward Chen, Stephen Borg, Steve Hogan Cecilia Soh	100	28.39%
123	287	AGM	Acer Gaming Inc.	Director President Independent Director	Jerry Kao, Jason Chen, Vincent Wei James Hsu Wen-Yueh Chan, Ian Liao, Allen Lien, Yingying Liao	24,511,832	70.03%
124	288	DZH	DropZone Holding Limited	Director President	Jason Chen, Jerry Kao, Meggy Chen -	100,000	100.00%
125	289	DZL	DropZone (Hong Kong) Limited	Director President	Jason Chen, Jerry Kao, Meggy Chen -	3,000	100.00%
126	293	AAPH	Acer Asia Pacific Sdn Bhd	Director President	Jason Chen, Tek Yoong Kon, Ricky Tan, Andrew Hou -	3,319,995	100.00%



No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
127	299	AGPH	Acer Global Merchandise Philippines Inc.	Director President	Manuel Wong, James Hsu, Sue Ong, Jerry Kao, Sophia YL Chen -	153,583	70.03%
128	310	AEG	Acer Europe SA	Director President	Emmanuel Fromont, Jason Chen, Tai Chi Shih -	1,650	100.00%
129	313	ACZ	Acer Czech Republic s.r.o.	Director President	Emmanuel Fromont, Tomas Cech, Tai Chi Shih -	N.A.	100.00%
130	330	PAL	Protrade Asia Limited	Director President	Dave Lin, Jack Wei, Gordon Christopher Bell -	70,000	36.85%
131	331	DCL	Dakota Co., Ltd.	Director President	Dave Lin, Jack Wei -	650,000	36.85%
132	332	CRI	Cascadia Resources Inc.	Director President	Gordon Christopher Bell -	2,000,000	36.85%
133	333	PAM	Portrade Applied Materials Corp.	Director President Supervisor	Dave Lin, Jason Chen Cathy Wang -	14,340,150	36.85%
134	334	PST	Portrade Shanghai Trading Co., Ltd.	Director President Supervisor	Dave Lin, Jack Wei, Juno Ko Cathy Wang -	650,000	36.85%
135	335	PRV	Protrade Resources Vietnam Company Limited	Director President	Jack Wei -	1	36.85%
136	336	APHI	Acer Philippines, Inc.	Director President	Manuel Wong, Ryan Yen, Andrew Hou, Susan M Santos, Yolanda S. Sebastian Manuel Wong	135,101	100.00%
137	337	HSNV	HighPoint Service Network Vietnam Company Limited	Director President Supervisor	Tony Vo, Andrew Hou, Jacky Lin Jeffrey Chiang Tony Vo	N.A.	63.18%
138	338	HPA	HighPoint Australia Pty Ltd	Director President	Darren Simmons -	500,000	100.00%
139	345	HSNI	PT HSN Tech Indonesia	Director President Supervisor	Effendy thendean, Jacky Lin, Effendy thendean, Andrew Hou - Jeffrey Chiang	990,000	64.18%

No.	Company Code	Brief Name	Company	Title	Name	Number of shares (in thousands)	Percentage of Ownership
140	346	ALIN	Altos Computing (India) Private Limited	Director	Harish Kumar Kohli, Sanjay Virnave, Ryan Yen, Jeff Lee, Jackie Lee	16,250,000	78.80%
141	347	HSNP	HighPoint Services Network Philippines, Inc.	President	-		
142	348	HSNT	HighPoint Service Network (Thailand) Co., Ltd	Director	Diogenes Vasquez, Jeffrey Chiang, Jacky Lin	106,000	63.18%
143	349	HSNC	HighPoint Service Network Corporation	President	Diogenes Vasquez		
				Director	Sombat Toasaksiri, Jeffrey Chiang, Jacky Lin	24,499	63.18%
				President	Sombat Toasaksiri		
				Director	Andrew Hou, Tiffany Huang, Meggy Chen		
				President	Jacky Lin	10,241,881	63.18%
				Independent Director	Sarah Wang, Simon Wang, James Cheng, Justin Huang		
144	400	GW1	Gateway, Inc.	Director	Meggy Chen, Gregg Prendergast, Ming Wang	100	100.00%
				President	-		

2. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan

None

3. Status of Acer common shares and GDRs acquired, disposed of, and held by subsidiaries

Unit: NTD Thousands

Name of Investee	Total Amount of Paid-in Capital	Source	Percentage of Acer	Acquired/ disposed date	Acquisitions	Disposal	Gain (Loss)	Number shares(units) and amount as of the Date of this Annual Report	Pledged	Guarantees and endorsements provided by Acer	Financing provide by Acer
CCI	1,000	Generated from operations	100%	During 2022 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	4,773,731 shares \$171,324	None	None	None
ASCBVI	3,649,845	Generated from operations	100%	During 2022 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	12,729,869 shares \$522,237	None	None	None
ASCBVI	3,649,845	Generated from operations	100%	During 2022 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	GDR (Note) 4,987,459 units \$1,969,617	None	None	None
AGT	600,000	Generated from operations	65.51%	During 2022 and as of the Date of this Annual Report	0 share \$0	0 share \$0	0 share \$0	4,305,395 shares \$251,678	None	None	None

Note: Each unit stands for Acer's 5 common shares.

4. Other matters that require additional description

None

If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one

None

Appendix I

2022 Consolidated Financial Statements

APPENDIX

ACER INCORPORATED AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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.

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Representation Letter

The entities that are required to be included in the combined financial statements of Acer Incorporated as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Acer Incorporated and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Acer Incorporated
Jason Chen
Chairman
March 16, 2023



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and 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 significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acer Incorporated and its subsidiaries as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Acer Incorporated and its subsidiaries 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 requirement. 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 matters for the consolidated financial statements for the year ended December 31, 2022 are stated as follows:

1. Revenue recognition

Refer to Note 4(p) for the accounting policies on recognizing revenue and Note 5(a) for uncertainty of accounting estimations and assumptions for sales returns and allowances, respectively, to the consolidated financial statements.

Description of key audit matter:

Acer Incorporated and its subsidiaries engaged primarily in the sale of brand-name IT products. Revenue is recognized depending on the various trade terms agreed with customers. This exposes Acer Incorporated and its subsidiaries to the risk that the sales transactions made close to the balance sheet date are not recorded in the appropriate period. Furthermore, the accrual of sales allowances and returns based on business practice is subject to management's judgment, which involves significant uncertainty. Consequently, the revenue recognition and accrual of sales allowances and returns have been identified as one of the key audit matters.

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 Acer Incorporated and its subsidiaries' internal controls over the timing of revenue recognition; 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; assessing the methodology used by management in estimating sales allowances and returns, including the reasonableness of key assumptions; and inspecting the historical payments of sales allowances and returns to evaluate the reasonableness of the sales allowances and returns estimated by management.

2. Valuation of inventories

Refer to Note 4(h) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(f) for the details of the write-down of inventories, respectively, to the consolidated financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of the information technology products and fierce market competition, Acer Incorporated and its subsidiaries' product price may fluctuate rapidly. Furthermore, the stocks for products and key components may exceed customers' demands thus becoming obsolete. These factors expose Acer Incorporated and its subsidiaries to significant level of uncertainty particularly in the area of estimating net realizable value, which is subject to management's judgments. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, evaluating whether valuation of inventories was accounted for in accordance with Acer Incorporated and its subsidiaries' accounting policies; obtaining the inventory aging report, analyzing the fluctuation of inventory aging and selecting samples to verify the accuracy of inventory aging classification; and testing the net realizable value of inventories to evaluate the reasonableness of inventory provisions.

3. Impairment of goodwill

Refer to Note 4(n) for the accounting policies on impairment of non-financial assets, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(l) for the evaluation of goodwill impairment, respectively, to the consolidated financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, assessing the basis used by management for identifying the cash-generating units and whether book value of assets belonging to respective cash-generating units have been completely covered; assessing the appropriateness of the valuation method and key assumptions (in particular projected sales growth rate and weighted-average cost of capital) used by the management in measuring the recoverable amount; assessing the historical reasonableness of management's estimates of financial forecasts, and performing a sensitivity analysis to assess the impact of variations in key assumptions. In addition to the above audit procedures, we have also involved a valuation specialist to evaluate the appropriateness of the weighted-average cost of capital used and its underlying assumptions; and inspecting the adequacy disclosures of related information on impairment evaluation of goodwill.

Other Matter

Acer Incorporated has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified audit opinion.

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 with 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 Acer Incorporated and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Acer Incorporated and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Acer Incorporated and its subsidiaries' 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 Acer Incorporated and its subsidiaries' 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 Acer Incorporated and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Acer Incorporated and its subsidiaries 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 Acer Incorporated and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Huei-Chen Chang and Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2023

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 Originally Issued in Chinese)

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Balance Sheets****December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	\$ 46,842,902	25	44,619,541	21
1110	Financial assets measured at fair value through profit or loss — current (note 6(b))	935,122	1	3,222,868	2
1140	Contract assets — current (note 6(y))	523,881	-	451,354	-
1170	Notes and accounts receivable, net (notes 6(c) & (y))	51,322,037	27	64,039,437	30
1180	Accounts receivable from related parties (notes 6(c) & (y) and 7)	41,821	-	1,329	-
1200	Other receivables (notes 6(c) and 7)	441,720	-	505,914	-
1220	Current income tax assets	354,479	-	486,468	-
130X	Inventories (note 6(d))	42,213,077	22	58,703,827	27
1470	Other current assets (note 6(m) and 8)	3,981,986	2	3,064,500	1
	Total current assets	146,657,025	77	175,095,238	81
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income — non-current (note 6(e) and 7)	7,603,961	4	7,806,702	4
1535	Financial assets measured at amortized cost — non-current (note 6(f))	797,782	-	-	-
1550	Investments accounted for using the equity method (note 6(g) and 7)	1,174,374	1	937,129	-
1600	Property, plant and equipment (notes 6(i) and 8)	4,298,887	2	4,055,870	2
1755	Right-of-use assets (note 6(j))	1,969,364	1	1,736,642	1
1760	Investment property (note 6(k))	831,925	1	819,591	-
1780	Intangible assets (note 6(l))	18,530,591	10	16,527,283	8
1840	Deferred income tax assets (notes 6(u))	3,705,388	2	3,671,634	2
1990	Other non-current assets (notes 6(m))	2,387,598	1	2,943,066	1
1980	Other financial assets — non-current (note 8)	1,082,824	1	1,195,156	1
	Total non-current assets	42,382,694	23	39,693,073	19
	Total assets	\$ 189,039,719	100	214,788,311	100

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Balance Sheets (Continued)****December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2022		December 31, 2021		
	Amount	%	Amount	%	
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(n) and 8)	\$ 1,652,086	1	1,253,590	1
2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b) & (h))	1,015,407	-	291,917	-
2130	Contract liabilities – current (note 6(y))	2,985,415	2	2,455,504	1
2170	Notes and accounts payable (note 7)	31,549,698	17	57,897,697	27
2200	Other payables (notes 6(z) and 7)	35,449,182	19	37,249,145	17
2230	Current tax liabilities	3,247,082	2	5,205,928	2
2250	Provisions – current (notes 6(r) and 9)	6,916,990	3	6,401,659	3
2280	Lease liabilities – current (note 6(q))	613,263	-	530,564	-
2322	Current portion of long-term debt (notes 6(o) and 8)	58,017	-	20,106	-
2365	Refund liabilities – current	14,722,275	8	16,128,976	8
2399	Other current liabilities	1,314,317	1	1,987,969	1
	Total current liabilities	99,523,732	53	129,423,055	60
Non-current liabilities:					
2500	Financial liabilities measured at fair value through profit or loss – non-current (note 6(b) & (h))	4,850	-	3,066	-
2527	Contract liabilities – non-current (note 6(y))	829,346	-	1,002,391	-
2531	Bonds payable (notes 6(p))	10,000,000	5	10,000,000	5
2540	Long-term debt (notes 6(o) and 8)	104,476	-	99,820	-
2550	Provisions – non-current (note 6(r) and 9)	15,296	-	201,650	-
2570	Deferred income tax liabilities (notes 6(u))	5,025,255	3	4,643,830	2
2580	Lease liabilities – non-current (note 6(q))	1,495,786	1	1,320,713	1
2600	Other non-current liabilities	1,606,783	1	2,070,843	1
	Total non-current liabilities	19,081,792	10	19,342,313	9
	Total liabilities	118,605,524	63	148,765,368	69
Equity (note 6(e) and (v)):					
3110	Common stock	30,478,538	16	30,478,538	14
3200	Capital surplus	27,795,883	15	27,514,269	13
3300	Retained earnings	14,897,145	8	16,886,389	8
3400	Other equity	(4,309,253)	(2)	(8,287,624)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(1)
	Equity attributable to shareholders of the Parent	65,947,457	35	63,676,716	30
36XX	Non-controlling interests	4,486,738	2	2,346,227	1
	Total equity	70,434,195	37	66,022,943	31
	Total liabilities and equity	\$ 189,039,719	100	214,788,311	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Net revenue (notes 6(y), 7 and 14)	\$ 275,423,744	100	319,005,456	100
5000	Cost of revenue (notes 6(d), (i), (j), (l), (q),(r), (t) & (z), 7 and 12)	<u>(245,679,257)</u>	<u>(89)</u>	<u>(281,814,400)</u>	<u>(88)</u>
	Gross profit	<u>29,744,487</u>	<u>11</u>	<u>37,191,056</u>	<u>12</u>
	Operating expenses (notes 6(c), (i), (j), (k), (l), (q),(r),(s), (t), (w)&(z), 7 and 12):				
6100	Selling expenses	(15,679,457)	(5)	(15,492,033)	(5)
6200	General and administrative expenses	(4,826,563)	(2)	(5,002,271)	(2)
6300	Research and development expenses	<u>(2,448,843)</u>	<u>(1)</u>	<u>(2,646,170)</u>	<u>(1)</u>
	Total operating expenses	<u>(22,954,863)</u>	<u>(8)</u>	<u>(23,140,474)</u>	<u>(8)</u>
6500	Other operating income and expenses, net (notes 6(s)&(aa) and 7)	<u>138,073</u>	<u>-</u>	<u>112,279</u>	<u>-</u>
	Operating income	<u>6,927,697</u>	<u>3</u>	<u>14,162,861</u>	<u>4</u>
	Non-operating income and loss:				
7100	Interest income (note 6(ab))	535,746	-	318,945	-
7010	Other income (note 6(ab))	556,176	-	354,416	-
7020	Other gains and losses (notes 6(g),(ab)&(ac) and 7)	(72,937)	-	867,673	-
7050	Finance costs (notes 6(q) & (ab))	(193,684)	-	(336,677)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(g))	<u>120,823</u>	<u>-</u>	<u>68,427</u>	<u>-</u>
	Total non-operating income and loss	<u>946,124</u>	<u>-</u>	<u>1,272,784</u>	<u>-</u>
7900	Income before taxes	7,873,821	3	15,435,645	4
7950	Income tax expense (note 6(u))	<u>(2,270,529)</u>	<u>(1)</u>	<u>(4,148,332)</u>	<u>(1)</u>
	Net income	<u>5,603,292</u>	<u>2</u>	<u>11,287,313</u>	<u>3</u>
	Other comprehensive income (loss) (notes 6(g), (v), (ac)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	587,280	-	(37,137)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(1,221,882)	-	(358,717)	-
8320	Share of other comprehensive income (loss) of associates	(13)	-	17	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(34,430)</u>	<u>-</u>	<u>39,131</u>	<u>-</u>
	Total items that will not be reclassified to profit or loss	<u>(669,045)</u>	<u>-</u>	<u>(356,706)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	4,596,636	1	(2,788,067)	(1)
8370	Share of other comprehensive gains of associates	234	-	2,166	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>4,596,870</u>	<u>1</u>	<u>(2,785,901)</u>	<u>(1)</u>
	Other comprehensive income (loss), net of taxes	<u>3,927,825</u>	<u>1</u>	<u>(3,142,607)</u>	<u>(1)</u>
	Total comprehensive income for the year	<u>\$ 9,531,117</u>	<u>3</u>	<u>8,144,706</u>	<u>2</u>
	Net income attributable to:				
8610	Shareholders of the Parent	\$ 5,003,688	2	10,897,427	3
8620	Non-controlling interests	<u>599,604</u>	<u>-</u>	<u>389,886</u>	<u>-</u>
		<u>\$ 5,603,292</u>	<u>2</u>	<u>11,287,313</u>	<u>3</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	\$ 8,930,204	3	7,818,893	2
8720	Non-controlling interests	<u>600,913</u>	<u>-</u>	<u>325,813</u>	<u>-</u>
		<u>\$ 9,531,117</u>	<u>3</u>	<u>8,144,706</u>	<u>2</u>
	Earnings per share (in New Taiwan dollars) (note 6(x)):				
9750	Basic earnings per share	\$ 1.67		3.63	
9850	Diluted earnings per share	<u>1.65</u>		<u>3.60</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent													
	Retained earnings						Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2021	\$ 30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,869,033	(6,043,227)	768,662	(242,887)	(5,517,452)	(2,914,856)	60,293,331	1,648,633	61,941,964
Net income for the year	-	-	-	-	10,897,427	10,897,427	-	-	-	-	-	10,897,427	389,886	11,287,313
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,766,226)	(324,225)	11,917	(3,078,534)	-	(3,078,534)	(64,073)	(3,142,607)
Total comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	(2,766,226)	(324,225)	11,917	(3,078,534)	-	7,818,893	325,813	8,144,706
Appropriation approved by the stockholders:														
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119	-	70,119
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	-	(24,908)	(37,414)	(62,322)
Change in ownership interests in subsidiaries	-	60,105	-	-	-	-	3,856	(6,544)	2,760	72	-	60,177	(60,177)	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	53,032	53,032
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	29,880	-	-	-	-	-	-	-	-	-	29,880	(29,880)	-
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	-	1,005	699	1,704
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	249,470	249,470
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	337,722	337,722
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(141,671)	(141,671)
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	(308,290)	(308,290)	-	308,290	-	308,290	-	-	-	-
Balance at December 31, 2021	\$ 30,478,538	27,514,269	1,456,427	4,833,750	10,596,212	16,886,389	(8,805,597)	746,183	(228,210)	(8,287,624)	(2,914,856)	63,676,716	2,346,227	66,022,943
Net income for the year	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688	599,604	5,603,292
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516	1,309	3,927,825
Total comprehensive income (loss) for the year	-	-	-	-	5,003,688	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	8,930,204	600,913	9,531,117
Appropriation approved by the stockholders:														
Legal reserve	-	-	1,058,914	-	(1,058,914)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,564,442	(2,564,442)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,949,107)	(6,949,107)	-	-	-	-	-	(6,949,107)	-	(6,949,107)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)	(8,621)	(11,367)
Changes in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459	(166,459)	-
Acquisition or disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	22,986	22,986
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345	(12,345)	-
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083	(2,083)	-
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350	18,407	20,757
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	278,873	278,873
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,616,281	1,616,281
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(207,441)	(207,441)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(43,825)	(43,825)	-	43,825	-	43,825	-	-	-	-
Liquidation of subsidiaries	-	-	-	-	-	-	1,855	-	-	1,855	-	1,855	-	1,855
Balance at December 31, 2022	\$ 30,478,538	27,795,883	2,515,341	7,398,192	4,983,612	14,897,145	(4,219,903)	(409,726)	320,376	(4,309,253)	(2,914,856)	65,947,457	4,486,738	70,434,195

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 7,873,821	15,435,645
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,016,650	1,022,560
Amortization	674,048	492,670
Net loss (gain) on financial assets measured at fair value through profit or loss	37,445	(30,094)
Effects of exchange rate changes of financial assets measured at amortized cost	(57,817)	-
Interest expense	193,684	336,677
Interest income	(535,746)	(318,945)
Dividend income	(556,176)	(354,416)
Share-based compensation cost	20,757	1,704
Share of profit of associates and joint ventures	(120,823)	(68,427)
Net gain on disposal of investments accounted for using the equity method	(8,121)	(47,815)
Loss on disposal of equipment and intangible assets	9,559	8,252
Property, plant and equipment reclassified to expenses	-	917
Net gain on disposal of investment property	-	(1,141)
Impairment loss on non-financial assets	7,503	-
Reversal of impairment loss on non-financial assets	(30,048)	-
Net loss (gain) on liquidation of subsidiaries and other profits from investments	2,566	(3,068)
Total adjustments for profit or loss	<u>653,481</u>	<u>1,038,874</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	1,268,942	(1,744,184)
Contract assets	18,835	63,015
Notes and accounts receivable	12,910,775	(8,283,499)
Receivables from related parties	(40,492)	30,990
Inventories	16,491,929	(15,317,842)
Other receivables and other current assets	147,075	268,860
Other non-current assets	150,924	(16,406)
Changes in operating assets	<u>30,947,988</u>	<u>(24,999,066)</u>
Changes in operating liabilities:		
Contract liabilities	352,660	198,239
Notes and accounts payable	(26,389,589)	8,138,491
Other payables and other current liabilities	(2,705,802)	7,158,143
Provisions	328,977	622,044
Refund liabilities	(1,406,701)	1,052,018
Other non-current liabilities	88,790	(11,505)
Changes in operating liabilities	<u>(29,731,665)</u>	<u>17,157,430</u>
Cash provided by operations	9,743,625	8,632,883
Interest received	517,270	318,103
Income taxes paid	(4,326,459)	(2,453,171)
Net cash flows provided by operating activities	<u>5,934,436</u>	<u>6,497,815</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES**Consolidated Statements of Cash Flows (Continued)****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(978,681)	(2,234,039)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	178,648
Proceeds from capital reduction and liquidation of financial assets measured at fair value through other comprehensive income	-	2,845
Acquisition of financial assets measured at amortized cost	(739,775)	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	1,943,356	2,849,874
Acquisition of investments accounted for using the equity method	(150,125)	-
Proceeds from disposal of investments accounted for using equity method	21,136	-
Additions to property, plant and equipment and investment property	(475,429)	(552,937)
Proceeds from disposal of property, plant and equipment and intangible assets	32,342	10,260
Proceeds from disposal of investment property	-	18,497
Additions to intangible assets	(395,832)	(373,199)
Payment of contingent consideration arising from business combination	(37,534)	-
Net cash flow from disposal of subsidiaries and other investments	-	2,872
Net cash inflow (outflow) from acquisition of subsidiaries	(418,436)	154,958
Increase in assets recognized from costs to fulfill contracts with customers	(356,804)	(364,440)
Decrease (increase) in other non-current financial assets	28,258	(130,914)
Dividends received	624,495	416,584
Net cash flows used in investing activities	<u>(903,029)</u>	<u>(20,991)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	9,800,722	3,070,574
Decrease in short-term borrowings	(9,434,416)	(3,664,124)
Proceeds from issuing bonds	-	10,000,000
Increase in long-term debt	72,355	64,510
Repayment of long-term debt	(34,561)	(3,349,490)
Payment of lease liabilities	(652,218)	(679,795)
Cash dividends	(6,841,809)	(4,501,662)
Cash dividends paid to non-controlling interests by subsidiaries	(207,441)	(141,671)
Issuance of common stock by subsidiaries not subscribed by the Group	1,616,281	337,722
Acquisition of interests in subsidiaries	(21,930)	(22,736)
Proceeds from disposal of interests in subsidiaries (without losing control)	44,916	75,768
Interest paid	(181,155)	(294,441)
Net cash flows (used in) provided by financing activities	<u>(5,839,256)</u>	<u>894,655</u>
Effect of foreign exchange rate changes	<u>3,031,210</u>	<u>(1,932,961)</u>
Net increase in cash and cash equivalents	2,223,361	5,438,518
Cash and cash equivalents at beginning of period	44,619,541	39,181,023
Cash and cash equivalents at end of period	<u>\$ 46,842,902</u>	<u>44,619,541</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Per Share Information
And Otherwise Specified)

1. Organization and business

Acer Incorporated (the “Company”) was incorporated on August 1, 1976, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C.

The Company and its subsidiaries (the “Group”) are primarily engaged in the marketing and sale of brand-name IT products. The Group also build innovative ecosystems in consumer and commercial markets to provide more products and integrated applications, along with software, hardware and related services. In addition, the Group aims at building multiple business engines to foster innovation of products and application services for market expansion.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 16, 2023.

3. Application of new and revised accounting standards and interpretations:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- IFRS 16 “Requirements for Sale and Leaseback Transactions”

4. Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies have been applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

- 1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments);
- 2) Financial assets measured at fair value through other comprehensive income; and
- 3) Net defined benefit liability measured at present value of defined benefit obligation less the fair value of plan assets.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Group’s consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances and resulting unrealized income and loss are eliminated on consolidation. Total comprehensive income (loss) of a subsidiary is attributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When necessary, financial statements of subsidiaries are adjusted to align the accounting policies with those adopted by the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss, which is calculated as the difference between (1) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost, and (2) the previous carrying amount of the former subsidiary's assets (including goodwill), liabilities and non-controlling interest at the date when the Group loses control. All amounts recognized in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets and liabilities.

The fair value of any investment retained in a former subsidiary at the date when control is lost is regarded as the cost on initial recognition of a financial asset measured at fair value through other comprehensive income or an investment in an associate.

(ii) List of subsidiaries included in the consolidated financial statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
AHI	Acer Market Services Limited ("AMS", Hong Kong)	Investment and holding activity	100.00 %	100.00 %	
AHI	Acer Computer (Far East) Limited ("AFE", Hong Kong)	Sale of brand-name IT products	100.00 %	100.00 %	
AMS	Acer Information (Zhong Shan) Co., Ltd. ("AIZS", China)	Sale of brand-name IT products	100.00 %	100.00 %	
AMS	Acer Computer (Shanghai) Ltd. ("ACCN", China)	Repair and maintenance of IT products	100.00 %	100.00 %	
AMS	Acer (Chongqing) Ltd. ("ACCQ", China)	Sale of brand-name IT products	100.00 %	100.00 %	
The Company	Acer European Holdings SA ("AEH", Switzerland)	Investment and holding activity	100.00 %	100.00 %	
AEH	Acer Europe B.V. ("AHN", the Netherlands)	Investment and holding activity	100.00 %	100.00 %	
AEH	Acer Africa (Proprietary) Limited ("AAF", South Africa)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %	
AEH	AGP Insurance (Guernsey) Limited ("AGU", Guernsey)	Insurance captive	100.00 %	100.00 %	
AEH	Acer Sales International SA ("ASIN", Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %	
AEH	Acer Europe SA ("AEG", Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %	
AEH	Sertec 360 SA ("SER", Switzerland)	Repair and maintenance of IT products	100.00 %	100.00 %	
AHN	Acer Computer France S.A.S.U. ("ACF", France)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Acer U.K. Limited ("AUK", the United Kingdom)	Sale of brand-name IT products	100.00 %	100.00 %	

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
AHN	Acer Italy S.R.L. (“AIT”, Italy)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Computer GmbH (“ACG”, Germany)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Austria GmbH (“ACV”, Austria)	Marketing of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Czech Republic S.R.O. (“ACZ”, Czech Republic)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Computer Iberica, S.A. (“AIB”, Spain)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Computer (Switzerland) AG (“ASZ”, Switzerland)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Asplex Sp. z.o.o. (“APX”, Poland)	Repair and maintenance of brand-name IT products	100.00 %	100.00 %	
AHN and ACH	Acer Marketing Services LLC (“ARU”, Russia)	Marketing of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Poland sp. z.o.o. (“APL”, Poland)	Marketing of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Bilisim Teknolojileri Limited Sirketi (“ATR”, Turkey)	Marketing of brand-name IT products	100.00 %	100.00 %	
AHN	Acer Computer B.V. (“ACH”, the Netherlands)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	CPYou B.V. (“CPY”, the Netherlands)	Sale of brand-name IT products	100.00 %	100.00 %	
AHN	Enfinitec B.V.(“ENNL”, the Netherlands)	Repair and management of IT products	100.00 %	100.00 %	Note 3
AHN	Enfinitec Italy S.R.L (“ENIT”, Italy)	Repair and management of IT products	100.00 %	100.00 %	Note 3
ACH	Acer Computer Norway AS (“ACN”, Norway)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %	
ACH	Acer Computer Finland Oy (“AFN”, Finland)	Marketing, repair and maintenance of brand-name IT products	100.00 %	100.00 %	
ACH	Acer Computer Sweden AB (“ACW”, Sweden)	Marketing of brand-name IT products	100.00 %	100.00 %	
ACH	Acer Denmark A/S (“ACD”, Denmark)	Marketing of brand-name IT products	100.00 %	100.00 %	
The Company and AEH	Boardwalk Capital Holdings Limited (“Boardwalk”, British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %	
Boardwalk	Acer Computer Mexico, S.A. de C.V.(“AMEX”, Mexico)	Sale of brand-name IT products	99.95 %	99.95 %	
Boardwalk	Acer American Holdings Corp. (“AAH”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %	
Boardwalk and ASCBVI	AGP Tecnologia em Informatica do Brasil Ltda. (“ATB”, Brazil)	Sale of brand-name IT products	100.00 %	100.00 %	
AAH	Acer Cloud Technology Inc. (“ACTI”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %	
ACTI	Acer Cloud Technology (US), Inc. (“ACTUS”, U.S.A.)	Cloud technology service and research, development, and design of IoT platform	100.00 %	100.00 %	
AAH	Gateway, Inc. (“GWI”, U.S.A.)	Investment and holding activity	100.00 %	100.00 %	

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ACER INCORPORATED AND SUBSIDIARIES
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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
GWI	Acer America Corporation (“AAC”, U.S.A.)	Sale of brand-name IT products	100.00 %	100.00 %	
GWI	Acer Service Corporation (“ASC”, U.S.A.)	Repair and maintenance of brand-name IT products	100.00 %	100.00 %	
The Company	Acer Holdings International, Incorporated (“AHI”, British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %	
AHI	Acer Computer Co., Ltd. (“ATH”, Thailand)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Japan Corp. (“AJC”, Japan)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Computer Australia Pty. Limited (“ACA”, Australia)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI and The Company	Acer Sales and Services SDN BHD (“ASSB”, Malaysia)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Asia Pacific Sdn Bhd (“AAPH”, Malaysia)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI and The Company	Acer Computer (Singapore) Pte. Ltd. (“ACS”, Singapore)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Computer New Zealand Limited (“ACNZ”, New Zealand)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI and ACS	PT. Acer Indonesia (“AIN”, Indonesia)	Sale of brand-name IT products	100.00 %	100.00 %	
AIN and AHI	PT. Acer Manufacturing Indonesia (“AMP”, Indonesia)	Assembly of brand-name IT products	100.00 %	100.00 %	
AHI and ASCBVI	Acer India Private Limited (“AIL”, India)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Vietnam Co., Ltd. (“AVN”, Vietnam)	Sale of brand-name IT products	100.00 %	100.00 %	
AHI	Acer Philippines, Inc. (“APHI”, Philippines)	Sale of brand-name IT products	100.00 %	100.00 %	
ASSB	Servex (Malaysia) Sdn Bhd (“SMA”, Malaysia)	Sale of computers and communication products	100.00 %	100.00 %	
The Company	Weblink International Inc. (“WLII”, Taiwan)	Sale of computers and communication products	58.93 %	58.93 %	
WLII	Wellife Inc. (“WELL”, Taiwan)	Sales of 3C products and home appliances	58.93 %	58.93 %	
WLII	Pecer Bio-medical Technology Incorporated (“PBT”, Taiwan)	Sale of health supplements and biotech service	44.20 %	44.20 %	
WLII	Protrade Global Limited (“PGL”, Cayman Islands)	Investment and holding activity	-	30.05 %	Notes 1, 4 and 6
WLII, PGL and SCL	Portrade Applied Materials Corp. (“PAM”, Taiwan)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	30.05 %	Notes 1 and 4
PGL	Snoqualmie Company Ltd. (“SCL”, British Virgin Islands)	Investment and holding activity	-	30.05 %	Notes 1, 4 and 6
PAM and PGL	Protrade Asia Limited (“PAL”, British Virgin Islands)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	30.05 %	Notes 1 and 4

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
PAM and PGL	Dakota Co, Ltd. (“DCL”, Samoa)	Investment and holding activity	36.85 %	30.05 %	Notes 1 and 4
DCL	Protrade Shanghai Trading Co., Ltd. (“PST”, China)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	30.05 %	Notes 1 and 4
PAM	Protrade Resources Vietnam Company Limited (“PRV”, Vietnam)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	30.05 %	Note 1 and 4
PAM and PGL	Cascadia Resources Inc. (“CRI”, U.S.A.)	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36.85 %	30.05 %	Notes 1 and 4
The Company and ADSC	Acer Synergy Tech Corp. (“AST”, Taiwan)	System integration service	57.75 %	52.00 %	
AST	Shanghai AST Technology Service Ltd. (“ASTS”, China)	System integration service	57.75 %	52.00 %	
AST	ISU Service Corp. (“ISU”, Taiwan)	Human resources and project service	57.75 %	52.00 %	
AST	Acer Synergy Tech America Corporation (“ASTA”, U.S.A.)	System integration service	57.75 %	52.00 %	Note 3
The Company	Acer Digital Service Co. (“ADSC”, Taiwan)	Investment and holding activity	100.00 %	100.00 %	
ADSC	Keypack Technology Incorporated (“KTI”, Taiwan)	Manufacturing of lithium battery module	75.00 %	-	Note 2
The Company and ADSC	Acer Gaming Inc. (“AGM”, Taiwan)	Agency of video game console and peripherals	70.03 %	100.00 %	
AGM	Acer Global Merchandise Philippines Inc. (“AGPH”, Philippines)	Agency of video game console and peripherals	70.03 %	-	Note 2
AGM	Winking Entertainment Ltd (“WKC”, Cayman Islands)	Investment and holding activity	38.49 %	-	Notes 1 and 2
WKC	Winking Art Pte. Ltd (“WKSG”, Singapore)	Art outsourcing	38.49 %	-	Notes 1 and 2
WKC	Winking Entertainment Corporation (“WKTW”, Taiwan)	IP licensing, design, research and development of original computer games	38.49 %	-	Notes 1 and 2
WKC	Winking Skywalker Entertainment Limited (“WKSK”, H.K.)	IP licensing and Game distribution on international platform	38.49 %	-	Notes 1 and 2
WKC	Winking Entertainment (H.K.) Ltd	Design, operation and sale of computer games	38.49 %	-	Notes 1 and 2
WKC	Shanghai Winking Entertainment Limited (“WKSH”, China)	Holding activity, Art outsourcing and Game development headquarter	38.49 %	-	Notes 1 and 2
WKSH	Shanghai Wishing Entertainment Limited (“SHW”, China)	Management of collaborative art design and IP licensing in Mainland China	38.49 %	-	Note 1 and 2
WKSH	Nanjing Winking Entertainment Ltd (“WKNJ”, China)	Art outsourcing	38.49 %	-	Notes 1 and 2

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
WKSH	Winking Entertainment Investment Limited	Research and development of original IP design and IP licensing	38.49 %	-	Notes 1 and 2
WKNJ	Winking Art Limited (“WKHK”, H.K.)	Art outsourcing	38.49 %	-	Notes 1 and 2
The Company	Cross Century Investment Limited (“CCI”, Taiwan)	Investment and holding activity	100.00 %	100.00 %	
The Company	Acer SoftCapital Incorporated (“ASCBVI”, British Virgin Islands)	Investment and holding activity	100.00 %	100.00 %	
ASCBVI	DropZone Holding Limited (“DZH”, Cayman Islands)	Investment and holding activity	100.00 %	100.00 %	
DZH	DropZone (Hong Kong) Limited (“DZL”, Hong Kong)	Operation and maintenance of eSports platform	100.00 %	100.00 %	
The Company	Acer Gadget Inc. (“AGT”, Taiwan)(Formerly E-ten Information System Co., Ltd.)	Research, design and sale of smart handheld products and peripheral 3C products	65.51 %	100.00 %	
AGT	GadgeTek (Shanghai) Limited (“GCN”, China)	Sale of peripheral 3C products	65.51 %	100.00 %	
The Company	Acer BeingWare Holding Inc. (“ABH”, Taiwan)	Investment and holding activity	100.00 %	100.00 %	
ABH	Acer Cloud Technology (Taiwan) Inc. (“ACTTW”, Taiwan)	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	100.00 %	100.00 %	
ABH	Altos Computing Inc. (“ALT”, Taiwan)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	78.59 %	
ALT	Beijing Altos Computing Ltd. (“BJAC”, China)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	78.59 %	
ALT	Altos Computing (Thailand) Co., Ltd.(“ALTHP”, Thailand)	High performance computing, cloud computing, software-defined storage, and IT solution	78.59 %	-	Note 2
ALT, ASCBVI and AHI	Altos Computing (India) Private Limited (“ALIN”, Formerly Acer Infotech Pvt Ltd., India)	Sale of brand-name IT products	78.80 %	100.00 %	
ABH	MPS Energy Inc. (“MPS”, Taiwan)	Research, development, and sale of batteries	94.20 %	100.00 %	
ABH	Acer e-Enabling Service Business Inc. (“AEB”, Taiwan)	Providing solutions of cloud and digitalization	63.46 %	72.44 %	
ABH	Acer ITS Inc. (“ITS”, Taiwan)	Programs and services of intelligent transportation and electronic ticketing	94.41 %	94.41 %	

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
ABH	Acer Medical Inc. (“AMED”, Taiwan)	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	67.51 %	60.83 %	
ACTTW	Acer Cloud Technology (Chongqing) Ltd. (“ACTCQ”, China)	Design, development, sale, and advisory of computer software and hardware	100.00 %	100.00 %	
ACTTW and ABH	Acer Being Communication Inc. (“ABC”, Taiwan)	Software design service	100.00 %	100.00 %	
ACTTW	Acer Being Signage Inc. (“ABST”, Taiwan)	Technical service and research of aBeing cloud digital content management	100.00 %	100.00 %	
ABST	Acer Being Signage GmbH (“ABSG”, Germany)	Technical service and research of aBeing cloud digital content management	100.00 %	100.00 %	
ABH	Xplova Inc. (“XPL”, Taiwan)	Design, development and sale of smart bicycle speedometer	100.00 %	100.00 %	
XPL	Xplova (Shanghai) Ltd. (“XPLSH”, China)	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	100.00 %	100.00 %	
ABH	Acer AI Cloud Inc. (“AIC”, Taiwan) (Formerly Pawbo Inc.)	Providing cloud technology and solutions	100.00 %	100.00 %	
ABH	Acer Third Wave Software (Beijing) Co. Ltd. (“TWPBJ”, China)	Sale of commercial and cloud application software and technical service	100.00 %	100.00 %	
The Company and ADSC	Acer Cyber Security Incorporated (“ACSI”, Taiwan)	Cyber security service	60.66 %	64.54 %	
The Company and ACSI	Acer e-Enabling Data Center Incorporated (“EDC”, Taiwan)	Uninterrupted operation and IT operation outsourcing services	60.66 %	100.00 %	
ACSI	ACSI Cyber Security Academy Inc. (“ACAD”, Taiwan)	Cyber security training	60.66 %	64.54 %	Note 3
The Company	Acer China Venture Corp (“ACVC”, China)	Fund company management	-	100.00 %	Note 6
The Company and ACVC	Acer China Venture Partnership (“ACVP”, China)	Investment fund	-	100.00 %	Note 6
The Company	Sertec (Beijing) Ltd. (“SEB”, China)	Repair and maintenance of IT products	100.00 %	100.00 %	
The Company	StarVR Corporation (“ASBZ”, Taiwan)	Solutions provider of B2B virtual reality	66.81 %	66.81 %	
ASBZ	StarVR Europe SA (“VRE”, Switzerland)	Research of solutions to B2B virtual reality	-	66.81 %	Note 6

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
The Company	AOPEN Inc. (“AOI”, Taiwan)	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	40.55 %	40.55 %	Note 5
AOI	AOPEN America Inc. (“AOA”, U.S.A.)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOI	AOPEN Computer B.V. (“AOE”, the Netherlands)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOI	AOPEN Technology Inc. (“AOTH”, British Virgin Islands)	Investment and holding activity	40.55 %	40.55 %	Note 5
AOI	AOPEN Japan Inc. (“AOJ”, Japan)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOI	Aopen SmartVision Incorporated (“AOSV”, Taiwan)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOI	Heartware Alliance and Integration Limited (“HTW”, Hong Kong)	Software development and agency	-	40.55 %	Notes 5 and 6
AOI	AOPEN Global Solutions Pty Ltd. (“AOGS”, Australia)	Sale of computer, apparatus system, and peripheral equipment	28.39 %	28.39 %	Note 5
AOI	AOPEN SmartView Incorporated (“AOSD”, Taiwan)	Sale of display devices	-	40.55 %	Notes 5 and 8
AOTH	Great Connection LTD. (“GCL”, Hong Kong)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOTH	AOPEN International (ShangHai) Co., Ltd (“AOC”, China)	Sale of computer, apparatus system, and peripheral equipment	40.55 %	40.55 %	Note 5
AOTH	AOPEN Information Products (Zhongshan) Inc. (“AOZ”, China)	Manufacture and sale of computer parts and components	40.55 %	40.55 %	Note 5
AOGS	AOPEN Australia & New Zealand Pty Ltd (“AOAU”, Australia)	Sale of computer, apparatus system, and peripheral equipment	28.39 %	28.39 %	Note 5
The Company、AOI and WLI	Bluechip Infotech Pty Ltd. (“Bluechip”, Australia)	Sale of computer peripherals and software system	33.38 %	32.67 %	Note 7
Bluechip	Bluechip Infotech Incorporated (“BLI”, Taiwan)	Sale of computer peripherals and software system	33.38 %	32.67 %	Note 7
Bluechip	Dingo Tech Pty Ltd. (“DTP”, Australia)	Investment and holding activity	33.38 %	32.67 %	Notes 3 and 7
Bluechip	Mia Telecomms Pty Limited (“MIA”, Australia)	Sale of computer peripherals and software system	33.38 %	-	Notes 2 and 7
DTP	Digital Networks Australia Pty Ltd. (“DNA”, Australia)	Sales of peripheral computer software system	33.38 %	32.67 %	Notes 3 and 7

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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
DNA	Ingeniq Pty Ltd (“IGP”, Australia)	Sales of peripheral computer software	33.38 %	32.67 %	Notes 3 and 7
Bluechip	Bluechip Infotech (NZ) Limited (“BLNZ”, New Zealand)	Investment and holding activity	33.38 %	32.67 %	Notes 3 and 7
BLNZ	Soft Solutions Limited (“SSL”, New Zealand)	Sales of peripheral computer software system	20.03 %	19.60 %	Notes 3 and 7
The Company	Highpoint Service Network Corporation (“HSNC”, Taiwan)	After-sale and value-added services of IT products	63.18 %	66.27 %	
HSNC	Highpoint Service Network (Thailand) Co., Ltd (“HSNT”, Thailand)	After-sale and value-added services of IT products	63.18 %	66.27 %	
HSNC	Highpoint Service Network Vietnam Company Limited (“HSNV”, Vietnam)	After-sale and value-added services of IT products	63.18 %	66.27 %	Note 3
HSNC and AHI	PT HSN Tech Indonesia (“HSNI”, Indonesia)	After-sale and value-added services of IT products	64.18 %	67.27 %	
HSNC	HighPoint Service Network Sdn Bhd (“HSN”, Malaysia)	After-sale and value-added services of IT products	63.18 %	66.27 %	
HSNC	Highpoint Services Network Philippines, Inc. (“HSNP”, Philippines)	After-sale and value-added services of IT products	63.18 %	66.27 %	
The Company	AcerPure Inc. (“API”, Taiwan)	Intelligent solutions of air quality	89.94 %	100.00 %	
API and ADSC	Acer Property Development Inc. (“APDI”, Taiwan)	Solar optronics business	89.94 %	100.00 %	
API and ADSC	Aspire Service & Development Inc. (“ASDP”, Taiwan)	Hotel management service	89.94 %	100.00 %	
The Company	Acer Asset Management Incorporated (“AAM”, Taiwan)	Property held and related management business	100.00 %	100.00 %	Note 3
The Company	Acer Beverage Incorporated (“ABI”, Taiwan)	Sales of beverages and related products	100.00 %	-	Note 2

Note 1: Although the Group did not hold more than half of the ownership of the entities, the Group, directly and indirectly, held more than half of their voting shares, resulting in the Group to obtain control over those entities.

