MINUTES OF 2019ANNUAL SHAREHOLDERS' MEETING

OF ACER INCORPORATED

(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2019Annual Shareholders' Meeting shall govern any and all matters related to the interpretation of the subject matter stated herein.

Time: 9:00 a.m., Friday, June 14, 2019

Place: Fu-Li Conference Hall, FUSHIN Hotel-Taipei
(2F, No.128, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City)

Total outstanding shares of ACER (excluding the shares without voting right as stipulated in Article 179 of the Company Law): 3,053,124,833 shares

Total shares represented by shareholders present in person or proxy: 1,670,022,439 shares

Percentage of shares held by shareholders present in person or proxy: 54.69%

The attendance list of the directors: Jason Chen, Stan Shih, Hung Rouan Investment Corp. Legal Representative: Carolyn Yeh, Ching-Hsiang Hsu

Chairman: Jason Chen

Recorder: Wayne Chang

The aggregate shareholding of the shareholders present in person or proxy constituted a quorum. The Chairman called the meeting to order.

1. Report Items

(1) To Report the Business for the Year 2018

Explanatory Notes: Please refer to Attachment 1.

(2) Audit Committee's Review Report

Explanatory Notes: Please refer to Attachment 2.

(3) To Report the Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2018

Explanatory Notes:

i. The Board of Directors approved the proposal of employees' 2018 profit sharing bonus and Board Directors' compensation on March 20, 2019. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.

ii. The total amount of employees' 2018 profit sharing bonus is NT$163,312,536.

iii. The total amount of Board Directors' 2018 compensation is NT$6,910,504.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2018. (Proposed by the Board of Directors)

Explanatory Notes:

(1) Acer's Financial Statements for the Year 2018, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flow have been audited by CPA Huei-Chen Chang and CPA Tzu-Chieh Tang of KPMG.

(2) The Business Report for the Year 2018 and the aforementioned financial statements are attached hereto as Attachment 1 and Attachment 3, which have been approved by the Audit Committee and by the Board of Directors via resolution and are hereby submitted for ratification.

(3) Please discuss.

Resolution: Shares present at the time of voting: 1,670,022,439 (votes casted electronically: 980,918,394 votes)

Voting Results*	% of the total represented share present
Votes in favor: 1,427,073,270 votes (738,555,550 votes)	85.45%
Votes against : 306,801 votes (306,801 votes)	0.02%
Votes invalid or abstained: 242,642,368 votes (242,056,043 votes)	14.53%

*****including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 2

Proposal: Discussion Proposal for Profit & Loss Appropriation for the Year 2018. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The beginning balance of the un-appropriated retained earnings of the Company is NT$0 in 2018. After plus the net income after tax of 2018 and the impact caused by the new accounting standards applied and the disposal of fair value through other comprehensive income financial assets, set aside legal reserve ad special reserve in accordance with applicable laws and regulations, the total accumulative retained earnings available for appropriation is NT$2,373,276,341. It is proposed to distribute NT$2,367,699,047 as the dividends to the shareholders, the ending balance of the unappropriated retained earnings is NT$5,577,294, which is reserved for distribution in the future.

(2) It is proposed to distribute the cash dividend of NT$2,367,699,047 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$0.77 per share. (Rounded down to NT$1.0 and the residue will be calculated and booked as the Company's other income)

(3) 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 Board of Directors with full power to adjust the distribution ratio.

(4) The record date for ex-dividend is temporarily set on July 11, 2019, and the distribution date is set on August 7, 2019. Should the dates above be adjusted due to the amendment of laws or regulations, a request by competent authorities, it is proposed the General Shareholders' Meeting to authorize the Board of Directors with full power to adjust accordingly.

(5) The Statements of Profit & Loss Appropriation hereby are shown as follows.

(6) Please discuss

Acer Incorporated

2018 Statement of Profit & Loss Appropriation

Unit：NT$

Beginning Balance of Un-appropriated Retained Earnings	0
Plus：2018 Net Income after Tax	3,060,428,635
Plus : the impact caused by the new accounting standards applied and the disposal of fair value through other comprehensive income financial assets	25,434,169
Deduct: Legal Reserve	(306,042,864)
Deduct: Special Reserve	(406,543,599)
Accumulative earnings available for appropriation	2,373,276,341
Appropriation Items:	
Cash dividends to shareholders	(2,367,699,047)
Ending Balance of Un-appropriated Retained Earnings	5,577,294