Note 2: The subsidiaries were newly established or acquired in 2022.

Note 3: The subsidiaries were newly established or acquired in 2021.

Note 4: WLII formerly owned 19% shares of PGL and its subsidiaries (“PGL Group”). On June 1, 2021, WLII acquired an additional 32% shares of PGL Group, resulting in WLII to have control over PGL Group.

Note 5: The Company acquired 40.55% voting shares, and is the single largest shareholder, of AOI. Since the remaining 59.45% ownership was not concentrated within specific shareholders, and according to the degree of participation of the other shareholders in the previous shareholders' meeting, the Group was able to obtain more than half of the voting rights at AOI' s shareholders' meeting, and thus, obtaining control over AOI and its subsidiaries.

Note 6: The subsidiaries were liquidated in 2022.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 7: In addition to the 42.42% equity ownership held directly and indirectly by the Group in Bluechip, the Group entered into a voting and proxy agreement with the original shareholders of Bluechip, who agreed to allow the representatives assigned by the Group to exercise their voting rights and other rights on behalf of them at shareholders' meeting. The Group concluded that the equity interests held directly and indirectly by the Group, along with the shares under proxy agreement, exceeded half of the shareholdings of Bluechip, resulting in the Group to obtain control over Bluechip.

Note 8: AOSD merged with AOI in the fourth quarter of 2021.

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Group's consolidated financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency of the Group's consolidated financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

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

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand, checking deposits and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be classified as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income ("FVOCI")

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity are reclassified to profit or loss.

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Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive the dividends is established (usually the ex-dividend date).

3) Fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables and other financial assets) and contract assets.

The Group measures loss allowances for accounts receivable, contract assets and other financial assets at an amount equal to lifetime ECL, except for the following financial assets which are measured using 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Group's historical experience and credit assessment, as well as forward-looking information.

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ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less the direct issuing cost.

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3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury stock. When treasury stock is sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Group uses derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

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(h) Inventories

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

(i) Investment accounted for using the equity method

Investments accounted for using the equity method include investments in associates and interests in joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The Group recognizes its share of the profit or loss and other comprehensive income of those associates from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in percentage of ownership.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated investors' interests in the associate.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Group.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing of a part interest in the associate, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to the reduction in ownership interest to profit or loss (or retained earnings).

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When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. If the adjustments are charged to capital surplus and the capital surplus resulting from investments accounted for using the equity method is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint ventures) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Group qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

(j) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the purpose of the property changes from owner-occupied to investment.

(iii) Subsequent costs

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

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ACER INCORPORATED AND SUBSIDIARIES
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(iv) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated. The estimated useful lives of property, plant and equipment are as follows: buildings – main structure - 30 to 50 years; air-conditioning system - 10 years; other equipment pertaining to buildings - 20 years; computer and communication equipment - 2 to 5 years; other equipment - 3 to 10 years.

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment property are the same as those adopted for property, plant and equipment.

Rental income from investment property is recognized as other operating income and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupied.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Group's assessment on whether it will exercise an option to purchase the underlying asset, or;
- there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications in lease subject, scope of the lease or other terms.

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

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

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating lease, the Group recognizes rental income on a straight-line basis over the lease term.

(m) Intangible assets

(i) Goodwill

Goodwill arising from acquisitions of subsidiaries is accounted for as intangible assets. Refer to note 4(u) for the description of the measurement of goodwill at initial recognition. Goodwill arising from acquisitions of investments accounted for using the equity method is included in the carrying amount of the investments. Goodwill is not amortized but is measured at cost less accumulated impairment losses.

(ii) Trademarks

Trademarks acquired in a business combination are measured at fair value at the acquisition date. Subsequent to the initial recognition, trademarks with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of 7 years. Trademarks with indefinite useful lives are carried at cost less any accumulated impairment losses and are tested for impairment annually. The useful life of an intangible asset not subject to amortization is reviewed annually at each financial year-end to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Any change in the useful life assessment from indefinite to definite is accounted for as a change in accounting estimate.

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(iii) Other intangible assets

Other separately acquired intangible assets are carried at cost or fair value at the acquisition date, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the following estimated useful lives: customer relationships - 7 to 10 years; developed technology - 10 years; channel resources - 8.8 years; developing technology - 15 years; patents - 4 to 15 years; acquired software - 1 to 3 years.

The residual value, amortization period, and amortization method are reviewed at least at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(n) Impairment of non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

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(o) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(ii) Others

Provisions for litigation claims and environmental restoration are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognizes revenue based on the price specified in the contract, net of the estimated volume discounts and rebates. Accumulated experience is used to estimate the discounts and rebates using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranged from 30 to 90 days, which is consistent with the market practice.

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Some subsidiaries of the Group grant their customers the right to return the products within 90 days. Therefore, they reduce revenue by the amount of expected returns and recognize a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale. At each reporting date, the Group reassesses the estimated amount of expected returns.

The Group's obligation to provide a refund for faulty goods under the standard warranty terms is recognized as a provision for warranty. Please refer to note 6(r) for more explanation.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Revenue from service rendered

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

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

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

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes the incremental costs of obtaining a contract with a customer as an asset if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

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The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

2) Assets recognized from costs to fulfill contracts with customers

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (e.g., IAS 2 *Inventories*, IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets*), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations) are recognized as expenses when incurred.

(q) Government grant

A government grant is recognized in profit or loss only when there is reasonable assurance that the Group will comply with the conditions associated with the grant and that the grant will be received.

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group without future related costs.

Government grant is recorded in other operating income and expenses, net.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related

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pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expenses related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise (i) actuarial gains and losses; (ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income and reflected in other equity.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(s) Share-based payment

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

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Board of Directors approves the exercise price and the shares to which employees can subscribe.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

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Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- (i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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(u) Business combinations

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the acquisition-date fair value of consideration transferred, including the amount of non-controlling interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the amount calculated above is a deficit balance, the Group recognizes that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed. For each business combination, non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the fair value of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Group's equity interest should be reclassified to profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(v) Earnings per share ("EPS")

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

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(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker, who decides on the allocation of resources to the segment and assesses its performance. Each operating segment consists of standalone financial information.

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

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

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

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

(a) Revenue recognition (accrual of sales return and allowance)

The Group records a refund liability for estimated future returns and other allowances in the same period the related revenue is recognized. Refund liability for estimated sales returns and other allowances is generally made and adjusted based on historical experience, channel inventory, market and economic conditions, and any other factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and rapid evolution of technology could result in significant adjustments to the accruals made.

(b) Valuation of inventory

Inventories are measured at the lower of cost or net realizable value. The Group uses judgment and estimates to determine the net realizable value of inventory at each reporting date.

Since the Group is under the electronics industry that is rapidly innovative, the Group estimates the net realizable value of inventory, taking obsolescence and unmarketable items into account at the reporting date, and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a time horizon, which could result in significant adjustments. Refer to note 6(f) for further description of inventory write-downs.

(c) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years. Refer to note 6(l) for further description of the impairment of goodwill.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6. Significant account disclosures

(a) Cash and cash equivalents

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Cash on hand	\$ 4,199	4,205
Bank deposits	23,151,170	36,351,659
Time deposits	<u>23,687,533</u>	<u>8,263,677</u>
	<u>\$ 46,842,902</u>	<u>44,619,541</u>

(b) Financial instruments measured at fair value through profit or loss

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 159,488	680,128
Foreign currency option contracts	1,681	-
Non-derivative financial assets		
Stocks listed on foreign markets	2,661	1,754
Open-end funds	<u>771,292</u>	<u>2,540,986</u>
	<u>\$ 935,122</u>	<u>3,222,868</u>
Financial liabilities held for trading:		
Derivatives – Foreign currency forward contracts	\$ (1,000,700)	(259,225)
Derivatives – Foreign currency option contracts	(8,508)	-
Financial liabilities measured at fair value through profit or loss:		
Contingent consideration arising from business combinations	(1,199)	(35,758)
Contingent consideration arising from investment in associates	<u>(9,850)</u>	<u>-</u>
	<u>\$ (1,020,257)</u>	<u>(294,983)</u>
Current	\$ (1,015,407)	(291,917)
Non-current	<u>(4,850)</u>	<u>(3,066)</u>
	<u>\$ (1,020,257)</u>	<u>(294,983)</u>

Please refer to note 6(ab) for the amounts recognized in profit or loss arising from remeasurement at fair value.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group entered into derivative contracts to manage foreign currency exchange risk arising from operating activities. At each reporting date, the outstanding foreign currency forward and option contracts that did not conform to the criteria for hedge accounting consisted of the following (the contract amount was presented in USD):

(i) Foreign currency forward contracts

December 31, 2022			
Contract amount		Currency	Maturity period
(in thousands)			
USD	61,017	AUD / USD	2023/01~2023/04
USD	1,326	AUD / NTD	2023/02~2023/03
USD	566	AUD / NZD	2023/01~2023/02
USD	791	EUR / CHF	2023/01~2023/03
USD	5,961	EUR / NOK	2023/01~2023/04
USD	9,264	EUR / SEK	2023/01~2023/06
USD	343,763	EUR / USD	2023/01~2023/06
USD	1,946	EUR / NTD	2023/01~2023/02
USD	38,180	EUR / PLN	2023/01
USD	114,017	GBP / USD	2023/01~2023/09
USD	6,337	NZD / USD	2023/01~2023/03
USD	44,136	USD / CAD	2023/01~2023/02
USD	5,000	USD / CLP	2023/04~2023/05
USD	40,200	USD / CNY	2023/01~2023/03
USD	68,000	USD / IDR	2023/01~2023/04
USD	152,967	USD / INR	2023/01~2023/07
USD	43,386	USD / JPY	2023/01~2023/10
USD	14,600	USD / MXN	2023/01~2023/03
USD	27,315	USD / MYR	2023/01~2023/04
USD	655,886	USD / NTD	2023/01~2023/04
USD	24,059	USD / PHP	2023/01~2023/04
USD	7,000	USD / SGD	2023/01~2023/02
USD	43,709	USD / THB	2023/01~2023/03

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2021

Contract amount		Currency		Maturity period
(in thousands)				
USD	119,159	AUD	/ USD	2022/01~2022/06
USD	685	AUD	/ NTD	2022/02~2022/03
USD	28,051	EUR	/ CHF	2022/01~2022/05
USD	11,626	EUR	/ NOK	2022/01~2022/05
USD	18,185	EUR	/ SEK	2022/01~2022/06
USD	533,740	EUR	/ USD	2022/01~2022/05
USD	1,279	EUR	/ NTD	2022/01~2022/03
USD	73,745	EUR	/ PLN	2022/01~2022/06
USD	110,801	GBP	/ USD	2022/01~2022/05
USD	10,494	NZD	/ USD	2022/01~2022/05
USD	58,479	USD	/ CAD	2022/01~2022/02
USD	8,200	USD	/ CLP	2022/01
USD	60,000	USD	/ CNY	2022/01~2022/04
USD	70,800	USD	/ IDR	2022/01~2022/04
USD	229,969	USD	/ INR	2022/01~2022/06
USD	31,917	USD	/ JPY	2022/01~2022/08
USD	16,700	USD	/ MXN	2022/01~2022/03
USD	30,500	USD	/ MYR	2022/01~2022/03
USD	584,224	USD	/ NTD	2022/01~2022/11
USD	19,600	USD	/ PHP	2022/01~2022/03
USD	105,197	USD	/ RUB	2022/01~2022/04
USD	20,000	USD	/ SGD	2022/01~2022/05
USD	98,000	USD	/ THB	2022/01~2022/03

(ii) Foreign currency option contracts

December 31, 2022

Contract amount		Maturity period
(in thousands)		
USD / CNY	USD 10,200	2023/02~2023/03

(c) Notes and accounts receivable, net (measured at amortized cost)

	December 31, 2022	December 31, 2021
Notes receivable	\$ 327,462	213,707
Accounts receivable	51,137,567	63,946,493
Less: loss allowance	(142,992)	(120,763)
	51,322,037	64,039,437
Accounts receivable from related parties (note 7(b))	41,821	1,329
	\$ 51,363,858	64,040,766

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. Forward looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable was as follows:

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 43,825,399	0.14%	(61,296)
Past due 1-30 days	6,520,997	0.28%	(17,948)
Past due 31-60 days	716,355	2.57%	(18,399)
Past due 61-90 days	202,999	2.71%	(5,501)
Past due 91-180 days	175,403	10.38%	(18,199)
Past due 181 days or over	<u>23,876</u>	90.67%	<u>(21,649)</u>
	<u>\$ 51,465,029</u>		<u>(142,992)</u>
	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 59,972,724	0.09%	(56,097)
Past due 1-30 days	3,550,650	0.48%	(16,893)
Past due 31-60 days	441,709	1.62%	(7,155)
Past due 61-90 days	81,506	10.31%	(8,400)
Past due 91-180 days	63,545	11.06%	(7,025)
Past due 181 days or over	<u>50,066</u>	50.32%	<u>(25,193)</u>
	<u>\$ 64,160,200</u>		<u>(120,763)</u>

As of December 31, 2022 and 2021, no expected credit losses was provided for accounts receivable from related parties after management's assessment.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 120,763	192,005
Impairment losses recognized (reversal of impairment loss)	20,735	(35,070)
Acquisition through business combination	-	6,911
Write-off	(4,218)	(35,458)
Effect of exchange rate changes	<u>5,712</u>	<u>(7,625)</u>
Balance at December 31	<u><u>\$ 142,992</u></u>	<u><u>120,763</u></u>

The Group entered into factoring agreements with financial institutions to sell its accounts receivable. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group derecognized the above accounts receivable as it has transferred substantially all of the risks and rewards of ownership of the accounts receivable, and it did not have any continuing involvement in them. The accounts receivable from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivable. As of December 31, 2021, the Group sold its accounts receivable without recourse as follows:

<u>December 31, 2021</u>						
<u>Purchaser</u>	<u>Amount Derecognized</u>	<u>Amount Advanced Unpaid</u>	<u>Amount Advanced Paid</u>	<u>Amount Recognized in Other Receivables</u>	<u>Range of Interest Rate</u>	<u>Significant Transferring Terms</u>
HSBC Bank	\$ <u>364,861</u>	<u>19,007</u>	<u>345,854</u>	<u>19,007</u>	5.25%	None

(d) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Raw materials	\$ 13,048,547	15,676,331
Work in process	57,117	18,380
Finished goods and merchandise	22,151,378	22,188,155
Spare parts	1,009,184	1,073,057
Inventories in transit	<u>5,946,851</u>	<u>19,747,904</u>
	<u><u>\$ 42,213,077</u></u>	<u><u>58,703,827</u></u>

For the years ended December 31, 2022 and 2021, the amounts of inventories recognized as cost of revenue were \$225,668,269 and \$255,560,066, respectively, of which \$1,914,349 and \$1,943,032, respectively, were the write-down of inventories to net realizable value.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (e) Financial assets measured at fair value through other comprehensive income-non current

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Equity investments measured at fair value through other comprehensive income		
Domestic listed stock	\$ 6,713,753	7,064,857
Unlisted stock	<u>890,208</u>	<u>741,845</u>
	<u>\$ 7,603,961</u>	<u>7,806,702</u>

The Group designated the investments shown above as financial assets measured at fair value through other comprehensive income (FVOCI) because these equity instruments are held for long-term strategic purposes and not for trading.

Certain financial assets measured at FVOCI were disposed of in 2022 and 2021. The realized loss accumulated in other comprehensive income of \$43,825 and \$308,290 have been reclassified from other equity to retained earnings.

- (f) Financial assets measured at amortized cost

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Fixed Rate Corporate Bonds	\$ 183,622	-
Fixed Rate Callable Notes	<u>614,160</u>	<u>-</u>
	<u>\$ 797,782</u>	<u>-</u>

The Group evaluated these financial assets being hold-to-maturity in order to collect the contractual cash flows, which are solely payments for principal and interest on principal amount outstanding. Therefore, such financial assets were classified as financial assets measured at amortized cost.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Investments accounted for using the equity method

A summary of the Group's investments in associates and joint ventures at the reporting date is as follows:

<u>Name of Associates and Joint Ventures</u>	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Percentage of ownership</u>	<u>Carrying amount</u>	<u>Percentage of ownership</u>	<u>Carrying amount</u>
Associates :				
GrandPad Inc. ("GrandPAD")	28.85	\$ 182,967	28.88	169,885
Apex Material Technology Corp. ("AMTC")	6.73	348,266	7.01	317,106
Antung Trading Corporation ("ANT")	11.79	317,502	11.79	275,656
Shine Passion Engineering Co, Ltd. ("SPE")	19.25	110,277	-	-
Others	-	161,630	-	102,881
Joint Venture:				
Smart Frequency Technology Inc. ("SFT", note(i))	55.00	<u>53,732</u>	55.00	<u>71,601</u>
		<u>\$ 1,174,374</u>		<u>937,129</u>

Note (i): According to the joint venture agreement with a third party, the Group and the other party have joint control over SFT. Accordingly, this investment is accounted for using the equity method.

AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI's ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, AOI reclassified the investment to fair value through other comprehensive income (FVOCI) – non-current and recognized a gain on disposal of investment of \$47,815, which was included in "other gains and losses" in the accompanying statements of comprehensive income.

Since AMTC failed to meet its sales forecast and maintain its profitability under the influence of the fierce market competition, on December 31, 2019, AOI assessed that there was an indication of impairment in the carrying amounts of its investments in AMTC, resulting in AOI to recognize the impairment loss of \$50,294. Moreover, since the aforementioned impairment indicators may no longer exist or may have been mitigated based on the impairment assessments conducted in June 2022, the related recoverable amount had been remeasured, and a reversal of impairment loss of \$30,048 was recognized in other gains and losses.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Aggregated financial information on associates that were not individually material to the Group is summarized as follows.

	<u>2022</u>	<u>2021</u>
Attributable to the Group:		
Net income	\$ 138,691	86,144
Other comprehensive income	<u>221</u>	<u>2,183</u>
Total comprehensive income	<u><u>\$ 138,912</u></u>	<u><u>88,327</u></u>

Financial information on joint venture that was not individually material to the Group is summarized as follows.

	<u>2022</u>	<u>2021</u>
Attributable to the Group:		
Net loss	\$ (17,868)	(17,717)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss	<u><u>\$ (17,868)</u></u>	<u><u>(17,717)</u></u>

(h) Subsidiaries

(i) Acquisition of Winking Entertainment Ltd. by AGM

1) Consideration transferred

On December 31, 2022 (the acquisition date), AGM acquired 54.96% ownership interest of Winking Entertainment Ltd. (“WKC”) for a consideration of \$641,544, resulting in the Company to obtain control over WKC and its subsidiaries (“WKC Group”), who has been included in the Group’s consolidated entities thereafter. The acquisition of WKC was contracted under advance arrangements, whereby the payment of \$61,102 made to the original shareholders in January 2023 was recognized in other payables as of December 31, 2022.

WKC Group is engaged in the operation of Art Outsourcing and Game Development. The acquisition of WKC enables the Group to jointly develop and expand game-related business and embark on the game business.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identified assets acquired

The following table summarizes the fair value of assets acquired, liabilities assumed and goodwill recognized at the acquisition date (December 31, 2022):

Consideration transferred	\$	641,544
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)		247,911
Less: Fair value of identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	\$	186,012
Contract assets-current		91,362
Notes and accounts receivable, net		101,768
Other receivable		98,321
Other current assets		13,878
Property, plant and equipment		70,860
Right-of-use assets		86,114
Intangible assets-customer relationships		189,068
Intangible assets software		7,469
Deferred tax asset		25,136
Other non-current assets		11,208
Contract liabilities-current		(4,206)
Notes and accounts payable		(37,062)
Other payable		(141,116)
Other current liabilities		(3,722)
Lease liabilities		(85,907)
Deferred tax liabilities		(58,761)
		<u>550,422</u>
Goodwill	\$	<u><u>339,033</u></u>

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional provisions existed as at the acquisition date, the acquisition accounting will be revised.

3) Intangible assets

Intangible assets – customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 12 years. Goodwill arising from the acquisition is due to control premium over WKC, the synergies of the business combination, future market development and value of workforce, none of these qualifies as an identifiable intangible asset.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Pro forma information

From the acquisition date to December 31, 2022, WKC contributed revenue of \$0 and net income of \$0 to the Group's operating results. If the acquisition had occurred on January 1, 2022, the management estimates that consolidated revenue would have been \$276,154,994, and consolidated net income would have been \$5,622,974.

(ii) Acquisition of Protrade Global Ltd. by WLII

On June 1, 2021, WLII acquired 32% of ownership interest in Protrade Global Ltd. After the acquisition, WLII's interest in Protrade Global Ltd. increased from 19% to 51%, and therefore obtained control over it since then.

Protrade Global Ltd. and its subsidiaries (the "Protrade") are mainly engaged in the global trade and distribution of synthetic rubber, plastics and related chemical products and raw materials as well as the logistic business. Although Protrade engages in different industry with WLII, they both involve in channel resources and platform industry. While WLII is developing "partnership economic" and cross-industry platform, it is expected to be benefited from the synergies of including Protrade as one of the important partners of the cross-industry alliance.

The purchase consideration, assets acquired and liabilities assumed at the acquisition date and goodwill recognized were as follows:

1) Fair value of consideration transferred the acquisition date

Cash	\$ 184,923
Contigent consideration	<u>35,758</u>
	<u>\$ 220,681</u>

According to the contigent consideration arrangements, the contigent consideration os estimated based on Protrade's consolidated net income in 2021 and 2022 and the maximum amount of the contigent consideration does not exceed US\$1,672. The potential undiscounted contingent payments to be paid by the Group ranges from US\$0 to US\$1,672.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable assets acquired and liabilities assumed

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (June 1, 2021).

Cash and cash equivalents	\$ 373,961
Financial assets measured at fair value through profit or loss	46,504
Notes and accounts receivable, net	408,925
Other receivables	4,863
Inventories	404,619
Other current assets	380,392
Property, plant and equipment	134,224
Right-of-use assets	24,211
Intangible assets	183,663
Other non-current assets	7,909
Short-term borrowings	(827,234)
Contract liabilities	(162,464)
Notes and accounts payable	(175,947)
Other payables	(450,656)
Current income tax liabilities	(5,607)
Other current liabilities	(397)
Lease liabilities — non-current	(24,503)
Other non-current liabilities	(976)
Fair value of identifiable net assets	<u><u>\$ 321,487</u></u>

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows.

Consideration transferred	\$ 220,681
Add: Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	157,528
Fair value of pre-existing interest in the acquiree	96,068
Less: Fair value of identifiable net assets	<u>(321,487)</u>
Goodwill (reported under intangible assets)	<u><u>\$ 152,790</u></u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

WLII remeasured the fair value of its pre-existing 19% ownership of Protrade at the acquisition date, resulting in a valuation loss of \$56,915, which was accumulated in other equity. At the acquisition date, the related other comprehensive loss accumulated in other equity has been reclassified to retained earnings by WLII, and the Group reduced the retained earnings of \$33,538 accordingly based on its percentage of ownership of WLII.

Goodwill arising from the acquisition of Protrade is mainly due to value of workforce. It is expected to be benefited from the synergies of cross-industry alliance between Protrade and the Group. None of the goodwill recognized is expected to be deductible for tax purposes.

4) Pro forma information

From the acquisition date to December 31, 2021, Protrade contributed revenue of \$3,279,739 and net income of \$39,306 to the Group's operating results. If the acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been \$320,987,875, and consolidated net income would have been \$11,372,141.

(iii) Changes in ownership interests of subsidiaries without losing control

The Group acquired additional equity interests of its subsidiaries or disposed a portion of them, which did not result in a loss of control over them. Moreover, subsidiaries of the Group increased their share capital by issuing shares, wherein the Group did not subscribe proportionately based on its current ownership percentage, resulting in the Group's ownership interest in its subsidiaries to change. Please refer to note 4(c).

A summary the effect on the equity attributable to the parent arising from abovementioned changes in ownership interests in subsidiaries:

	<u>2022</u>	<u>2021</u>
Capital surplus — arising from changes in ownership interests in subsidiaries	\$ 154,065	60,105
Capital surplus — arising from difference between consideration and carrying amount of subsidiaries acquired or disposed.	<u>12,345</u>	<u>29,880</u>
	<u>\$ 166,410</u>	<u>89,985</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Computer and communication equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2022	\$ 1,841,707	4,166,451	1,774,175	2,569,692	34,627	10,386,652
Acquisition through business combination	-	-	61,158	45,757	8,239	115,154
Additions	81,559	103,716	87,993	149,017	35,895	458,180
Disposals	-	(6,595)	(62,589)	(154,397)	-	(223,581)
Reclassification to investment property	-	(9,310)	-	-	-	(9,310)
Other reclassification and effect of exchange rate changes	77,197	21,023	117,788	90,268	(37,920)	268,356
Balance at December 31, 2022	<u>\$ 2,000,463</u>	<u>4,275,285</u>	<u>1,978,525</u>	<u>2,700,337</u>	<u>40,841</u>	<u>10,995,451</u>
Balance at January 1, 2021	\$ 1,873,139	4,390,547	4,342,028	2,884,783	6,304	13,496,801
Acquisition through business combination	103,224	35,644	11,403	17,866	-	168,137
Additions	4,690	42,277	135,544	133,572	236,410	552,493
Disposals	-	(2,237)	(2,891,334)	(287,864)	-	(3,181,435)
Reclassification to investment property	(122,442)	(256,771)	-	-	-	(379,213)
Other reclassification and effect of exchange rate changes	(16,904)	(43,009)	176,534	(178,665)	(208,087)	(270,131)
Balance at December 31, 2021	<u>\$ 1,841,707</u>	<u>4,166,451</u>	<u>1,774,175</u>	<u>2,569,692</u>	<u>34,627</u>	<u>10,386,652</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2022	\$ 278,877	2,824,030	1,247,491	1,980,384	-	6,330,782
Acquisition through business combination	-	-	23,977	12,493	-	36,470
Depreciation	-	54,679	145,711	132,612	-	333,002
Disposals	-	(6,485)	(60,226)	(141,902)	-	(208,613)
Reclassification to investment property	-	(1,623)	-	-	-	(1,623)
Other reclassification and effect of exchange rate changes	58,821	16,965	58,559	72,201	-	206,546
Balance at December 31, 2022	<u>\$ 337,698</u>	<u>2,887,566</u>	<u>1,415,512</u>	<u>2,055,788</u>	<u>-</u>	<u>6,696,564</u>
Balance at January 1, 2021	\$ 320,633	3,036,852	4,037,151	2,236,256	-	9,630,892
Acquisition through business combination	-	7,544	7,701	9,643	-	24,888
Depreciation	-	57,688	122,762	139,538	-	319,988
Disposals	-	(2,237)	(2,888,047)	(272,639)	-	(3,162,923)
Reclassification to investment property	(41,210)	(240,832)	-	-	-	(282,042)
Other reclassification and effect of exchange rate changes	(546)	(34,985)	(32,076)	(132,414)	-	(200,021)
Balance at December 31, 2021	<u>\$ 278,877</u>	<u>2,824,030</u>	<u>1,247,491</u>	<u>1,980,384</u>	<u>-</u>	<u>6,330,782</u>
Carrying amounts:						
Balance at December 31, 2022	<u>\$ 1,662,765</u>	<u>1,387,719</u>	<u>563,013</u>	<u>644,549</u>	<u>40,841</u>	<u>4,298,887</u>
Balance at December 31, 2021	<u>\$ 1,562,830</u>	<u>1,342,421</u>	<u>526,684</u>	<u>589,308</u>	<u>34,627</u>	<u>4,055,870</u>

Please refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for bank loans.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

(j) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2022	\$ 6,682	2,846,081	190,123	3,042,886
Acquisition through business combination	-	136,397	-	136,397
Additions	14,426	697,032	33,298	744,756
Disposals	-	(543,537)	(42,506)	(586,043)
Effect of exchange rates changes	839	150,934	9,083	160,856
Balance at December 31, 2022	<u>\$ 21,947</u>	<u>3,286,907</u>	<u>189,998</u>	<u>3,498,852</u>
Balance at January 1, 2021	\$ 4,023	2,794,296	201,889	3,000,208
Acquisition through business combination	-	44,208	-	44,208
Additions	3,207	623,992	42,317	669,516
Disposals	-	(449,297)	(36,876)	(486,173)
Effect of exchange rates changes	(548)	(167,118)	(17,207)	(184,873)
Balance at December 31, 2021	<u>\$ 6,682</u>	<u>2,846,081</u>	<u>190,123</u>	<u>3,042,886</u>
Accumulated depreciation:				
Balance at January 1, 2022	\$ 4,211	1,207,423	94,610	1,306,244
Acquisition through business combination	-	50,282	-	50,282
Depreciation	7,759	604,427	58,942	671,128
Disposals	-	(524,776)	(41,853)	(566,629)
Effect of exchange rates changes	540	62,679	5,244	68,463
Balance at December 31, 2022	<u>\$ 12,510</u>	<u>1,400,035</u>	<u>116,943</u>	<u>1,529,488</u>
Balance at January 1, 2021	\$ 3,017	1,065,372	74,299	1,142,688
Acquisition through business combination	-	6,287	-	6,287
Depreciation	1,562	629,711	60,788	692,061
Disposals	-	(433,365)	(33,015)	(466,380)
Effect of exchange rates changes	(368)	(60,582)	(7,462)	(68,412)
Balance at December 31, 2021	<u>\$ 4,211</u>	<u>1,207,423</u>	<u>94,610</u>	<u>1,306,244</u>
Carrying amount:				
Balance at December 31, 2022	<u>\$ 9,437</u>	<u>1,886,872</u>	<u>73,055</u>	<u>1,969,364</u>
Balance at December 31, 2021	<u>\$ 2,471</u>	<u>1,638,658</u>	<u>95,513</u>	<u>1,736,642</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance at January 1, 2022	\$ 862,870	2,171,237	3,034,107
Additions	-	17,249	17,249
Reclassification from property, plant and equipment	-	9,310	9,310
Other reclassification	(82)	-	(82)
Balance at December 31, 2022	<u>\$ 862,788</u>	<u>2,197,796</u>	<u>3,060,584</u>
Balance at January 1, 2021	\$ 755,536	1,919,546	2,675,082
Additions	-	444	444
Disposals	(15,108)	(5,524)	(20,632)
Reclassification from property, plant and equipment	122,442	256,771	379,213
Balance at December 31, 2021	<u>\$ 862,870</u>	<u>2,171,237</u>	<u>3,034,107</u>
Accumulated depreciation and impairment loss:			
Balance at January 1, 2022	\$ 291,388	1,923,128	2,214,516
Depreciation	-	12,520	12,520
Reclassification from property, plant and equipment	-	1,623	1,623
Balance at December 31, 2022	<u>\$ 291,388</u>	<u>1,937,271</u>	<u>2,228,659</u>
Balance at January 1, 2021	\$ 250,178	1,675,061	1,925,239
Depreciation	-	10,511	10,511
Disposals	-	(3,276)	(3,276)
Reclassification from property, plant and equipment	41,210	240,832	282,042
Balance at December 31, 2021	<u>\$ 291,388</u>	<u>1,923,128</u>	<u>2,214,516</u>
Carrying amounts:			
Balance at December 31, 2022	<u>\$ 571,400</u>	<u>260,525</u>	<u>831,925</u>
Balance at December 31, 2021	<u>\$ 571,482</u>	<u>248,109</u>	<u>819,591</u>
Fair value:			
Balance at December 31, 2022			<u>\$ 1,251,802</u>
Balance at December 31, 2021			<u>\$ 1,250,794</u>

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2022 and 2021, the estimated discount rate used for calculating the present value of the future cash flows was 6.83% and 5.79%, respectively.

For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Intangible assets

- (i) The movements of costs, and accumulated amortization and impairment loss of intangible assets were as follows:

	Goodwill	Trademarks and trade names	Others	Total
Net balance at January 1, 2022:				
Cost	\$ 23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss	<u>(7,649,842)</u>	<u>(10,190,459)</u>	<u>(10,145,530)</u>	<u>(27,985,831)</u>
Net balance at January 1, 2022	<u>15,816,967</u>	<u>671</u>	<u>709,645</u>	<u>16,527,283</u>
Additions	-	163	395,669	395,832
Acquisition through business combination	339,033	1	323,692	662,726
Disposals	-	-	(26,934)	(26,934)
Reclassification	40,414	161	(40,234)	341
Amortization	-	(237)	(341,777)	(342,014)
Impairment loss	-	-	(7,503)	(7,503)
Effect of exchange rate changes	<u>1,292,147</u>	<u>14</u>	<u>28,699</u>	<u>1,320,860</u>
Net balance at December 31, 2022	<u>\$ 17,488,561</u>	<u>773</u>	<u>1,041,257</u>	<u>18,530,591</u>
Net balance at December 31, 2022:				
Cost	\$ 25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss	<u>(8,457,293)</u>	<u>(10,240,614)</u>	<u>(10,296,935)</u>	<u>(28,994,842)</u>
	<u>\$ 17,488,561</u>	<u>773</u>	<u>1,041,257</u>	<u>18,530,591</u>
Net balance at January 1, 2021:				
Cost	\$ 23,893,960	10,196,471	10,680,243	44,770,674
Accumulated amortization and impairment loss	<u>(7,876,181)</u>	<u>(10,196,053)</u>	<u>(10,405,711)</u>	<u>(28,477,945)</u>
Net balance at January 1, 2021	<u>16,017,779</u>	<u>418</u>	<u>274,532</u>	<u>16,292,729</u>
Additions	-	-	373,199	373,199
Acquisition through business combination	233,816	384	319,361	553,561
Reclassification	-	-	290	290
Amortization	-	(102)	(252,093)	(252,195)
Effect of exchange rate changes	<u>(434,628)</u>	<u>(29)</u>	<u>(5,644)</u>	<u>(440,301)</u>
Net balance at December 31, 2021	<u>\$ 15,816,967</u>	<u>671</u>	<u>709,645</u>	<u>16,527,283</u>
Net balance at December 31, 2021:				
Cost	\$ 23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss	<u>(7,649,842)</u>	<u>(10,190,459)</u>	<u>(10,145,530)</u>	<u>(27,985,831)</u>
	<u>\$ 15,816,967</u>	<u>671</u>	<u>709,645</u>	<u>16,527,283</u>

The amortization and impairment loss of intangible assets were included in the following line items of the statements of comprehensive income:

	2022	2021
Cost of revenue	\$ 250,507	193,999
Operating expenses	91,507	58,196
Non-operating income and loss	<u>7,503</u>	<u>-</u>
	<u>\$ 349,517</u>	<u>252,195</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Impairment test on goodwill and other intangible assets

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose were as follows:

	<u>RO-EMEA</u>	<u>RO-PA</u>	<u>RO-PAP</u>	<u>RO-China</u>	<u>Other CGUs without significant goodwill</u>	<u>Total</u>
Balance at January 1, 2022	\$ 8,927,087	1,430,653	2,951,891	2,263,095	244,241	15,816,967
Acquisition through business combination	-	-	-	-	339,033	339,033
Reclassification	-	-	-	-	40,414	40,414
Effect of exchange rate changes	834,244	144,097	243,557	54,813	15,436	1,292,147
Balance at December 31, 2022	<u>\$ 9,761,331</u>	<u>1,574,750</u>	<u>3,195,448</u>	<u>2,317,908</u>	<u>639,124</u>	<u>17,488,561</u>
Balance at January 1, 2021	\$ 9,240,816	1,469,709	3,018,281	2,271,251	17,722	16,017,779
Acquisition through business combination	-	-	-	-	233,816	233,816
Effect of exchange rate changes	(313,729)	(39,056)	(66,390)	(8,156)	(7,297)	(434,628)
Balance at December 31, 2021	<u>\$ 8,927,087</u>	<u>1,430,653</u>	<u>2,951,891</u>	<u>2,263,095</u>	<u>244,241</u>	<u>15,816,967</u>

The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

- 1) The cash flow projections were based on historical operating performance and future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using zero growth rate.
- 2) Discount rates used to determine the value in use for each CGU were as follows:

	<u>RO-EMEA</u>	<u>RO-PA</u>	<u>RO-PAP</u>	<u>RO-China</u>
December 31, 2022	15.7 %	11.1 %	16.3 %	14.9 %
December 31, 2021	16.9 %	13.5 %	19.2 %	20.3 %

The estimation of discount rate is based on the weighted-average cost of capital.

Based on the impairment assessments conducted in 2022 and 2021, no impairment losses were recognized as the recoverable amount of CGUs were higher than their carrying amounts.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Other current assets and other non-current assets

(i) Other current assets

	December 31, 2022	December 31, 2021
Overpaid VAT retained for offsetting against future tax payable	\$ 2,336,866	1,861,817
Advance on procurement	131,876	264,014
Prepaid royalty and other prepayments	634,362	494,004
Right to goods to be returned	496,521	332,990
Other financial assets	345,879	80,000
Others	36,482	31,675
	\$ 3,981,986	3,064,500

(ii) Other non-current assets

	December 31, 2022	December 31, 2021
Overpaid VAT retained for offsetting against future tax payable	\$ 77,815	1,141,805
Prepaid income tax	1,986,859	1,524,891
Prepaid royalty and other prepayments	45,232	37,862
Assets recognized from costs to fulfill contracts with customers	194,594	168,997
Others	83,098	69,511
	\$ 2,387,598	2,943,066

(n) Short-term borrowings

	December 31, 2022	December 31, 2021
Short-term notes payable	\$ -	99,994
Bank overdraft	2,590	-
Unsecured bank loans	1,451,697	1,127,830
Secured bank loans	197,799	25,766
	\$ 1,652,086	1,253,590
Unused credit facilities	\$ 39,615,678	36,391,741
Interest rate	1.65%~6.87%	0.70%~3.56%

Please refer to note 8 for a description of the Group's assets pledged as collateral for bank loans.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Long-term debt

	December 31, 2022	December 31, 2021
Unsecured loan	\$ 1,006	23,141
Secured loan	161,487	96,785
Less: current portion of long-term debt	<u>(58,017)</u>	<u>(20,106)</u>
	<u>\$ 104,476</u>	<u>99,820</u>
Unused credit facilities	<u>\$ 4,770,800</u>	<u>4,469,000</u>
Interest rate	<u>1.87%~6.25%</u>	<u>1.30%~3.36%</u>

Please refer to note 6(ab) for related interest expense with respect to the abovementioned bank loans.

Please refer to note 8 for a description of the Group's assets pledged as collateral for its bank loans.

(p) Bonds payable

	December 31, 2022	December 31, 2021
Unsecured bonds payable	<u>\$ 10,000,000</u>	<u>10,000,000</u>

On April 27, 2021, the Company issued \$5,000,000 of unsecured corporate bonds at par value. The bonds have 5-year term and are repayable on maturity. The bonds bears annual coupon rate of 0.76% and interests are payable annually at coupon rate from the issuance date. On August 26, 2021, the Company issued \$5,000,000 of unsecured corporate bonds at par value. The bonds have 5-year term and are repayable in two equal installments on August 26, 2025 and on maturity. The bonds bears annual coupon rate of 0.62% and interests are payable annually at coupon rate from the issuance date.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Lease liabilities

(i) The carrying amount of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	\$ <u>613,263</u>	<u>530,564</u>
Non-current	\$ <u>1,495,786</u>	<u>1,320,713</u>

Please refer to note 6(ad) for the maturity analysis of lease liabilities.

(ii) The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ <u>38,738</u>	<u>36,338</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>90,651</u>	<u>56,516</u>
Expenses relating to short-term leases	\$ <u>41,099</u>	<u>40,448</u>
Expenses relating to leases of low-value assets	\$ <u>4,736</u>	<u>3,492</u>

(iii) The amounts recognized in the statement of cash flows for the Group were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>827,442</u>	<u>816,589</u>

(iv) Major terms of leases

The Group leases land, buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 30 years, some of which include options to extend the lease term after the end of the contract term. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Group elected to applied exemption and not to recognize right-of-use assets and lease liabilities.

(r) Provisions

	<u>Warranties</u>	<u>Litigation</u>	<u>Restructuring</u>	<u>Environmental protection and others</u>	<u>Total</u>
Balance at January 1, 2022	\$ 6,080,590	282,693	-	240,026	6,603,309
Additions	4,180,422	2,875	-	121,042	4,304,339
Amount utilized and reversed	(4,124,254)	(16,752)	-	(134,005)	(4,275,011)
Effect of exchange rate changes	268,782	25,052	-	5,815	299,649
Balance at December 31, 2022	\$ <u>6,405,540</u>	<u>293,868</u>	<u>-</u>	<u>232,878</u>	<u>6,932,286</u>
Current	\$ 6,405,540	293,868	-	217,582	6,916,990
Non-current	-	-	-	15,296	15,296
	\$ <u>6,405,540</u>	<u>293,868</u>	<u>-</u>	<u>232,878</u>	<u>6,932,286</u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Warranties</u>	<u>Litigation</u>	<u>Restructuring</u>	<u>Environmental protection and others</u>	<u>Total</u>
Balance at January 1, 2021	\$ 5,492,122	254,386	6,476	228,281	5,981,265
Additions	4,639,198	42,679	-	146,486	4,828,363
Amount utilized and reversed	(3,701,976)	(1,892)	(6,443)	(119,223)	(3,829,534)
Effect of exchange rate changes	(348,754)	(12,480)	(33)	(15,518)	(376,785)
Balance at December 31, 2021	<u>\$ 6,080,590</u>	<u>282,693</u>	<u>-</u>	<u>240,026</u>	<u>6,603,309</u>
Current	\$ 5,893,893	282,693	-	225,073	6,401,659
Non-current	186,697	-	-	14,953	201,650
	<u>\$ 6,080,590</u>	<u>282,693</u>	<u>-</u>	<u>240,026</u>	<u>6,603,309</u>

(i) Warranties

The provision for warranties is made based on the number of units sold currently under warranty, historical rates of warranty claim on those units, and cost per claim to satisfy the warranty obligation. The Group reviews the estimation basis on an ongoing basis and revises it when appropriate.

(ii) Litigation

Litigation provisions are recorded for pending litigation when it is determined that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated.

(iii) Restructuring

One of subsidiaries underwent an operational optimization and organizational downsizing in response to the change of international trade environment and other factors and restructuring provision and cost was recognized accordingly. The provision was mainly for employee termination benefits and relocation costs of machinery equipment. The related expenses were reported in other expenses under operating expenses in the accompanying statements of comprehensive income.

(iv) Environmental protection and others

An environmental protection provision is made when products are sold and is estimated based on historical experience.

(s) Operating lease

The Group leases its investment and operating properties to others. The Group has classified these leases as operating leases as it does not transfer substantially all the risks and rewards incidental to ownership of the assets to lessees. Please refer to note 6(k) for the information of investment property.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Less than 1 year	\$ 24,912	91,256
1 year to 2 years	29,957	50,860
2 years to 3 years	24,860	36,291
3 years to 4 years	18,039	21,360
4 years to 5 years	15,760	17,488
Over 5 years	<u>39,008</u>	<u>44,747</u>
Total undiscounted lease payments	<u><u>\$ 152,536</u></u>	<u><u>262,002</u></u>

In 2022 and 2021, the rental income from investment property amounting to \$36,107 and \$89,327, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized and included in operating expense were as follows:

	<u>2022</u>	<u>2021</u>
Arising from investment property that generated rental income during the period	\$ 29,811	34,756
Arising from investment property that did not generate rental income during the period	<u>7,816</u>	<u>11,957</u>
	<u><u>\$ 37,627</u></u>	<u><u>46,713</u></u>

(t) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities (assets) for defined benefit plans was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of benefit obligations	\$ 2,742,742	2,980,785
Fair value of plan assets	<u>(1,340,916)</u>	<u>(1,112,882)</u>
Net defined benefit liabilities (reported under other non-current liabilities)	<u><u>\$ 1,401,826</u></u>	<u><u>1,867,903</u></u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of benefit obligations	\$ 12,002	66,518
Fair value of plan assets	<u>(70,527)</u>	<u>(115,826)</u>
Net defined benefit assets (reported under other non-current assets)	<u><u>\$ (58,525)</u></u>	<u><u>(49,308)</u></u>

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Company and its domestic subsidiaries make defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

Foreign subsidiaries, including AJC, ATH, AIN, AMI, AIL, APHI, AEG, ASZ, AIT, ACF, ASIN, AEH, SER, AOJ, HSNI, HSNP and HSNT, also have defined benefit pension plans based on their respective local laws and regulations.

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company and its domestic subsidiaries is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Company and its domestic subsidiaries also established pension funds in accordance with the "Regulations Governing the Management, Investment, and Distribution of the Employees' Retirement Fund Established by a Profit-seeking Enterprise", which are funded by time deposits and bank deposits deposited in the designated financial institutions. The administration of pension funds is separate from the Group, and the principal and interest from such funds shall not be used in any form except for the payment of pension and severance to employees.

Foreign subsidiaries with defined benefit pension plans make pension contributions to pension management institutions in accordance with their respective local regulations.

As of December 31, 2022 and 2021, the Group's fair value of plan assets, by major categories, was as follows:

	December 31, 2022	December 31, 2021
Cash	\$ 446,957	466,440
Equity instruments	531,806	444,883
Instruments with fixed return	126,350	85,958
Real estate	<u>306,330</u>	<u>231,427</u>
	<u>\$ 1,411,443</u>	<u>1,228,708</u>

Cash includes the labor pension fund assets. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

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ACER INCORPORATED AND SUBSIDIARIES
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2) Movements in present value of the defined benefit obligations

	<u>2022</u>	<u>2021</u>
Defined benefit obligations at January 1	\$ 3,047,303	3,212,386
Current service costs	195,043	233,367
Interest expense	18,813	17,408
Remeasurement on the net defined benefit liabilities (assets):		
Actuarial loss (gain) arising from experience adjustments	(77,667)	35,476
Actuarial loss (gain) arising from changes in demographic assumption	481	(58,786)
Actuarial loss (gain) arising from changes in financial assumption	(427,807)	70,889
Benefits paid by the Group and the plan	(99,052)	(189,572)
Past service costs and settlement loss (gain)	(13,886)	(116,372)
Settlement	(53,520)	(54,505)
Contributions by plan participants	19,635	25,282
Effect of exchange rate changes	145,401	(128,270)
Defined benefit obligations at December 31	<u>\$ 2,754,744</u>	<u>3,047,303</u>

3) Movements in fair value of plan assets

	<u>2022</u>	<u>2021</u>
Fair value of plan assets at January 1	\$ 1,228,708	1,355,940
Interest income	4,981	5,407
Remeasurement on the net defined benefit liabilities (assets):		
Return on plan assets (excluding amounts included in net interest expense)	82,287	10,442
Benefits paid by the plan	(81,958)	(174,285)
Contributions by plan participants	19,635	25,282
Contributions by the employer	119,202	117,094
Loss on curtailment	(5,025)	(64,367)
Settlement	(44,063)	-
Effect of exchange rate changes	87,676	(46,805)
Fair value of plan assets at December 31	<u>\$ 1,411,443</u>	<u>1,228,708</u>

4) Changes in the effect of the asset ceiling

In 2022 and 2021, there was no effect of the asset ceiling.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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5) Expenses recognized in profit or loss

	<u>2022</u>	<u>2021</u>
Current service costs	\$ 195,043	233,367
Net interest expense	13,832	12,001
Past service costs and settlement loss (gain)	(13,886)	(116,372)
Loss on curtailment	<u>5,025</u>	<u>64,367</u>
	<u>\$ 200,014</u>	<u>193,363</u>
Classified under cost of revenue	\$ 12,375	522
Classified under operating expense	<u>187,639</u>	<u>192,841</u>
	<u>\$ 200,014</u>	<u>193,363</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	0.625%~7.45%	0.15%~6.94%
Future salary increases rate	1.50%~7.00%	2.00%~6.00%

The weighted-average duration of the defined benefit plans ranges from 4 years to 22 years. The Group expects to make contribution of \$115,812 to the defined benefit plans in the year following December 31, 2022.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates and future salary changes. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation.

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>0.25% Increase</u>	<u>0.25% Decrease</u>	<u>0.25% Increase</u>	<u>0.25% Decrease</u>
Discount rate	\$ <u>(77,009)</u>	<u>58,321</u>	<u>(118,564)</u>	<u>132,939</u>
Future salary change	\$ <u>28,147</u>	<u>(48,786)</u>	<u>56,274</u>	<u>(50,329)</u>

The above sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are interrelated. The method used to carry out the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities recognized in the balance sheets. The method and assumptions used to carry out the sensitivity analysis is the same as in the prior year.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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(ii) Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance. Foreign subsidiaries make contributions in compliance with their respective local regulations.

For the years ended December 31, 2022 and 2021, the Group recognized pension expenses of \$393,144 and \$378,604, respectively, in relation to the defined contribution plans.

(u) Income taxes

- (i) Income tax returns of the Group are filed individually by each entity and not on a combined basis. The Company and its subsidiaries incorporated in the R.O.C. are subject to R.O.C. income tax at a rate of 20% for fiscal years 2022 and 2021. Foreign subsidiaries are subject to income tax in accordance with their respective local tax law and regulations. The components of income tax expense were as follows:

	<u>2022</u>	<u>2021</u>
Current income tax expense		
Current period	\$ 2,024,117	3,709,640
Adjustments for prior years	<u>(3,706)</u>	<u>538,476</u>
	<u>2,020,411</u>	<u>4,248,116</u>
Deferred tax expense		
Origination and reversal of temporary differences	(428,737)	(14,281)
Change in unrecognized deductible temporary differences	<u>678,855</u>	<u>(85,503)</u>
	<u>250,118</u>	<u>(99,784)</u>
Income tax expense	<u>\$ 2,270,529</u>	<u>4,148,332</u>

The components of income tax benefit (expense) recognized in other comprehensive income were as follows:

	<u>2022</u>	<u>2021</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ (34,430)</u>	<u>39,131</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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Reconciliation between the expected income tax expense calculated based on the Company's statutory tax rate and the actual income tax expense reported in the consolidated statements of comprehensive income was as follows:

	<u>2022</u>	<u>2021</u>
Income before taxes	\$ <u>7,873,821</u>	<u>15,435,645</u>
Income tax using the Company's statutory tax rate	\$ 1,574,764	3,087,129
Effect of different tax rates in foreign jurisdictions	713,287	1,381,200
Adjustments for prior-year income tax expense	(3,706)	538,476
Change in unrecognized temporary differences and tax losses	678,855	(85,503)
Others	<u>(692,671)</u>	<u>(772,970)</u>
	<u>\$ 2,270,529</u>	<u>4,148,332</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Tax losses	\$ 4,057,145	3,635,014
Loss associated with investments in subsidiaries	2,258,231	2,337,741
Deductible temporary differences	<u>3,387,583</u>	<u>3,774,575</u>
	<u>\$ 9,702,959</u>	<u>9,747,330</u>

The above deferred income tax assets were not recognized as management believed that it is not probable that future taxable profits will be available against which the Group can utilize the benefits therefrom.

Each entity in the Group is entitled to use tax losses to offset future taxable income in accordance with the respective local tax regulations of each jurisdiction. As of December 31, 2022, the tax effects of unused tax losses and the respective expiry years were as follows:

<u>Tax effects of tax losses</u>	<u>Year of expiry</u>
\$ 140,987	2023
195,093	2024
10,604	2025
2,995	2026
<u>3,707,467</u>	2027 and thereafter
<u>\$ 4,057,146</u>	

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Unrecognized deferred income tax liabilities

	December 31, 2022	December 31, 2021
Net profits associated with investments in subsidiaries	\$ 910,775	1,634,001

The Group is able to control the timing of reversal of the temporary differences associated with investments in subsidiaries. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities.

3) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities were as follows:

Deferred income tax assets:

	Inventory	Accrued expenses and provisions	Unused tax loss carryforwards	Others	Total
Balance at January 1, 2022	\$ 166,351	3,253,687	41,074	210,522	3,671,634
Acquisition through business combination	-	-	21,809	3,327	25,136
Recognized in profit or loss	(6,088)	192,244	(11,633)	(101,977)	72,546
Recognized in other comprehensive income	-	-	-	(34,430)	(34,430)
Effect of exchange rate changes	-	-	-	(29,498)	(29,498)
Balance at December 31, 2022	\$ 160,263	3,445,931	51,250	47,944	3,705,388
Balance at January 1, 2021	\$ 150,531	2,114,416	38,640	177,189	2,480,776
Recognized in profit or loss	15,820	1,139,271	2,434	30,976	1,188,501
Recognized in other comprehensive income	-	-	-	39,131	39,131
Effect of exchange rate changes	-	-	-	(36,774)	(36,774)
Balance at December 31, 2021	\$ 166,351	3,253,687	41,074	210,522	3,671,634

Deferred income tax liabilities:

	Unremitted earnings from subsidiaries	Unrealized foreign exchange gain on financial instruments	Intangible assets	Others	Total
Balance at January 1, 2022	\$ 3,832,828	474,852	299,983	36,167	4,643,830
Acquisition through business combination	-	-	37,814	20,947	58,761
Recognized in profit or loss	796,074	(465,315)	6,534	(14,629)	322,664
Balance at December 31, 2022	\$ 4,628,902	9,537	344,331	42,485	5,025,255
Balance at January 1, 2021	\$ 2,927,543	288,959	300,750	37,861	3,555,113
Recognized in profit or loss	905,285	185,893	(767)	(1,694)	1,088,717
Balance at December 31, 2021	\$ 3,832,828	474,852	299,983	36,167	4,643,830

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) No income tax expense was recognized directly in equity in 2022 and 2021.

(iv) The Company's income tax returns for the years through 2019 were examined and approved by the R.O.C. income tax authorities.

(v) Capital and other equity

(i) Common stock

As of December 31, 2022 and 2021, the Company had issued 5,664 thousand units and 5,707 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2022 and 2021, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,854 thousands shares were issued. The par value of the Company's common stock is \$10 per share. All issued shares were paid up upon issuance.

Certain shares of common stock were not outstanding as they were repurchased by the Company or held by the Company's subsidiaries. The movements in outstanding shares of common stock were as follows (in thousands of shares):

	<u>2022</u>	<u>2021</u>
Balance at January 1 (at December 31)	<u><u>3,001,108</u></u>	<u><u>3,001,108</u></u>

(ii) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Paid-in capital in excess of par value	\$ 10,094,950	10,086,648
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	729,273	621,975
Difference between consideration and carrying amount of subsidiaries acquired or disposed	259,646	247,301
Employee share options	90,000	90,000
Surplus from equity-method investments	<u>824,769</u>	<u>671,100</u>
	<u><u>\$ 27,795,883</u></u>	<u><u>27,514,269</u></u>

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

(iii) Legal reserve, special reserve, surplus distribution and dividend policy

The Company’s Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, after retaining a certain portion of it for business considerations, can be distributed as dividends to stockholders. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings. The distributable dividends in whole or in part will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders’ meeting.

Since the Company operates in an industry experiencing rapid change and development, earnings are distributed in consideration of the current year’s earnings, the overall economic environment, related laws and decrees, and the Company’s long-term development and stability in its financial position. The Company has adopted a stable dividend policy, in which a cash dividend comprises at least 10% of the total dividend distribution.

Additionally, pursuant to the Company Act, if the Company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

In accordance with the rulings issued by the FSC, a special reserve shall be retained at an amount equal to the proportionate share of the carrying value of the treasury stock held by subsidiaries in excess of the market value at the reporting date. The special reserve may be reversed when the market value recovers in subsequent periods.

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders’ equity shall be set aside from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the current-period undistributed earnings and prior-period undistributed earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders’ equity are reversed in subsequent periods.

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ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 16, 2022, the Company's Board of Directors approved the distribution of cash dividends amounting to \$6,949,107 (\$2.28 per share), of which \$107,298 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 10, 2022, the Company's shareholders approved an appropriation of legal reserve and special reserve of \$1,058,914 and \$2,564,442, respectively.

On March 16, 2023, the Company's Board of Directors approved the distribution of cash dividends amounting to \$4,571,781 (\$1.5 per share), of which \$70,119 was distributed to the subsidiaries holding the Company's common shares.

On March 17, 2021, the Company's Board of Directors had approved the distribution of cash dividends amounting to \$4,571,781 (\$1.5 per share), of which \$70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on July 9, 2021, the Company's shareholders approved an appropriation of legal reserve and special reserve of \$602,575 and \$857,485, respectively.

Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(iv) Treasury stock

As of December 31, 2022 and 2021, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary ASCBVI and the Company's common stock held by subsidiaries ASCBVI (to maintain the Company's shareholders' equity), CCI (to maintain the Company's shareholders' equity), and AGT (resulting from the acquisition of AGT) were as follows (expressed in thousands of shares):

	December 31, 2022		
	Number of shares	Carrying amount	Market value
Common stock	21,809	\$ 945,239	513,602
GDRs	24,937	1,969,617	536,042
	46,746	\$ 2,914,856	1,049,644

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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	December 31, 2021		
	Number of shares	Carrying amount	Market value
Common stock	21,809	\$ 945,239	664,084
GDRs	24,937	1,969,617	704,324
	46,746	\$ 2,914,856	1,368,408

According to the Securities and Exchange Act, treasury stock cannot be collateralized. In addition, treasury shares do not bear shareholder rights prior to being sold to third parties. Moreover, the number of treasury shares shall not exceed 10% of the number of common shares issued. The total amount of treasury stock shall not exceed the sum of retained earnings, paid-in capital in excess of par value, and other realized capital surplus.

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2022	2021
Balance at January 1	\$ (8,805,597)	(6,043,227)
Foreign exchange differences arising from translation of foreign operations	4,596,004	(2,767,945)
Share of other comprehensive income (loss) of associates	(176)	1,719
Organizational restructuring under common control	(11,702)	-
Liquidation of subsidiaries	1,855	-
Changes in ownership interests in subsidiaries	(287)	3,856
Balance at December 31	\$ (4,219,903)	(8,805,597)

2) Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income:

	2022	2021
Balance at January 1	\$ 746,183	768,662
Change in fair value of financial assets measured at fair value through other comprehensive income	(1,204,929)	(324,225)
Net loss (gain) on disposal of financial assets measured at fair value through other comprehensive income	43,825	308,290
Changes in ownership interests in subsidiaries	5,195	(6,544)
Balance at December 31	\$ (409,726)	746,183

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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3) Remeasurement of defined benefit plans:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ (228,210)	(242,887)
Changes in the period	535,623	11,910
Reorganization under common control	5,483	-
Share of other comprehensive income of associates	(6)	7
Changes in ownership interests in subsidiaries	7,486	2,760
Balance at December 31	<u>\$ 320,376</u>	<u>(228,210)</u>

(vi) Non-controlling interests (net after tax)

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 2,346,227	1,648,633
Equity attributable to non-controlling interests:		
Net income for the year	599,604	389,886
Changes in ownership interests in subsidiaries	(166,459)	(60,177)
Acquisition and disposal of interests in subsidiaries	22,986	53,032
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(12,345)	(29,880)
Stock option compensation cost of subsidiaries	18,407	699
Acquisition of subsidiaries	278,873	249,470
Increase in non-controlling interests	1,616,281	337,722
Reorganization under common control	(2,083)	-
Cash dividends paid to non-controlling interests by subsidiaries	(207,441)	(141,671)
Foreign currency translation differences	632	(20,122)
Unrealized loss from financial assets measured at fair value through other comprehensive income	(16,953)	(34,492)
Remeasurement of defined benefit plans	17,227	(9,916)
Changes in equity of investments in associates	(8,218)	(36,957)
Balance at December 31	<u>\$ 4,486,738</u>	<u>2,346,227</u>

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(w) Share-based payment

The Group's share-based payment arrangements in 2022 and 2021 were as follows:

(i) Restricted stock

Grant date	111.03.25
Number of shares granted (in thousands)	241
Vesting conditions	1~3 years of service subsequent to grant date
Qualified employees	Shares granted to qualified full-time employees of ACSI

ACSI's shareholders in an extraordinary meeting held on December 23, 2021 approved the issuance of 300 thousand shares of restricted stocks to qualified full-time employees. ACSI had filed an effective registration with the Securities and Futures Bureau of the FSC for the issuance of the stocks. As of December 31, 2022, ACSI issued 241 thousand shares of restricted stocks to entitled qualified employees who can purchase the shares at the exercise price of \$0. The restricted stocks have the vesting periods of 1, 2 and 3 years subsequent to the grant date, and shall be vested based on each employee's performance. During the vesting period, the restricted stock could not be sold, pledged, transferred, gifted, or disposed, in any other forms, except for inheritance; nevertheless, the shareholders' rights (such as attendance, proposing, speaking, voting and electing at the shareholders' meeting) are the same as those of the Company's outstanding shares but are executed by a custodian who will act based on the law and regulations. Employees holding restricted stocks may participate in stock dividends even when the vesting conditions are still yet to be met. For those employees who failed to meet the vesting conditions, ACSI shall recall those shares and retire them thereafter.

The fair value of the restricted stocks at the grant date was \$117.5 per share, which was determined by reference to the closing price of the Company's common stock traded on the Taiwan Stock Exchange at the grant date.

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(ii) Issuance of new shares reserved for employee subscription

Issuer	Grant Date	Numbers of options granted (in thousands of shares)	Contract period
WLII	2021/3/17	1,174	2021/03/17~ 2021/03/19
AST	2022/02/22	1,045.5	2022/02/23~2022/03/02
ACSI	2022/05/20	222	2022/05/20~2022/06/23
AEB	2022/08/02	750	2022/08/02
AGM	2022/03/16	2,250	2022/03/16~2022/04/22
AGT	2022/05/17	4,500	2022/05/17~ 2022/06/17
MPS	2022/11/04	600	2022/11/12~ 2022/11/28
AMED	2022/08/01	5	2022/11/24~ 2022/12/26
PAM	2022/10/19	893,100	2022/10/19~ 2022/10/24

The abovementioned issuance of new shares by cash reserved for employee subscription granted were vested immediately.

The Group used the Black-Scholes Model in measuring the fair value of its employee stock options. The main inputs to the valuation model were as follows:

	WLII	AST	ACSI	AEB	AGM	AGT
Fair value of options granted (NT\$/ share)	1.6	0	13	10.3	0.07	0.003449
Fair value of stock at grant date (NT\$/ share)	26.63	33.34	109	120.3	16.15	13.66
Exercise price (NT\$/ share)	25	45.00	96	110	18	18
Expected volatility (%)	21.08%	27.0986%	28.33%	24.17%	27.01%	37.77%
Expected life (in years)	0.0082	0.0137	0.0931	0.002	0.1	0.085
Risk-free interest rate (%)	0.35%	0.2904%	0.63%	0.65%	0.26%	0.7260%
	MPS	AMED	PAM			
Fair value of options granted (NT\$/ share)	0.008224	6.26	0			
Fair value of stock at grant date (NT\$/ share)	9.84	68	32.24			
Exercise price (NT\$/ share)	11	62	43			
Expected volatility (%)	28.8889%	23.82%	33.84%			
Expected life (in years)	0.0438	0.0904	0.016			
Risk-free interest rate (%)	1.0724%	0.95%	1.325%			

Expected volatility was determined based on the vesting period and historical volatility of the comparable companies. The risk-free interest rate was determined based on government bonds.

(iii) For the years ended December 31, 2022 and 2021, the compensation cost recognized for the abovementioned share-based payment arrangements amounted to \$20,757 and \$1,704, respectively, which was reported in the operating expenses.

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(x) Earnings per share (“EPS”)

(i) Basic earnings per share

The basic earnings per share were calculated as the earnings attributable to the shareholders of the Company divided by the weighted-average number of common shares outstanding as follows:

	<u>2022</u>	<u>2021</u>
Net income attributable to the ordinary shareholders of the Parent	\$ <u>5,003,688</u>	<u>10,897,427</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>3,001,108</u>	<u>3,001,108</u>
Basic earnings per share (in New Taiwan dollars)	\$ <u>1.67</u>	<u>3.63</u>

(ii) Diluted earnings per share

	<u>2022</u>	<u>2021</u>
Net income attributable to the ordinary shareholders of the Parent	\$ <u>5,003,688</u>	<u>10,897,427</u>
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,108	3,001,108
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	<u>25,195</u>	<u>27,180</u>
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock)(in thousands)	<u>3,026,303</u>	<u>3,028,288</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>1.65</u>	<u>3.60</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 73,326,421	-	73,326,421
Pan America	70,678,360	-	70,678,360
Asia Pacific	<u>88,505,710</u>	<u>42,913,253</u>	<u>131,418,963</u>
	<u>\$ 232,510,491</u>	<u>42,913,253</u>	<u>275,423,744</u>

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ACER INCORPORATED AND SUBSIDIARIES
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	2021		
	IT Hardware Products	Others	Total
Primary geographical markets:			
EMEA	\$ 106,690,873	-	106,690,873
Pan America	84,105,680	-	84,105,680
Asia Pacific	<u>91,972,328</u>	<u>36,236,575</u>	<u>128,208,903</u>
	<u>\$ 282,768,881</u>	<u>36,236,575</u>	<u>319,005,456</u>
(ii) Contract balances			
	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivable (including receivables from related parties)	\$ 51,506,850	64,161,529	55,389,534
Less: loss allowance	<u>(142,992)</u>	<u>(120,763)</u>	<u>(192,005)</u>
	<u>\$ 51,363,858</u>	<u>64,040,766</u>	<u>55,197,529</u>
Contract assets – current	<u>\$ 523,881</u>	<u>451,354</u>	<u>514,369</u>
Contract liabilities – current	<u>\$ 2,985,415</u>	<u>2,455,504</u>	<u>2,269,409</u>
Contract liabilities – non-current	<u>\$ 829,346</u>	<u>1,002,391</u>	<u>827,783</u>

Please refer to note 6(c) for details on notes and accounts receivable and related loss allowance.

The major changes in the balance of contract assets and contract liabilities were due to the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at January 1, 2022 and 2021, was \$1,257,234 and \$1,160,024, respectively.

(z) Remuneration to employees and directors

The Company's Articles of Incorporation require that annual earning shall first be offset against any deficit, then, a minimum of 4% shall be allocated as employee remuneration and a maximum of 0.8% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of subsidiaries of the Company who meet certain specific requirements.

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For the years ended December 31, 2022 and 2021, the Company accrued its remuneration to employees amounting to \$475,000 and \$720,000, respectively, and the remuneration for directors of \$18,800 and \$29,819, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2022 resolved by the Company's Board of Directors on March 16, 2023 was \$7,000 and that for 2021 resolved by the Company's Board of Directors on March 16, 2022 was \$12,000, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to \$11,800 and \$17,819 for 2022 and 2021, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

Related information is available on the Market Observation Post System website of Taiwan Stock Exchange.

(aa) Other operating income and expenses – net

	<u>2022</u>	<u>2021</u>
Government grants	\$ 92,388	5,555
Rental income	<u>45,685</u>	<u>106,724</u>
	<u>\$ 138,073</u>	<u>112,279</u>

(ab) Non-operating income and loss

(i) Interest income

	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	535,293	298,794
Other interest income	<u>453</u>	<u>20,151</u>
	<u>\$ 535,746</u>	<u>318,945</u>

(ii) Other income

	<u>2022</u>	<u>2021</u>
Dividend income	<u>\$ 556,176</u>	<u>354,416</u>

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(iii) Other gains and losses

	<u>2022</u>	<u>2021</u>
Foreign currency exchange gain (loss)	\$ (3,820,214)	398,307
Gain on financial assets and liabilities measured at fair value through profit or loss	3,660,978	346,083
Loss on disposal of equipment and intangible assets	(9,560)	(8,252)
Gain on disposal of investment property	-	1,141
Gain on disposal of investments accounted for using the equity method	8,121	47,815
Gain (loss) on liquidation of subsidiaries and other investments	(2,566)	3,068
Reversal of impairment loss on non-financial assets (note6 (g))	30,048	-
Impairment loss on non-financial assets	(7,503)	-
Others	67,759	79,511
	<u>\$ (72,937)</u>	<u>867,673</u>

(iv) Finance costs

	<u>2022</u>	<u>2021</u>
Interest expense from bank loans and corporate bonds	\$ 184,064	93,167
Interest expense on lease liabilities	38,738	36,338
Interest expense on cost of tax	(29,118)	207,172
	<u>\$ 193,684</u>	<u>336,677</u>

(ac) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets measured at fair value through profit or loss	\$ 935,122	3,222,868
Financial assets measured at fair value through other comprehensive income	7,603,961	7,806,702
Financial assets measured at amortized cost:		
Cash and cash equivalents	46,842,902	44,619,541
Notes and accounts receivable and other receivables (including receivables from related parties)	51,805,578	64,546,680
Other financial assets – current (included in other current assets)	345,879	80,000
Financial assets measured at amortized cost-non current	797,782	-
Other financial assets – non-current	1,082,824	1,195,156
	<u>\$ 109,414,048</u>	<u>121,470,947</u>

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2) Financial liabilities

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Financial liabilities measured at fair value through profit or loss	\$ 1,020,257	294,983
Financial liabilities measured at amortized cost:		
Short-term borrowings	1,652,086	1,253,590
Notes and accounts payable	31,549,698	57,897,697
Other payables	35,449,182	37,249,145
Lease liabilities (including current and non-current)	2,109,049	1,851,277
Bonds payable	10,000,000	10,000,000
Long-term debt (including current portion)	<u>162,493</u>	<u>119,926</u>
	<u>\$ 81,942,765</u>	<u>108,666,618</u>

(ii) Fair value information

1) Financial instruments not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis.

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

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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		December 31, 2022			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:					
Foreign currency forward contracts	\$	-	159,488	-	159,488
Foreign currency option contracts		-	1,681	-	1,681
Stocks listed on foreign markets		2,661	-	-	2,661
Funds		<u>771,292</u>	<u>-</u>	<u>-</u>	<u>771,292</u>
	\$	<u>773,953</u>	<u>161,169</u>	<u>-</u>	<u>935,122</u>
Financial assets measured at fair value through other comprehensive income:					
Domestic listed stock	\$	6,713,753	-	-	6,713,753
Unlisted stock		<u>-</u>	<u>-</u>	<u>890,208</u>	<u>890,208</u>
	\$	<u>6,713,753</u>	<u>-</u>	<u>890,208</u>	<u>7,603,961</u>
Financial liabilities measured at fair value through profit or loss:					
Foreign currency forward contracts	\$	-	(1,000,700)	-	(1,000,700)
Foreign currency option contracts		-	(8,508)	-	(8,508)
Contingent consideration arising from business combinations		<u>-</u>	<u>-</u>	<u>(1,199)</u>	<u>(1,199)</u>
Contingent consideration arising from investment in associates		<u>-</u>	<u>-</u>	<u>(9,850)</u>	<u>(9,850)</u>
		<u>-</u>	<u>(1,009,208)</u>	<u>(11,049)</u>	<u>(1,020,257)</u>
Financial assets measured at amortized cost :					
Fixed rate corporate bonds	\$	177,410	-	-	177,410
Fixed rate callable notes		<u>-</u>	<u>591,950</u>	<u>-</u>	<u>591,950</u>
		<u>177,410</u>	<u>591,950</u>	<u>-</u>	<u>769,360</u>
		December 31, 2021			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:					
Foreign currency forward contracts	\$	-	680,128	-	680,128
Stocks listed on foreign markets		1,754	-	-	1,754
Funds		<u>2,540,986</u>	<u>-</u>	<u>-</u>	<u>2,540,986</u>
	\$	<u>2,542,740</u>	<u>680,128</u>	<u>-</u>	<u>3,222,868</u>
Financial assets measured at fair value through other comprehensive income:					
Domestic listed stock	\$	7,064,857	-	-	7,064,857
Unlisted stock		<u>-</u>	<u>-</u>	<u>741,845</u>	<u>741,845</u>
	\$	<u>7,064,857</u>	<u>-</u>	<u>741,845</u>	<u>7,806,702</u>
Financial liabilities measured at fair value through profit or loss:					
Foreign currency forward contracts	\$	-	(259,225)	-	(259,225)
Contingent consideration arising from business combinations		<u>-</u>	<u>-</u>	<u>(35,758)</u>	<u>(35,758)</u>
		<u>-</u>	<u>(259,225)</u>	<u>(35,758)</u>	<u>(294,983)</u>

There were no transfers among fair value hierarchies for the years ended December 31, 2022 and 2021.

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

	<u>2022</u>		<u>2021</u>	
	Financial liabilities measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial liabilities measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income
Balance at January 1	\$ (35,758)	741,845	-	1,111,551
Total gains or losses:				
Recognized in profit and loss	(3,125)	-	-	-
Recognized in other comprehensive income	-	(12,565)	-	(295,230)
Additions	(9,700)	165,449	(35,758)	42,305
Disposals	37,534	(41,535)	-	(99,122)
Effect of exchange rate changes	-	37,014	-	(17,659)
Balance at December 31	<u>\$ (11,049)</u>	<u>890,208</u>	<u>(35,758)</u>	<u>741,845</u>

The abovementioned total gains or losses were included in “other gains and losses” and “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”, respectively. The gains or losses attributable to the financial assets held on December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Total gains or losses:		
Recognized in profit and loss (included in “other gains and losses”)	\$ (3,125)	-
Recognized in other comprehensive income (included in “unrealized gain (loss) from financial assets measured at fair value through other comprehensive income”)	(12,565)	(3,193)
	<u>\$ (15,690)</u>	<u>(3,193)</u>

4) Valuation techniques and inputs used for financial instruments measured at fair value

- a) The fair values of financial assets with standard terms and conditions and traded on active markets are determined with reference to quoted market prices (e.g., listed stocks).
- b) The fair value of derivative financial instruments is determined using a valuation technique, with estimates and assumptions consistent with those used by market participants that are readily available to the Group. The fair value of foreign currency forward contracts and foreign currency option contracts is computed individually by each contract using the valuation technique.
- c) The fair value of unlisted stocks in Level 3 fair value hierarchy is estimated by using the market approach and is determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators. The fair value of financial liabilities measured at fair value through

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profit or loss (contingent consideration arising from business combinations) is determined based on the discounted cash flow model.

5) Quantitative information of significant unobservable inputs

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets measured at fair value through other comprehensive income	Comparable company valuation	Discount for lack of marketability (10%~30%)	The estimated fair value would decrease if the discount for lack of marketability was higher
Financial liabilities measured at fair value through profit or loss - Contingent consideration arising from business combinations	Discounted cash flow model	Discount rate (10.10% at December 31, 2022 and 2021)	The estimated fair value would increase if the discount rate was lower

6) Fair value measurements in Level 3— sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments may change if different valuation models or inputs are used. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income:

	<u>Input</u>	<u>Change in assumptions</u>	<u>Net income or loss for current period</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2022						
Financial assets measured at fair value through other comprehensive income:						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	\$ 9,505	(9,505)
Financial liabilities measured at fair value through profit or loss:						
Contingent consideration arising from business combinations	Discount rate	0.5%	1	1	-	-
December 31, 2021						
Financial assets measured at fair value through other comprehensive income:						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	4,316	(4,316)
Financial liabilities measured at fair value through profit or loss:						
Contingent consideration arising from business combinations	Discount rate	0.5%	28	83	-	-

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The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. If the fair value of a financial instrument is subject to more than one inputs, the analysis above reflects only the effects of changes in a single input and does not include the interrelationship with another inputs.

(iii) Offsetting of financial assets and financial liabilities

The Group has financial instrument transactions which are set off in accordance with paragraph 42 of IAS 32; the related financial assets and liabilities are presented in the balance sheets on a net basis.

The table below summarizes the related information of offsetting of financial assets and liabilities:

December 31, 2022						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	\$ <u>70,877,833</u>	<u>19,555,796</u>	<u>51,322,037</u>	-	-	<u>51,322,037</u>
December 31, 2022						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	\$ <u>51,105,494</u>	<u>19,555,796</u>	<u>31,549,698</u>	-	-	<u>31,549,698</u>
December 31, 2021						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	\$ <u>108,372,011</u>	<u>44,332,574</u>	<u>64,039,437</u>	-	-	<u>64,039,437</u>

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ACER INCORPORATED AND SUBSIDIARIES
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December 31, 2021						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	<u>\$ 102,230,271</u>	<u>44,332,574</u>	<u>57,897,697</u>	<u>-</u>	<u>-</u>	<u>57,897,697</u>

(ad) Financial risk management

The Group is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Group has disclosed the information on exposure to the aforementioned risks and the Group's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Board of Directors are responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations.

The Group's management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake reviews of risk management controls and procedures, and the results of which are reported to the Board of Directors on a regular basis.

(i) Credit risk

1) The maximum exposure to credit risk

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

2) Concentration of credit risk

The Group primarily sells and markets its multi-branded IT products through distributors in different geographic areas. The Group believes that there is no significant concentration of credit risk due to the Group's large number of customers and their wide geographical spread.

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3) Credit risk from receivables

Please refer to note 6(e) for credit risk exposure of notes and accounts receivable.

Other financial assets measured at amortized cost include other receivables and time deposits (classified as other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets, and thus, the loss allowance is measured using 12-months ECL. Please refer to note 4(g) for descriptions about how the Group determines the credit risk. As of December 31, 2022 and 2021, except for other receivables amounting to \$40,141 and \$40,291, respectively, for which the loss allowance was fully provided, no loss allowance was provided for the remaining receivables after management's assessment.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2022 and 2021, the Group had unused credit facilities of \$44,386,478 and \$40,860,741, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and estimated interest.

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	\$ 1,670,735	1,670,735	-	-	-
Long-term debt carrying floating interest rates	172,130	63,244	42,433	66,453	-
Bonds payable carrying fixed interest rates	10,260,500	69,000	69,000	10,122,500	-
Notes and accounts payable	31,549,698	31,549,698	-	-	-
Other payables	35,449,182	32,699,483	2,729,124	20,575	-
Lease liability	2,174,023	649,316	496,724	777,178	250,805
	<u>\$ 81,276,268</u>	<u>66,701,476</u>	<u>3,337,281</u>	<u>10,986,706</u>	<u>250,805</u>
Derivative financial instruments:					
Foreign currency forward contracts – settled in gross:					
Outflow	\$ 58,294,250	58,294,250	-	-	-
Inflow	(57,907,837)	(57,907,837)	-	-	-
	<u>\$ 386,413</u>	<u>386,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency option contracts – settled in gross:					
Outflow	\$ 318,506	318,506	-	-	-
Inflow	(313,222)	(313,222)	-	-	-
	<u>\$ 5,284</u>	<u>5,284</u>	<u>-</u>	<u>-</u>	<u>-</u>

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	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	\$ 1,256,984	1,256,984	-	-	-
Long-term debt carrying floating interest rates	125,834	23,666	70,789	31,379	-
Bonds payable carrying fixed interest rates	10,329,500	69,000	69,000	10,191,500	-
Notes and accounts payable	57,897,697	57,897,697	-	-	-
Other payables	37,249,145	34,899,022	2,330,465	19,658	-
Lease liability	1,935,847	558,646	396,855	667,616	312,730
	<u>\$ 108,795,007</u>	<u>94,705,015</u>	<u>2,867,109</u>	<u>10,910,153</u>	<u>312,730</u>
Derivative financial instruments:					
Foreign currency forward contracts—settled in gross:					
Outflow	\$ 78,556,507	78,556,507	-	-	-
Inflow	(78,866,935)	(78,866,935)	-	-	-
	<u>\$ (310,428)</u>	<u>(310,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, and will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group utilizes derivative financial instruments to manage market risk and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies used in these transactions are mainly the Euro (EUR), US dollar (USD), Indian Rupee (INR), Polish Zloty (PLN), Australian dollar (AUD), Russian Ruble (RUB), Great British Pound (GBP), etc.

The Group utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

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a) Exposure to foreign currency risk and sensitivity analysis

The Group's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable/payable (including related parties), and other receivables/payables (including related parties) that are denominated in foreign currencies. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of the Group entities and their sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

(in thousands)

December 31, 2022					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 948,502	30.7080	29,126,599	1 %	291,266
INR	9,339,299	0.3712	3,466,748	1 %	34,667
PLN	641,500	7.0188	4,502,560	1 %	45,026
GBP	56,940	37.1045	2,112,730	1 %	21,127
<u>Financial liabilities</u>					
<u>Monetary items</u>					
EUR	105,277	32.8729	3,460,760	1 %	34,608
USD	1,622,036	30.7080	49,809,481	1 %	498,095

(in thousands)

December 31, 2021					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
EUR	\$ 224,369	31.4835	7,063,921	1 %	70,639
USD	1,998,391	27.6900	55,335,447	1 %	553,354
INR	13,403,716	0.3725	4,992,884	1 %	49,929
PLN	558,313	6.8621	3,831,200	1 %	38,312
AUD	115,401	20.1112	2,320,853	1 %	23,209
RUB	6,058,373	0.3708	2,246,445	1 %	22,464
GBP	64,040	37.4701	2,399,585	1 %	23,996
<u>Financial liabilities</u>					
<u>Monetary items</u>					
EUR	34,702	31.4835	1,092,540	1 %	10,925
PLN	272,598	6.8621	1,870,595	1 %	18,706
USD	2,926,973	27.6900	81,047,882	1 %	810,479

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With varieties of functional currencies within the consolidated entities of the Group, the Group disclosed net realized and unrealized foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(ab) for further information.

2) Interest rate risk

The Group's short-term borrowings and long-term debt carry floating interest rates, and the Group has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Group is based on 100 basis points (1%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 100 basis points (1%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2022 and 2021 would have been \$18,146 and \$13,735, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Group is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Group supervises the equity price risk actively and manages the risk based on fair value. The Group also has strategic investments in privately held stocks, in which the Group does not actively participate in their trading.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2022 and 2021, would have increased or decreased by \$380,198 and \$390,335, respectively.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ae) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Group maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, research and development activities, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

(af) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(j) for a description of acquisition of right-of-use assets through leases in 2022 and 2021.