Chairman of Board	Corporate Officers	Accounting Officer
Jason Chen	Jason Chen Meggy Chen	Sophia Chen

Resolution: Shares present at the time of voting: 1,670,022,439 (votes casted electronically: 980,918,394 votes)

Voting Results*	% of the total represented share present
Votes in favor: 1,438,069,959 votes (749,547,649 votes)	86.11%
Votes against : 596,069 votes (596,069 votes)	0.04%
Votes invalid or abstained: 231,356,411 votes (230,774,676 votes)	13.85%

*****including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 3

Proposal: Discussion Proposal of the Amendments to Acer's Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Notes:

(1) Subject to newly amended Taiwan Company Act come into force on November 1, 2018, it is proposed to amend the Article of Incorporation. The before and after revision chart for the Articles of Incorporation is attached hereto as Attachment 4.

(2) Please discuss.

Resolution: Shares present at the time of voting: 1,670,022,439 (votes casted electronically: 980,918,394 votes)

Voting Results*	% of the total represented share present
Votes in favor: 1,437,865,730 votes (749,343,420 votes)	86.10%
Votes against : 492,391 votes (492,391 votes)	0.03%
Votes invalid or abstained: 231,664,318 votes (231,082,583 votes)	13.87%

*****including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 4

Proposal: Discussion Proposal of the Amendments to Acer's Internal Rules. (Proposed by the Board of Directors)

A. Procedures for Acquiring or Disposing of Assets
B. Procedures Governing Lending of Capital to Others
C. Procedures Governing Endorsement and Guarantee

Explanatory Notes:

(1) To comply with the amendment of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies " issued by R.O.C. Financial Supervisory Commission, the Company's following internal rules shall be revised accordingly:
A. Procedures for Acquiring or Disposing of Assets
B. Procedures Governing Lending of Capital to Others
C. Procedures Governing Endorsement and Guarantee

(2) The before and after revision chart for the aforementioned internal rules are attached hereto as Attachments 5, 6 and 7.

(3)Please discuss.

Resolution: Shares present at the time of voting: 1,670,022,439 (votes casted electronically: 980,918,394 votes)

Voting Results*	% of the total represented share present
Votes in favor: 1,437,649,098 votes (749,126,788 votes)	86.09%
Votes against : 525,927 votes (525,927 votes)	0.03%
Votes invalid or abstained: 231,847,414 votes (231,265,679 votes)	13.88%

***including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

3. Extemporary Motion

N.A.

4. Meeting Adjourned: 9:25 a.m.

Note: This document is extracted from the meeting; the details are subject to the audio and video recording.

Attachment 1

Business Report

Dear Shareholders,

It has been another fruitful year filled with opportunities and challenges as Acer engages in dual transformation with our core business and new initiatives. I am pleased to share that our efforts and achievements in 2018 concluded with growth in both revenue and profitability. Acer's 2018 consolidated revenues reached NT$242.27 billion with 2.1 percent growth year-over-year; Net income reached NT$3.06 billion, up 8.7 percent year-over-year; and earnings per share (EPS) were NT$1.01, the highest in eight years.

While Acer's gaming business achieved substantial revenue growth, in the latter part of the year, our operations were impacted by global CPU supply shortages for PCs. Meanwhile, we are excited to see other products and businesses showing growth, such as AOPEN, Weblink International, Acer Cyber Security, digital displays and gadgets. We will continue the pursuit of technological innovation and leading-edge design, broaden our business boundaries from PCs to new markets, and create multiple growth engines.

Underscoring the importance we place on research and development, in 2018 Acer ranked among the top three in the number of Taiwan patent applications with 476 filings, up 25 percent from the previous year. Among these patents, we have innovative and breakthrough technologies such as our advanced thermal solutions that enable Acer products to run at peak performance without overheating; these include our AeroBlade 3D metal fans applied in gaming notebooks, and IceTunnel cooling system for gaming desktops. Acer's thin-and-light notebooks, gaming and education lines all captured attention with multiple industry and media awards. Furthermore, we are innovating in other aspects of designs that complete the total user experience, such as software and packaging, which were recognized and awarded by the iF Design Awards of Germany.

In the Chrome OS segment, Acer ranked No. 1 for Chromebooks worldwide in Q4 2018 with 31 percent market share. We offer the most complete selection of screen sizes and form factors for a variety of usage needs. Acer is also strengthening its presence in the Chrome for Enterprise space with our merger of AOPEN that has created great synergy. We now offer commercial grade Chrome OS products which are more ruggedized in design and built very differently from consumer devices.