(ii) The reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes			December 31, 2022
			Movement of leases	Business merger	Fluctuation of foreign exchange rate	
Long-term debt	\$ 119,926	37,794	-	-	4,773	162,493
Short-term borrowings	1,253,590	366,306	-	759	31,431	1,652,086
Lease liabilities	1,851,277	(652,218)	725,342	85,907	98,741	2,109,049
Bonds payable	10,000,000	-	-	-	-	10,000,000
Total liabilities from financing activities	\$13,224,793	(248,118)	725,342	86,666	134,945	13,923,628

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Movement of leases	Business merger	Fluctuation of foreign exchange rate	
Long-term debt	\$ 3,413,215	(3,284,980)	-	-	(8,309)	119,926
Short-term borrowings	1,029,117	(593,550)	-	827,287	(9,264)	1,253,590
Lease liabilities	1,956,353	(679,795)	649,723	38,331	(113,335)	1,851,277
Bonds payable	-	10,000,000	-	-	-	10,000,000
Total liabilities from financing activities	\$ 6,398,685	5,441,675	649,723	865,618	(130,908)	13,224,793

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7. Related-party transactions

(a) Related party name and categories

The followings are related parties that have had transactions with the Group during the reporting periods:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Aegis Semiconductor Technology Inc.	Associates, liquidated on August 26th, 2021
GrandPad Inc.	Associates
Piovision International Inc.	Associates
ECOM Software Inc.	Associates
Kbest Technology Inc.	Associates
Shine Passion Engineering Co., Ltd	Associates
Meldex Pty Ltd. (MPL)	Associates, before August 30, 2021 (note)
Meldex USA Inc.(MPLA)	Associates, before August 30, 2021 (note)
Apex Material Technology Corp.	Associates
Antung Trading Corporation	Associates
Angel Filtration Products Corp.	Associates
Datasitter Information Service Inc.	Associates
Smart Frequency Technology Inc.	Joint venture
Other Related Parties:	
Acer Foundation	Substantive related party
Satoro Taiwan Inc.	The entity's chairman is the Company's director
AiSails Power Inc.	The entity's chairman is the Company's director (On December 14, 2022, the chairman of AiSails Power Inc. resigned, AiSails Power Inc. was no longer a related party of the Group since then.)
Eric's Sports Marketing Inc.	The entity's chairman is the first-degree relatives of the Company's director
Mu-Jin Investment Co., Ltd	The entity's director is the Company's chairman
Mu-Shi Investment Co., Ltd	The entity's director is the Company's chairman
Yuan Kuo Hospital	The person in charge is the second-degree relative of the chairman of the company
Chen Junhong Pediatric Clinic	The person in charge is the second-degree relative of the chairman of the company

Note:AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI's ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, MPL and MPLA were no longer related parties of the Group from the date of donation.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant related-party transactions

(i) Revenue

The amounts of significant sales to related parties were as follows:

	<u>2022</u>	<u>2021</u>
Associates	\$ 66,499	137,848
Joint venture	31	96
Other related parties	<u>4,918</u>	<u>229</u>
	<u>\$ 71,448</u>	<u>138,173</u>

The sales prices with related parties are not comparable to those with third-party customers due to different product specifications. The credit terms ranged from 30 to 120 days, which were not significantly different from those with third-party customers. Receivables from related parties were uncollateralized.

(ii) Purchases

The amounts of significant purchases from related parties were as follows:

	<u>2022</u>	<u>2021</u>
Associates	<u>\$ 30,682</u>	<u>2,693</u>

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

(iii) Operating expenses and other losses

The operating expenses and other gains and losses related to the system maintenance service provided by related parties and the donation to related parties were as follows:

<u>Account</u>	<u>Related-party categories</u>	<u>2022</u>	<u>2021</u>
Operating expense	Associates	\$ 1,745	1,745
Operating expense	Other related parties	13,835	-
Other gains and losses	Other related parties	<u>-</u>	<u>11,911</u>
		<u>\$ 15,580</u>	<u>13,656</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Lease

The Group leased its investment property and office premises to related parties. The related rental income was reported in “other operating income and expenses—net” and was summarized as follows:

	<u>2022</u>	<u>2021</u>
Associates	\$ 212	2,623
Joint venture	211	2,584
Other related parties	<u>127</u>	<u>83</u>
	<u>\$ 550</u>	<u>5,290</u>

(v) Service income

The service income related to the management consulting service provided to related parties was included in “other gains and losses” and was summarized as follows:

	<u>2022</u>	<u>2021</u>
Associates	\$ 48	48
Joint venture	3,634	3,223
Other related parties	<u>123</u>	<u>165</u>
	<u>\$ 3,805</u>	<u>3,436</u>

(vi) Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Related-party categories</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	Associates	\$ 39,308	1,221
Accounts receivable	Joint venture	-	92
Accounts receivable	Other related parties	2,513	16
Other receivables	Associates	-	10
Other receivables	Joint venture	667	294
Other receivables	Other related parties	<u>129</u>	<u>173</u>
		<u>\$ 42,617</u>	<u>1,806</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable	Associates	\$ 32,138	89
Other payables	Other related parties	<u>15,031</u>	<u>12,500</u>
		<u>\$ 47,169</u>	<u>12,589</u>

(c) Compensation for key management personnel

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 367,745	520,153
Post-employment benefits	<u>9,465</u>	<u>8,459</u>
	<u>\$ 377,210</u>	<u>528,612</u>

8. Pledged assets

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Pledged to secure</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in bank, time deposits and refundable deposits (reported under other current assets and other financial assets — non-current)	Contract bidding, security for letters of credit, project fulfillment, import tariffs, lease guarantee, etc.	\$ 1,098,490	1,126,674
Land, house and buildings	Bank loans	120,791	-
Bluechip's assets	Short-term and long-term loans	<u>1,548,616</u>	<u>824,536</u>
		<u>\$ 2,767,897</u>	<u>1,951,210</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

9. Significant commitments and contingencies

- (a) The Company has entered into software and royalty license agreements with Microsoft, IBM, and other companies. The Company has fulfilled its obligations according to the contracts.
- (b) An American company has filed a lawsuit against Acer for violating confidential agreement and trade secret. The Group had appointed outside counsel to handle the case. Acer won the summary motion to dismiss but the plaintiff filed appeal. The appellate procedure is still under review. However, the management foresees no immediate material adverse effect on the Group's business operations and finance.
- (c) In the regular course of its business, the Group received letter of notice from third parties asserting that the Company has infringed certain patents and demanded that it should obtain certain patent licenses. Although the Group does not expect that the outcome of any of these legal proceedings (individually or collectively) will have a material adverse effect on its business operations and finance, the litigation is inherently unpredictable. Therefore, the Group may be involved in a future lawsuit or enter into settlements of claims that could adversely affect its operating results or cash flows within a particular period.
- (d) The Group faces various taxation challenges globally due to the rapid changes in the international taxation law, wherein the Group held different positions with various local tax authorities for certain tax audits and has provided the accruals for the cases (including, but not limited to, income taxes, withholding taxes and business taxes) that met the criteria for recognizing a provision. Nevertheless, the tax disputes are inherently complicated and may take years to be settled, in which the ultimate result is unpredictable and could adversely affect the Group's business operation results or cash flows in a particular period.
- (e) As of December 31, 2022, there were no outstanding stand-by letters of credit issued for bidding or contracts. As of December 31, 2021, the Company had outstanding stand-by letters of credit provided by the banks totaling \$6,720 for purposes of bids and contracts.
- (f) As of December 31, 2022 and 2021, the Group had issued promissory notes amounting to \$43,240,746 and \$40,314,183, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events: None

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

12. Others

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	2022			2021		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	1,292,013	10,165,059	11,457,072	1,276,896	10,911,880	12,188,776
Insurance	190,648	1,068,725	1,259,373	188,775	1,042,580	1,231,355
Pension	39,850	553,308	593,158	34,213	537,754	571,967
Others	111,631	829,609	941,240	109,360	799,820	909,180
Depreciation	311,870	704,780	1,016,650	188,272	834,288	1,022,560
Amortization	581,962	92,086	674,048	428,323	64,347	492,670

13. Additional disclosures

- (a) Information on significant transactions:
- (i) Financing provided to other parties: See Table 1 attached;
 - (ii) Guarantees and endorsements provided to other parties: See Table 2 attached;
 - (iii) Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities): See Table 3 attached;
 - (iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed \$300 million or 20% of the paid-in capital: See Table 4 attached;
 - (v) Acquisition of real estate at costs which exceeds \$300 million or 20% of the paid-in capital: None;
 - (vi) Disposal of real estate at prices which exceeds \$300 million or 20% of the paid-in capital: None;
 - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: See Table 5 attached;
 - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: See Table 6 attached;
 - (ix) Information about derivative instruments transactions: See notes 6(b);
 - (x) Business relationships and significant intercompany transactions: See Table 7 attached;
- (b) Information on investees: See Table 8 attached;

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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(c) Information on investment in Mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits (losses) of investees, ending balance, amount received as earnings distributions from the investment, and limitation on investment: See Table 9 attached;
- (ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2022, please refer to "Information on significant transactions" and "Business relationships and significant intercompany transactions" above.

(d) Major shareholders:

According to the information provided by Taiwan Depository & Clearing Corporation, none of the shareholders hold over 5% of the Company's stocks.

14. Segment information

(a) General information

The Group's reportable segments comprise the device business group ("IT Hardware Products") and other business groups. The IT Hardware Products engages mainly in the research, design, and marketing of personal computers, IT products, and tablet products. Other business groups, which do not meet the quantitative reporting threshold, mainly engage in the activities of e-commerce, cloud services, sales and distribution of smart devices, distributors and agency, new energy devices, and handheld devices, as well as real estate services.

Strategic investment expenditures (such as global branding expenditures, depreciation of the capital expenditures for the strengthening of the global information structure, and non-routine long-term strategic expenditures) are not allocated to reportable segments. Operating profit is used as the measurement for segment profit and the basis for performance evaluation. The reporting amount is consistent with the report used by the chief operating decision maker. There was no material inconsistency between the accounting policies adopted for the operating segments and the significant accounting policies of the Group.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's operating segment information and reconciliation was as follows:

	2022			
	IT Hardware Products	Others	Adjustments and eliminations	Total
Revenues from external customers	\$ 232,510,491	42,913,253	-	275,423,744
Intra-group revenue	<u>1,885,445</u>	<u>6,077,042</u>	<u>(7,962,487)</u>	<u>-</u>
Total revenues	<u>\$ 234,395,936</u>	<u>48,990,295</u>	<u>(7,962,487)</u>	<u>275,423,744</u>
Segment profit (loss)	<u>\$ 7,528,284</u>	<u>1,447,292</u>	<u>(2,047,879)</u>	<u>6,927,697</u>
	2021			
	IT Hardware Products	Others	Adjustments and eliminations	Total
Revenues from external customers	\$ 281,640,355	37,365,101	-	319,005,456
Intra-group revenue	<u>1,676,566</u>	<u>2,524,042</u>	<u>(4,200,608)</u>	<u>-</u>
Total revenues	<u>\$ 283,316,921</u>	<u>39,889,143</u>	<u>(4,200,608)</u>	<u>319,005,456</u>
Segment profit (loss)	<u>\$ 15,845,251</u>	<u>1,024,627</u>	<u>(2,707,017)</u>	<u>14,162,861</u>

(b) Product and service information

Revenues from external customers are detailed below:

Products and services	2022	2021
Personal computers	\$ 192,824,599	237,437,820
Peripherals and others	<u>82,599,145</u>	<u>81,567,636</u>
	<u>\$ 275,423,744</u>	<u>319,005,456</u>

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

Region	2022	2021
U.S.A.	\$ 58,547,932	72,123,742
Mainland China	16,586,189	17,067,580
Taiwan	51,095,996	50,521,591
Others	<u>149,193,627</u>	<u>179,292,543</u>
	<u>\$ 275,423,744</u>	<u>319,005,456</u>

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Non-current assets:

<u>Region</u>	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
U.S.A.	\$ 11,584,163	10,520,400
Taiwan	6,095,293	5,296,052
Mainland China	2,226,194	2,197,269
Others	<u>5,791,245</u>	<u>5,182,892</u>
	<u>\$ 25,696,895</u>	<u>23,196,613</u>

Non-current assets include property, plant and equipment, right-of-use assets, investment property and intangible assets, and do not include financial instruments, prepaid income taxes, deferred tax assets, and pension fund assets.

(d) Major customers' information

The Group doesn't have a single customer representing at least 10% of revenue in the consolidated statements of comprehensive income.

Acer Incorporated and Subsidiaries
Financing provided to other parties
For the year ended December 31, 2022

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short- term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	APDI	Other receivables from related parties	Yes	30,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	CCI	Other receivables from related parties	Yes	4,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ADSC	Other receivables from related parties	Yes	16,000	1,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ASDI	Other receivables from related parties	Yes	35,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGT	Other receivables from related parties	Yes	100,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	API	Other receivables from related parties	Yes	25,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	100,000	76,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	50,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	EDC	Other receivables from related parties	Yes	800,000	400,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ALT	Other receivables from related parties	Yes	405,000	300,000	132,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGM	Other receivables from related parties	Yes	295,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ITS	Other receivables from related parties	Yes	900,000	600,000	410,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AFE	Other receivables from related parties	Yes	744,497	373,931	373,931	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ABH	Other receivables from related parties	Yes	1,000	1,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
1	APDI	The Company	Other receivables from related parties	Yes	30,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	15,467	15,467
2	ABH	ABST	Other receivables from related parties	Yes	209,000	35,000	35,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	66,000	66,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABSG	Other receivables from related parties	Yes	134,731	68,211	68,211	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	14,000	14,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	10,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	7,500	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	AIC	Other receivables from related parties	Yes	70,000	40,000	20,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	APDI	Other receivables from related parties	Yes	80,000	80,000	74,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	The Company	Other receivables from related parties	Yes	100,000	100,000	-	0%-4%	2	-	Operating requirements	-	None	-	781,911	781,911
3	CCI	The Company	Other receivables from related parties	Yes	100,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	155,719	155,719
4	ADSC	The Company	Other receivables from related parties	Yes	190,000	90,000	90,000	0%-4%	2	-	Operating requirements	-	None	-	507,215	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	37,658	37,658	0%-4%	2	-	Operating requirements	-	None	-	126,804	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	23,013	23,013	0%-4%	2	-	Operating requirements	-	None	-	126,804	507,215

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
5	ASDI	The Company	Other receivables from related parties	Yes	35,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	33,049	33,049
5	ASDI	APDI	Other receivables from related parties	Yes	38,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	33,049	33,049
6	AGT	The Company	Other receivables from related parties	Yes	185,000	-	-	0.6%	2	-	Operating requirements	-	None	-	420,010	420,010
7	API	The Company	Other receivables from related parties	Yes	25,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	119,006	119,006
8	AIZS	ACCQ	Other receivables from related parties	Yes	428,063	215,890	215,890	0%-4%	2	-	Operating requirements	-	None	-	266,340	266,340
9	GWI	AAC	Other receivables from related parties	Yes	866,596	446,801	446,801	0%-4%	2	-	Operating requirements	-	None	-	28,625,365	28,625,365
10	AAH	AAC	Other receivables from related parties	Yes	9,109,671	4,652,263	4,621,554	0%-4%	2	-	Operating requirements	-	None	-	35,643,772	35,643,772
11	MPS	The Company	Other receivables from related parties	Yes	1,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	8,173	32,691
12	EDC	The Company	Other receivables from related parties	Yes	50,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	225,673	225,673
13	Bluechip	BLI	Other receivables from related parties	Yes	15,387	9,213	7,370	0%-4%	2	-	Operating requirements	-	None	-	77,784	77,784
13	Bluechip	DNA	Other receivables from related parties	Yes	34,878	-	-	0%-4%	2	-	Operating requirements	-	None	-	77,784	77,784
14	AEG	AEH	Other receivables from related parties	Yes	98,619	98,619	98,619	0%-4%	2	-	Operating requirements	-	None	-	1,910,388	3,820,776
15	AST	ASTA	Other receivables from related parties	Yes	90,000	90,000	21,496	1.3%	2	-	Operating requirements	-	None	-	69,951	279,804
15	AST	ISU	Other receivables from related parties	Yes	60,000	60,000	-	-	2	-	Operating requirements	-	None	-	69,951	279,804
16	WLII	PAM	Other receivables from related parties	Yes	74,315	-	-	1%-1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	CRI	Other receivables from related parties	Yes	190,458	153,540	153,540	1.2%-5.5%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	PGL	Other receivables from related parties	Yes	84,063	-	-	1%-1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
17	PGL	CRI	Other receivables from related parties	Yes	16,945	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
17	PGL	PAM	Other receivables from related parties	Yes	16,945	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
18	PAL	CRI	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PAM	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PGL	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PST	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
19	WKHK	WKTW	Other receivables from related parties	Yes	45,000	45,000	18,438	-	2	-	Operating requirements	-	None	-	82,861	82,861

Note 1: Nature of Financing:

Type 2: Short-term financing purpose

Note 2: 1. The aggregate financing amount shall not exceed 50% of net worth of the Company, within which the short-term financing amount shall not exceed 20% of net worth of the Company.

1-1. For an entity which the Company owns less than 50% of its outstanding common shares, the individual financing amounts shall not exceed lower of 5% of net worth of the Company and 40% of net worth of the entity.

1-2. For an entity which the Company owns more than 50% of its outstanding common shares, the individual financing amounts shall not exceed 10% of net worth of the Company.

1-3. When a subsidiary who provides financing to other parties is directly or indirectly wholly owned by the Company, the aforementioned limit of aggregate amount and individual financing amount is applied.

2. For AIZS, the aggregate financing amount shall not exceed 120% of net worth of AIZS.

3. The financing limits of GWI and AAH were as follows:

3-1. The individual financing amounts shall not exceed higher of 20% of net worth of the entity or 50% of net worth of the ultimate parent company.

3-2. For an entity which the ultimate parent company wholly owns directly or indirectly, the individual financing amounts shall not exceed 120% of net worth of the entity.

4. The financing limits of APDI, ABH, CCI, ADSC, API and EDC were as follows:

4-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

4-2. The individual financing amounts to the ultimate parent company shall not exceed 40% of net worth of the entities listed above.

5. For an entity which the financing company owns more than 50% of its outstanding common shares or is fellow subsidiary of the same group, the individual financing amounts of ABH and ADSC shall not exceed 10% of net worth of ABH and ADSC.

6. The financing limit of ASDI was as follows:

6-1. The aggregate financing amount shall not exceed 40% of net worth of ASDI.

6-2. The individual financing amounts to the ultimate parent company and its related parties shall not exceed 40% of net worth of ASDI.

7. Both of the aggregate financing amount and the individual financing amounts of Bluechip shall not exceed 20% of net worth of Bluechip.

8. The financing limits of AST, AGT, MPS, WLII, PGL and PAL were as follows:

8-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 10% of net worth of the entities listed above.

8-3. Regarding the financing provided by AST to ASTA, since the financing contract with a financing limit of \$30,000 will expire in January 2023, AST's Board of Directors approved the financing of \$60,000 to ASTA due to its operating requirements.

However, because of the early meeting of the Board of Directors, the ending balance of the financing provided by AST to ASTA was repetitively calculated.

9. The financing limit of AEG was as follows:

8-1. The aggregate financing amount shall not exceed 100% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 50% of net worth of the entities listed above.

10. For the financing limit of WKHK, both of the aggregate financing amount and the individual financing amounts shall not exceed 100% of its net worth.

Note 3: PGL was liquidated during 2022.

Note 4: Net worth of the Company and subsidiaries listed above are the most recent audited.

Note 5: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated and Subsidiaries
Guarantees and endorsements provided to other parties
For the year ended December 31, 2022

Table 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	AJC	2	13,189,491	730,983	702,593	-	-	1.07%	65,947,457	Y		
0	The Company	ATH	2	13,189,491	170,713	162,752	-	-	0.25%	65,947,457	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	13,189,491	2,254,700	2,149,560	31,164	-	3.26%	65,947,457	Y		
0	The Company	AEG	2	13,189,491	289,681	288,911	288,911	-	0.44%	65,947,457	Y		
0	The Company	Acer EMEA subsidiaries	2	13,189,491	1,127,350	1,074,780	23,999	-	1.63%	65,947,457	Y		
0	The Company	ACN/ACD/ACW/AFN	2	13,189,491	12,233	11,779	11,779	-	0.02%	65,947,457	Y		
0	The Company	ATB	2	13,189,491	858,660	-	-	-	0.00%	65,947,457	Y		
0	The Company	Acer Pan America subsidiaries	2	13,189,491	5,475,700	5,220,360	2,303	-	7.92%	65,947,457	Y		
0	The Company	AMEX	2	13,189,491	289,890	276,372	-	-	0.42%	65,947,457	Y		
0	The Company	Acer Greater China subsidiaries	2	13,189,491	1,771,550	1,688,940	-	-	2.56%	65,947,457	Y		Y
0	The Company	SMA	2	13,189,491	104,591	104,591	2,087	-	0.16%	65,947,457	Y		
0	The Company	ACA	2	13,189,491	177,155	168,894	168,894	-	0.26%	65,947,457	Y		
0	The Company	AIL	2	13,189,491	3,248,771	3,181,039	914,494	-	4.82%	65,947,457	Y		
0	The Company	ACCN/ACCQ/BJAC	2	13,189,491	902,902	890,268	-	-	1.35%	65,947,457	Y		Y
0	The Company	ABSG	2	13,189,491	170,588	169,977	16,436	-	0.26%	65,947,457	Y		
0	The Company	ITS	2	13,189,491	402,100	402,100	102,159	-	0.61%	65,947,457	Y		
0	The Company	ALT	2	13,189,491	400,000	400,000	-	-	0.61%	65,947,457	Y		
0	The Company	HSNC	2	13,189,491	224,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNP	2	13,189,491	58,960	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNT	2	13,189,491	76,903	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNC/HSNI/HSNP/HSNT	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	MPS	2	13,189,491	152,533	152,204	52,204	-	0.23%	65,947,457	Y		
0	The Company	EDC	2	13,189,491	2,898,900	2,763,720	1,055,808	-	4.19%	65,947,457	Y		
0	The Company	AAC	2	13,189,491	1,127,350	1,074,780	1,067,377	-	1.63%	65,947,457	Y		
0	The Company	AGM	2	13,189,491	1,529,020	1,407,080	638,540	-	2.13%	65,947,457	Y		
0	The Company	HSNI	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	API	2	13,189,491	150,000	100,000	-	-	0.15%	65,947,457	Y		
0	The Company	AGT	2	13,189,491	344,510	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNV	2	13,189,491	29,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	CPY	2	13,189,491	16,436	16,436	16,436	-	0.02%	65,947,457	Y		
0	The Company	ALTH	2	13,189,491	48,315	46,062	-	-	0.07%	65,947,457	Y		
0	The Company	ALIN	2	13,189,491	113,849	111,348	-	-	0.17%	65,947,457	Y		
1	AAC	ASC	4	2,519,031	19,326	18,425	18,425	-	0.73%	2,519,031			
2	AOI	AOSD	2	254,729	3,221	-	-	-	0.00%	849,095			
2	AOI	AOC	2	254,729	177,155	168,894	-	-	19.89%	849,095			Y
3	AST	ISU	2	139,902	60,000	60,000	-	-	8.58%	349,755			
3	AST	ASTS	2	139,902	35,611	35,611	-	-	5.09%	349,755			Y
3	AST	ASTA	2	139,902	128,840	122,832	-	-	17.56%	349,755			
4	WLII	CRI	2	405,169	266,756	142,844	-	-	7.05%	1,012,923			
4	WLII	PAM	2	405,169	337,333	180,935	-	-	8.93%	1,012,923			
4	WLII	PST	2	405,169	293,834	168,238	25,251	-	8.30%	1,012,923			Y
5	PGL	CRI	2	(Note 8)	9,523	-	-	-	(Note 8)	(Note 8)			

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
6	HSNC	HSNT	2	39,867	32,210	30,708	14,146	-	15.41%	199,334			
6	HSNC	HSNI	2	39,867	32,210	30,708	888	-	15.41%	199,334			
6	HSNC	HSNV	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSNP	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSN	2	39,867	32,210	30,708	-	-	15.41%	199,334			

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:

Type 2: an entity directly or indirectly owned by the Company over 50%

Type 4: between entities directly or indirectly owned by the Company over 90%

Note 2: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of the Company.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the Company.

Note 3: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of AOI.

The endorsement/guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited net worth of AOI.

AOSD was dissolved due to merger on December 15, 2021, and the liquidation was completed on January 28, 2022.

Note 4: The aggregate endorsement/guarantee amount provided shall not exceed 20% of the most recent audited net worth of AAC.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AAC.

Note 5: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of AST.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AST.

Note 6: The aggregate endorsement/guarantee amount provided limits of WLII and its subsidiaries were as follows:

The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of the entities listed above.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the entities listed above.

The aggregate endorsement/guarantee amount provided by WLII and its subsidiaries shall not exceed 50% of the most recent audited net worth of WLII.

The endorsement/guarantee provided to individual guarantee party by WLII and its subsidiaries shall not exceed 20% of the most recent audited net worth of WLII.

Note 7: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of HSNC.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of HSNC.

Note 8: PGL was liquidated during 2022.

Acer Incorporated and Subsidiaries
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2022

Table 3

(Amounts in Thousands of New Taiwan Dollars / Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbreeze	-	Financial assets measured at fair value through profit or loss — current	572	2,661	0.10%	2,661	572	0.10%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	89,516	2,519,867	4.55%	2,519,867	89,516	4.55%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	192,956	0.24%	192,956	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	54,816	1,611,590	1.89%	1,611,590	54,816	1.89%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	245,197	3.08%	245,197	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	8,733	511,735	4.04%	511,735	8,733	4.04%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	855	50,701	0.26%	50,701	855	0.26%	Note 1
The Company	Preferred stock B: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	1,177	64,265	0.17%	64,265	1,177	0.17%	Note 1
The Company	Preferred stock A: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	260	14,716	0.03%	14,716	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	991	56,982	0.15%	56,982	991	0.15%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	15,342	0.04%	15,342	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,551	0.02%	1,551	30	0.02%	Note 2
The Company	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	7,000	385,700	2.10%	385,700	7,000	2.10%	Note 3
The Company	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	335	17,286	0.07%	17,286	335	0.07%	Note 4
The Company	Stock: Apacer	-	Financial assets measured at fair value through other comprehensive income — non-current	11,000	455,400	8.97%	455,400	11,000	8.97%	
The Company	Stock: Pell Bio-med Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,400	120,000	5.41%	120,000	2,400	7.19%	
The Company	Stock: CellMax Life Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	600	17,421	0.19%	17,421	600	1.02%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,000	20,000	15.50%	20,000	2,000	15.50%	
The Company	Stock: Fortune Electric	-	Financial assets measured at fair value through other comprehensive income — non-current	2,500	80,000	8.83%	80,000	2,500	8.83%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbit	-	Financial assets measured at fair value through other comprehensive income — non-current	2,920	35,040	15.31%	35,040	2,920	15.31%	
The Company	Stock: GreenHarvest	-	Financial assets measured at fair value through other comprehensive income — non-current	1,111	49,995	8.40%	49,995	1,111	8.40%	
The Company	USD Fixed Rate Callable Note (2022/2/23)	-	Financial assets measured at amortized cost — non-current	-	307,080	-	307,080	-	-	
The Company	USD Fixed Rate Callable Note (2022/4/1)	-	Financial assets measured at amortized cost — non-current	-	153,540	-	153,540	-	-	
The Company	USD Fixed Rate Callable Note (2022/5/13)	-	Financial assets measured at amortized cost — non-current	-	153,540	-	153,540	-	-	
The Company	HSBC Holdings PLC Bond	-	Financial assets measured at amortized cost — non-current	-	60,919	-	60,919	-	-	
The Company	CREDIT AGRICOLE SA Corporate Bond	-	Financial assets measured at amortized cost — non-current	-	61,556	-	61,556	-	-	
The Company	UBS GROUP AG Corporate Bond	-	Financial assets measured at amortized cost — non-current	-	61,147	-	61,147	-	-	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	383,559	0.45%	383,559	13,046	0.45%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	12,108	18.92%	12,108	322	18.92%	
ADSC	21st Century Technology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income — non-current	478	126,414	0.86%	126,414	478	0.94%	
ASCBVI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	160,937	19.39%	160,937	3,800	19.39%	
ASCBVI	Stock: Trutag	-	Financial assets measured at fair value through other comprehensive income — non-current	1,346	6,633	0.33%	6,633	1,346	0.33%	
ASCBVI	Stock: Gorilla	-	Financial assets measured at fair value through other comprehensive income — non-current	910	61,416	1.21%	61,416	910	1.90%	
ASCBVI	Stock: Locix	-	Financial assets measured at fair value through other comprehensive income — non-current	1,000	-	4.05%	-	1,000	4.05%	
ASCBVI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	122,832	12.20%	122,832	463	12.20%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	22,848	2.01%	22,848	1,015	2.01%	
ABST	Stock: PilotTV Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	2,676	57,462	19.18%	57,462	2,676	19.18%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	8,566	13.79%	8,566	-	13.79%	
ACTCQ	Equity of Shenmou Technology (Shenzhen)	-	Financial assets measured at fair value through other comprehensive income — non-current	-	420	19.99%	420	-	19.99%	
AHN	EUR Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	771,292	0.00%	771,292	-	0.00%	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
AEB	Stock: Ambi Arts	-	Financial assets measured at fair value through other comprehensive income — non-current	180	983	18.00%	983	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1
AOI	Stock: MPL	-	Financial assets measured at fair value through other comprehensive income — non-current	25	9,981	15.06%	9,981	25	15.06%	
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	11,020	0.06%	11,020	200	0.60%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	22,040	0.12%	22,040	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	13,140	0.44%	13,140	300	0.44%	
AST	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	20	1,208	0.003%	1,208	20	0.003%	Note 2
AST	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	952	49,123	0.19%	49,123	952	0.19%	Note 4
AST	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	549	19,709	0.25%	19,709	549	0.25%	Note 1

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are preferred stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.

Note 2: The stocks of CTFH、FBFH、UBOT are preferred stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.

Note 3: The stocks of FBFH are preferred stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.

Note 4: The stocks of TSFH are preferred stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated and Subsidiaries
Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT\$300 million or 20% of the paid-in capital
For the year ended December 31, 2022

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal			Ending Balance		
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount
ACCN	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	788,000	3,518,675	788,000	3,543,359	3,518,675	24,684	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	4,127,000	18,347,417	4,127,000	18,430,956	18,347,417	83,539	-	-
The Company	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	Acer Cyber Security Incorporated	Parent/Subsidiary	44,462	468,820	-	-	44,462	475,748	468,820	6,928 (Note 1)	-	-
ACSI	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	The Company	Parent/Subsidiary	-	-	44,462	475,748	-	-	-	-	44,462	564,183 (Note 3)
AGM	WKC	Investments accounted for using equity method	WKC and its shareholders	Parent/Subsidiary	-	-	9,589	641,544	-	-	-	-	9,589	641,544
WLII	PAM	Investments accounted for using equity method	(Note 2)	Parent/Subsidiary	-	-	14,340	628,483 (Note 2)	-	-	-	-	14,340	591,945 (Note 3)

Note 1: Because ACSI's acquisition of 100% equity ownership of EDC from the Company was classified as reorganization under common control, the Company recognized such amount in capital surplus.

Note 2: WLII acquired the shares of PAM through its reorganization and subscription its cash capital increase.

Note 3: Ending balances include share of profits of subsidiaries, exchange differences on translation of foreign operations, amortization of customer relationships, capital surplus subscribed disproportionately to the current ownership percentage and the adjustment of retained earnings.

Acer Incorporated and Subsidiaries
Total purchases from and sales to related parties which exceed NT\$100 million or 20% of the paid-in capital
For the year ended December 31, 2022

Table 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(39,345,499)	(23.24)%	OA90	-	-	2,008,759	12.31%	
The Company	ACA	Parent/Subsidiary	(Sales)	(5,346,411)	(3.16)%	OA60	-	-	1,251,180	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(12,460,328)	(7.36)%	OA60	-	-	369,683	2.27%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(612,267)	(0.36)%	OA60	-	-	149,370	0.92%	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,760,586)	(1.04)%	OA60	-	-	107,310	0.66%	
The Company	AEG	Parent/Subsidiary	(Sales)	(62,204,606)	(36.75)%	OA60	-	-	607,349	3.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(533,177)	(0.31)%	OA60	-	-	82,193	0.50%	
The Company	AIL	Parent/Subsidiary	(Sales)	(7,928,004)	(4.68)%	OA150	-	-	3,491,157	21.40%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,244,333)	(2.51)%	OA90	-	-	995,444	6.10%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,493,314)	(0.88)%	OA60	-	-	970,810	5.95%	
The Company	AMI	Parent/Subsidiary	(Sales)	(2,676,504)	(1.58)%	OA90	-	-	555,097	3.40%	
The Company	APHI	Parent/Subsidiary	(Sales)	(2,389,336)	(1.41)%	OA60	-	-	532,357	3.26%	
The Company	ASC	Parent/Subsidiary	(Sales)	(134,189)	(0.08)%	OA60	-	-	7,639	0.05%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,365,200)	(1.40)%	OA60	-	-	535,730	3.28%	
The Company	ATH	Parent/Subsidiary	(Sales)	(4,489,999)	(2.65)%	OA60	-	-	636,650	3.90%	
The Company	AVN	Parent/Subsidiary	(Sales)	(142,574)	(0.08)%	OA60	-	-	-	-	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,845,817)	(1.09)%	EM45	-	-	262,434	1.61%	
The Company	APHI	Parent/Subsidiary	Purchases	204,754	0.13%	OA60	-	-	(59,587)	(0.27)%	
The Company	API	Parent/Subsidiary	Purchases	102,754	0.07%	OA60	-	-	(16,182)	(0.07)%	
The Company	AVN	Parent/Subsidiary	Purchases	118,420	0.08%	OA60	-	-	(30,868)	(0.14)%	
The Company	ALT	Parent/Subsidiary	Purchases	577,442	0.37%	OA60	-	-	(86,429)	(0.40)%	
The Company	AEB	Parent/Subsidiary	Purchases	157,280	0.10%	EM30	-	-	(24,289)	(0.11)%	
The Company	AOI	Parent/Subsidiary	Purchases	2,240,569	1.44%	EM60	-	-	(385,516)	(1.76)%	
The Company	AGT	Parent/Subsidiary	Purchases	952,666	0.61%	OA60	-	-	(173,919)	(0.80)%	
WELL	WLII	Parent/Subsidiary	Purchases	510,187	100.00%	EM45	-	-	(42,376)	(95.15)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(577,442)	(65.51)%	OA60	-	-	86,429	47.47%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEB	The Company	Parent/Subsidiary	(Sales)	(157,280)	(2.19)%	EM30	-	-	24,289	1.22%	
AEB	WLII	Fellow subsidiary	Purchases	249,242	4.10%	EM60	-	-	(63,638)	(4.84)%	
AGM	AGPH	Parent/Subsidiary	(Sales)	297,781	(12.78)%	OA30	-	-	220,353	40.16%	
AOI	AOA	Parent/Subsidiary	(Sales)	(168,493)	(5.82)%	OA90	-	-	224,100	26.58%	
AOI	AOE	Parent/Subsidiary	(Sales)	(404,061)	(13.96)%	OA60	-	-	194,671	23.09%	
AOI	The Company	Parent/Subsidiary	(Sales)	(2,240,569)	(77.44)%	EM60	-	-	385,516	45.73%	
AGT	The Company	Parent/Subsidiary	(Sales)	(952,666)	(65.30)%	OA60	-	-	173,919	63.63%	
WLII	WELL	Parent/Subsidiary	(Sales)	(510,187)	(2.81)%	EM45	-	-	42,376	1.76%	
WLII	AEB	Fellow subsidiary	(Sales)	(249,242)	(1.37)%	EM60	-	-	63,638	2.64%	
WLII	The Company	Parent/Subsidiary	Purchases	1,845,817	10.80%	EM45	-	-	(262,434)	(11.95)%	
PAM	CRI	Fellow subsidiary	(Sales)	(876,523)	(40.00)%	TT60	-	-	152,244	46.31%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,831,758)	(3.18)%	OA60	-	-	385,231	4.06%	
AAC	ASC	Fellow subsidiary	(Sales)	(728,672)	(1.27)%	OA60	-	-	93,693	0.99%	
AAC	ATB	Fellow subsidiary	(Sales)	(271,139)	(0.47)%	OA60	-	-	34,368	0.36%	
AAC	The Company	Parent/Subsidiary	Purchases	39,345,499	92.03%	OA90	-	-	(2,008,759)	(55.18)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(162,433)	(2.10)%	EM30	-	-	23,743	1.67%	
ACA	The Company	Parent/Subsidiary	Purchases	5,346,411	86.95%	OA60	-	-	(1,251,180)	(93.44)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(353,145)	(70.07)%	OA60	-	-	137,377	89.59%	
ACCQ	ACCN	Fellow subsidiary	Purchases	353,145	2.35%	OA60	-	-	(137,377)	(11.73)%	
ACCQ	AOC	Fellow subsidiary	Purchases	274,431	1.83%	EM60	-	-	(26,738)	(2.28)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	12,460,328	82.86%	OA60	-	-	(369,683)	(31.58)%	
ACF	AEG	Fellow subsidiary	(Sales)	(345,788)	(3.86)%	OA60	-	-	1,360,946	27.72%	
ACF	AEG	Fellow subsidiary	Purchases	7,995,951	93.14%	OA60	-	-	(1,712,753)	(98.26)%	
ACF	APX	Fellow subsidiary	Purchases	160,511	1.87%	OA60	-	-	(15,204)	(0.87)%	
ACG	AEG	Fellow subsidiary	(Sales)	(573,227)	(2.85)%	OA60	-	-	2,058,090	27.63%	
ACG	AEG	Fellow subsidiary	Purchases	18,376,210	95.68%	OA60	-	-	(3,737,706)	(97.51)%	
ACG	APL	Fellow subsidiary	Purchases	141,242	0.74%	OA30	-	-	(9,407)	(0.25)%	
ACG	APX	Fellow subsidiary	Purchases	231,546	1.21%	OA45	-	-	(39,767)	(1.04)%	
ACH	AEG	Fellow subsidiary	Purchases	3,824,276	96.33%	OA60	-	-	(937,216)	(96.81)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	612,267	89.72%	OA60	-	-	(149,370)	(96.20)%	
ACS	The Company	Parent/Subsidiary	Purchases	1,760,586	72.94%	OA60	-	-	(107,310)	(91.38)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(123,247)	(21.48)%	OA60	-	-	15,055	20.83%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(230,913)	(40.24)%	OA30	-	-	17,439	24.13%	
ACZ	APX	Fellow subsidiary	Purchases	177,290	34.25%	OA90	-	-	(26,958)	(82.70)%	
AEG	ACF	Fellow subsidiary	(Sales)	(7,995,951)	(11.79)%	OA60	-	-	1,712,753	12.10%	
AEG	ACG	Fellow subsidiary	(Sales)	(18,376,210)	(27.10)%	OA60	-	-	3,737,706	26.41%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEG	ACH	Fellow subsidiary	(Sales)	(3,824,276)	(5.64)%	OA60	-	-	937,216	6.62%	
AEG	AIB	Fellow subsidiary	(Sales)	(4,042,590)	(5.96)%	OA60	-	-	859,846	6.08%	
AEG	AIT	Fellow subsidiary	(Sales)	(3,872,482)	(5.71)%	OA60	-	-	15,866	0.11%	
AEG	ASIN	Fellow subsidiary	(Sales)	(18,640,638)	(27.49)%	OA60	-	-	2,161,708	15.28%	
AEG	ASZ	Fellow subsidiary	(Sales)	(2,047,700)	(3.02)%	OA60	-	-	10,413	0.07%	
AEG	AUK	Fellow subsidiary	(Sales)	(6,330,433)	(9.34)%	OA60	-	-	1,895,944	13.40%	
AEG	CPY	Fellow subsidiary	(Sales)	(1,214,566)	(1.79)%	OA60	-	-	304,759	2.15%	
AEG	SER	Fellow subsidiary	(Sales)	(1,559,211)	(2.30)%	OA60	-	-	279,817	1.98%	
AEG	ACF	Fellow subsidiary	Purchases	345,788	0.53%	OA60	-	-	(1,360,946)	(18.89)%	
AEG	ACG	Fellow subsidiary	Purchases	573,227	0.87%	OA60	-	-	(2,058,090)	(28.56)%	
AEG	ACZ	Fellow subsidiary	Purchases	123,247	0.19%	OA60	-	-	(15,055)	(0.21)%	
AEG	AEH	Parent/Subsidiary	Purchases	216,766	0.33%	OA60	-	-	(3,584)	(0.05)%	
AEG	AIB	Fellow subsidiary	Purchases	303,279	0.46%	OA60	-	-	(688,815)	(9.56)%	
AEG	AIT	Fellow subsidiary	Purchases	252,276	0.38%	OA60	-	-	(900,067)	(12.49)%	
AEG	APX	Fellow subsidiary	Purchases	644,861	0.98%	OA60	-	-	(52,803)	(0.73)%	
AEG	ASZ	Fellow subsidiary	Purchases	126,574	0.19%	OA60	-	-	(232,080)	(3.22)%	
AEG	ENNL	Fellow subsidiary	Purchases	193,794	0.30%	OA30	-	-	(26,786)	(0.37)%	
AEG	The Company	Parent/Subsidiary	Purchases	62,204,606	94.89%	OA60	-	-	(607,349)	(8.43)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(216,766)	(73.09)%	OA60	-	-	3,584	100.00%	
AFE	The Company	Parent/Subsidiary	Purchases	533,177	42.98%	OA60	-	-	(82,193)	(92.19)%	
AGPH	AGM	Parent/Subsidiary	Purchases	297,781	98.29%	OA30	-	-	(220,353)	(99.71)%	
AIB	AEG	Fellow subsidiary	(Sales)	(303,279)	(6.58)%	OA60	-	-	688,815	31.54%	
AIB	AEG	Fellow subsidiary	Purchases	4,042,590	90.66%	OA60	-	-	(859,846)	(95.24)%	
AIB	APX	Fellow subsidiary	Purchases	134,904	3.03%	OA60	-	-	(29,114)	(3.22)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(327,647)	(1.99)%	OA120	-	-	96,076	4.44%	
AIL	The Company	Parent/Subsidiary	Purchases	7,928,004	52.44%	OA150	-	-	(3,491,157)	(85.20)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(359,615)	(3.85)%	OA60	-	-	13,244	4.29%	
AIN	AMI	Fellow subsidiary	Purchases	3,107,010	32.81%	OA90	-	-	(582)	(0.06)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,244,333	44.82%	OA90	-	-	(995,444)	(99.08)%	
AIT	AEG	Fellow subsidiary	(Sales)	(252,276)	(5.86)%	OA60	-	-	900,067	48.56%	
AIT	AEG	Fellow subsidiary	Purchases	3,872,482	94.25%	OA60	-	-	(15,866)	(55.70)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,493,314	97.02%	OA60	-	-	(970,810)	(93.37)%	
ALIN	AIL	Fellow subsidiary	Purchases	327,647	100.00%	OA120	-	-	(96,076)	(99.92)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,831,758	100.00%	OA60	-	-	(385,231)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,107,010)	(99.72)%	OA90	-	-	582	7.86%	
AMI	AIN	Parent/Subsidiary	Purchases	359,615	11.09%	OA60	-	-	(13,244)	(2.20)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AMI	The Company	Parent/Subsidiary	Purchases	2,676,504	82.51%	OA90	-	-	(555,097)	(92.08)%	
AOA	AOI	Parent/Subsidiary	Purchases	168,493	92.85%	OA90	-	-	(224,100)	(98.12)%	
AOC	ACCQ	Fellow subsidiary	(Sales)	(274,431)	(92.22)%	EM60	-	-	26,738	96.14%	
AOE	AOI	Parent/Subsidiary	Purchases	404,061	99.29%	OA60	-	-	(194,671)	(100.00)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(204,754)	(6.43)%	OA60	-	-	59,587	22.68%	
APHI	The Company	Parent/Subsidiary	Purchases	2,389,336	86.22%	OA60	-	-	(532,357)	(91.48)%	
API	The Company	Parent/Subsidiary	(Sales)	(102,754)	(51.24)%	OA60	-	-	16,182	56.78%	
APL	ACG	Fellow subsidiary	(Sales)	(141,242)	(100.00)%	OA30	-	-	9,407	62.98%	
APX	ACF	Fellow subsidiary	(Sales)	(160,511)	(9.13)%	OA60	-	-	15,204	7.16%	
APX	ACG	Fellow subsidiary	(Sales)	(231,546)	(13.17)%	OA45	-	-	39,767	18.73%	
APX	ACZ	Fellow subsidiary	(Sales)	(177,290)	(10.08)%	OA90	-	-	26,958	12.70%	
APX	AEG	Fellow subsidiary	(Sales)	(644,861)	(36.68)%	OA60	-	-	52,803	24.87%	
APX	AIB	Fellow subsidiary	(Sales)	(134,904)	(7.67)%	OA60	-	-	29,114	13.71%	
ARU	ASIN	Fellow subsidiary	(Sales)	(154,416)	(100.00)%	OA60	-	-	12,088	100.00%	
ASC	AAC	Fellow subsidiary	Purchases	728,672	84.08%	OA60	-	-	(93,693)	(51.84)%	
ASC	The Company	Parent/Subsidiary	Purchases	134,189	15.48%	OA60	-	-	(7,639)	(4.23)%	
ASIN	ACZ	Fellow subsidiary	Purchases	230,913	1.18%	OA30	-	-	(17,439)	(0.74)%	
ASIN	AEG	Fellow subsidiary	Purchases	18,640,638	95.19%	OA60	-	-	(2,161,708)	(91.45)%	
ASIN	ARU	Fellow subsidiary	Purchases	154,416	0.79%	OA60	-	-	(12,088)	(0.51)%	
ASSB	HSN	Fellow subsidiary	(Sales)	(112,401)	(3.81)%	OA60	-	-	7,610	4.47%	
ASSB	SMA	Parent/Subsidiary	(Sales)	(411,108)	(12.80)%	OA60	-	-	-	-	
ASSB	The Company	Parent/Subsidiary	Purchases	2,365,200	90.21%	OA60	-	-	(535,730)	(97.75)%	
ASZ	AEG	Fellow subsidiary	(Sales)	(126,574)	(5.22)%	OA60	-	-	232,080	51.97%	
ASZ	AEG	Fellow subsidiary	Purchases	2,047,700	90.56%	OA60	-	-	(10,413)	(98.04)%	
ATB	AAC	Fellow subsidiary	Purchases	271,139	2.09%	OA60	-	-	(34,368)	(1.51)%	
ATH	The Company	Parent/Subsidiary	Purchases	4,489,999	80.41%	OA60	-	-	(636,650)	(93.54)%	
AUK	AEG	Fellow subsidiary	Purchases	6,330,433	97.56%	OA60	-	-	(1,895,944)	(99.33)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(118,420)	(31.98)%	OA60	-	-	30,868	62.27%	
AVN	The Company	Parent/Subsidiary	Purchases	142,574	67.07%	OA60	-	-	-	-	
Bluechip	ACA	Fellow subsidiary	Purchases	162,433	4.19%	EM30	-	-	(23,743)	(4.29)%	
Bluechip	MIA	Parent/Subsidiary	Purchases	115,045	2.97%	EM30	-	-	(108,923)	(19.69)%	
CPY	AEG	Fellow subsidiary	Purchases	1,214,566	90.55%	OA60	-	-	(304,759)	(94.02)%	
CRI	PAM	Fellow subsidiary	Purchases	876,523	48.60%	TT60	-	-	(152,244)	(99.83)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(193,794)	(100.00)%	OA30	-	-	26,786	100.00%	
HSN	ASSB	Fellow subsidiary	Purchases	112,401	73.36%	OA60	-	-	(7,610)	(49.47)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
MIA	Bluechip	Parent/Subsidiary	(Sales)	(115,045)	(66.43)%	EM30	-	-	108,923	94.84%	
SER	AEG	Fellow subsidiary	Purchases	1,559,211	100.00%	OA60	-	-	(279,817)	(99.33)%	
SMA	ASSB	Parent/Subsidiary	Purchases	411,108	12.57%	OA60	-	-	-	-	

Note 1: The trade terms and price of sales with related parties are not comparable to those with third-party customers as they are determined by the economic environment and market competition of specific locations.

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

Note 2: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Acer Incorporated and Subsidiaries
Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital
December 31, 2022

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AAC	Parent/Subsidiary	2,008,759	4.56	-	-	926,743	-	
The Company	ACA	Parent/Subsidiary	1,252,722	3.06	752,848	Under collection	965,158	-	
The Company	ACCQ	Parent/Subsidiary	369,683	21.16	-	-	369,683	-	
The Company	ACNZ	Parent/Subsidiary	149,370	3.23	103,725	Under collection	149,370	-	
The Company	ACS	Parent/Subsidiary	107,310	4.41	-	-	106,161	-	
The Company	AEG	Parent/Subsidiary	607,349	17.25	-	-	190,323	-	
The Company	AFE	Parent/Subsidiary	458,021	5.33	69,777	Under collection	33,480	-	
The Company	AIL	Parent/Subsidiary	3,491,157	1.86	729,842	Under collection	1,293,579	-	
The Company	AIN	Parent/Subsidiary	995,693	2.35	-	-	514,137	-	
The Company	AJC	Parent/Subsidiary	981,656	1.77	602,730	Under collection	307,538	-	
The Company	AMI	Parent/Subsidiary	555,204	7.28	8,036	Under collection	276,262	-	
The Company	APHI	Parent/Subsidiary	534,957	4.20	37,768	Under collection	314,837	-	
The Company	ASSB	Parent/Subsidiary	535,730	4.32	337,627	Under collection	230,319	-	
The Company	ATH	Parent/Subsidiary	636,650	4.20	326,676	Under collection	589,855	-	
The Company	ALT	Parent/Subsidiary	144,693	7.37	27	Under collection	5,102	-	
The Company	ITS	Parent/Subsidiary	411,943	3.95	205	Under collection	413	-	
The Company	WLII	Parent/Subsidiary	263,164	9.08	-	-	251,776	-	
ABH	ABST	Parent/Subsidiary	101,303	-	-	-	-	-	
AGM	AGPH	Parent/Subsidiary	220,353	1.34	58,319	Under collection	213,737	-	
AOI	AOA	Parent/Subsidiary	224,100	0.82	196,233	Under collection	7,074	-	
AOI	AOE	Parent/Subsidiary	194,671	2.58	102,787	Under collection	63,760	-	
AOI	The Company	Parent/Subsidiary	385,516	6.47	-	-	385,516	-	
AGT	The Company	Parent/Subsidiary	174,848	5.70	72,885	Under collection	107,401	-	
WLII	CRI	Parent/Subsidiary	155,325	-	-	-	-	-	Note 2
PAM	CRI	Fellow subsidiary	152,244	6.36	-	-	38,947	-	
AAC	AMEX	Fellow subsidiary	385,231	5.80	351,108	Under collection	322,879	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
AAC	ASC	Fellow subsidiary	503,387	8.94	2,367	Under collection	2,339	-	
AAH	AAC	Parent/Subsidiary	4,644,919	-	-	-	-	-	
ACCN	ACCQ	Fellow subsidiary	137,377	3.20	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	274,215	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	1,360,946	0.27	32,477	Under collection	32,477	-	
ACG	AEG	Fellow subsidiary	2,058,090	0.26	-	-	-	-	
ACH	AEG	Fellow subsidiary	406,881	0.07	6,511	Under collection	6,511	-	
AEG	AEH	Parent/Subsidiary	137,954	0.40	-	-	-	-	
AEG	The Company	Parent/Subsidiary	2,014,650	-	-	-	-	-	
AEG	ACF	Fellow subsidiary	1,712,753	4.41	699,467	Under collection	688,803	-	
AEG	ACG	Fellow subsidiary	3,737,706	3.52	1,417,196	Under collection	737,545	-	
AEG	ACH	Fellow subsidiary	937,216	4.10	556,309	Under collection	547,905	-	
AEG	AIB	Fellow subsidiary	859,846	4.88	468,021	Under collection	458,726	-	
AEG	ASIN	Fellow subsidiary	2,161,708	4.54	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,895,944	3.08	1,162,773	Under collection	1,130,425	-	
AEG	CPY	Fellow subsidiary	304,759	3.61	-	-	-	-	
AEG	SER	Fellow subsidiary	279,817	4.96	-	-	-	-	
AIB	AEG	Fellow subsidiary	690,995	0.46	-	-	-	-	
AIT	AEG	Fellow subsidiary	900,067	0.28	-	-	-	-	
ASC	AAC	Fellow subsidiary	292,373	27.44	-	-	-	-	
ASIN	AEG	Fellow subsidiary	485,200	-	-	-	-	-	
ASZ	AEG	Fellow subsidiary	232,540	0.50	-	-	-	-	
AUK	AEG	Fellow subsidiary	515,237	0.11	-	-	-	-	
Bluechip	MIA	Parent/Subsidiary	108,960	-	1,472	Under collection	30	-	
GWI	AAC	Parent/Subsidiary	446,801	-	-	-	-	-	
MIA	Bluechip	Parent/Subsidiary	108,923	2.11	-	-	-	-	

Note 1: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Note 2: Receivables are financing and interest receivables, not applicable.

Acer Incorporated and Subsidiaries
Business relationships and significant intercompany transactions
December 31, 2022

Table 7

(Amounts in Thousands of New Taiwan Dollars)

Intercompany relationships and significant intercompany transactions for the year ended December 31, 2022 were as follows:

Number	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Account	Amount	Transaction Terms	
0	The Company	ACA	1	Sales	5,346,411	OA60	1.94%
0	The Company	ATH	1	Sales	4,489,999	OA60	1.63%
0	The Company	ACCQ	1	Sales	12,460,328	OA60	4.52%
0	The Company	AAC	1	Sales	39,345,499	OA90	14.29%
0	The Company	AIN	1	Sales	4,244,333	OA90	1.54%
0	The Company	AIL	1	Sales	7,928,004	OA150	2.88%
0	The Company	AEG	1	Sales	62,204,606	OA60	22.59%
0	The Company	AAC	1	Accounts receivable	2,008,759	OA90	1.06%
0	The Company	AIL	1	Accounts receivable	3,491,157	OA150	1.85%
1	AEG	ASIN	3	Sales	18,640,638	OA60	6.77%
1	AEG	ACG	3	Sales	18,376,210	OA60	6.67%
1	AEG	AUK	3	Sales	6,330,433	OA60	2.30%
1	AEG	ACF	3	Sales	7,995,951	OA60	2.90%
1	AEG	ACH	3	Sales	3,824,276	OA60	1.39%
1	AEG	AIT	3	Sales	3,872,482	OA60	1.41%
1	AEG	AIB	3	Sales	4,042,590	OA60	1.47%
1	AEG	The Company	2	Accounts receivable	2,014,650	OA60	1.07%
1	AEG	ASIN	3	Accounts receivable	2,161,708	OA60	1.14%
1	AEG	ACG	3	Accounts receivable	3,737,706	OA60	1.98%
1	AEG	AUK	3	Accounts receivable	1,895,944	OA60	1.00%

Number	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Account	Amount	Transaction Terms	
2	AMI	AIN	2	Sales	3,107,010	OA90	1.64%
3	ACG	AEG	3	Accounts receivable	2,058,090	OA60	1.09%
4	AAH	AAC	1	Other receivable	4,644,919	-	2.46%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

Note 2: The relationships with counter party are as follows:

- No. 1 represents the transactions from parent company to subsidiary.
- No. 2 represents the transactions from subsidiary to parent company.
- No. 3 represents the transactions from subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net revenue or total assets.

The corresponding purchases and accounts payables are not disclosed.

Acer Incorporated and Subsidiaries
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2022

Table 8

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	1,268,035	66,215	100.00	47,216	47,216	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,595,246	1,263,432	92.02	403,836	371,591	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,359,626	147	100.00	331,884	331,884	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	16,338,839	191,155	100.00	11,811	11,811	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.86	92,038	1,421	28.10	36,737	9,315	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	5,658,111	5,658,111	158,475	100.00	3,271,416	158,475	100.00	(18,676)	(18,676)	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	1,299,817	1,299,817	-	100.00	615,773	-	100.00	3,997	3,997	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,139,390	13,296	59.78	722,725	13,296	64.54	155,366	95,406	Parent/Subsidiary
The Company	WLII	Taiwan	Sale of computers and communication products	728,694	728,694	48,073	58.93	1,211,483	48,073	58.93	415,049	244,574	Parent/Subsidiary
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,993,697	6,826,148	39,309	65.51	2,232,474	39,308	100.00	132,552	90,223	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,954,777	130,308	100.00	156,011	156,011	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,649	441	66.81	692	462	Parent/Subsidiary
The Company	EDC	Taiwan	Business continuity plan and IT operation outsourcing services	-	518,167	-	-	-	44,462	100.00	89,192	-	Parent/Subsidiary
The Company	AOI	Taiwan	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	333,155	333,155	28,970	40.55	347,183	28,970	40.55	216,560	89,063	Parent/Subsidiary
The Company	HSNC	Taiwan	After-sale and value-added services of IT products	102,419	107,429	10,242	63.18	125,938	10,743	66.27	22,285	12,980	Parent/Subsidiary
The Company	SFT	Taiwan	Research, manufacturing and sale of radio-detection and civilian technology application products related to distance	132,000	132,000	13,200	55.00	53,733	13,200	55.00	(32,488)	(17,868)	Joint Venture
The Company	AST	Taiwan	System integration service	288,390	82,577	11,349	56.75	396,941	11,349	56.75	75,902	42,881	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	271,642	93,365	22,484	89.94	267,573	22,484	100.00	(622)	(543)	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	893,639	107,851	24,449	69.85	799,007	24,449	100.00	39,840	28,670	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	1,077,189	107,719	100.00	1,075,017	107,719	100.00	(2,222)	(2,222)	Parent/Subsidiary
The Company	ABI	Taiwan	Sales of beverages and related products	15,000	-	1,500	100.00	5,151	1,500	100.00	(9,849)	(9,849)	Parent/Subsidiary
The Company	ASSB	Malaysia	Sale of brand-name IT products	1,193,559	-	30,969	100.00	1,404,134	30,969	100.00	20,408	194,934	Parent/Subsidiary
The Company	ACS	Singapore	Sale of brand-name IT products	171,997	-	3,985	100.00	223,952	3,985	100.00	7,072	38,755	Parent/Subsidiary
The Company	CHC	Taiwan	Energy technical services	50,000	-	5,000	41.67	49,513	5,000	41.67	(1,843)	(487)	Associate
ASBZ	VRE	Switzerland	Research of solutions to B2B virtual reality	-	38,979	-	-	-	100	100.00	145	Note 1	Parent/Subsidiary
HSNC	HSNT	Thailand	After-sale and value-added services of IT products	2,345	2,345	25	100.00	5,995	25	100.00	3,708	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	After-sale and value-added services of IT products	30,501	30,501	990	99.00	42,529	990	99.00	4,943	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	After-sale and value-added services of IT products	87,268	83,802	1,000	100.00	104,332	1,000	100.00	24,488	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	After-sale and value-added services of IT products	6,357	6,357	106	100.00	32,116	106	100.00	10,994	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	After-sale and value-added services of IT products	4,192	4,192	-	100.00	4,230	-	100.00	1,233	Note 1	Parent/Subsidiary
AST	ISU	Taiwan	Human resources and project service	20,000	20,000	2,000	100.00	40,798	2,000	100.00	17,891	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	14,000	1	100.00	20,867	1	100.00	11,236	Note 1	Parent/Subsidiary
AST	SPE	Taiwan	Plant engineering planning and construction	99,700	-	3,000	33.33	110,277	3,000	33.33	35,886	Note 1	Associate
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	28,268	1,244	24.88	33,425	Note 1	Associate
ADSC	APDI	Taiwan	Solar optronics business	-	29,577	-	-	-	2,958	100.00	1,577	Note 1	Parent/Subsidiary
ADSC	ASDI	Taiwan	Hotel management service	-	500,000	-	-	-	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ADSC	KBest	Taiwan	Development and manufacturing of radio and microwave equipment	130,720	130,720	4,713	29.84	31,836	4,713	29.84	(4,617)	Note 1	Associate
ADSC	KTI	Taiwan	Manufacturing of lithium battery module	15,000	-	1,500	75.00	6,545	1,500	75.00	(11,274)	Note 1	Parent/Subsidiary
ADSC	AST	Taiwan	System integration service	8,998	-	200	1.00	6,994	200	1.00	75,902	Note 1	Fellow subsidiaries
ADSC	ACSI	Taiwan	Cyber security service	18,720	-	200	0.88	10,638	200	0.90	155,366	Note 1	Fellow subsidiaries

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	10,275	452	9.05	33,425	Note 1	Associate
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,899	882	30.22	9,210	Note 1	Associate
WLII	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	26,616	1,000	100.00	16,737	Note 1	Parent/Subsidiary
WLII	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	317,502	6,000	20.00	394,843	Note 1	Associate
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	704	75	75.00	(7)	Note 1	Parent/Subsidiary
WLII	PGL	Cayman Islands	Investment and holding activity	-	337,906	-	-	-	2,550	51.00	64,986	Note 1	Parent/Subsidiary
WLII	Bluechip	Australia	Sale of computer peripherals and software system	22,411	-	434	7.59	22,719	434	8.31	36,737	Note 1	Fellow subsidiaries
WLII	PAM	Taiwan	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	628,483	-	14,340	62.53	591,945	14,340	62.53	4,486	Note 1	Parent/Subsidiary
PAM	PAL	British Virgin Islands	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36,979	-	70	100.00	39,259	70	100.00	16,488	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	-	650	100.00	123,915	650	100.00	(11,221)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,087	-	2,000	100.00	133,279	2,000	100.00	71,915	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	2,880	2,880.00	1	100.00	2,128	1	100.00	(652)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,485,368	109,639	7.98	403,836	Note 1	Fellow subsidiaries
ACTI	GrandPAD	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	182,967	436	28.88	(5,232)	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(2,654)	100	100.00	(1,040)	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	115,329	1	100.00	902	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	95,207	3,600	100.00	4,311	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	275,612	26,304	63.46	1,129,963	26,404	72.44	436,771	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(42,450)	2,900	100.00	(9,161)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	141,711	9,750	94.20	76,990	9,750	100.00	(23,280)	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, software-defined storage, and IT solution	78,613	78,613	6,581	78.59	65,666	6,581	78.59	1,338	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	394,772	394,772	34,308	94.41	31,478	34,308	94.41	(80,169)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	267,834	83,490	10,279	67.51	175,605	10,279	67.51	(54,706)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(11,789)	1,225	49.00	(11,494)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,152	2,310	100.00	1,623	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	50,676	50,676	2,900	100.00	16,298	2,947	100.00	(556)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(12,271)	1,275	51.00	(11,494)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(63,553)	2,500	100.00	(492)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	325,630	6,029	100.00	(22,597)	6,029	100.00	244	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	-	675	20.00	10,785	675	20.00	12,401	Note 1	Associate
AGM	AGPH	Philippines	Agency of video game console and peripherals	8,340	-	154	100.00	17,133	154	100.00	8,609	Note 1	Parent/Subsidiary
AGM	WKC	Cayman Islands	Investment and holding activity	641,544	-	9,589	54.96	641,544	9,589	54.96	-	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar optonics business	37,446	-	2,958	100.00	38,667	2,958	100.00	1,577	Note 1	Parent/Subsidiary
API	ASDI	Taiwan	Hotel management service	73,758	-	5,000	100.00	82,622	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	10,000	1,000	100.00	5,922	1,000	100.00	(1,783)	Note 1	Parent/Subsidiary
ACSI	EDC	Taiwan	Uninterrupted operation and IT operation outsourcing services	475,748	-	44,462	100.00	564,183	44,462	100.00	89,192	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	570	9.97	37,003	570	11.27	36,737	Note 1	Fellow subsidiaries
AOI	AOA	U.S.A.	Sale of computer, apparatus system, and peripheral equipment	295,771	295,771	15,000	100.00	(169,763)	15,000	100.00	(646)	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	(23,115)	1	100.00	(1,065)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	319,822	50	100.00	45,541	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	28,413	1	100.00	727	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	60,000	60,000	1,500	100.00	13,574	4,000	100.00	20	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	9,195	105	70.00	(4,646)	Note 1	Parent/Subsidiary
AOI	HTW	Hong Kong	Software development and agency	-	405	-	-	-	-	100.00	5	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	376,238	6,399	16.60	348,265	6,399	17.28	312,302	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,890	300	100.00	(1)	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	13,355	1	100.00	(4,646)	Note 1	Parent/Subsidiary

Note 1: The share of profits or losses of the investee company is not disclosed herein as such amount is already included in the share of profits or losses of the investor company.

Acer Incorporated and Subsidiaries
Information on Investments in Mainland China
For the year ended December 31, 2022

Table 9

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2022		Share of profits/ losses of investee	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,124	1	92,124	-	-	92,124	(6,480)	100.00	-	100.00	(6,480)	(7,364)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,062	2	-	-	-	-	3,569	100.00	-	100.00	3,569	221,950	-
Acer Computer (Shanghai) Ltd.	Sale of brand-name IT products	61,416	2	61,416	-	-	61,416	19,448	100.00	-	100.00	19,448	1,256,648	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,606,200	2	4,729,032 (Note 2)	-	-	4,729,032	(55,754)	100.00	-	100.00	(55,754)	4,487,516	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,540	1	153,540	-	-	153,540	(2,939)	100.00	-	100.00	(2,939)	28,662	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	26,708	1	(Note 3)	-	-	-	(4,013)	30.00	-	30.00	(1,204)	6,314	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,231	1	9,231	-	-	9,231	(276)	100.00	-	100.00	(276)	5,164	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	13,354	1	(Note 3)	-	-	-	(4,697)	30.00	-	30.00	(1,409)	7,272	-
Acer China Venture Corp	Fund company management	22,257	1	22,257	-	1,898	20,359	(118)	-	-	100.00	(117)	-	-
Acer China Venture Partnership (Limited Partnership)	Investment fund	66,770	1	62,319 (Note 4)	-	9,469	52,850	2	-	-	100.00	2	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,451	1	4,451	-	-	4,451	68	100.00	-	100.00	68	9,163	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,586	1	19,586	-	-	19,586	(2,029)	100.00	-	100.00	(2,029)	93,295	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	713	100.00	-	100.00	713	29,842	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,354	1	15,354	-	-	15,354	11,184	100.00	-	100.00	11,184	46,583	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(2,864)	100.00	-	100.00	(2,864)	12,768	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	48,454	100.00	-	100.00	48,454	303,577	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(10,743)	100.00	-	100.00	(10,743)	120,897	-
Shanghai Winking Entertainment Limited	Holding activity, Art outsourcing and Game development headquarter	446,030	2	-	-	-	-	-	54.96	-	54.96	-	158,855	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	92,000	2	-	-	-	-	-	54.96	-	54.96	-	9,053	-
Nanjing Winking Entertainment Ltd	Art outsourcing	88,847	2	-	-	-	-	-	54.96	-	54.96	-	114,213	-

Note 1: Method of Investment:

Type 1: Direct investment in Mainland China.

Type 2: Indirect investment in Mainland China through a holding company established in other countries.

Note 2: Acer Intellectual (Chongqing) Limited had merged with Acer (Chongqing) Ltd. in 2014, and Acer (Chongqing) Ltd. was the surviving entity from the merger. This amount included the original investment in

Acer Intellectual (Chongqing) Limited of \$122,832 (US\$ 4,000 thousand).

Note 3: Innovation and Commercialization Accelerator Inc. and Consumer Insights Research (Chongqing) Inc. were reinvested by Acer Cloud Technology(Chongqing) Ltd.

Note 4: Acer China Venture Partnership was invested by the Company and Acer China Venture Corp of \$60,533 and \$4,324, respectively.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2022 (Note 5)(Note 6)(Note 7)(Note 8)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)(Note 6)(Note 7)(Note 8)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	\$5,791,757 (US\$188,607,415)	\$7,893,171 (US\$257,039,530.8)	(Note)

Note 5: In September, 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US\$ 730,000 had been remitted to AOI in March 2010.

AOI has not yet to report to MOEA, therefore, the amount of US\$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 6: T-Conn Precision(Zhongshan) Co., Ltd., indirectly invested by AOI, had been dissolved and the related liquidation process has been completed. The liquidation proceeds of US\$ 31,549.06 (according to ownership percentage of 19%) has been remitted to Super Elite Ltd., a holding company established in other countries. On March 12, 2010, AOI has obtained MOEA's approval to withdraw its investment. However, the amount of accumulated investment in Mainland China still included the amount of US\$ 57,000 due to the liquidation of capital which has yet to be remitted to Taiwan.

Note 7: As a result of the acquisition of WKC, AGM indirectly acquired its investment of WKSH located in Mainland China, and meanwhile accumulated the investments in Mainland China amounting to US\$16,033,042.

Note 8: AGM made indirect investment in Mainland China through a holding company (WKC) established in other countries.

The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.708 as of December 31, 2022.

Note: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limitation on investment in Mainland China.

Appendix I I

2022 Parent-Company- Only Financial Statements

APPENDIX

ACER INCORPORATED**Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021**

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.

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安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the parent-company-only financial statements of Acer Incorporated (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021, and 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 significant accounting policies.

In our opinion, 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 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 requirement. 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 matters for the Company's parent-company-only financial statements for the year ended December 31, 2022 are stated as follows:

1. Revenue recognition

Refer to Note 4(p) for the accounting policies on recognizing revenue, and Note 5(a) for uncertainty of accounting estimations and assumptions for sales returns and allowances, respectively, to the parent-company-only financial statements.

Description of key audit matter:

The Company engaged primarily in the sale of brand-name IT products. Revenue is recognized depending on the various trade terms agreed 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. Furthermore, the accrual of sales allowances and returns based on business practice is subject to management's judgment, which involves significant uncertainty. Consequently, the revenue recognition and accrual of sales allowances and returns have been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of the Company's internal controls over the timing of revenue recognition; 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; assessing the methodology used by management in estimating sales allowances and returns, including the reasonableness of key assumptions; and inspecting the historical payments of sales allowances and returns to evaluate the reasonableness of the sales allowances and returns estimated by management.

2. Valuation of inventories

Refer to Note 4(g) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(g) for the details of the write-down of inventories, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of the information technology products and fierce market competition, the Company's product price may fluctuate rapidly. Furthermore, the stocks for products and key components may exceed customers' demands thus becoming obsolete. These factors expose the Company to significant level of uncertainty particularly in the area of estimating net realizable value, which is subject to management's judgments. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, evaluating whether valuation of inventories was accounted for in accordance with the Company's accounting policies; obtaining the inventory aging report, analyzing the fluctuation of inventory aging and selecting samples to verify the accuracy of inventory aging classification; and testing the net realizable value of inventories to evaluate the reasonableness of inventory provisions.

3. Impairment of goodwill from investment in subsidiaries

Refer to Note 4(n) for the accounting policies on impairment of non-financial assets, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(h) for the evaluation of goodwill impairment, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries, which are included within the carrying amount of investments accounted for using the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, assessing the basis used by management for identifying the cash-generating units and whether book value of assets belonging to respective cash-generating units have been completely covered; assessing the appropriateness of the valuation method and key assumptions (in particular projected sales growth rate and weighted-average cost of capital) used by the management in measuring the recoverable amount; assessing the historical reasonableness of management's estimates of financial forecasts, and performing a sensitivity analysis to assess the impact of variations in key assumptions. In addition to the above audit procedures, we have also involved a valuation specialist to evaluate the appropriateness of the weighted-average cost of capital used and its underlying assumptions; and inspecting the adequacy of the Company's disclosures of related information on impairment evaluation of goodwill.

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 members of 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 financial parent-company-only 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 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, base 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 Huei-Chen Chang and Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)

March 16, 2023

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 Originally Issued in Chinese)

ACER INCORPORATED
Parent-Company-Only Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 16,424,913	12	20,564,678	13
1110	Financial assets measured at fair value through profit or loss— current (note 6(b))	125,665	-	443,248	-
1170	Notes and accounts receivable, net (notes 6(e) & (u))	3,569,975	3	6,335,764	4
1180	Notes and accounts receivable from related parties (notes 6(e) & (u) and 7)	12,743,460	9	37,518,525	23
1200	Other receivables, net (note 6(f))	152,614	-	263,174	-
1210	Other receivables from related parties (notes 6(f) and 7)	1,049,499	1	664,582	-
130X	Inventories (note 6(g))	12,515,946	9	16,213,599	10
1470	Other current assets	<u>306,649</u>	<u>-</u>	<u>245,025</u>	<u>-</u>
	Total current assets	<u>46,888,721</u>	<u>34</u>	<u>82,248,595</u>	<u>50</u>
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(c))	6,465,744	5	6,690,542	4
1536	Financial assets measured at amortized cost—non-current (note 6(d))	797,782	1	-	-
1550	Investments accounted for using the equity method (note 6(h))	77,041,422	56	67,951,695	42
1600	Property, plant and equipment (note 6(i))	1,754,509	1	1,740,178	1
1755	Right-of-use assets (note 6(j))	120,214	-	76,756	-
1760	Investment property (note 6(k))	824,318	1	811,781	1
1780	Intangible assets (note 6(l))	179,677	-	175,814	-
1840	Deferred income tax assets (note 6(r))	3,082,794	2	3,100,650	2
1900	Other non-current assets	46,457	-	40,261	-
1980	Other financial assets—non-current (note 8)	<u>148,466</u>	<u>-</u>	<u>160,566</u>	<u>-</u>
	Total non-current assets	<u>90,461,383</u>	<u>66</u>	<u>80,748,243</u>	<u>50</u>
	Total assets	<u>\$ 137,350,104</u>	<u>100</u>	<u>162,996,838</u>	<u>100</u>

(Continued)

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED
Parent-Company-Only Balance Sheets (Continued)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b))	\$ 714,504	1	145,969	-
2130	Contract liabilities – current (note 6(u))	8,809	-	9,512	-
2170	Notes and accounts payable	21,099,402	15	47,977,844	30
2180	Accounts payable to related parties (note 7)	758,286	1	628,865	-
2200	Other payables (note 6(v))	24,676,398	18	26,560,173	17
2220	Other payables to related parties (note 7)	2,895,984	2	518,175	-
2250	Provisions – current (note 6(o) and 9)	1,011,266	1	834,725	1
2230	Current tax liabilities	1,891,249	1	3,502,017	2
2280	Lease liabilities – current (note 6(n))	63,209	-	43,432	-
2365	Refund liabilities – current	2,781,608	2	3,636,287	2
2399	Other current liabilities	<u>276,737</u>	<u>-</u>	<u>434,939</u>	<u>-</u>
	Total current liabilities	<u>56,177,452</u>	<u>41</u>	<u>84,291,938</u>	<u>52</u>
Non-current liabilities:					
2530	Bonds payable (note 6(m))	10,000,000	7	10,000,000	6
2570	Deferred income tax liabilities (note 6(r))	4,530,059	4	4,234,394	3
2580	Lease liabilities – non-current (note 6(n))	57,923	-	33,810	-
2600	Other non-current liabilities (note 6(q))	624,079	-	745,386	-
2622	Long-term payable to related parties (note 7)	<u>13,134</u>	<u>-</u>	<u>14,594</u>	<u>-</u>
	Total non-current liabilities	<u>15,225,195</u>	<u>11</u>	<u>15,028,184</u>	<u>9</u>
	Total liabilities	<u>71,402,647</u>	<u>52</u>	<u>99,320,122</u>	<u>61</u>
Equity (note 6(c)&(s)):					
3110	Common stock	30,478,538	22	30,478,538	19
3200	Capital surplus	27,795,883	20	27,514,269	17
3300	Retained earnings	14,897,145	11	16,886,389	10
3400	Other equity	(4,309,253)	(3)	(8,287,624)	(5)
3500	Treasury stock	<u>(2,914,856)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(2)</u>
	Total equity	<u>65,947,457</u>	<u>48</u>	<u>63,676,716</u>	<u>39</u>
	Total liabilities and equity	<u>\$ 137,350,104</u>	<u>100</u>	<u>162,996,838</u>	<u>100</u>

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED**Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		2022		2021	
		Amount	%	Amount	%
4000	Net revenue (notes 6(u) and 7)	\$ 169,284,764	100	246,828,456	100
5000	Cost of revenue (notes 6(g) & (o) and 7)	(159,192,798)	(94)	(231,450,073)	(94)
	Gross profit	10,091,966	6	15,378,383	6
5920	Realized (unrealized) profit or loss on sales to subsidiaries, associates and joint ventures	40,330	-	(45,415)	-
	Realized gross profit	10,132,296	6	15,332,968	6
	Operating expenses (notes 6(e), (i), (j), (k), (l), (n), (o), (p), (q) & (v), 7 and 12):				
6100	Selling expenses	(2,772,572)	(1)	(3,325,745)	(1)
6200	General and administrative expenses	(1,283,169)	(1)	(1,459,183)	(1)
6300	Research and development expenses	(1,991,463)	(1)	(2,204,357)	(1)
	Total operating expenses	(6,047,204)	(3)	(6,989,285)	(3)
6500	Other operating income and expenses, net (notes 6(p) & (w) and 7)	132,051	-	161,174	-
	Operating income	4,217,143	3	8,504,857	3
	Non-operating income and loss:				
7100	Interest income (notes 6(x) and 7)	74,621	-	42,434	-
7010	Other income (note 6(x))	519,988	-	287,772	-
7020	Other gains and losses (notes 6(x) and 7)	(59,447)	-	(33,924)	-
7050	Finance costs (notes 6(n) & (x) and 7)	(113,533)	-	(51,662)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(h))	1,721,078	1	4,953,384	2
	Total non-operating income and loss	2,142,707	1	5,198,004	2
	Income before taxes	6,359,850	4	13,702,861	5
7950	Income tax expenses (note 6(r))	(1,356,162)	(1)	(2,805,434)	(1)
	Net Income	5,003,688	3	10,897,427	4
	Other comprehensive income (loss) (notes 6(h), (q), (r)&(s)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	89,278	-	(157,368)	-
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	(1,127,724)	(1)	(83,057)	-
8330	Share of other comprehensive income (losses) of subsidiaries and associates	386,990	-	(103,357)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(17,856)	-	31,474	-
	Total items that will not be reclassified subsequently to profit or loss	(669,312)	(1)	(312,308)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	4,595,828	3	(2,766,226)	(1)
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	4,595,828	3	(2,766,226)	(1)
	Other comprehensive income (loss), net of taxes	3,926,516	2	(3,078,534)	(1)
	Total comprehensive income for the year	\$ 8,930,204	5	\$ 7,818,893	3
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	\$ 1.67		\$ 3.63	
9850	Diluted earnings per share	\$ 1.65		\$ 3.60	

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2021	\$ 30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,869,033	(6,043,227)	768,662	(242,887)	(5,517,452)	(2,914,856)	60,293,331
Net income for the year	-	-	-	-	10,897,427	10,897,427	-	-	-	-	-	10,897,427
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,766,226)	(324,225)	11,917	(3,078,534)	-	(3,078,534)
Total comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	(2,766,226)	(324,225)	11,917	(3,078,534)	-	7,818,893
Appropriation approved by the stockholders:												
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-	-
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	70,119
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	-	(24,908)
Changes in ownership interests in subsidiaries	-	60,105	-	-	-	-	3,856	(6,544)	2,760	72	-	60,177
Difference between consideration and carrying amount of subsidiaries disposed	-	29,880	-	-	-	-	-	-	-	-	-	29,880
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	-	1,005
Disposal of financial assets measured at fair value through other comprehensive income by the company	-	-	-	-	40,230	40,230	-	(40,230)	-	(40,230)	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(348,520)	(348,520)	-	348,520	-	348,520	-	-
Balance at December 31, 2021	<u>30,478,538</u>	<u>27,514,269</u>	<u>1,456,427</u>	<u>4,833,750</u>	<u>10,596,212</u>	<u>16,886,389</u>	<u>(8,805,597)</u>	<u>746,183</u>	<u>(228,210)</u>	<u>(8,287,624)</u>	<u>(2,914,856)</u>	<u>63,676,716</u>
Net income for the year	-	-	-	-	5,003,688	5,003,688	-	-	-	-	-	5,003,688
Other comprehensive income (loss) for the year	-	-	-	-	-	-	4,595,828	(1,204,929)	535,617	3,926,516	-	3,926,516
Total comprehensive income (loss) for the year	-	-	-	-	5,003,688	5,003,688	4,595,828	(1,204,929)	535,617	3,926,516	-	8,930,204
Appropriation approved by the stockholders:												
Legal reserve	-	-	1,058,914	-	(1,058,914)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,564,442	(2,564,442)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,949,107)	(6,949,107)	-	-	-	-	-	(6,949,107)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	107,298	-	-	-	-	-	-	-	-	-	107,298
Share of changes in equity of associates	-	(2,746)	-	-	-	-	-	-	-	-	-	(2,746)
Changes in ownership interests in subsidiaries	-	154,065	-	-	-	-	(287)	5,195	7,486	12,394	-	166,459
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	12,345	-	-	-	-	-	-	-	-	-	12,345
Organizational restructuring under common control	-	8,302	-	-	-	-	(11,702)	-	5,483	(6,219)	-	2,083
Liquidation of subsidiaries	-	-	-	-	-	-	1,855	-	-	1,855	-	1,855
Stock option compensation cost of subsidiaries	-	2,350	-	-	-	-	-	-	-	-	-	2,350
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(43,825)	(43,825)	-	43,825	-	43,825	-	-
Balance at December 31, 2022	<u>\$ 30,478,538</u>	<u>27,795,883</u>	<u>2,515,341</u>	<u>7,398,192</u>	<u>4,983,612</u>	<u>14,897,145</u>	<u>(4,219,903)</u>	<u>(409,726)</u>	<u>320,376</u>	<u>(4,309,253)</u>	<u>(2,914,856)</u>	<u>65,947,457</u>

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 6,359,850	13,702,861
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	144,017	140,120
Amortization	23,271	24,593
Net (gain) loss on financial assets measured at fair value through profit or loss	(907)	406
Effects of exchange rate changes in financial assets measured at amortized cost	(57,817)	-
Interest expense	113,533	51,662
Interest income	(74,621)	(42,434)
Dividend income	(519,988)	(287,772)
Share of profits of subsidiaries, associates and joint ventures	(1,721,078)	(4,953,384)
Gain on disposal of equipment and intangible assets	(670)	(657)
Loss on liquidation of subsidiaries	2,301	-
Property, Plant and equipment reclassified to expenses	-	917
Unrealized (realized) profit on sales to subsidiaries, associates and joint ventures	(40,330)	45,415
Other profits from investment	-	(196)
Total adjustments for profit or loss	<u>(2,132,289)</u>	<u>(5,021,330)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	887,025	(1,084,932)
Contract assets	-	250
Notes and accounts receivable	2,765,789	(425,105)
Notes and accounts receivable from related parties	24,775,065	(12,922,567)
Inventories	3,687,416	(2,563,051)
Other receivables and other current assets	101,854	(70,225)
Changes in operating assets	<u>32,217,149</u>	<u>(17,065,630)</u>
Changes in operating liabilities:		
Notes and accounts payable	(26,878,442)	6,028,200
Payables to related parties	2,732,230	159,923
Refund liabilities	(854,679)	(14,624)
Other payables and other current liabilities	(2,041,977)	8,119,742
Provisions	176,541	92,572
Contract liabilities	(703)	(69,619)
Other non-current liabilities and long-term payables to related parties	(33,488)	(24,630)
Changes in operating liabilities	<u>(26,900,518)</u>	<u>14,291,564</u>
Cash provided by operations	9,544,192	5,907,465
Interest received	66,508	42,317
Income taxes paid	(2,716,260)	(1,065,249)
Net cash provided by operating activities	<u>6,894,440</u>	<u>4,884,533</u>

(Continued)

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED**Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(902,926)	(2,175,540)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	107,703
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	-	2,845
Acquisition of financial assets measured at amortized cost	(739,775)	-
Additions to investments accounted for using the equity method	(3,001,210)	(113,655)
Proceeds from disposal of investments accounted for using the equity method	509,697	66,165
Proceeds from capital return of investments accounted for using the equity method	11,044	-
Additions to property, plant and equipment and investment property	(76,739)	(40,378)
Proceeds from disposal of equipment and intangible assets	670	895
Increase in receivables from related parties	(423,010)	(412,338)
Additions to intangible assets	(25,960)	(7,810)
Increase in assets recognized from costs to fulfill contracts with customers	-	(2,438)
Increase (decrease) in other financial assets and other non-current assets	4,732	(59,894)
Dividends received	980,389	560,248
Net cash flows used in investing activities	<u>(3,663,088)</u>	<u>(2,074,197)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	5,077,804	5,233,942
Decrease in short-term borrowings	(5,077,804)	(5,233,942)
Proceeds from issuing bonds	-	10,000,000
Repayment of long-term debt	-	(3,300,000)
Payment of lease liabilities	(83,477)	(77,024)
Decrease in loans from related parties	(225,000)	(280,000)
Cash dividends	(6,949,107)	(4,571,781)
Interest paid	(113,533)	(16,677)
Net cash flows provided by (used in) financing activities	<u>(7,371,117)</u>	<u>1,754,518</u>
Net increase in cash and cash equivalents	(4,139,765)	4,564,854
Cash and cash equivalents at beginning of period	<u>20,564,678</u>	<u>15,999,824</u>
Cash and cash equivalents at end of period	<u>\$ 16,424,913</u>	<u>20,564,678</u>

See accompanying notes to parent-company-only financial statements.

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

ACER INCORPORATED

Notes to Parent-Company-Only Financial Statements

For the years ended December 31, 2022 and 2021

**(Expressed in Thousands of New Taiwan Dollars, Except for Per Share Information
And Otherwise Specified)**

1. Organization and business

Acer Incorporated (the “Company”) was incorporated on August 1, 1976, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C.

The Company is primarily engaged in marketing and sale of brand-name IT products. The Company also builds innovative ecosystems in consumer and commercial markets to provide more products and integrated applications along with software, hardware and related services. In addition, the Company aims at building multiple business engines to foster innovation of products and application services for market expansion.

2. Authorization of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 16, 2023.

3. Application of new and revised accounting standards and interpretations:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.</p> <p>The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.</p>	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	<p>After reconsidering certain aspects of the 2020 amendments, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.</p> <p>Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.</p>	January 1, 2024

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its parent-company-only financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- IFRS 16 “Requirements for Sale and Leaseback Transactions”

4. Summary of significant accounting policies

The significant accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The accompanying parent-company-only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for the following items:

- 1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments);
- 2) Financial assets measured at fair value through other comprehensive income; and
- 3) Net defined benefit liability measured at present value of defined benefit obligation less the fair value of plan assets.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The Company’s parent-company-only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (“the reporting date”), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Company's parent-company-only financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency of the Company's parent-company-only financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

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

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

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

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

- (i) It is expected to be realized, or intended to be sold or consumed in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method, less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive the dividends is established (usually the ex-dividend date).

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

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables and other financial assets) and contract assets.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

The Company measures loss allowances for accounts receivable, contract assets and other financial assets at an amount equal to lifetime ECL, except for the following financial assets which are measured using 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Company's historical experience and credit assessment, as well as forward-looking information.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) **Derecognition of financial assets**

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less the direct issuing cost.

3) Treasury stock

When shares recognized as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury stock. When treasury stock is sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Company uses derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(g) Inventories

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

(h) Investments accounted for using the equity method

Investments accounted for using the equity method include investments in associates and interests in joint venture.

An associate is an entity in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company recognizes its share of the profit or loss and other comprehensive income of those associates from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in percentage of ownership.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated investors' interests in the associate.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Company.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing of a part interest in the associate, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to the reduction in ownership interest to profit or loss (or retained earnings).

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. If the adjustments are charged to capital surplus and the capital surplus resulting from investments accounted for using the equity method is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint ventures) in which the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Company qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(i) Investments in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Carrying amount of investments in subsidiaries includes goodwill arising from initial recognition less any accumulated impairment losses, which is recognized as a reduction of carry amount. Under the equity method, profit or loss and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to owners of the Parent in the consolidated financial statements. In addition, changes in equity recognized in parent-company-only financial statement is in line with the changes in equity attributable to owners of parent in the consolidated financial statements. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

The Company uses acquisition method for acquisitions of new subsidiaries. The goodwill arising from an acquisition is measured as the excess of the acquisition-date fair value of consideration transferred, including the amount of non-controlling interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the amount calculated above is a deficit balance, the Company recognizes that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed. For each business combination, non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the fair value of acquiree's identifiable net assets.

In an acquisition of new subsidiary achieved in stages, the Company shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Company's equity interest should be reclassified to profit or loss on the same basis as would be required if the Company had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

(j) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the purpose of the property changes from owner-occupied to investment.

(iii) Subsequent costs

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

(iv) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated. The estimated useful lives of property, plant and equipment are as follows: buildings— main structure - 30 to 50 years; air-conditioning system - 10 years; other equipment pertaining to buildings - 20 years; computer and communication equipment - 3 to 5 years; other equipment - 3 to 10 years.

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment property are the same as those adopted for property, plant and equipment.

Rental income from investment property is recognized as other operating income and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupied.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Company's assessment on whether it will exercise an option to purchase the underlying asset, or;
- there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications in lease subject, scope of the lease or other terms.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

At inception or on reassessment of whether a contract contains a lease, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Company has elected not to separate non-lease components and account for each lease component and any associated non-lease components as a single lease component.

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

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

The Company presents right-of-use assets that do not meet the definition of investment properties and lease liabilities as a separate line item respectively in the parent-company-only balance sheets.

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

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating lease, the Company recognizes rental income on a straight-line basis over the lease term.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(m) Intangible assets

(i) Goodwill

Goodwill arising from acquisitions of subsidiaries is accounted for as intangible assets. Refer to note 4(i) for the description of the measurement of goodwill at initial recognition. Goodwill arising from acquisitions of subsidiaries and associates are included in the carrying amount of investments in associates. Goodwill is not amortized but is measured at cost less accumulated impairment losses.

(ii) Trademarks

Trademarks are measured at cost. Subsequent to the initial recognition, trademarks with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. Trademarks with indefinite useful lives are carried at cost less any accumulated impairment losses and are tested for impairment annually. The useful life of an intangible asset not subject to amortization is reviewed annually at each financial year-end to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Any change in the useful life assessment from indefinite to definite is accounted for as a change in accounting estimate.

(iii) Other intangible assets

Other separately acquired intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the following estimated useful lives: patents - 4 to 15 years; acquired software - 1 to 3 years.

The residual value, amortization period, and amortization method are reviewed at least at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(n) Impairment of non-financial assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(ii) Others

Provisions for litigation claims and environmental restoration are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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ACER INCORPORATED
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The Company recognizes revenue based on the price specified in the contract, net of the estimated volume discounts and rebates. Accumulated experience is used to estimate the discounts and rebates using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranged from 30 to 90 days, which is consistent with the market practice.

The Company's obligation to provide a refund for faulty goods under the standard warranty terms is recognized as a provision for warranty. Please refer to note 6(o) for more explanation.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Revenue from service rendered

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

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

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

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes the incremental costs of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

2) Assets recognized from costs to fulfill contracts with customers

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (e.g., IAS 2 *Inventories*, IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets*), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations) are recognized as expenses when incurred.

(q) Government grant

A government grant is recognized in profit or loss only when there is reasonable assurance that the Company will comply with the conditions associated with the grant and that the grant will be received.

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company without future related costs.

Government grant is recorded in other operating income and expenses, net.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expenses related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise (i) actuarial gains and losses; (ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income and reflected in other equity.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(s) Share-based payment

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

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Board of Directors approves the exercise price and the shares to which employees can subscribe.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- (i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (u) Earnings per share (“EPS”)

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

- (v) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

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

The preparation of the parent-company-only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

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

- (a) Revenue recognition (accrual of sales return and allowance)

The Company records a refund liability for estimated future returns and other allowances in the same period the related revenue is recognized. Refund liability for estimated sales returns and other allowances is generally made and adjusted based on historical experience, channel inventory, market and economic conditions, and any other factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and rapid evolution of technology could result in significant adjustments to the accruals made.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(b) Valuation of inventory

Inventories are measured at the lower of cost or net realizable value. The Company uses judgment and estimates to determine the net realizable value of inventory at each reporting date.

The Company estimates the net realizable value of inventory, taking obsolescence and unmarketable items into account at the reporting date, and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a time horizon, which could result in significant adjustments. Refer to note 6(g) for further description of inventory write-downs.

(c) Impairment of goodwill from investments in subsidiaries

The assessment of impairment of goodwill requires the Company to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years. Refer to note 6(h) for further description of the impairment of goodwill.

6. Significant account disclosures

(a) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand	\$ 614	514
Bank deposits	5,185,171	18,814,366
Time deposits	<u>11,239,128</u>	<u>1,749,798</u>
	<u>\$ 16,424,913</u>	<u>20,564,678</u>

(b) Financial instruments measured at fair value through profit or loss – current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	\$ 123,004	441,494
Non-derivative financial assets		
Stocks listed on foreign markets	<u>2,661</u>	<u>1,754</u>
	<u>\$ 125,665</u>	<u>443,248</u>
Financial liabilities held for trading – current:		
Derivatives – Foreign currency forward contracts	<u>\$ (714,504)</u>	<u>(145,969)</u>

Please refer to note 6(x) for the amounts recognized in profit or loss arising from remeasurement at fair value.

(Continued)

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The Company entered into derivative contracts to manage foreign currency exchange risk arising from operating activities. At each reporting date, the outstanding foreign currency forward contracts that did not conform to the criteria for hedge accounting consisted of the following (the contract amount was presented in USD):

- (i) Foreign currency forward contracts

December 31, 2022		
Contract amount (in thousands)	Currency	Maturity period
USD 662,000	USD / NTD	2023/01
USD 298,162	EUR / USD	2023/01~2023/06
USD 5,757	NZD / USD	2023/01~2023/03
USD 55,082	AUD / USD	2023/01~2023/04
USD 43,386	USD / JPY	2023/01~2023/10
USD 135,967	USD / INR	2023/01~2023/07
December 31, 2021		
Contract amount (in thousands)	Currency	Maturity period
USD 595,000	USD / NTD	2022/01
USD 669,048	EUR / USD	2022/01~2022/05
USD 10,494	NZD / USD	2022/01~2022/05
USD 115,082	AUD / USD	2022/01~2022/06
USD 31,917	USD / JPY	2022/01~2022/08
USD 214,969	USD / INR	2022/01~2022/06

- (c) Financial assets measured at fair value through other comprehensive income – non-current:

	December 31, 2022	December 31, 2021
Equity investments measured at fair value through other comprehensive income:		
Domestic listed stock	\$ 6,143,288	6,533,121
Domestic unlisted stock	322,456	157,421
	\$ 6,465,744	6,690,542

The Company designated the investments shown above financial assets measured as at fair value through other comprehensive income because these equity instruments are held for long-term strategic purposes and not for trading. Certain financial assets measured at FVOCI were disposed of in 2021, the related gain accumulated in other comprehensive income of \$40,230 has been reclassified from other equity to retained earnings, accordingly.

(Continued)

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(d) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Fixed Rate Corporate Bonds	\$ 183,622	-
Fixed Rate Callable Notes	614,160	-
	\$ 797,782	-

The Company evaluated these financial assets being hold-to-maturity in order to collect the contractual cash flows, which are solely payments for principal and interest on principal amount outstanding. Therefore, such financial assets were classified as financial assets measured at amortized cost.

(e) Notes and accounts receivable, net (measured at amortized cost)

	December 31, 2022	December 31, 2021
Notes receivable	\$ 5,250	14,619
Accounts receivable	3,566,480	6,322,943
Less: loss allowance	(1,755)	(1,798)
	3,569,975	6,335,764
Notes and accounts receivable from related parties (note 7(b))	12,743,460	37,518,525
	\$ 16,313,435	43,854,289

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. Forward looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable was as follows:

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 2,789,857	0.05%	(1,460)
Past due 1-30 days	752,600	0.00%	-
Past due 31-60 days	21,095	0.00%	-
Past due 61-90 days	3,046	0.03%	(1)
Past due 91-180 days	4,784	0.19%	(9)
Past due 181 days or over	348	81.90%	(285)
	\$ 3,571,730		(1,755)

(Continued)

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	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 5,579,837	0.03%	(1,798)
Past due 1-30 days	704,925	0.00%	-
Past due 31-60 days	34,807	0.00%	-
Past due 61-90 days	14,418	0.00%	-
Past due 91-180 days	3,556	0.00%	-
Past due 181 days or over	19	0.00%	-
	\$ 6,337,562		(1,798)

As of December 31, 2022 and 2021, no expected credit losses was provided for abovementioned notes and accounts receivable from related parties after management's assessment. The analysis was as follows:

	December 31, 2022	December 31, 2021
Current	\$ 8,606,720	34,606,560
Past due 1-30 days	2,061,103	2,053,424
Past due 31-60 days	1,201,646	389,904
Past due 61-90 days	466,288	222,040
Past due 91-180 days	276,177	163,924
Past due 181 days or over	131,526	82,673
	\$ 12,743,460	37,518,525

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

	2022	2021
Balance at January 1	\$ 1,798	2,221
Impairment loss recognized (reversed)	177	(423)
Write-off	(220)	-
Balance at December 31	\$ 1,755	1,798

(Continued)

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(f) Other receivables, net

	December 31, 2022	December 31, 2021
Other receivables from related parties (note 7(b))	\$ 1,049,499	664,582
Reimbursement of advertising expense	62,880	157,508
Purchase discount	57,772	85,860
Interest receivable	8,222	299
Others	<u>23,740</u>	<u>19,657</u>
	1,202,113	927,906
Less: loss allowance	<u>-</u>	<u>(150)</u>
	<u>\$ 1,202,113</u>	<u>927,756</u>

As of December 31, 2022 and 2021, except for the loss allowance fully provided for certain other receivables, no other loss allowance was provided for other receivables after management's assessment.

(g) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 11,456,106	14,497,453
Finished goods and merchandise	709,763	815,669
Spare parts	59,573	57,484
Inventories in transit	<u>290,504</u>	<u>842,993</u>
	<u>\$ 12,515,946</u>	<u>16,213,599</u>

For the years ended December 31, 2022 and 2021, the amounts of inventories recognized as cost of revenues were \$147,697,860 and \$214,865,824, respectively, of which \$894,308 and \$959,823, respectively, were the write-downs of inventories. The write-downs arose from the write-down of inventories to net realizable value.

(h) Investments accounted for using the equity method

A summary of the Company's investments accounted for using the equity method is as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 76,927,756	67,870,064
Associates	59,933	10,030
Joint ventures	<u>53,733</u>	<u>71,601</u>
	<u>\$ 77,041,422</u>	<u>67,951,695</u>

(Continued)

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- (i) For the information of subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2022.
- (ii) The Company has performed an impairment test for Goodwill from investment in subsidiaries, and there was no impairment as a result of the test. Please refer to the consolidated financial statements for the year ended December 31, 2022 for the description of the impairment of goodwill.
- (iii) Associates and joint venture

Name of Associates and Joint Venture	December 31, 2022		December 31, 2021	
	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount
Associates	-	\$ 59,933	-	10,030
Joint Venture:				
Smart Frequency Technology Inc. (“SFT”, note (i))	55.00	53,733	55.00	71,601
		<u>\$ 113,666</u>		<u>81,631</u>

Note (i): According to the joint venture agreement with a third party, the Company and the other party have joint control over SFT. Accordingly, this investment is accounted for using the equity method.

	2022	2021
The Company’s share of net income (loss) of the associates:		
Net income (loss)	\$ (97)	844
Other comprehensive income	-	-
Total comprehensive income (loss)	<u>\$ (97)</u>	<u>844</u>
The Company’s share of net loss of the joint venture:		
Net loss	\$ (17,868)	(17,717)
Other comprehensive income	-	-
Total comprehensive loss	<u>\$ (17,868)</u>	<u>(17,717)</u>

(Continued)

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(i) Property, plant and equipment

The movements of cost, and accumulated depreciation and impairment loss of the property, plant and equipment were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Computer and communication equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2022	\$ 1,427,739	2,541,949	534,025	275,998	4,779,711
Additions	-	29,368	17,589	12,533	59,490
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(9,310)	32,842	-	23,532
Balance at December 31, 2022	<u>\$ 1,427,739</u>	<u>2,555,537</u>	<u>541,439</u>	<u>268,222</u>	<u>4,792,937</u>
Balance at January 1, 2021	\$ 1,550,181	2,774,665	583,180	274,992	5,183,018
Additions	-	23,956	12,480	3,498	39,934
Disposals	-	-	(63,175)	(2,678)	(65,853)
Reclassifications	(122,442)	(256,672)	1,540	186	(377,388)
Balance at December 31, 2021	<u>\$ 1,427,739</u>	<u>2,541,949</u>	<u>534,025</u>	<u>275,998</u>	<u>4,779,711</u>
Accumulated depreciation and impairment loss:					
Balance at January 1, 2022	\$ 278,877	2,007,506	492,511	260,639	3,039,533
Depreciation	-	22,892	18,781	6,036	47,709
Disposals	-	(6,470)	(43,017)	(20,309)	(69,796)
Reclassifications	-	(1,623)	22,605	-	20,982
Balance at December 31, 2022	<u>\$ 278,877</u>	<u>2,022,305</u>	<u>490,880</u>	<u>246,366</u>	<u>3,038,428</u>
Balance at January 1, 2021	\$ 320,087	2,223,737	541,365	253,309	3,338,498
Depreciation	-	24,503	18,763	9,725	52,991
Disposals	-	-	(63,034)	(2,581)	(65,615)
Reclassifications	(41,210)	(240,734)	(4,583)	186	(286,341)
Balance at December 31, 2021	<u>\$ 278,877</u>	<u>2,007,506</u>	<u>492,511</u>	<u>260,639</u>	<u>3,039,533</u>
Carrying amounts:					
Balance at December 31, 2022	<u>\$ 1,148,862</u>	<u>533,232</u>	<u>50,559</u>	<u>21,856</u>	<u>1,754,509</u>
Balance at December 31, 2021	<u>\$ 1,148,862</u>	<u>534,443</u>	<u>41,514</u>	<u>15,359</u>	<u>1,740,178</u>

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Notes to Parent-Company-Only Financial Statements

(j) Right-of-use assets

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2022	\$ 174,928	6,117	181,045
Additions	127,367	-	127,367
Disposals	<u>(94,831)</u>	<u>-</u>	<u>(94,831)</u>
Balance at December 31, 2022	<u>\$ 207,464</u>	<u>6,117</u>	<u>213,581</u>
Balance at January 1, 2021	\$ 205,855	6,117	211,972
Additions	79,645	-	79,645
Disposals	<u>(110,572)</u>	<u>-</u>	<u>(110,572)</u>
Balance at December 31, 2021	<u>\$ 174,928</u>	<u>6,117</u>	<u>181,045</u>
Accumulated depreciation:			
Balance at January 1, 2022	\$ 101,670	2,619	104,289
Depreciation	81,870	2,039	83,909
Disposals	<u>(94,831)</u>	<u>-</u>	<u>(94,831)</u>
Balance at December 31, 2022	<u>\$ 88,709</u>	<u>4,658</u>	<u>93,367</u>
Balance at January 1, 2021	\$ 137,425	580	138,005
Depreciation	74,753	2,039	76,792
Disposals	<u>(110,508)</u>	<u>-</u>	<u>(110,508)</u>
Balance at December 31, 2021	<u>\$ 101,670</u>	<u>2,619</u>	<u>104,289</u>
Carrying amount:			
Balance at December 31, 2022	<u>\$ 118,755</u>	<u>1,459</u>	<u>120,214</u>
Balance at December 31, 2021	<u>\$ 73,258</u>	<u>3,498</u>	<u>76,756</u>

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(k) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2022	\$ 840,869	2,162,336	3,003,205
Additions	-	17,249	17,249
Reclassifications	-	9,310	9,310
Balance at December 31, 2022	<u>\$ 840,869</u>	<u>2,188,895</u>	<u>3,029,764</u>
Balance at January 1, 2021	\$ 718,427	1,905,121	2,623,548
Additions	-	444	444
Reclassifications	122,442	256,771	379,213
Balance at December 31, 2021	<u>\$ 840,869</u>	<u>2,162,336</u>	<u>3,003,205</u>
Accumulated depreciation and impairment loss:			
Balance at January 1, 2022	\$ 274,710	1,916,714	2,191,424
Depreciation	-	12,399	12,399
Reclassifications	-	1,623	1,623
Balance at December 31, 2022	<u>\$ 274,710</u>	<u>1,930,736</u>	<u>2,205,446</u>
Balance at January 1, 2021	\$ 233,500	1,665,544	1,899,044
Depreciation	-	10,337	10,337
Reclassifications	41,210	240,833	282,043
Balance at December 31, 2021	<u>\$ 274,710</u>	<u>1,916,714</u>	<u>2,191,424</u>
Carrying amounts:			
Balance at December 31, 2022	<u>\$ 566,159</u>	<u>258,159</u>	<u>824,318</u>
Balance at December 31, 2021	<u>\$ 566,159</u>	<u>245,622</u>	<u>811,781</u>
Fair value:			
Balance at December 31, 2022			<u>\$ 1,244,195</u>
Balance at December 31, 2021			<u>\$ 1,242,984</u>

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2022 and 2021, the estimated discount rate used for calculating the present value of the future cash flows was 6.83% and 5.79%, respectively.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(l) Intangible assets

The movements of costs, and accumulated amortization and impairment loss of intangible assets were as follows:

	<u>Goodwill</u>	<u>Trademarks and trade names</u>	<u>Patent</u>	<u>Software</u>	<u>Total</u>
Net balance at January 1, 2022:					
Cost	\$ 166,604	7,489,298	1,344,680	669,019	9,669,601
Accumulated amortization and impairment loss	-	(7,489,298)	(1,342,995)	(661,494)	(9,493,787)
Net balance at January 1, 2022	<u>166,604</u>	<u>-</u>	<u>1,685</u>	<u>7,525</u>	<u>175,814</u>
Additions	-	-	-	25,960	25,960
Amortization	-	-	(1,057)	(21,040)	(22,097)
Net balance at December 31, 2022	<u>\$ 166,604</u>	<u>-</u>	<u>628</u>	<u>12,445</u>	<u>179,677</u>
Net balance at December 31, 2022:					
Cost	\$ 166,604	7,489,298	1,344,680	320,325	9,320,907
Accumulated amortization and impairment loss	-	(7,489,298)	(1,344,052)	(307,880)	(9,141,230)
	<u>\$ 166,604</u>	<u>-</u>	<u>628</u>	<u>12,445</u>	<u>179,677</u>
Net balance at January 1, 2021:					
Cost	\$ 166,604	7,489,298	1,344,680	670,320	9,670,902
Accumulated amortization and impairment loss	-	(7,489,298)	(1,337,199)	(663,876)	(9,490,373)
Net balance at January 1, 2021	<u>166,604</u>	<u>-</u>	<u>7,481</u>	<u>6,444</u>	<u>180,529</u>
Additions	-	-	-	7,810	7,810
Amortization	-	-	(5,796)	(6,729)	(12,525)
Net balance at December 31, 2021	<u>\$ 166,604</u>	<u>-</u>	<u>1,685</u>	<u>7,525</u>	<u>175,814</u>
Net balance at December 31, 2021:					
Cost	\$ 166,604	7,489,298	1,344,680	669,019	9,669,601
Accumulated amortization and impairment loss	-	(7,489,298)	(1,342,995)	(661,494)	(9,493,787)
	<u>\$ 166,604</u>	<u>-</u>	<u>1,685</u>	<u>7,525</u>	<u>175,814</u>

The amortization and impairment loss of intangible assets were included in operating expenses of the parent-company-only statements of comprehensive income.

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(m) Bonds payable

	December 31, 2022	December 31, 2021
Unsecured bonds payable	<u><u>\$ 10,000,000</u></u>	<u><u>10,000,000</u></u>

On April 27, 2021, the Company issued \$5,000,000 of unsecured corporate bonds at par value with 5-year term repayable on maturity. The bonds bear annual coupon rate of 0.76% and interests are payable annually at coupon rate from the issuance date. On August 26, 2021, the Company issued \$5,000,000 of unsecured corporate bonds at par value with 5-year term repayable in two equal installments on August 26, 2025 and on maturity. The bonds bear annual coupon rate of 0.62% and interests are payable annually at coupon rate from the issuance date.

(n) Lease liabilities

(i) The carrying amounts of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	<u><u>\$ 63,209</u></u>	<u><u>43,432</u></u>
Non-current	<u><u>\$ 57,923</u></u>	<u><u>33,810</u></u>

Please refer to note 6(z) for maturity analysis.

(ii) The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	<u><u>\$ 1,469</u></u>	<u><u>891</u></u>
Expenses relating to short-term leases	<u><u>\$ 9</u></u>	<u><u>3,129</u></u>
Expenses relating to leases of low-value assets	<u><u>\$ -</u></u>	<u><u>33</u></u>

(iii) The amounts recognized in the statement of cash flows for the Company were as follows:

	2022	2021
Total cash outflow for leases	<u><u>\$ 84,955</u></u>	<u><u>81,077</u></u>

(iv) Major terms of leases

The Company leases buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 5 years. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

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(o) Provisions — current

	<u>Warranties</u>	<u>Litigation</u>	<u>Environmental protection</u>	<u>Total</u>
Balance at January 1, 2022	\$ 579,275	193,830	61,620	834,725
Additions	440,639	-	59,024	499,663
Amount utilized	(296,245)	-	(55,777)	(352,022)
Effect of exchange rate changes	7,774	21,126	-	28,900
Balance at December 31, 2022	<u>\$ 731,443</u>	<u>214,956</u>	<u>64,867</u>	<u>1,011,266</u>
Balance at January 1, 2021	\$ 482,287	199,556	60,310	742,153
Additions	312,444	-	46,402	358,846
Amount utilized	(214,101)	-	(45,092)	(259,193)
Effect of exchange rate changes	(1,355)	(5,726)	-	(7,081)
Balance at December 31, 2021	<u>\$ 579,275</u>	<u>193,830</u>	<u>61,620</u>	<u>834,725</u>

(i) Warranties

The provision for warranties is made based on the number of units sold currently under warranty, historical rates of warranty claim on those units, and cost per claim to satisfy the warranty obligation. The Company reviews the estimation basis on an ongoing basis and revises it when appropriate.

(ii) Litigation

Litigation provisions are recorded for pending litigation when it is determined that an unfavorable outcome is probable and the amount of loss can be reasonably estimated.

(iii) Environmental protection

An environmental protection provision is made when products are sold and is estimated based on historical experience.

(p) Operating lease

The Company leases its investment property to others. The Company has classified these leases as operating leases as it does not transfer substantially all the risks and rewards incidental to ownership of the assets to lessees. Please refer to note 6(k) for the information of investment property.

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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2022	December 31, 2021
Less than 1 year	\$ 83,653	82,025
1 year to 2 years	63,050	36,591
2 years to 3 years	62,653	22,939
3 years to 4 years	62,573	13,424
4 years to 5 years	62,573	11,160
Over 5 years	<u>265,924</u>	<u>35,394</u>
Total undiscounted lease payments	<u>\$ 600,426</u>	<u>201,533</u>

In 2022 and 2021, the rental income from investment property amounted to \$65,563 and \$104,831, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized were as follows:

	2022	2021
Arising from investment property that generated rental income during the period	\$ 25,951	34,756
Arising from investment property that did not generate rental income during the period	<u>7,816</u>	<u>11,957</u>
	<u>\$ 33,767</u>	<u>46,713</u>

(q) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities for defined benefit plans was as follows:

	December 31, 2022	December 31, 2021
Present value of benefit obligations	\$ 862,598	945,444
Fair value of plan assets	<u>(252,072)</u>	<u>(226,570)</u>
Net defined benefit liabilities (reported under other non-current liabilities)	<u>\$ 610,526</u>	<u>718,874</u>

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

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1) Composition of plan assets

The pension fund (the “Fund”) contributed by the Company is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund”, with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Company also established pension funds in accordance with the “Regulations Governing the Management, Investment, and Distribution of the Employees’ Retirement Fund Established by a Profit-seeking Enterprise”, which are funded by time deposits and bank deposits deposited in the designated financial institutions. The administration of pension funds is separate from the Company, and the principal and interest from such funds shall not be used in any form except for the payment of pension and severance to employees.

As of December 31, 2022 and 2021, the balances of aforementioned pension funds were \$252,072 and \$226,570, respectively. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

2) Movements in present value of the defined benefit obligations

	<u>2022</u>	<u>2021</u>
Defined benefit obligations at January 1	\$ 945,444	890,212
Current service costs	9,005	8,750
Interest expense	5,869	5,521
Remeasurement on the net defined benefit liabilities:		
Actuarial loss (gain) arising from experience adjustments	23,142	49,502
Actuarial loss (gain) arising from changes in demographic assumption	-	19,838
Actuarial loss (gain) arising from changes in financial assumption	(99,072)	90,527
Benefits paid by the company and the plan	(11,487)	(97,193)
Liabilities assumed (transferred) due to the Group’s employee shift	(10,303)	(21,713)
Defined benefit obligations at December 31	<u>\$ 862,598</u>	<u>945,444</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

3) Movements in fair value of plan assets

	<u>2022</u>	<u>2021</u>
Fair value of plan assets at January 1	\$ 226,570	314,957
Interest income	914	1,381
Remeasurement on the net defined benefit liabilities		
Return on plan assets (excluding amounts included in net interest expense)	13,348	2,499
Benefits paid by the plan	(11,487)	(95,960)
Contributions by the employer	27,752	27,103
Payments to related parties for transferred employees	-	(1,196)
Loss on curtailment	(5,025)	(22,214)
Fair value of plan assets at December 31	<u>\$ 252,072</u>	<u>226,570</u>

4) Changes in the effect of the asset ceiling

In 2022 and 2021, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	<u>2022</u>	<u>2021</u>
Current service costs	\$ 9,005	8,750
Net interest expense	4,955	4,140
Loss on curtailment	5,025	22,214
	<u>\$ 18,985</u>	<u>35,104</u>
Classified under operating expense	<u>\$ 18,985</u>	<u>35,104</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Discount rate	1.750 %	0.625 %
Future salary increases rate	4.000 %	4.000 %

The Company expects to make contribution of \$26,736 to the defined benefit plans in the year following December 31, 2022. The weighted average duration of the defined benefit plans is 12.09 years.

(Continued)

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7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2022 and 2021.

	December 31, 2022		December 31, 2021	
	0.25%	0.25%	0.25%	0.25%
	Increase	Decrease	Increase	Decrease
Discount rate	\$ (20,117)	20,774	(24,802)	25,665
Future salary increasing rate	\$ 19,840	(19,317)	24,284	(23,636)

The above sensitivity analysis considers the change in one assumption at a time, leaving other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are interrelated. The method used to carry out the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities recognized in the balance sheets. The method and assumptions used to carry out the sensitivity analysis is the same as in the prior year.

(ii) Defined contribution plans

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2022 and 2021, the Company recognized pension expenses of \$85,098 and \$84,708, respectively, which had been contributed to the Bureau of Labor Insurance, in relation to the defined contribution plans.

(r) Income taxes

(i) The components of income tax expense were as follows:

	2022	2021
Current income tax expense		
Current period	\$ 1,060,710	2,869,233
Adjustments for prior years	(213)	12,571
	1,060,497	2,881,804
Deferred tax expense		
Origination and reversal of temporary differences	60,066	(306,644)
Change in unrecognized deductible temporary differences	235,599	230,274
	295,665	(76,370)
Income tax expense	\$ 1,356,162	2,805,434

(Continued)

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The components of income tax benefit (expense) recognized in other comprehensive income were as follows:

	<u>2022</u>	<u>2021</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ 17,856</u>	<u>(31,474)</u>

Reconciliation between the expected income tax expense calculated based on the Company's statutory tax rate and the actual income tax expense reported in the statements of comprehensive income was as follows:

	<u>2022</u>	<u>2021</u>
Income before taxes	<u>\$ 6,359,850</u>	<u>13,702,861</u>
Income tax using the Company's statutory tax rate	\$ 1,271,970	2,740,572
Adjustments for prior-year income tax expense	(213)	12,571
Change in unrecognized temporary differences	235,599	230,274
Undistributed earnings additional tax	1,187	-
Others	<u>(152,381)</u>	<u>(177,983)</u>
	<u>\$ 1,356,162</u>	<u>2,805,434</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss associated with investments in subsidiaries	\$ 2,069,328	2,170,378
Deductible temporary differences	<u>816,471</u>	<u>1,210,727</u>
	<u>\$ 2,885,799</u>	<u>3,381,105</u>

The above deferred income tax assets were not recognized as management believed that it is not probable that future taxable profits will be available against which the Company can utilize the benefits therefrom.

2) Unrecognized deferred income tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2022 and 2021. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities. The related amounts were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profits associated with investments in subsidiaries	<u>\$ 884,717</u>	<u>1,615,622</u>

(Continued)

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3) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities were as follows:

Deferred income tax assets:

	<u>Remeasurements of defined benefit plans</u>	<u>Accrued expenses and costs</u>	<u>Total</u>
Balance at January 1, 2022	\$ 103,316	2,997,334	3,100,650
Recognized in other comprehensive income	(17,856)	-	(17,856)
Balance at December 31, 2022	<u>\$ 85,460</u>	<u>2,997,334</u>	<u>3,082,794</u>
Balance at January 1, 2021	\$ 71,842	1,839,866	1,911,708
Recognized in profit or loss	-	1,157,468	1,157,468
Recognized in other comprehensive income	31,474	-	31,474
Balance at December 31, 2021	<u>\$ 103,316</u>	<u>2,997,334</u>	<u>3,100,650</u>

Deferred income tax liabilities:

	<u>Income from investments accounted for using the equity method</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2022	\$ 3,756,686	477,708	4,234,394
Recognized in profit or loss	766,775	(471,110)	295,665
Balance at December 31, 2022	<u>\$ 4,523,461</u>	<u>6,598</u>	<u>4,530,059</u>
Balance at January 1, 2021	\$ 2,864,350	288,946	3,153,296
Recognized in profit or loss	892,336	188,762	1,081,098
Balance at December 31, 2021	<u>\$ 3,756,686</u>	<u>477,708</u>	<u>4,234,394</u>

(iii) No income tax was recognized directly in equity in 2022 and 2021.

(iv) The Company's income tax returns for the years through 2019 were examined and approved by the R.O.C. income tax authorities.

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(s) Capital and other equity

(i) Common stock

As of December 31, 2022 and 2021, the Company had issued 5,664 thousand units and 5,707 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2022 and 2021, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,854 thousand shares were issued. The par value of the Company's common stock is \$10 per share. All issued shares were paid up upon issuance.

Certain shares of common stock were not outstanding as they were repurchased by the Company or held by the Company's subsidiaries. The movements in outstanding shares of common stock were as follows (in thousands of shares):

	<u>2022</u>	<u>2021</u>
Balance at January 1 (Balance at December 31)	<u>3,001,108</u>	<u>3,001,108</u>
 (ii) Capital surplus		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Paid-in capital in excess of par value	\$ 10,094,950	10,086,648
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	729,273	621,975
Difference between consideration and carrying amount of subsidiaries acquired or disposed	259,646	247,301
Employee share options	90,000	90,000
Surplus from equity-method investments	<u>824,769</u>	<u>671,100</u>
	<u>\$ 27,795,883</u>	<u>27,514,269</u>

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

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(iii) Legal reserve, special reserve, surplus distribution and dividend policy

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, after retaining a certain portion of it for business considerations, can be distributed as dividends to stockholders. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings. The distributable dividends in whole or in part will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Since the Company operates in an industry experiencing rapid change and development, earnings are distributed in consideration of the current year's earnings, the overall economic environment, related laws and decrees, and the Company's long-term development and stability in its financial position. The Company has adopted a stable dividend policy, in which a cash dividend comprises at least 10% of the total dividend distribution.

Additionally, pursuant to the Company Act, if the Company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

In accordance with the rulings issued by the FSC, a special reserve shall be retained at an amount equal to the proportionate share of the carrying value of the treasury stock held by subsidiaries in excess of the market value at the reporting date. The special reserve may be reversed when the market value recovers in subsequent periods.

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and undistributed prior-period earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

On March 16, 2022, the Company's Board of Directors approved the distribution of cash dividends amounting to \$6,949,107 (\$2.28 per share), of which \$107,298 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 10, 2022, the Company's shareholders approved an appropriation of legal reserve and special reserve of \$1,058,914 and \$2,564,442, respectively.

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On March 16, 2023, the Company's Board of Directors approved the distribution of cash dividends amounting to \$4,571,781 (\$1.5 per share), of which \$70,119 was distributed to the subsidiaries holding the Company's common shares.

On March 17, 2021, the Company's Board of Directors had approved the distribution of cash dividends amounting to \$4,571,781 (\$1.5 per share), of which \$70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on July 9, 2021, the Company's shareholders approved an appropriation of legal reserve and special reserve of \$602,575 and \$857,485.

Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(iv) Treasury stock

As of December 31, 2022 and 2021, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary ASCBVI and the Company's common stock held by subsidiaries ASCBVI (to maintain the Company's shareholders' equity), CCI (to maintain the Company's shareholders' equity), and AGT (resulting from the acquisition of AGT) were as follows (expressed in thousands of shares):

		December 31, 2022		
		Number of shares	Carrying amount	Market value
Common stock		21,809	\$ 945,239	513,602
GDRs		24,937	1,969,617	536,042
		46,746	\$ 2,914,856	1,049,644
		December 31, 2021		
		Number of shares	Carrying amount	Market value
Common stock		21,809	\$ 945,239	664,084
GDRs		24,937	1,969,617	704,324
		46,746	\$ 2,914,856	1,368,408

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According to the Securities and Exchange Act, treasury stock cannot be collateralized. In addition, treasury shares do not bear shareholder rights prior to being sold to third parties. Moreover, the number of treasury shares shall not exceed 10% of the number of common shares issued. The total amount of treasury stock shall not exceed the sum of retained earnings, paid-in capital in excess of par value, and other realized capital surplus.

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ (8,805,597)	(6,043,227)
Generated by the Company:		
Foreign exchange differences arising from translation of foreign operations	4,595,828	(2,766,226)
Changes in ownership interests in subsidiaries	(287)	3,856
Liquidation of subsidiaries	1,855	-
Organizational restructuring under common control	(11,702)	-
Balance at December 31	<u>\$ (4,219,903)</u>	<u>(8,805,597)</u>

2) Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 746,183	768,662
Generated by the Company:		
Change in fair value of financial assets measured at fair value through other comprehensive income	(1,127,724)	(83,057)
Disposal of financial assets measured at fair value through other comprehensive income	-	(40,230)
Share of other comprehensive income (loss) of subsidiaries	(77,205)	(241,168)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	43,825	348,520
Changes in ownership interests in subsidiaries	5,195	(6,544)
Balance at December 31	<u>\$ (409,726)</u>	<u>746,183</u>

3) Remeasurement of defined benefit plans:

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ (228,210)	(242,887)
Change in the period (generated by the Company)	71,422	(125,894)
Share of other comprehensive income of subsidiaries	464,195	137,811
Changes in ownership interests in subsidiaries	7,486	2,760
Reorganization under common control	5,483	-
Balance at December 31	<u>\$ 320,376</u>	<u>(228,210)</u>

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(t) Earnings per share (“EPS”)

(i) Basic earnings per share

The basic earnings per share were calculated as the earnings attributable to the shareholders of the Company divided by the weighted-average number of common shares outstanding as follows:

	<u>2022</u>	<u>2021</u>
Net income attributable to the ordinary shareholders of the Parent	\$ <u>5,003,688</u>	<u>10,897,427</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>3,001,108</u>	<u>3,001,108</u>
Basic earnings per share (in New Taiwan dollars)	\$ <u>1.67</u>	<u>3.63</u>

(ii) Diluted earnings per share

	<u>2022</u>	<u>2021</u>
Net income attributable to the ordinary shareholders of the Parent	\$ <u>5,003,688</u>	<u>10,897,427</u>
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,108	3,001,108
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	<u>25,195</u>	<u>27,180</u>
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock) (in thousands)	<u>3,026,303</u>	<u>3,028,288</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>1.65</u>	<u>3.60</u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2022</u>		
	<u>IT Hardware Products</u>	<u>Others</u>	<u>Total</u>
Primary geographical markets:			
EMEA	\$ 55,015,347	7,278,735	62,294,082
Pan America	32,703,859	6,834,723	39,538,582
Asia Pacific	<u>55,409,798</u>	<u>12,042,302</u>	<u>67,452,100</u>
	<u>\$ 143,129,004</u>	<u>26,155,760</u>	<u>169,284,764</u>

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	2021		
	IT Hardware Products	Others	Total
Primary geographical markets:			
EMEA	\$ 82,901,974	10,565,525	93,467,499
Pan America	63,536,596	10,234,184	73,770,780
Asia Pacific	<u>64,632,708</u>	<u>14,957,469</u>	<u>79,590,177</u>
	<u>\$ 211,071,278</u>	<u>35,757,178</u>	<u>246,828,456</u>
(ii) Contract balances			
	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivable (including receivables from related parties)	\$ 16,315,190	43,856,087	30,508,838
Less: loss allowance	<u>(1,755)</u>	<u>(1,798)</u>	<u>(2,221)</u>
	<u>\$ 16,313,435</u>	<u>43,854,289</u>	<u>30,506,617</u>
Contract assets – current	<u>\$ -</u>	<u>-</u>	<u>250</u>
Contract liabilities – current	<u>\$ 8,809</u>	<u>9,512</u>	<u>79,131</u>

Please refer to note 6(e) for details on notes and accounts receivable and related loss allowance.

The major changes in the balance of contract assets and liabilities were due to the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at January 1, 2022 and 2021, was \$847 and \$72,378, respectively.

(v) Remuneration to employees and directors

The Company's Articles of Incorporation require that annual earning shall first be offset against any deficit, then, a minimum of 4% shall be allocated as employee remuneration and a maximum of 0.8% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of subsidiaries of the Company who meet certain specific requirements.

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For the years ended December 31, 2022 and 2021, the Company accrued its remuneration to employees amounting to \$475,000 and \$720,000, respectively, and the remuneration for directors of \$18,800 and \$29,819, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2022 resolved by the Company's Board of Directors on March 16, 2023 was \$7,000 and that for 2021 resolved by the Company's Board of Directors on March 16, 2022 was \$12,000, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to \$11,800 and \$17,819 for 2022 and 2021, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

Related information is available on the Market Observation Post System website of Taiwan Stock Exchange.

(w) Other operating income and expenses – net

	<u>2022</u>	<u>2021</u>
Rental income	\$ <u>132,051</u>	<u>161,174</u>

(x) Non-operating income and loss

(i) Interest income

	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 64,625	39,675
Other interest income	<u>9,996</u>	<u>2,759</u>
	<u>\$ 74,621</u>	<u>42,434</u>

(ii) Other income

	<u>2022</u>	<u>2021</u>
Dividend income	\$ <u>519,988</u>	<u>287,772</u>

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(iii) Other gains and losses

	<u>2022</u>	<u>2021</u>
Gain on disposal of equipment and intangible assets	\$ 670	657
Foreign currency exchange (loss) gain, net	(3,091,050)	377,680
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	2,992,204	(475,157)
Loss on liquidation of subsidiaries	(2,301)	-
Other investment gain	-	196
Others (note 7(b)-(v))	41,030	62,700
	<u>\$ (59,447)</u>	<u>(33,924)</u>

(iv) Finance costs

	<u>2022</u>	<u>2021</u>
Interest expense from bank loans and bonds payable	\$ 110,310	47,624
Interest expense on lease liabilities	1,469	891
Others	1,754	3,147
	<u>\$ 113,533</u>	<u>51,662</u>

(y) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets measured at fair value through profit or loss	\$ 125,665	443,248
Financial assets measured at fair value through other comprehensive income	6,465,744	6,690,542
Financial assets measured at amortized cost:		
Cash and cash equivalents	16,424,913	20,564,678
Notes and accounts receivable and other receivables (including receivables from related parties)	17,515,548	44,782,045
Financial assets measured at amortized cost – non-current	797,782	-
Other financial assets – non-current	148,466	160,566
	<u>\$ 41,478,118</u>	<u>72,641,079</u>

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2) Financial liabilities

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Financial liabilities measured at fair value through profit or loss	\$ 714,504	145,969
Financial liabilities measured at amortized cost:		
Notes and accounts payable (including payables to related parties)	21,857,688	48,606,709
Other payables (including payables to related parties)	27,585,516	27,092,942
Lease liabilities (including current and non-current)	121,132	77,242
Bonds payable	<u>10,000,000</u>	<u>10,000,000</u>
	<u>\$ 60,278,840</u>	<u>85,922,862</u>

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis.

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

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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	December 31, 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	123,004	-	123,004
Stock listed on foreign markets	2,661	-	-	2,661
	<u>\$ 2,661</u>	<u>123,004</u>	<u>-</u>	<u>125,665</u>
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 6,143,288	-	-	6,143,288
Unlisted stock	-	-	322,456	322,456
	<u>\$ 6,143,288</u>	<u>-</u>	<u>322,456</u>	<u>6,465,744</u>
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	(714,504)	-	(714,504)
Financial assets measured at amortized cost:				
Corporate bonds carrying fixed interest rates	\$ 177,410	-	-	177,410
Callable bonds carrying fixed interest rates	-	591,950	-	591,950
	<u>\$ 177,410</u>	<u>591,950</u>	<u>-</u>	<u>769,360</u>
	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	441,494	-	441,494
Stock listed on foreign markets	1,754	-	-	1,754
	<u>\$ 1,754</u>	<u>441,494</u>	<u>-</u>	<u>443,248</u>
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	\$ 6,533,121	-	-	6,533,121
Unlisted stock	-	-	157,421	157,421
	<u>\$ 6,533,121</u>	<u>-</u>	<u>157,421</u>	<u>6,690,542</u>
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	\$ -	(145,969)	-	(145,969)

There were no transfers among fair value hierarchies for the years ended December 31, 2022 and 2021.

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

	Financial assets measured at fair value through other comprehensive income	
	2022	2021
Balance at January 1	\$ 157,421	140,266
Additions	165,035	20,000
Disposals	-	(2,845)
Balance at December 31	<u>\$ 322,456</u>	<u>157,421</u>

4) Valuation techniques and inputs used for financial instruments measured at fair value

- a) The fair values of financial assets with standard terms and conditions and traded on active markets are determined with reference to quoted market prices (e.g. listed stocks).
- b) The fair value of derivative financial instruments is determined using a valuation technique, with estimates and assumptions consistent with those used by market participants that are readily available to the Company. The fair value of foreign currency forward contracts is computed individually by each contract using the valuation technique.
- c) The fair value of unlisted stocks in Level 3 fair value hierarchy is estimated by using the market approach and is determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators. The significant unobservable input is the liquidity discount. No quantitative information is disclosed due to the possible changes in liquidity discount would not cause significant potential financial impact.

(iii) Offsetting of financial assets and liabilities

The Company has financial instrument transactions which are set off in accordance with paragraph 42 of IAS 32; the related financial assets and liabilities are presented in the balance sheets on a net basis.

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Notes to Parent-Company-Only Financial Statements

The table below summarizes the related information of offsetting of financial assets and liabilities:

December 31, 2022						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	\$ <u>23,100,619</u>	<u>19,530,644</u>	<u>3,569,975</u>	<u>-</u>	<u>-</u>	<u>3,569,975</u>
December 31, 2022						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	\$ <u>40,630,046</u>	<u>19,530,644</u>	<u>21,099,402</u>	<u>-</u>	<u>-</u>	<u>21,099,402</u>
December 31, 2021						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	\$ <u>50,654,082</u>	<u>44,318,318</u>	<u>6,335,764</u>	<u>-</u>	<u>-</u>	<u>6,335,764</u>
December 31, 2021						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements						
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Amount not set off in the balance sheet (d)		Net amounts
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	\$ <u>92,296,162</u>	<u>44,318,318</u>	<u>47,977,844</u>	<u>-</u>	<u>-</u>	<u>47,977,844</u>

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(z) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Board of Directors are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations.

The Company's management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake reviews of risk management controls and procedures, and the results of which are reported to the Board of Directors on a regular basis.

(i) Credit risk

1) The maximum exposure to credit risk

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

2) Concentration of credit risk

The Company primarily sells and markets its multi-branded IT products through its subsidiaries and distributors in different geographic areas. The Company believes that there is no significant concentration of credit risk due to the Company's large number of customers and their wide geographical spread.

3) Credit risk from receivables

Please refer to note 6(e) for credit risk exposure of notes and accounts receivable. Other financial assets measured at amortized cost include bonds carrying fixed interest rates, other receivables (refer to note 6(f)) and time deposits (classified as other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets, and thus, the loss allowance is measured using 12 months ECL. Please refer to note 4(f) for descriptions about how the Company determines the credit risk.

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2022 and 2021, the Company had unused credit facilities of \$35,045,988 and \$33,798,870, respectively.

The table below is the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and estimated interest.

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>
December 31, 2022				
Non-derivative financial liabilities:				
Bonds payable	\$ 10,260,500	69,000	69,000	10,122,500
Notes and accounts payable (including related parties)	21,857,688	21,857,688	-	-
Other payables (including related parties)	27,585,516	24,918,741	2,666,775	-
Lease liability	122,738	64,177	40,653	17,908
	<u>\$ 59,826,442</u>	<u>46,909,606</u>	<u>2,776,428</u>	<u>10,140,408</u>
Derivative financial instruments:				
Foreign currency forward contracts – settled in gross				
Outflow	\$ 42,059,383	42,059,383	-	-
Inflow	(41,583,557)	(41,583,557)	-	-
	<u>\$ 475,826</u>	<u>475,826</u>	<u>-</u>	<u>-</u>
December 31, 2021				
Non-derivative financial liabilities:				
Bonds payable	\$ 10,329,500	69,000	69,000	10,191,500
Notes and accounts payable (including related parties)	48,606,709	48,606,709	-	-
Other payables (including related parties)	27,092,942	24,778,327	2,314,615	-
Lease liability	78,063	43,968	19,616	14,479
	<u>\$ 86,107,214</u>	<u>73,498,004</u>	<u>2,403,231</u>	<u>10,205,979</u>
Derivative financial instruments:				
Foreign currency forward contracts – settled in gross				
Outflow	\$ 53,405,805	53,405,805	-	-
Inflow	(53,670,897)	(53,670,897)	-	-
	<u>\$ (265,092)</u>	<u>(265,092)</u>	<u>-</u>	<u>-</u>

The Company does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, and will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

The Company utilizes derivative financial instruments to manage market risks and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The foreign currencies used in these transactions are mainly the Europe Currency (EUR) and the US dollar (USD), Australian dollar (AUD), Indian Rupee (INR), etc. The Company utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

Exposure to foreign currency risk and sensitivity analysis:

The Company's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable/payable (including related parties), and other receivables/payables (including related parties) that are denominated in foreign currencies. At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and their sensitivity analysis were as follows:

(in thousands)

	December 31, 2022				
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 767,940	30.7080	23,581,902	1 %	235,819
INR	9,337,477	0.3712	3,466,071	1 %	34,661
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,355,712	30.7080	41,631,204	1 %	416,312
EUR	79,900	32.8729	2,626,545	1 %	26,265

(Continued)

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Notes to Parent-Company-Only Financial Statements

(in thousands)

December 31, 2021					
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
EUR	\$ 176,651	31.4835	5,561,592	1 %	55,616
USD	1,714,773	27.6900	47,482,064	1 %	474,821
AUD	112,017	20.1112	2,252,796	1 %	22,528
INR	13,403,716	0.3725	4,992,884	1 %	49,929
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	2,532,956	27.6900	70,137,552	1 %	701,376

With varieties of foreign currencies, the Company disclosed foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(x) for further information.

2) Other market price risk

The Company is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Company supervises the equity price risk actively and manages the risk based on fair value. The Company also has strategic investments in privately held stocks, in which the Company does not actively participate in their trading.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2022 and 2021, would have increased or decreased by \$323,287 and \$334,527, respectively.

(aa) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, research and development activities, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(ab) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(j) for a description of acquisition of right-of-use assets through leases in 2022 and 2021.

(ii) The reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes of leasing	December 31, 2022
Lease liabilities	\$ 77,242	(83,477)	127,367	121,132
Loans from related parties	315,000	(225,000)	-	90,000
Bonds payable	10,000,000	-	-	10,000,000
Total liabilities from financing activities	<u>\$ 10,392,242</u>	<u>(308,477)</u>	<u>127,367</u>	<u>10,211,132</u>

	January 1, 2021	Cash flows	Non-cash changes of leasing	December 31, 2021
Long-term debt	\$ 3,300,000	(3,300,000)	-	-
Lease liabilities	74,685	(77,024)	79,581	77,242
Loans from related parties	595,000	(280,000)	-	315,000
Bonds payable	-	10,000,000	-	10,000,000
Total liabilities from financing activities	<u>\$ 3,969,685</u>	<u>6,342,976</u>	<u>79,581</u>	<u>10,392,242</u>

7. Related-party transactions

(a) Related party name and categories

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

Name of related party	Relationship with the Company
Acer Market Services Limited (AMS)	Subsidiaries
Acer Computer (Far East) Limited (AFE)	Subsidiaries
Acer Information (Zhong Shan) Co., Ltd. (AIZS)	Subsidiaries
Acer Computer (Shanghai) Ltd. (ACCN)	Subsidiaries
Acer (Chongqing) Ltd. (ACCQ)	Subsidiaries
Acer European Holdings SA (AEH)	Subsidiaries
Acer Europe B.V. (AHN)	Subsidiaries
Acer Africa (Proprietary) Limited (AAF)	Subsidiaries
AGP Insurance (Guernsey) Limited (AGU)	Subsidiaries
Acer Sales International SA (ASIN)	Subsidiaries
Acer Europe SA (AEG)	Subsidiaries
Sertec 360 SA (SER)	Subsidiaries
Acer Computer France S.A.S.U. (ACF)	Subsidiaries

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ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer U.K. Limited (AUK)	Subsidiaries
Acer Italy S.R.L. (AIT)	Subsidiaries
Acer Computer GmbH (ACG)	Subsidiaries
Acer Austria GmbH (ACV)	Subsidiaries
Acer Czech Republic S.R.O. (ACZ)	Subsidiaries
Acer Computer Iberica, S.A. (AIB)	Subsidiaries
Acer Computer (Switzerland) AG (ASZ)	Subsidiaries
Asplex Sp. z o.o. (APX)	Subsidiaries
Acer Marketing Services LLC (ARU)	Subsidiaries
Acer Poland sp. z o.o. (APL)	Subsidiaries
Acer Bilisim Teknolojileri Limited Sirketi (ATR)	Subsidiaries
Acer Computer B.V. (ACH)	Subsidiaries
CPYou B.V. (CPY)	Subsidiaries
Enfinitec B.V. (ENNL)	Subsidiaries
Enfinitec Italy S.R.L. (ENIT)	Subsidiaries
Acer Computer Norway AS (ACN)	Subsidiaries
Acer Finland Oy (AFN)	Subsidiaries
Acer Sweden AB (ACW)	Subsidiaries
Acer Denmark A/S (ACD)	Subsidiaries
Boardwalk Capital Holdings Limited (Boardwalk)	Subsidiaries
Acer Computec Mexico, S.A. de C.V. (AMEX)	Subsidiaries
Acer American Holdings Corp. (AAH)	Subsidiaries
AGP Tecnologia em Informatica do Brasil Ltda. (ATB)	Subsidiaries
Acer Cloud Technology Inc. (ACTI)	Subsidiaries
Acer Cloud Technology (US), Inc. (ACTUS)	Subsidiaries
Gateway, Inc. (GWI)	Subsidiaries
Acer America Corporation (AAC)	Subsidiaries
Acer Service Corporation (ASC)	Subsidiaries
Acer Holdings International, Incorporated (AHI)	Subsidiaries
Acer Computer Co., Ltd. (ATH)	Subsidiaries
Acer Japan Corp. (AJC)	Subsidiaries
Acer Computer Australia Pty. Limited (ACA)	Subsidiaries
Acer Sales and Services SDN BHD (ASSB)	Subsidiaries
Acer Asia Pacific Sdn Bhd (AAPH)	Subsidiaries
Acer Computer (Singapore) Pte. Ltd. (ACS)	Subsidiaries
Acer Computer New Zealand Limited (ACNZ)	Subsidiaries
PT. Acer Indonesia (AIN)	Subsidiaries
PT. Acer Manufacturing Indonesia (AMI)	Subsidiaries
Acer India Private Limited (AIL)	Subsidiaries

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer Vietnam Co., Ltd. (AVN)	Subsidiaries
Acer Philippines, Inc. (APHI)	Subsidiaries
Servex (Malaysia) Sdn Bhd (SMA)	Subsidiaries
Weblink International Inc. (WLII)	Subsidiaries
Wellife Inc. (WELL)	Subsidiaries
Pecer Bio-medical Technology Incorporated (PBT)	Subsidiaries
Protrade Applied Materials Corp. (PAM)	Subsidiaries
Protrade Global Limited (PGL)	Subsidiaries
Snoqualmie Company Ltd. (SCL)	Subsidiaries
Protrade Asia Limited (PAL)	Subsidiaries
Dakota Co., Ltd. (DCL)	Subsidiaries
Cascadia Resources Inc. (CRI)	Subsidiaries
Protrade Shanghai Trading Co., Ltd. (PST)	Subsidiaries
Protrade Resources Vietnam Company Limited (PRV)	Subsidiaries
Acer Synergy Tech Corp. (AST)	Subsidiaries
Shanghai AST Technology Service Ltd. (ASTS)	Subsidiaries
ISU Service Corp. (ISU)	Subsidiaries
Acer Synergy Tech America Corporation (ASTA)	Subsidiaries
Acer Digital Service Co. (ADSC)	Subsidiaries
Keypack Technology Incorporated (KTI)	Subsidiaries
Acer Gaming Inc. (AGM)	Subsidiaries
Acer Global Merchandise Philippines Inc. (AGPH)	Subsidiaries
Winking Entertainment Ltd (WKC)	Subsidiaries (note 1)
Winking Entertainment Corporation (WKTW)	Subsidiaries (note 1)
Winking Skywalker Entertainment Limited (WKSK)	Subsidiaries (note 1)
Winking Art Pte. Ltd (WKSG)	Subsidiaries (note 1)
Winking Entertainment (HK) Ltd	Subsidiaries (note 1)
Shanghai Winking Entertainment Limited (WKSH)	Subsidiaries (note 1)
Shanghai Wishing Entertainment Limited (SHW)	Subsidiaries (note 1)
Nanjing Winking Entertainment Ltd (WKNJ)	Subsidiaries (note 1)
Winking Entertainment Investment Limited	Subsidiaries
Winking Art Limited (WKHK)	Subsidiaries
Cross Century Investment Limited (CCI)	Subsidiaries
Acer SoftCapital Incorporated (ASCBVI)	Subsidiaries
DropZone Holding Limited (DZH)	Subsidiaries
DropZone (Hong Kong) Limited (DZL)	Subsidiaries
Acer Gadget Inc. (AGT, formerly ETEN)	Subsidiaries (note 2)
GadgeTek (Shanghai) Limited (GCN)	Subsidiaries
Acer BeingWare Holding Inc. (ABH)	Subsidiaries

(Continued)

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Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Acer Cloud Technology (Taiwan) Inc. (ACTTW)	Subsidiaries
Altos Computing Inc. (ALT)	Subsidiaries
MPS Energy Inc. (MPS)	Subsidiaries
Acer e-Enabling Service Business Inc. (AEB)	Subsidiaries
Acer ITS Inc. (ITS)	Subsidiaries
Acer Medical Inc. (AMED)	Subsidiaries
Xplova Inc. (XPL)	Subsidiaries
Acer AI Cloud Inc. (AIC, Formerly Pawbo Inc.)	Subsidiaries
Acer Third Wave Software (Beijing) Co. Ltd (TWPBJ)	Subsidiaries
Acer Cloud Technology(Chongqing) Ltd. (ACTCQ)	Subsidiaries
Acer Being Communication Inc. (ABC)	Subsidiaries
Acer Being Signage Inc. (ABST)	Subsidiaries
Acer Being Signage GmbH (ABSG)	Subsidiaries
Beijing Altos Computing Ltd. (BJAC)	Subsidiaries
Altos Computing (India) Private Limited (ALIN)	Subsidiaries
Altos Computing (Thailand) Co., Ltd. (ALTH)	Subsidiaries
Xplova (Shanghai) Ltd. (XPLSH)	Subsidiaries
Acer Cyber Security Incorporated (ACSI)	Subsidiaries
ACSI Cyber Security Academy Inc. (ACAD)	Subsidiaries
Acer e-Enabling Data Center Incorporated (EDC)	Subsidiaries
Acer China Venture Corp (ACVC)	Subsidiaries
Acer China Venture Partnership (ACVP)	Subsidiaries
Sertec (Beijing) Ltd. (SEB)	Subsidiaries
StarVR Corporation (ASBZ)	Subsidiaries
StarVR Europe SA (VRE)	Subsidiaries
AOPEN Inc. (AOI)	Subsidiaries
AOPEN America Inc.(AOA)	Subsidiaries
AOPEN Computer B.V.(AOE)	Subsidiaries
AOPEN Technology Inc.(AOTH)	Subsidiaries
AOPEN Japan Inc.(AOJ)	Subsidiaries
Aopen SmartVision Incorporated (AOSV)	Subsidiaries
Heartware Alliance and Integration Limited (HTW)	Subsidiaries
AOPEN Global Solutons Pty Ltd.(AOGS)	Subsidiaries
AOPEN SmartView Incorporated (AOSD)	Subsidiaries
Great Connection LTD.(GCL)	Subsidiaries
AOPEN International (ShangHai) Co., Ltd (AOC)	Subsidiaries
AOPEN Information Products (Zhongshan) Inc. (AOZ)	Subsidiaries
AOPEN Australia & New Zealand Pty Ltd (AOAU)	Subsidiaries
Bluechip Infotech Pty Ltd. (Bluechip)	Subsidiaries

(Continued)

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Notes to Parent-Company-Only Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Bluechip Infotech Incorporated (BLI)	Subsidiaries
Mia Telecomms Pty Limited (MIA)	Subsidiaries
Dingo Tech Pty Ltd. (DTP)	Subsidiaries
Bluechip Infotech (NZ) Limited (BLNZ)	Subsidiaries
Digital Networks Australia Pty Ltd. (DNA)	Subsidiaries
Ingeniq Pty Ltd (IGP)	Subsidiaries
Soft Solutions Limited (SSL)	Subsidiaries
Highpoint Service Network Corporation (HSNC)	Subsidiaries
Highpoint Service Network (Thailand) Co., Ltd (HSNT)	Subsidiaries
Highpoint Service Network Vietnam Company Limited (HSNV)	Subsidiaries
PT HSN Tech Indonesia (HSNI)	Subsidiaries
HighPoint Service Network Sdn Bhd (HSN)	Subsidiaries
Highpoint Services Network Philippines, Inc. (HSNP)	Subsidiaries
AcerPure Inc. (API)	Subsidiaries
Acer Property Development Inc. (APDI)	Subsidiaries
Aspire Service & Development Inc. (ASDI)	Subsidiaries
Acer Asset Management Incorporated (AAM)	Subsidiaries
Acer Beverage Incorporated (ABI)	Subsidiaries
Smart Frequency Technology Inc. (SFT)	Joint venture
Aegis Semiconductor Technology Inc. (ATI)	Associates, liquidated on August 26, 2021
GrandPad Inc. (GrandPAD)	Associates
Piovision International Inc. (HPT)	Associates
ECOM Software Inc. (ECS)	Associates
Kbest Technology Inc. (KBest)	Associates
Eric's Sports Marketing Inc. (Eric's)	The entity's chairman is the first-degree relatives of one of the key management of the Company
Acer Foundation	Substantive related party
Satoro Taiwan Inc.	The entity's chairman is the Company's director
Mu-Jin Investments Co., Ltd.	The entity's director is the Company's chairman
AiSails Power Inc.	The entity's chairman is the Company's director (On December 14, 2022, the chairman of AiSails Power Inc. resigned, AiSails Power Inc. was no longer a related party of the Company since then)

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Mu-Shi Investments Co., Ltd.	The entity's director is the Company's chairman

(Note1) On December 31, 2022, AGM acquired control over WKC and its subsidiaries, as a result, WKC and its subsidiaries became related parties of the Company.

(Note2) GadgetTek Inc. (GTI), one of subsidiaries of the Company, has been merged into Acer Gadget Inc. in the second quarter of 2021.

(b) Significant related-party transactions

(i) Revenue

The amounts of significant sales to related parties were as follows:

	2022	2021
Subsidiaries		
AEG	\$ 62,204,606	93,323,424
AAC	39,345,499	73,481,903
Others	48,684,621	58,522,673
Associates	58,894	128,715
Joint venture	7	-
Other related parties	764	89
	\$ 150,294,391	225,456,804

The sales prices and trade term with related parties depend on the economic environment and market competition, and are not comparable to those with third-party customers.

(ii) Purchases

The amounts of significant purchases from related parties were as follows:

	2022	2021
Subsidiaries	\$ 4,133,492	3,274,588

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(iii) Operating costs and expenses

The operating costs and expenses related to after-sale services for IT products, product development and design as well as business continuity plan services and the donation to related parties were as follows:

<u>Accounts</u>	<u>Related-party categories</u>	<u>2022</u>	<u>2021</u>
Cost of revenue	Subsidiaries	\$ 461,334	400,493
Operating expense	Subsidiaries	208,974	85,976
Operating expense	Associates	1,745	1,745
Operating expense	Other related parties	13,835	-
		<u>\$ 685,888</u>	<u>488,214</u>

(iv) Lease

The Company leased investment property and rental office premises to its related parties. The related rental income was reported in “other operating income and expenses— net” and summarized as follows:

	<u>2022</u>	<u>2021</u>
Subsidiaries:		
ASDI	\$ 58,745	38,434
AEB	17,890	15,619
Others	18,422	11,047
Associates	212	2,623
Joint venture	211	2,584
Other related parties	127	83
	<u>\$ 95,607</u>	<u>70,390</u>

(v) Service income

The service income related to the system maintenance service provided to related parties was included in “other gains and losses” and was summarized as follows:

	<u>2022</u>	<u>2021</u>
Subsidiaries	\$ 30,143	39,187
Associates	48	48
Joint venture	3,634	3,223
Other related parties	123	165
	<u>\$ 33,948</u>	<u>42,623</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(vi) Reorganization under common control

In view of continuously optimizing group resources integration and maximizing operational synergies, the Company sold 44,462 thousand shares of EDC's common stock to ACSI for a consideration of \$475,747 in January 2022. In addition, in order to optimize the subsidiaries' investment structure, the Company acquired 30,969 thousand shares of Acer Sales and Services SDN BHD's common stock and 3,985 thousand shares of Acer Computer (Singapore) Pte. Ltd.'s common stock from Acer Holdings International, Incorporated for considerations of \$1,193,559 and \$171,997, respectively, in December 2022. The aforementioned transactions are classified as reorganization under common control, and therefore, the difference between the considerations and carrying amounts of subsidiaries disposed was recognized in capital surplus.

(vii) Loans to related parties

The actual drawdown amounts were as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Subsidiaries:		
AFE	\$ 373,931	330,294
ITS	410,000	110,000
MPS	76,000	56,000
ALT	<u>132,000</u>	<u>78,000</u>
	<u>\$ 991,931</u>	<u>574,294</u>
Interest rate	<u>0.98%-2.75%</u>	<u>0.65%-0.85%</u>

Interest income related to loans to subsidiaries in 2022 and 2021 was \$9,996 and \$2,759, respectively.

(viii) Borrowings from related parties

The borrowings from related parties were as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Subsidiaries:		
ADSC	\$ 90,000	100,000
AGT	-	70,000
CCI	-	100,000
Others	<u>-</u>	<u>45,000</u>
	<u>\$ 90,000</u>	<u>315,000</u>
Interest rate	<u>0.93%</u>	<u>0.60%</u>

Interest expenses related to borrowings from subsidiaries in 2022 and 2021 were \$1,744 and \$3,042, respectively.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

- (ix) Payables related to defined benefit liabilities due to personnel transfer to subsidiaries

The net defined benefit liabilities have been transferred while certain employees transferred from the Company to AEB, EDC, HSNC and other subsidiaries. Related payables were included in “other payables to related parties” and “long-term payable to related parties”.

- (x) Receivables from related parties

<u>Accounts</u>	<u>Related-party categories</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes and accounts receivable from related parties	Subsidiaries:		
	AAC	\$ 2,008,759	15,257,348
	AEG	607,349	6,603,418
	AIL	3,491,157	5,039,862
	Others	6,598,605	10,617,881
Notes and accounts receivable from related parties	Associates	37,557	-
Note and accounts receivable from related parties	Other related parties	33	16
	Subtotal	<u>12,743,460</u>	<u>37,518,525</u>
Other receivables from related parties	Subsidiaries	56,772	89,811
Other receivables from related parties (financing)	Subsidiaries	991,931	574,294
Other receivables from related parties	Associates	-	10
Other receivables from related parties	Joint venture	667	294
Other receivables from related parties	Other related parties	129	173
	Subtotal	<u>1,049,499</u>	<u>664,582</u>
		<u>\$ 13,792,959</u>	<u>38,183,107</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(xi) Payables to related parties

<u>Accounts</u>	<u>Related party categories</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable to related parties	Subsidiaries	\$ 758,286	628,776
Accounts payable to related parties	Associates	-	89
	Subtotal	<u>758,286</u>	<u>628,865</u>
Other payables to related parties	Subsidiaries	2,790,984	190,675
Other payables to related parties	Other related parties	15,000	12,500
Other payables to related parties (financing)	Subsidiaries	<u>90,000</u>	<u>315,000</u>
	Subtotal	<u>2,895,984</u>	<u>518,175</u>
Long-term payable to related parties	Subsidiaries	<u>13,134</u>	<u>14,594</u>
		<u>\$ 3,667,404</u>	<u>1,161,634</u>

(xii) Guarantees and endorsements provided to related parties

As of December 31, 2022 and 2021, the balances of guarantees and endorsements provided to subsidiaries were \$22,564,546 and \$21,183,939, respectively, and the amounts actually drawn were \$4,392,591 and \$4,285,862, respectively.

(c) Compensation for key management personnel

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 185,428	283,252
Post-employment benefits	<u>3,716</u>	<u>3,187</u>
	<u>\$ 189,144</u>	<u>286,439</u>

8. Pledged assets

The carrying values of pledged assets (reported under other financial assets – non-current) were as follows:

<u>Assets</u>	<u>Pledged to secure</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in bank and time deposits	Contract bidding, refundable deposits, and project fulfillment guarantee	<u>\$ 148,466</u>	<u>160,566</u>

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

9. Significant commitments and contingencies

- (a) The Company has entered into software and royalty license agreements with Microsoft, IBM, and other companies. The Company has fulfilled its obligations according to the contracts.
- (b) In the regular course of its business from, the Company received letter of notice from third parties asserting that the Company has infringed certain patents and demanded that it should obtain certain patent licenses. Although the Company does not expect that the outcome of any of these legal proceedings (individually or collectively) will have a material adverse effect on its business operations and finance, the litigation is inherently unpredictable. Therefore, the Company may be involved in a future lawsuit or enter into settlements of claims that could adversely affect its operating results or cash flows within a particular period.
- (c) As of December 31, 2022, there were no outstanding stand-by letters of credit issued for bidding or contracts. As of December 31, 2021, the Company had outstanding stand-by letters of credit provided by the banks totaling \$6,720 for purposes of bids and contracts.
- (d) As of December 31, 2022 and 2021, the Company had issued promissory notes amounting to \$36,590,060 and \$35,247,050, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events: None

12. Others

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	2022			2021		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	-	2,840,106	2,840,106	-	3,753,103	3,753,103
Insurance	-	179,606	179,606	-	174,644	174,644
Pension	-	104,083	104,083	-	119,812	119,812
Remuneration of directors	-	31,800	31,800	-	42,819	42,819
Others	-	172,870	172,870	-	207,345	207,345
Depreciation	-	144,017	144,017	-	140,120	140,120
Amortization	1,174	22,097	23,271	12,068	12,525	24,593

	2022	2021
Employees	<u>1,621</u>	<u>1,662</u>
Directors not in concurrent employment	<u>4</u>	<u>4</u>
Average employee benefits	\$ <u>2,039</u>	\$ <u>2,566</u>
Average employee salaries	\$ <u>1,756</u>	\$ <u>2,264</u>
Adjustment of average employee salaries	<u>(22.44)%</u>	

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

The Company's compensation policy, including directors, managers, and employees, is as follows:

The compensation of directors and managers is evaluated and reviewed by Compensation Committee periodically. The compensation of employees is determined by participating in salary surveys every year and reviewing salary level regularly to provide competitive compensation to employees.

13. Additional disclosures

- (a) Information on significant transactions:
- (i) Financing provided to other parties: See Table 1 attached;
 - (ii) Guarantees and endorsements provided to other parties: See Table 2 attached;
 - (iii) Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities): See Table 3 attached;
 - (iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed \$300 million or 20% of the paid-in capital: See Table 4 attached;
 - (v) Acquisition of real estate at costs which exceeds \$300 million or 20% of the paid-in capital: None;
 - (vi) Disposal of real estate at prices which exceeds \$300 million or 20% of the paid-in capital: None;
 - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: See Table 5 attached;
 - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: See Table 6 attached;
 - (ix) Information about derivative instruments transactions: See notes 6(b);
- (b) Information on investees: See Table 7 attached;
- (c) Information on investment in Mainland China:
- (i) The names of investees in Mainland China, the main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits (losses) of investees, ending balance, amount received as earnings distributions from the investment, and limitation on investment: See Table 8 attached;
 - (ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Company's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2022, please refer to "Information on significant transactions" above.

(Continued)

ACER INCORPORATED
Notes to Parent-Company-Only Financial Statements

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF Fund under the custody of Taishin Bank		188,317,000	6.17 %

Note: (1) The information of major shareholders in this table was calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, based on the Company's common shares (including treasury stock) without physical registration for which the major shareholders own more than 5% of the total shares. The total common shares stated in the accompanying consolidated financial statements and the actual number of shares delivered without physical registration may vary due to the different use of calculation basis.

(2) If the shares are entrusted, the above information regarding such shares will be revealed by each trustor of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. Such shareholdings include self-held shares plus the shares that are delivered to the trust and have the right to exercise decision-making over the trust property, and so on. Please refer to the Market Observation Post System for information on insider shareholding declarations.

14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2022.

Acer Incorporated
Financing provided to other parties
For the year ended December 31, 2022

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short- term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	APDI	Other receivables from related parties	Yes	30,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	CCI	Other receivables from related parties	Yes	4,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ADSC	Other receivables from related parties	Yes	16,000	1,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ASDI	Other receivables from related parties	Yes	35,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGT	Other receivables from related parties	Yes	100,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	API	Other receivables from related parties	Yes	25,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	100,000	76,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	50,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	EDC	Other receivables from related parties	Yes	800,000	400,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ALT	Other receivables from related parties	Yes	405,000	300,000	132,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGM	Other receivables from related parties	Yes	295,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ITS	Other receivables from related parties	Yes	900,000	600,000	410,000	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AFE	Other receivables from related parties	Yes	744,497	373,931	373,931	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ABH	Other receivables from related parties	Yes	1,000	1,000	-	0%-4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
1	APDI	The Company	Other receivables from related parties	Yes	30,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	15,467	15,467
2	ABH	ABST	Other receivables from related parties	Yes	209,000	35,000	35,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	66,000	66,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABSG	Other receivables from related parties	Yes	134,731	68,211	68,211	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	14,000	14,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	10,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	7,500	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	AIC	Other receivables from related parties	Yes	70,000	40,000	20,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	APDI	Other receivables from related parties	Yes	80,000	80,000	74,000	0%-4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	The Company	Other receivables from related parties	Yes	100,000	100,000	-	0%-4%	2	-	Operating requirements	-	None	-	781,911	781,911
3	CCI	The Company	Other receivables from related parties	Yes	100,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	155,719	155,719
4	ADSC	The Company	Other receivables from related parties	Yes	190,000	90,000	90,000	0%-4%	2	-	Operating requirements	-	None	-	507,215	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	37,658	37,658	0%-4%	2	-	Operating requirements	-	None	-	126,804	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	23,013	23,013	0%-4%	2	-	Operating requirements	-	None	-	126,804	507,215

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short- term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
5	ASDI	The Company	Other receivables from related parties	Yes	35,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	33,049	33,049
5	ASDI	APDI	Other receivables from related parties	Yes	38,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	33,049	33,049
6	AGT	The Company	Other receivables from related parties	Yes	185,000	-	-	0.6%	2	-	Operating requirements	-	None	-	420,010	420,010
7	API	The Company	Other receivables from related parties	Yes	25,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	119,006	119,006
8	AIZS	ACCQ	Other receivables from related parties	Yes	428,063	215,890	215,890	0%-4%	2	-	Operating requirements	-	None	-	266,340	266,340
9	GWI	AAC	Other receivables from related parties	Yes	866,596	446,801	446,801	0%-4%	2	-	Operating requirements	-	None	-	28,625,365	28,625,365
10	AAH	AAC	Other receivables from related parties	Yes	9,109,671	4,652,263	4,621,554	0%-4%	2	-	Operating requirements	-	None	-	35,643,772	35,643,772
11	MPS	The Company	Other receivables from related parties	Yes	1,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	8,173	32,691
12	EDC	The Company	Other receivables from related parties	Yes	50,000	-	-	0%-4%	2	-	Operating requirements	-	None	-	225,673	225,673
13	Bluechip	BLI	Other receivables from related parties	Yes	15,387	9,213	7,370	0%-4%	2	-	Operating requirements	-	None	-	77,784	77,784
13	Bluechip	DNA	Other receivables from related parties	Yes	34,878	-	-	0%-4%	2	-	Operating requirements	-	None	-	77,784	77,784
14	AEG	AEH	Other receivables from related parties	Yes	98,619	98,619	98,619	0%-4%	2	-	Operating requirements	-	None	-	1,910,388	3,820,776
15	AST	ASTA	Other receivables from related parties	Yes	90,000	90,000	21,496	1.3%	2	-	Operating requirements	-	None	-	69,951	279,804
15	AST	ISU	Other receivables from related parties	Yes	60,000	60,000	-	-	2	-	Operating requirements	-	None	-	69,951	279,804
16	WLII	PAM	Other receivables from related parties	Yes	74,315	-	-	1%-1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	CRI	Other receivables from related parties	Yes	190,458	153,540	153,540	1.2%-5.5%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	PGL	Other receivables from related parties	Yes	84,063	-	-	1%-1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
17	PGL	CRI	Other receivables from related parties	Yes	16,945	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
17	PGL	PAM	Other receivables from related parties	Yes	16,945	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
18	PAL	CRI	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PAM	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PGL	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PST	Other receivables from related parties	Yes	9,634	-	-	1.2-1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
19	WKHK	WKTW	Other receivables from related parties	Yes	45,000	45,000	18,438	-	2	-	Operating requirements	-	None	-	82,861	82,861

Note 1: Nature of Financing:

Type 2: Short-term financing purpose

Note 2: 1. The aggregate financing amount shall not exceed 50% of net worth of the Company, within which the short-term financing amount shall not exceed 20% of net worth of the Company.

1-1. For an entity which the Company owns less than 50% of its outstanding common shares, the individual financing amounts shall not exceed lower of 5% of net worth of the Company and 40% of net worth of the entity.

1-2. For an entity which the Company owns more than 50% of its outstanding common shares, the individual financing amounts shall not exceed 10% of net worth of the Company.

1-3. When a subsidiary who provides financing to other parties is directly or indirectly wholly owned by the Company, the aforementioned limit of aggregate amount and individual financing amount is applied.

2. For AIZS, the aggregate financing amount shall not exceed 120% of net worth of AIZS.

3. The financing limits of GWI and AAH were as follows:

3-1. The individual financing amounts shall not exceed higher of 20% of net worth of the entity or 50% of net worth of the ultimate parent company.

3-2. For an entity which the ultimate parent company wholly owns directly or indirectly, the individual financing amounts shall not exceed 120% of net worth of the entity.

4. The financing limits of APDI, ABH, CCI, ADSC, API and EDC were as follows:

4-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

4-2. The individual financing amounts to the ultimate parent company shall not exceed 40% of net worth of the entities listed above.

5. For an entity which the financing company owns more than 50% of its outstanding common shares or is fellow subsidiary of the same group, the individual financing amounts of ABH and ADSC shall not exceed 10% of net worth of ABH and ADSC.

6. The financing limit of ASDI was as follows:

6-1. The aggregate financing amount shall not exceed 40% of net worth of ASDI.

6-2. The individual financing amounts to the ultimate parent company and its related parties shall not exceed 40% of net worth of ASDI.

7. Both of the aggregate financing amount and the individual financing amounts of Bluechip shall not exceed 20% of net worth of Bluechip.

8. The financing limits of AST, AGT, MPS, WLII, PGL and PAL were as follows:

8-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 10% of net worth of the entities listed above.

8-3. Regarding the financing provided by AST to ASTA, since the financing contract with a financing limit of \$30,000 will expire in January 2023, AST's Board of Directors approved the financing of \$60,000 to ASTA due to its operating requirements.

However, because of the early meeting of the Board of Directors, the ending balance of the financing provided by AST to ASTA was repetitively calculated.

9. The financing limit of AEG was as follows:

8-1. The aggregate financing amount shall not exceed 100% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 50% of net worth of the entities listed above.

10. For the financing limit of WKHK, both of the aggregate financing amount and the individual financing amounts shall not exceed 100% of its net worth.

Note 3: PGL was liquidated during 2022.

Note 4: Net worth of the Company and subsidiaries listed above are the most recent audited.

Note 5: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated
Guarantees and endorsements provided to other parties
For the year ended December 31, 2022

Table 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	AJC	2	13,189,491	730,983	702,593	-	-	1.07%	65,947,457	Y		
0	The Company	ATH	2	13,189,491	170,713	162,752	-	-	0.25%	65,947,457	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	13,189,491	2,254,700	2,149,560	31,164	-	3.26%	65,947,457	Y		
0	The Company	AEG	2	13,189,491	289,681	288,911	288,911	-	0.44%	65,947,457	Y		
0	The Company	Acer EMEA subsidiaries	2	13,189,491	1,127,350	1,074,780	23,999	-	1.63%	65,947,457	Y		
0	The Company	ACN/ACD/ACW/AFN	2	13,189,491	12,233	11,779	11,779	-	0.02%	65,947,457	Y		
0	The Company	ATB	2	13,189,491	858,660	-	-	-	0.00%	65,947,457	Y		
0	The Company	Acer Pan America subsidiaries	2	13,189,491	5,475,700	5,220,360	2,303	-	7.92%	65,947,457	Y		
0	The Company	AMEX	2	13,189,491	289,890	276,372	-	-	0.42%	65,947,457	Y		
0	The Company	Acer Greater China subsidiaries	2	13,189,491	1,771,550	1,688,940	-	-	2.56%	65,947,457	Y		Y
0	The Company	SMA	2	13,189,491	104,591	104,591	2,087	-	0.16%	65,947,457	Y		
0	The Company	ACA	2	13,189,491	177,155	168,894	168,894	-	0.26%	65,947,457	Y		
0	The Company	AIL	2	13,189,491	3,248,771	3,181,039	914,494	-	4.82%	65,947,457	Y		
0	The Company	ACCN/ACCQ/BJAC	2	13,189,491	902,902	890,268	-	-	1.35%	65,947,457	Y		Y
0	The Company	ABSG	2	13,189,491	170,588	169,977	16,436	-	0.26%	65,947,457	Y		
0	The Company	ITS	2	13,189,491	402,100	402,100	102,159	-	0.61%	65,947,457	Y		
0	The Company	ALT	2	13,189,491	400,000	400,000	-	-	0.61%	65,947,457	Y		
0	The Company	HSNC	2	13,189,491	224,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNP	2	13,189,491	58,960	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNT	2	13,189,491	76,903	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNC/HSNI/HSNP/HSNT	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	MPS	2	13,189,491	152,533	152,204	52,204	-	0.23%	65,947,457	Y		
0	The Company	EDC	2	13,189,491	2,898,900	2,763,720	1,055,808	-	4.19%	65,947,457	Y		
0	The Company	AAC	2	13,189,491	1,127,350	1,074,780	1,067,377	-	1.63%	65,947,457	Y		
0	The Company	AGM	2	13,189,491	1,529,020	1,407,080	638,540	-	2.13%	65,947,457	Y		
0	The Company	HSNI	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	API	2	13,189,491	150,000	100,000	-	-	0.15%	65,947,457	Y		
0	The Company	AGT	2	13,189,491	344,510	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNV	2	13,189,491	29,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	CPY	2	13,189,491	16,436	16,436	16,436	-	0.02%	65,947,457	Y		
0	The Company	ALTH	2	13,189,491	48,315	46,062	-	-	0.07%	65,947,457	Y		
0	The Company	ALIN	2	13,189,491	113,849	111,348	-	-	0.17%	65,947,457	Y		
1	AAC	ASC	4	2,519,031	19,326	18,425	18,425	-	0.73%	2,519,031			
2	AOI	AOSD	2	254,729	3,221	-	-	-	0.00%	849,095			
2	AOI	AOC	2	254,729	177,155	168,894	-	-	19.89%	849,095			Y
3	AST	ISU	2	139,902	60,000	60,000	-	-	8.58%	349,755			
3	AST	ASTS	2	139,902	35,611	35,611	-	-	5.09%	349,755			Y
3	AST	ASTA	2	139,902	128,840	122,832	-	-	17.56%	349,755			
4	WLII	CRI	2	405,169	266,756	142,844	-	-	7.05%	1,012,923			
4	WLII	PAM	2	405,169	337,333	180,935	-	-	8.93%	1,012,923			
4	WLII	PST	2	405,169	293,834	168,238	25,251	-	8.30%	1,012,923			Y
5	PGL	CRI	2	(Note 8)	9,523	-	-	-	(Note 8)	(Note 8)			

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
6	HSNC	HSNT	2	39,867	32,210	30,708	14,146	-	15.41%	199,334			
6	HSNC	HSNI	2	39,867	32,210	30,708	888	-	15.41%	199,334			
6	HSNC	HSNV	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSNP	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSN	2	39,867	32,210	30,708	-	-	15.41%	199,334			

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:

Type 2: an entity directly or indirectly owned by the Company over 50%

Type 4: between entities directly or indirectly owned by the Company over 90%

Note 2: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of the Company.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the Company.

Note 3: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of AOI.

The endorsement/guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited net worth of AOI.

AOSD was dissolved due to merger on December 15, 2021, and the liquidation was completed on January 28, 2022.

Note 4: The aggregate endorsement/guarantee amount provided shall not exceed 20% of the most recent audited net worth of AAC.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AAC.

Note 5: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of AST.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AST.

Note 6: The aggregate endorsement/guarantee amount provided limits of WLII and its subsidiaries were as follows:

The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of the entities listed above.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the entities listed above.

The aggregate endorsement/guarantee amount provided by WLII and its subsidiaries shall not exceed 50% of the most recent audited net worth of WLII.

The endorsement/guarantee provided to individual guarantee party by WLII and its subsidiaries shall not exceed 20% of the most recent audited net worth of WLII.

Note 7: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of HSNC.

The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of HSNC.

Note 8: PGL was liquidated during 2022.

Acer Incorporated
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2022

Table 3

(Amounts in Thousands of New Taiwan Dollars / Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbreeze	-	Financial assets measured at fair value through profit or loss — current	572	2,661	0.10%	2,661	572	0.10%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	89,516	2,519,867	4.55%	2,519,867	89,516	4.55%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	192,956	0.24%	192,956	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	54,816	1,611,590	1.89%	1,611,590	54,816	1.89%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	245,197	3.08%	245,197	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	8,733	511,735	4.04%	511,735	8,733	4.04%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	855	50,701	0.26%	50,701	855	0.26%	Note 1
The Company	Preferred stock B: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	1,177	64,265	0.17%	64,265	1,177	0.17%	Note 1
The Company	Preferred stock A: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	260	14,716	0.03%	14,716	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	991	56,982	0.15%	56,982	991	0.15%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	15,342	0.04%	15,342	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,551	0.02%	1,551	30	0.02%	Note 2
The Company	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	7,000	385,700	2.10%	385,700	7,000	2.10%	Note 3
The Company	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	335	17,286	0.07%	17,286	335	0.07%	Note 4
The Company	Stock: Apacer	-	Financial assets measured at fair value through other comprehensive income — non-current	11,000	455,400	8.97%	455,400	11,000	8.97%	
The Company	Stock: Pell Bio-med Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,400	120,000	5.41%	120,000	2,400	7.19%	
The Company	Stock: CellMax Life Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	600	17,421	0.19%	17,421	600	1.02%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,000	20,000	15.50%	20,000	2,000	15.50%	
The Company	Stock: Fortune Electric	-	Financial assets measured at fair value through other comprehensive income — non-current	2,500	80,000	8.83%	80,000	2,500	8.83%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbit	-	Financial assets measured at fair value through other comprehensive income — non-current	2,920	35,040	15.31%	35,040	2,920	15.31%	
The Company	Stock: GreenHarvest	-	Financial assets measured at fair value through other comprehensive income — non-current	1,111	49,995	8.40%	49,995	1,111	8.40%	
The Company	USD Fixed Rate Callable Note (2022/2/23)	-	Financial assets measured at amortized cost — non-current	-	307,080	-	307,080	-	-	
The Company	USD Fixed Rate Callable Note (2022/4/1)	-	Financial assets measured at amortized cost — non-current	-	153,540	-	153,540	-	-	
The Company	USD Fixed Rate Callable Note (2022/5/13)	-	Financial assets measured at amortized cost — non-current	-	153,540	-	153,540	-	-	
The Company	HSBC Holdings PLC Bond	-	Financial assets measured at amortized cost — non-current	-	60,919	-	60,919	-	-	
The Company	CREDIT AGRICOLE SA Corporate Bond	-	Financial assets measured at amortized cost — non-current	-	61,556	-	61,556	-	-	
The Company	UBS GROUP AG Corporate Bond	-	Financial assets measured at amortized cost — non-current	-	61,147	-	61,147	-	-	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	383,559	0.45%	383,559	13,046	0.45%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	12,108	18.92%	12,108	322	18.92%	
ADSC	21st Century Technology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income — non-current	478	126,414	0.86%	126,414	478	0.94%	
ASCBVI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	160,937	19.39%	160,937	3,800	19.39%	
ASCBVI	Stock: Trutag	-	Financial assets measured at fair value through other comprehensive income — non-current	1,346	6,633	0.33%	6,633	1,346	0.33%	
ASCBVI	Stock: Gorilla	-	Financial assets measured at fair value through other comprehensive income — non-current	910	61,416	1.21%	61,416	910	1.90%	
ASCBVI	Stock: Locix	-	Financial assets measured at fair value through other comprehensive income — non-current	1,000	-	4.05%	-	1,000	4.05%	
ASCBVI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	122,832	12.20%	122,832	463	12.20%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	22,848	2.01%	22,848	1,015	2.01%	
ABST	Stock: PilotTV Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	2,676	57,462	19.18%	57,462	2,676	19.18%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	8,566	13.79%	8,566	-	13.79%	
ACTCQ	Equity of Shenmou Technology (Shenzhen)	-	Financial assets measured at fair value through other comprehensive income — non-current	-	420	19.99%	420	-	19.99%	
AHN	EUR Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	771,292	0.00%	771,292	-	0.00%	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
AEB	Stock: Ambi Arts	-	Financial assets measured at fair value through other comprehensive income — non-current	180	983	18.00%	983	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1
AOI	Stock: MPL	-	Financial assets measured at fair value through other comprehensive income — non-current	25	9,981	15.06%	9,981	25	15.06%	
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	11,020	0.06%	11,020	200	0.60%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	22,040	0.12%	22,040	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	13,140	0.44%	13,140	300	0.44%	
AST	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	20	1,208	0.003%	1,208	20	0.003%	Note 2
AST	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	952	49,123	0.19%	49,123	952	0.19%	Note 4
AST	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	549	19,709	0.25%	19,709	549	0.25%	Note 1

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are preferred stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.
Note 2: The stocks of CTFH、FBFH、UBOT are preferred stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.
Note 3: The stocks of FBFH are preferred stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.
Note 4: The stocks of TSFH are preferred stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated
Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT\$300 million or 20% of the paid-in capital
For the year ended December 31, 2022

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal			Ending Balance		
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount
ACCN	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	788,000	3,518,675	788,000	3,543,359	3,518,675	24,684	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	4,127,000	18,347,417	4,127,000	18,430,956	18,347,417	83,539	-	-
The Company	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	Acer Cyber Security Incorporated	Parent/Subsidiary	44,462	468,820	-	-	44,462	475,748	468,820	6,928 (Note 1)	-	-
ACSI	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	The Company	Parent/Subsidiary	-	-	44,462	475,748	-	-	-	-	44,462	564,183 (Note 3)
AGM	WKC	Investments accounted for using equity method	WKC and its shareholders	Parent/Subsidiary	-	-	9,589	641,544	-	-	-	-	9,589	641,544
WLII	PAM	Investments accounted for using equity method	(Note 2)	Parent/Subsidiary	-	-	14,340	628,483 (Note 2)	-	-	-	-	14,340	591,945 (Note 3)

Note 1: Because ACSI's acquisition of 100% equity ownership of EDC from the Company was classified as reorganization under common control, the Company recognized such amount in capital surplus.

Note 2: WLII acquired the shares of PAM through its reorganization and subscription its cash capital increase.

Note 3: Ending balances include share of profits of subsidiaries, exchange differences on translation of foreign operations, amortization of customer relationships, capital surplus subscribed disproportionately to the current ownership percentage and the adjustment of retained earnings.

Acer Incorporated
Total purchases from and sales to related parties which exceed NT\$100 million or 20% of the paid-in capital
For the year ended December 31, 2022

Table 5 (Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(39,345,499)	(23.24)%	OA90	-	-	2,008,759	12.31%	
The Company	ACA	Parent/Subsidiary	(Sales)	(5,346,411)	(3.16)%	OA60	-	-	1,251,180	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(12,460,328)	(7.36)%	OA60	-	-	369,683	2.27%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(612,267)	(0.36)%	OA60	-	-	149,370	0.92%	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,760,586)	(1.04)%	OA60	-	-	107,310	0.66%	
The Company	AEG	Parent/Subsidiary	(Sales)	(62,204,606)	(36.75)%	OA60	-	-	607,349	3.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(533,177)	(0.31)%	OA60	-	-	82,193	0.50%	
The Company	AIL	Parent/Subsidiary	(Sales)	(7,928,004)	(4.68)%	OA150	-	-	3,491,157	21.40%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,244,333)	(2.51)%	OA90	-	-	995,444	6.10%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,493,314)	(0.88)%	OA60	-	-	970,810	5.95%	
The Company	AMI	Parent/Subsidiary	(Sales)	(2,676,504)	(1.58)%	OA90	-	-	555,097	3.40%	
The Company	APHI	Parent/Subsidiary	(Sales)	(2,389,336)	(1.41)%	OA60	-	-	532,357	3.26%	
The Company	ASC	Parent/Subsidiary	(Sales)	(134,189)	(0.08)%	OA60	-	-	7,639	0.05%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,365,200)	(1.40)%	OA60	-	-	535,730	3.28%	
The Company	ATH	Parent/Subsidiary	(Sales)	(4,489,999)	(2.65)%	OA60	-	-	636,650	3.90%	
The Company	AVN	Parent/Subsidiary	(Sales)	(142,574)	(0.08)%	OA60	-	-	-	-	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,845,817)	(1.09)%	EM45	-	-	262,434	1.61%	
The Company	APHI	Parent/Subsidiary	Purchases	204,754	0.13%	OA60	-	-	(59,587)	(0.27)%	
The Company	API	Parent/Subsidiary	Purchases	102,754	0.07%	OA60	-	-	(16,182)	(0.07)%	
The Company	AVN	Parent/Subsidiary	Purchases	118,420	0.08%	OA60	-	-	(30,868)	(0.14)%	
The Company	ALT	Parent/Subsidiary	Purchases	577,442	0.37%	OA60	-	-	(86,429)	(0.40)%	
The Company	AEB	Parent/Subsidiary	Purchases	157,280	0.10%	EM30	-	-	(24,289)	(0.11)%	
The Company	AOI	Parent/Subsidiary	Purchases	2,240,569	1.44%	EM60	-	-	(385,516)	(1.76)%	
The Company	AGT	Parent/Subsidiary	Purchases	952,666	0.61%	OA60	-	-	(173,919)	(0.80)%	
WELL	WLII	Parent/Subsidiary	Purchases	510,187	100.00%	EM45	-	-	(42,376)	(95.15)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(577,442)	(65.51)%	OA60	-	-	86,429	47.47%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEB	The Company	Parent/Subsidiary	(Sales)	(157,280)	(2.19)%	EM30	-	-	24,289	1.22%	
AEB	WLII	Fellow subsidiary	Purchases	249,242	4.10%	EM60	-	-	(63,638)	(4.84)%	
AGM	AGPH	Parent/Subsidiary	(Sales)	297,781	(12.78)%	OA30	-	-	220,353	40.16%	
AOI	AOA	Parent/Subsidiary	(Sales)	(168,493)	(5.82)%	OA90	-	-	224,100	26.58%	
AOI	AOE	Parent/Subsidiary	(Sales)	(404,061)	(13.96)%	OA60	-	-	194,671	23.09%	
AOI	The Company	Parent/Subsidiary	(Sales)	(2,240,569)	(77.44)%	EM60	-	-	385,516	45.73%	
AGT	The Company	Parent/Subsidiary	(Sales)	(952,666)	(65.30)%	OA60	-	-	173,919	63.63%	
WLII	WELL	Parent/Subsidiary	(Sales)	(510,187)	(2.81)%	EM45	-	-	42,376	1.76%	
WLII	AEB	Fellow subsidiary	(Sales)	(249,242)	(1.37)%	EM60	-	-	63,638	2.64%	
WLII	The Company	Parent/Subsidiary	Purchases	1,845,817	10.80%	EM45	-	-	(262,434)	(11.95)%	
PAM	CRI	Fellow subsidiary	(Sales)	(876,523)	(40.00)%	TT60	-	-	152,244	46.31%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,831,758)	(3.18)%	OA60	-	-	385,231	4.06%	
AAC	ASC	Fellow subsidiary	(Sales)	(728,672)	(1.27)%	OA60	-	-	93,693	0.99%	
AAC	ATB	Fellow subsidiary	(Sales)	(271,139)	(0.47)%	OA60	-	-	34,368	0.36%	
AAC	The Company	Parent/Subsidiary	Purchases	39,345,499	92.03%	OA90	-	-	(2,008,759)	(55.18)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(162,433)	(2.10)%	EM30	-	-	23,743	1.67%	
ACA	The Company	Parent/Subsidiary	Purchases	5,346,411	86.95%	OA60	-	-	(1,251,180)	(93.44)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(353,145)	(70.07)%	OA60	-	-	137,377	89.59%	
ACCQ	ACCN	Fellow subsidiary	Purchases	353,145	2.35%	OA60	-	-	(137,377)	(11.73)%	
ACCQ	AOC	Fellow subsidiary	Purchases	274,431	1.83%	EM60	-	-	(26,738)	(2.28)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	12,460,328	82.86%	OA60	-	-	(369,683)	(31.58)%	
ACF	AEG	Fellow subsidiary	(Sales)	(345,788)	(3.86)%	OA60	-	-	1,360,946	27.72%	
ACF	AEG	Fellow subsidiary	Purchases	7,995,951	93.14%	OA60	-	-	(1,712,753)	(98.26)%	
ACF	APX	Fellow subsidiary	Purchases	160,511	1.87%	OA60	-	-	(15,204)	(0.87)%	
ACG	AEG	Fellow subsidiary	(Sales)	(573,227)	(2.85)%	OA60	-	-	2,058,090	27.63%	
ACG	AEG	Fellow subsidiary	Purchases	18,376,210	95.68%	OA60	-	-	(3,737,706)	(97.51)%	
ACG	APL	Fellow subsidiary	Purchases	141,242	0.74%	OA30	-	-	(9,407)	(0.25)%	
ACG	APX	Fellow subsidiary	Purchases	231,546	1.21%	OA45	-	-	(39,767)	(1.04)%	
ACH	AEG	Fellow subsidiary	Purchases	3,824,276	96.33%	OA60	-	-	(937,216)	(96.81)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	612,267	89.72%	OA60	-	-	(149,370)	(96.20)%	
ACS	The Company	Parent/Subsidiary	Purchases	1,760,586	72.94%	OA60	-	-	(107,310)	(91.38)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(123,247)	(21.48)%	OA60	-	-	15,055	20.83%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(230,913)	(40.24)%	OA30	-	-	17,439	24.13%	
ACZ	APX	Fellow subsidiary	Purchases	177,290	34.25%	OA90	-	-	(26,958)	(82.70)%	
AEG	ACF	Fellow subsidiary	(Sales)	(7,995,951)	(11.79)%	OA60	-	-	1,712,753	12.10%	
AEG	ACG	Fellow subsidiary	(Sales)	(18,376,210)	(27.10)%	OA60	-	-	3,737,706	26.41%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEG	ACH	Fellow subsidiary	(Sales)	(3,824,276)	(5.64)%	OA60	-	-	937,216	6.62%	
AEG	AIB	Fellow subsidiary	(Sales)	(4,042,590)	(5.96)%	OA60	-	-	859,846	6.08%	
AEG	AIT	Fellow subsidiary	(Sales)	(3,872,482)	(5.71)%	OA60	-	-	15,866	0.11%	
AEG	ASIN	Fellow subsidiary	(Sales)	(18,640,638)	(27.49)%	OA60	-	-	2,161,708	15.28%	
AEG	ASZ	Fellow subsidiary	(Sales)	(2,047,700)	(3.02)%	OA60	-	-	10,413	0.07%	
AEG	AUK	Fellow subsidiary	(Sales)	(6,330,433)	(9.34)%	OA60	-	-	1,895,944	13.40%	
AEG	CPY	Fellow subsidiary	(Sales)	(1,214,566)	(1.79)%	OA60	-	-	304,759	2.15%	
AEG	SER	Fellow subsidiary	(Sales)	(1,559,211)	(2.30)%	OA60	-	-	279,817	1.98%	
AEG	ACF	Fellow subsidiary	Purchases	345,788	0.53%	OA60	-	-	(1,360,946)	(18.89)%	
AEG	ACG	Fellow subsidiary	Purchases	573,227	0.87%	OA60	-	-	(2,058,090)	(28.56)%	
AEG	ACZ	Fellow subsidiary	Purchases	123,247	0.19%	OA60	-	-	(15,055)	(0.21)%	
AEG	AEH	Parent/Subsidiary	Purchases	216,766	0.33%	OA60	-	-	(3,584)	(0.05)%	
AEG	AIB	Fellow subsidiary	Purchases	303,279	0.46%	OA60	-	-	(688,815)	(9.56)%	
AEG	AIT	Fellow subsidiary	Purchases	252,276	0.38%	OA60	-	-	(900,067)	(12.49)%	
AEG	APX	Fellow subsidiary	Purchases	644,861	0.98%	OA60	-	-	(52,803)	(0.73)%	
AEG	ASZ	Fellow subsidiary	Purchases	126,574	0.19%	OA60	-	-	(232,080)	(3.22)%	
AEG	ENNL	Fellow subsidiary	Purchases	193,794	0.30%	OA30	-	-	(26,786)	(0.37)%	
AEG	The Company	Parent/Subsidiary	Purchases	62,204,606	94.89%	OA60	-	-	(607,349)	(8.43)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(216,766)	(73.09)%	OA60	-	-	3,584	100.00%	
AFE	The Company	Parent/Subsidiary	Purchases	533,177	42.98%	OA60	-	-	(82,193)	(92.19)%	
AGPH	AGM	Parent/Subsidiary	Purchases	297,781	98.29%	OA30	-	-	(220,353)	(99.71)%	
AIB	AEG	Fellow subsidiary	(Sales)	(303,279)	(6.58)%	OA60	-	-	688,815	31.54%	
AIB	AEG	Fellow subsidiary	Purchases	4,042,590	90.66%	OA60	-	-	(859,846)	(95.24)%	
AIB	APX	Fellow subsidiary	Purchases	134,904	3.03%	OA60	-	-	(29,114)	(3.22)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(327,647)	(1.99)%	OA120	-	-	96,076	4.44%	
AIL	The Company	Parent/Subsidiary	Purchases	7,928,004	52.44%	OA150	-	-	(3,491,157)	(85.20)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(359,615)	(3.85)%	OA60	-	-	13,244	4.29%	
AIN	AMI	Fellow subsidiary	Purchases	3,107,010	32.81%	OA90	-	-	(582)	(0.06)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,244,333	44.82%	OA90	-	-	(995,444)	(99.08)%	
AIT	AEG	Fellow subsidiary	(Sales)	(252,276)	(5.86)%	OA60	-	-	900,067	48.56%	
AIT	AEG	Fellow subsidiary	Purchases	3,872,482	94.25%	OA60	-	-	(15,866)	(55.70)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,493,314	97.02%	OA60	-	-	(970,810)	(93.37)%	
ALIN	AIL	Fellow subsidiary	Purchases	327,647	100.00%	OA120	-	-	(96,076)	(99.92)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,831,758	100.00%	OA60	-	-	(385,231)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,107,010)	(99.72)%	OA90	-	-	582	7.86%	
AMI	AIN	Parent/Subsidiary	Purchases	359,615	11.09%	OA60	-	-	(13,244)	(2.20)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AMI	The Company	Parent/Subsidiary	Purchases	2,676,504	82.51%	OA90	-	-	(555,097)	(92.08)%	
AOA	AOI	Parent/Subsidiary	Purchases	168,493	92.85%	OA90	-	-	(224,100)	(98.12)%	
AOC	ACCQ	Fellow subsidiary	(Sales)	(274,431)	(92.22)%	EM60	-	-	26,738	96.14%	
AOE	AOI	Parent/Subsidiary	Purchases	404,061	99.29%	OA60	-	-	(194,671)	(100.00)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(204,754)	(6.43)%	OA60	-	-	59,587	22.68%	
APHI	The Company	Parent/Subsidiary	Purchases	2,389,336	86.22%	OA60	-	-	(532,357)	(91.48)%	
API	The Company	Parent/Subsidiary	(Sales)	(102,754)	(51.24)%	OA60	-	-	16,182	56.78%	
APL	ACG	Fellow subsidiary	(Sales)	(141,242)	(100.00)%	OA30	-	-	9,407	62.98%	
APX	ACF	Fellow subsidiary	(Sales)	(160,511)	(9.13)%	OA60	-	-	15,204	7.16%	
APX	ACG	Fellow subsidiary	(Sales)	(231,546)	(13.17)%	OA45	-	-	39,767	18.73%	
APX	ACZ	Fellow subsidiary	(Sales)	(177,290)	(10.08)%	OA90	-	-	26,958	12.70%	
APX	AEG	Fellow subsidiary	(Sales)	(644,861)	(36.68)%	OA60	-	-	52,803	24.87%	
APX	AIB	Fellow subsidiary	(Sales)	(134,904)	(7.67)%	OA60	-	-	29,114	13.71%	
ARU	ASIN	Fellow subsidiary	(Sales)	(154,416)	(100.00)%	OA60	-	-	12,088	100.00%	
ASC	AAC	Fellow subsidiary	Purchases	728,672	84.08%	OA60	-	-	(93,693)	(51.84)%	
ASC	The Company	Parent/Subsidiary	Purchases	134,189	15.48%	OA60	-	-	(7,639)	(4.23)%	
ASIN	ACZ	Fellow subsidiary	Purchases	230,913	1.18%	OA30	-	-	(17,439)	(0.74)%	
ASIN	AEG	Fellow subsidiary	Purchases	18,640,638	95.19%	OA60	-	-	(2,161,708)	(91.45)%	
ASIN	ARU	Fellow subsidiary	Purchases	154,416	0.79%	OA60	-	-	(12,088)	(0.51)%	
ASSB	HSN	Fellow subsidiary	(Sales)	(112,401)	(3.81)%	OA60	-	-	7,610	4.47%	
ASSB	SMA	Parent/Subsidiary	(Sales)	(411,108)	(12.80)%	OA60	-	-	-	-	
ASSB	The Company	Parent/Subsidiary	Purchases	2,365,200	90.21%	OA60	-	-	(535,730)	(97.75)%	
ASZ	AEG	Fellow subsidiary	(Sales)	(126,574)	(5.22)%	OA60	-	-	232,080	51.97%	
ASZ	AEG	Fellow subsidiary	Purchases	2,047,700	90.56%	OA60	-	-	(10,413)	(98.04)%	
ATB	AAC	Fellow subsidiary	Purchases	271,139	2.09%	OA60	-	-	(34,368)	(1.51)%	
ATH	The Company	Parent/Subsidiary	Purchases	4,489,999	80.41%	OA60	-	-	(636,650)	(93.54)%	
AUK	AEG	Fellow subsidiary	Purchases	6,330,433	97.56%	OA60	-	-	(1,895,944)	(99.33)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(118,420)	(31.98)%	OA60	-	-	30,868	62.27%	
AVN	The Company	Parent/Subsidiary	Purchases	142,574	67.07%	OA60	-	-	-	-	
Bluechip	ACA	Fellow subsidiary	Purchases	162,433	4.19%	EM30	-	-	(23,743)	(4.29)%	
Bluechip	MIA	Parent/Subsidiary	Purchases	115,045	2.97%	EM30	-	-	(108,923)	(19.69)%	
CPY	AEG	Fellow subsidiary	Purchases	1,214,566	90.55%	OA60	-	-	(304,759)	(94.02)%	
CRI	PAM	Fellow subsidiary	Purchases	876,523	48.60%	TT60	-	-	(152,244)	(99.83)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(193,794)	(100.00)%	OA30	-	-	26,786	100.00%	
HSN	ASSB	Fellow subsidiary	Purchases	112,401	73.36%	OA60	-	-	(7,610)	(49.47)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
MIA	Bluechip	Parent/Subsidiary	(Sales)	(115,045)	(66.43)%	EM30	-	-	108,923	94.84%	
SER	AEG	Fellow subsidiary	Purchases	1,559,211	100.00%	OA60	-	-	(279,817)	(99.33)%	
SMA	ASSB	Parent/Subsidiary	Purchases	411,108	12.57%	OA60	-	-	-	-	

Note 1: The trade terms and price of sales with related parties are not comparable to those with third-party customers as they are determined by the economic environment and market competition of specific locations.

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

Note 2: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Acer Incorporated
Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital
December 31, 2022

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AAC	Parent/Subsidiary	2,008,759	4.56	-	-	926,743	-	
The Company	ACA	Parent/Subsidiary	1,252,722	3.06	752,848	Under collection	965,158	-	
The Company	ACCQ	Parent/Subsidiary	369,683	21.16	-	-	369,683	-	
The Company	ACNZ	Parent/Subsidiary	149,370	3.23	103,725	Under collection	149,370	-	
The Company	ACS	Parent/Subsidiary	107,310	4.41	-	-	106,161	-	
The Company	AEG	Parent/Subsidiary	607,349	17.25	-	-	190,323	-	
The Company	AFE	Parent/Subsidiary	458,021	5.33	69,777	Under collection	33,480	-	
The Company	AIL	Parent/Subsidiary	3,491,157	1.86	729,842	Under collection	1,293,579	-	
The Company	AIN	Parent/Subsidiary	995,693	2.35	-	-	514,137	-	
The Company	AJC	Parent/Subsidiary	981,656	1.77	602,730	Under collection	307,538	-	
The Company	AMI	Parent/Subsidiary	555,204	7.28	8,036	Under collection	276,262	-	
The Company	APHI	Parent/Subsidiary	534,957	4.20	37,768	Under collection	314,837	-	
The Company	ASSB	Parent/Subsidiary	535,730	4.32	337,627	Under collection	230,319	-	
The Company	ATH	Parent/Subsidiary	636,650	4.20	326,676	Under collection	589,855	-	
The Company	ALT	Parent/Subsidiary	144,693	7.37	27	Under collection	5,102	-	
The Company	ITS	Parent/Subsidiary	411,943	3.95	205	Under collection	413	-	
The Company	WLII	Parent/Subsidiary	263,164	9.08	-	-	251,776	-	
ABH	ABST	Parent/Subsidiary	101,303	-	-	-	-	-	
AGM	AGPH	Parent/Subsidiary	220,353	1.34	58,319	Under collection	213,737	-	
AOI	AOA	Parent/Subsidiary	224,100	0.82	196,233	Under collection	7,074	-	
AOI	AOE	Parent/Subsidiary	194,671	2.58	102,787	Under collection	63,760	-	
AOI	The Company	Parent/Subsidiary	385,516	6.47	-	-	385,516	-	
AGT	The Company	Parent/Subsidiary	174,848	5.70	72,885	Under collection	107,401	-	
WLII	CRI	Parent/Subsidiary	155,325	-	-	-	-	-	Note 2
PAM	CRI	Fellow subsidiary	152,244	6.36	-	-	38,947	-	
AAC	AMEX	Fellow subsidiary	385,231	5.80	351,108	Under collection	322,879	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
AAC	ASC	Fellow subsidiary	503,387	8.94	2,367	Under collection	2,339	-	
AAH	AAC	Parent/Subsidiary	4,644,919	-	-	-	-	-	
ACCN	ACCQ	Fellow subsidiary	137,377	3.20	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	274,215	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	1,360,946	0.27	32,477	Under collection	32,477	-	
ACG	AEG	Fellow subsidiary	2,058,090	0.26	-	-	-	-	
ACH	AEG	Fellow subsidiary	406,881	0.07	6,511	Under collection	6,511	-	
AEG	AEH	Parent/Subsidiary	137,954	0.40	-	-	-	-	
AEG	The Company	Parent/Subsidiary	2,014,650	-	-	-	-	-	
AEG	ACF	Fellow subsidiary	1,712,753	4.41	699,467	Under collection	688,803	-	
AEG	ACG	Fellow subsidiary	3,737,706	3.52	1,417,196	Under collection	737,545	-	
AEG	ACH	Fellow subsidiary	937,216	4.10	556,309	Under collection	547,905	-	
AEG	AIB	Fellow subsidiary	859,846	4.88	468,021	Under collection	458,726	-	
AEG	ASIN	Fellow subsidiary	2,161,708	4.54	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,895,944	3.08	1,162,773	Under collection	1,130,425	-	
AEG	CPY	Fellow subsidiary	304,759	3.61	-	-	-	-	
AEG	SER	Fellow subsidiary	279,817	4.96	-	-	-	-	
AIB	AEG	Fellow subsidiary	690,995	0.46	-	-	-	-	
AIT	AEG	Fellow subsidiary	900,067	0.28	-	-	-	-	
ASC	AAC	Fellow subsidiary	292,373	27.44	-	-	-	-	
ASIN	AEG	Fellow subsidiary	485,200	-	-	-	-	-	
ASZ	AEG	Fellow subsidiary	232,540	0.50	-	-	-	-	
AUK	AEG	Fellow subsidiary	515,237	0.11	-	-	-	-	
Bluechip	MIA	Parent/Subsidiary	108,960	-	1,472	Under collection	30	-	
GWI	AAC	Parent/Subsidiary	446,801	-	-	-	-	-	
MIA	Bluechip	Parent/Subsidiary	108,923	2.11	-	-	-	-	

Note 1: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Note 2: Receivables are financing and interest receivables, not applicable.

Acer Incorporated
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2022

Table 7

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	1,268,035	66,215	100.00	47,216	47,216	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,595,246	1,263,432	92.02	403,836	371,591	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,359,626	147	100.00	331,884	331,884	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	16,338,839	191,155	100.00	11,811	11,811	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.86	92,038	1,421	28.10	36,737	9,315	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	5,658,111	5,658,111	158,475	100.00	3,271,416	158,475	100.00	(18,676)	(18,676)	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	1,299,817	1,299,817	-	100.00	615,773	-	100.00	3,997	3,997	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,139,390	13,296	59.78	722,725	13,296	64.54	155,366	95,406	Parent/Subsidiary
The Company	WLII	Taiwan	Sale of computers and communication products	728,694	728,694	48,073	58.93	1,211,483	48,073	58.93	415,049	244,574	Parent/Subsidiary
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,993,697	6,826,148	39,309	65.51	2,232,474	39,308	100.00	132,552	90,223	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,954,777	130,308	100.00	156,011	156,011	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,649	441	66.81	692	462	Parent/Subsidiary
The Company	EDC	Taiwan	Business continuity plan and IT operation outsourcing services	-	518,167	-	-	-	44,462	100.00	89,192	-	Parent/Subsidiary
The Company	AOI	Taiwan	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	333,155	333,155	28,970	40.55	347,183	28,970	40.55	216,560	89,063	Parent/Subsidiary
The Company	HSNC	Taiwan	After-sale and value-added services of IT products	102,419	107,429	10,242	63.18	125,938	10,743	66.27	22,285	12,980	Parent/Subsidiary
The Company	SFT	Taiwan	Research, manufacturing and sale of radio-detection and civilian technology application products related to distance	132,000	132,000	13,200	55.00	53,733	13,200	55.00	(32,488)	(17,868)	Joint Venture
The Company	AST	Taiwan	System integration service	288,390	82,577	11,349	56.75	396,941	11,349	56.75	75,902	42,881	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	271,642	93,365	22,484	89.94	267,573	22,484	100.00	(622)	(543)	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	893,639	107,851	24,449	69.85	799,007	24,449	100.00	39,820	28,670	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	1,077,189	107,719	100.00	1,075,017	107,719	100.00	(2,222)	(2,222)	Parent/Subsidiary
The Company	ABI	Taiwan	Sales of beverages and related products	15,000	-	1,500	100.00	5,151	1,500	100.00	(9,849)	(9,849)	Parent/Subsidiary
The Company	ASSB	Malaysia	Sale of brand-name IT products	1,193,559	-	30,969	100.00	1,404,134	30,969	100.00	20,408	194,934	Parent/Subsidiary
The Company	ACS	Singapore	Sale of brand-name IT products	171,997	-	3,985	100.00	223,952	3,985	100.00	7,072	38,755	Parent/Subsidiary
The Company	CHC	Taiwan	Energy technical services	50,000	-	5,000	41.67	49,513	5,000	41.67	(1,843)	(487)	Associate
ASBZ	VRE	Switzerland	Research of solutions to B2B virtual reality	-	38,979	-	-	-	100	100.00	145	Note 1	Parent/Subsidiary
HSNC	HSNT	Thailand	After-sale and value-added services of IT products	2,345	2,345	25	100.00	5,995	25	100.00	3,708	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	After-sale and value-added services of IT products	30,501	30,501	990	99.00	42,529	990	99.00	4,943	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	After-sale and value-added services of IT products	87,268	83,802	1,000	100.00	104,332	1,000	100.00	24,488	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	After-sale and value-added services of IT products	6,357	6,357	106	100.00	32,116	106	100.00	10,994	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	After-sale and value-added services of IT products	4,192	4,192	-	100.00	4,230	-	100.00	1,233	Note 1	Parent/Subsidiary
AST	ISU	Taiwan	Human resources and project service	20,000	20,000	2,000	100.00	40,798	2,000	100.00	17,891	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	14,000	1	100.00	20,867	1	100.00	11,236	Note 1	Parent/Subsidiary
AST	SPE	Taiwan	Plant engineering planning and construction	99,700	-	3,000	33.33	110,277	3,000	33.33	35,886	Note 1	Associate
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	28,268	1,244	24.88	33,425	Note 1	Associate
ADSC	APDI	Taiwan	Solar optronics business	-	29,577	-	-	-	2,958	100.00	1,577	Note 1	Parent/Subsidiary
ADSC	ASDI	Taiwan	Hotel management service	-	500,000	-	-	-	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ADSC	KBest	Taiwan	Development and manufacturing of radio and microwave equipment	130,720	130,720	4,713	29.84	31,836	4,713	29.84	(4,617)	Note 1	Associate
ADSC	KTI	Taiwan	Manufacturing of lithium battery module	15,000	-	1,500	75.00	6,545	1,500	75.00	(11,274)	Note 1	Parent/Subsidiary
ADSC	AST	Taiwan	System integration service	8,998	-	200	1.00	6,994	200	1.00	75,902	Note 1	Fellow subsidiaries
ADSC	ACSI	Taiwan	Cyber security service	18,720	-	200	0.88	10,638	200	0.90	155,366	Note 1	Fellow subsidiaries

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	10,275	452	9.05	33,425	Note 1	Associate
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,899	882	30.22	9,210	Note 1	Associate
WLII	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	26,616	1,000	100.00	16,737	Note 1	Parent/Subsidiary
WLII	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	317,502	6,000	20.00	394,843	Note 1	Associate
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	704	75	75.00	(7)	Note 1	Parent/Subsidiary
WLII	PGL	Cayman Islands	Investment and holding activity	-	337,906	-	-	-	2,550	51.00	64,986	Note 1	Parent/Subsidiary
WLII	Bluechip	Australia	Sale of computer peripherals and software system	22,411	-	434	7.59	22,719	434	8.31	36,737	Note 1	Fellow subsidiaries
WLII	PAM	Taiwan	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	628,483	-	14,340	62.53	591,945	14,340	62.53	4,486	Note 1	Parent/Subsidiary
PAM	PAL	British Virgin Islands	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36,979	-	70	100.00	39,259	70	100.00	16,488	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	-	650	100.00	123,915	650	100.00	(11,221)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,087	-	2,000	100.00	133,279	2,000	100.00	71,915	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	2,880	2,880.00	1	100.00	2,128	1	100.00	(652)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,485,368	109,639	7.98	403,836	Note 1	Fellow subsidiaries
ACTI	GrandPAD	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	182,967	436	28.88	(5,232)	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(2,654)	100	100.00	(1,040)	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	115,329	1	100.00	902	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	95,207	3,600	100.00	4,311	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	275,612	26,304	63.46	1,129,963	26,404	72.44	436,771	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(42,450)	2,900	100.00	(9,161)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	141,711	9,750	94.20	76,990	9,750	100.00	(23,280)	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, software-defined storage, and IT solution	78,613	78,613	6,581	78.59	65,666	6,581	78.59	1,338	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	394,772	394,772	34,308	94.41	31,478	34,308	94.41	(80,169)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	267,834	83,490	10,279	67.51	175,605	10,279	67.51	(54,706)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(11,789)	1,225	49.00	(11,494)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,152	2,310	100.00	1,623	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	50,676	50,676	2,900	100.00	16,298	2,947	100.00	(556)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(12,271)	1,275	51.00	(11,494)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(63,553)	2,500	100.00	(492)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	325,630	6,029	100.00	(22,597)	6,029	100.00	244	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	-	675	20.00	10,785	675	20.00	12,401	Note 1	Associate
AGM	AGPH	Philippines	Agency of video game console and peripherals	8,340	-	154	100.00	17,133	154	100.00	8,609	Note 1	Parent/Subsidiary
AGM	WKC	Cayman Islands	Investment and holding activity	641,544	-	9,589	54.96	641,544	9,589	54.96	-	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar optonics business	37,446	-	2,958	100.00	38,667	2,958	100.00	1,577	Note 1	Parent/Subsidiary
API	ASDI	Taiwan	Hotel management service	73,758	-	5,000	100.00	82,622	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	10,000	1,000	100.00	5,922	1,000	100.00	(1,783)	Note 1	Parent/Subsidiary
ACSI	EDC	Taiwan	Uninterrupted operation and IT operation outsourcing services	475,748	-	44,462	100.00	564,183	44,462	100.00	89,192	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	570	9.97	37,003	570	11.27	36,737	Note 1	Fellow subsidiaries
AOI	AOA	U.S.A.	Sale of computer, apparatus system, and peripheral equipment	295,771	295,771	15,000	100.00	(169,763)	15,000	100.00	(646)	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	(23,115)	1	100.00	(1,065)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	319,822	50	100.00	45,541	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	28,413	1	100.00	727	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	60,000	60,000	1,500	100.00	13,574	4,000	100.00	20	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	9,195	105	70.00	(4,646)	Note 1	Parent/Subsidiary
AOI	HTW	Hong Kong	Software development and agency	-	405	-	-	-	-	100.00	5	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	376,238	6,399	16.60	348,265	6,399	17.28	312,302	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,890	300	100.00	(1)	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	13,355	1	100.00	(4,646)	Note 1	Parent/Subsidiary

Note 1: The share of profits or losses of the investee company is not disclosed herein as such amount is already included in the share of profits or losses of the investor company.

Acer Incorporated
Information on Investments in Mainland China
For the year ended December 31, 2022

Table 8

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2022		Share of profits/ losses of investee	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,124	1	92,124	-	-	92,124	(6,480)	100.00	-	100.00	(6,480)	(7,364)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,062	2	-	-	-	-	3,569	100.00	-	100.00	3,569	221,950	-
Acer Computer (Shanghai) Ltd.	Sale of brand-name IT products	61,416	2	61,416	-	-	61,416	19,448	100.00	-	100.00	19,448	1,256,648	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,606,200	2	4,729,032 (Note 2)	-	-	4,729,032	(55,754)	100.00	-	100.00	(55,754)	4,487,516	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,540	1	153,540	-	-	153,540	(2,939)	100.00	-	100.00	(2,939)	28,662	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	26,708	1	(Note 3)	-	-	-	(4,013)	30.00	-	30.00	(1,204)	6,314	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,231	1	9,231	-	-	9,231	(276)	100.00	-	100.00	(276)	5,164	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	13,354	1	(Note 3)	-	-	-	(4,697)	30.00	-	30.00	(1,409)	7,272	-
Acer China Venture Corp	Fund company management	22,257	1	22,257	-	1,898	20,359	(118)	-	-	100.00	(117)	-	-
Acer China Venture Partnership (Limited Partnership)	Investment fund	66,770	1	62,319 (Note 4)	-	9,469	52,850	2	-	-	100.00	2	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,451	1	4,451	-	-	4,451	68	100.00	-	100.00	68	9,163	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,586	1	19,586	-	-	19,586	(2,029)	100.00	-	100.00	(2,029)	93,295	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	713	100.00	-	100.00	713	29,842	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,354	1	15,354	-	-	15,354	11,184	100.00	-	100.00	11,184	46,583	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(2,864)	100.00	-	100.00	(2,864)	12,768	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	48,454	100.00	-	100.00	48,454	303,577	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(10,743)	100.00	-	100.00	(10,743)	120,897	-
Shanghai Winking Entertainment Limited	Holding activity, Art outsourcing and Game development headquarter	446,030	2	-	-	-	-	-	54.96	-	54.96	-	158,855	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	92,000	2	-	-	-	-	-	54.96	-	54.96	-	9,053	-
Nanjing Winking Entertainment Ltd	Art outsourcing	88,847	2	-	-	-	-	-	54.96	-	54.96	-	114,213	-

Note 1: Method of Investment:

Type 1: Direct investment in Mainland China.

Type 2: Indirect investment in Mainland China through a holding company established in other countries.

Note 2: Acer Intellectual (Chongqing) Limited had merged with Acer (Chongqing) Ltd. in 2014, and Acer (Chongqing) Ltd. was the surviving entity from the merger. This amount included the original investment in

Acer Intellectual (Chongqing) Limited of \$122,832 (US\$ 4,000 thousand).

Note 3: Innovation and Commercialization Accelerator Inc. and Consumer Insights Research (Chongqing) Inc. were reinvested by Acer Cloud Technology(Chongqing) Ltd.

Note 4: Acer China Venture Partnership was invested by the Company and Acer China Venture Corp of \$60,533 and \$4,324, respectively.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2022 (Note 5)(Note 6)(Note 7)(Note 8)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)(Note 6)(Note 7)(Note 8)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	\$5,791,757 (US\$188,607,415)	\$7,893,171 (US\$257,039,530.8)	(Note)

Note 5: In September, 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US\$ 730,000 had been remitted to AOI in March 2010.

AOI has not yet to report to MOEA, therefore, the amount of US\$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 6: T-Conn Precision(Zhongshan) Co., Ltd., indirectly invested by AOI, had been dissolved and the related liquidation process has been completed. The liquidation proceeds of US\$ 31,549.06 (according to ownership percentage of 19%) has been remitted to Super Elite Ltd., a holding company established in other countries. On March 12, 2010, AOI has obtained MOEA's approval to withdraw its investment. However, the amount of accumulated investment in Mainland China still included the amount of US\$ 57,000 due to the liquidation of capital which has yet to be remitted to Taiwan.

Note 7: As a result of the acquisition of WKC, AGM indirectly acquired its investment of WKSH located in Mainland China, and meanwhile accumulated the investments in Mainland China amounting to US\$16,033,042.

Note 8: AGM made indirect investment in Mainland China through a holding company (WKC) established in other countries.

The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.708 as of December 31, 2022.

Note: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limitation on investment in Mainland China.



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