Acer's participation in esports games has been action-packed. We were the official monitor provider of the 2018 League of Legends World Championships. In the third quarter, we kicked off our second Asia Pacific Predator league tournament where 3,530 teams competed over five months and battled for the league championship. Through such events, Acer will engage new audiences while continuing to bring technologies, innovations and game-changing designs first to market.

For AI-based technology, servers by our subsidiary, Altos Computing, which integrate other software and services to provide a variety of solutions have won a dozen major high-performance computing (HPC) tenders globally in 2018. In the realm of smart cities, Acer ITS successfully initiated Taiwan's first roadside Smart Parking Meter BOT project in collaboration with the Tainan city government, with parking meters implemented along a total of 2,000 spaces across the city.

Venturing into technology for the future, Acer's Value Lab has collaborated with one of Taiwan's top automakers, Luxgen, to showcase the vision of artificial intelligence (AI) and autonomous driving technology with a level 4-ready self-driving concept car. Acer is stepping up the development further by cooperating with the National Yang-Ming University School of Medicine to improve the passenger experience, where the physiological state of passengers during the technology development stage is monitored to improve comfortability of the ride even during unexpected situations. On top of these, there are many other exciting initiatives being developed.

For long-term business sustainability, Acer’s pursuit to make a positive impact to our society and environment has made significant headway in 2018. In addition to the on-going engagement with our partners and suppliers to act responsibly, 50 percent of electricity consumption from Acer’s global operations comes from green energy. We also initiated several programs to encourage global employees to take part in caring for our environment. With sustainable development embedded in the company culture, and the determination to innovate in all aspects of our technology, management and operations, we persist in giving back to our communities and exceling in our corporate social responsibilities (CSR). Moreover, to put into clearer perspective of Acer's impact on the environment and society, we continued to adopt the True Value methodology that quantifies in financial terms the costs and benefits. This serves as a guidance on taking the relevant risk control measures and weighing business opportunities.

We have made significant strides in the past year, and we are already moving full-steam ahead to explore and conquer new challenges. On behalf of all Acer employees, allow me to express our deepest appreciation to our shareholders for your support. I look forward to planting the seeds for new opportunities in another fruitful year together!

Sincerely,

Jason Chen
Chairman and CEO

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Financial Statements, and the Proposal for profit & loss appropriation. The CPA Huei-Chen Chang and Tzu-Chieh Tang 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 20th, 2019

Attachment 3

Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, 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 the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards("IFRSs"), International Accounting Standards("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to Note 3(a) to the consolidated financial statements which describes that the Group initially adopted the IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on January 1, 2018, with no restatement of comparative period financial statements. Our opinion is not modified in respect of this matter.

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 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 Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

1. Revenue recognition

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

   Description of key audit matter:

   The Group 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 Group 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 Group'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(h) for the accounting policies on inventory valuation, Note 5(b) for uncertainty of accounting estimations and assumptions for inventory valuation and Note 6(h) for the details of related disclosures.

   Description of key audit matter:

   Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of technology and fierce market competition, the Group's product price may fluctuate rapidly. Furthermore, the stocks for products and components may exceed customers' demands thus becoming obsolete. These factors expose the Group 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 Group'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

   Refer to Note 4(o) for the accounting policies on goodwill impairment, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(n) for the evaluation of goodwill impairment.

Description of key audit matter:

Goodwill arising from past acquisition of subsidiaries are 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 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 model 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 business forecasts, and performing a sensitivity analysis of 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 assessing the adequacy of the Group’s disclosures of its policy on impairment of non-financial assets (including goodwill) and other related disclosures.

Other Matter

Acer Incorporated has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2018 and 2017, on which we have issued unmodified audit opinion with the paragraph on emphasis of matter and unmodified audit opinion, respectively.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huei-Chen Chang and Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 20, 2019

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 27,283,038	18	33,970,331	22
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	435,574	-	170,803	-
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	88,989	-	-	-
1125	Available-for-sale financial assets－current (note 6(d))	-	-	118,329	-
1140	Contract assets－current (note 6(z))	396,235	-	-	-
1147	Investments in debt instrument without an active market－current (note 6(e))	-	-	232,466	-
1170	Notes and accounts receivable, net (notes 6(f) & (z))	47,491,595	31	46,761,383	30
1180	Accounts receivable from related parties (notes 6(f) & (z) and 7)	34,623	-	126,903	-
1200	Other receivables (notes 6(g) and 7)	1,097,802	1	1,024,005	1
1220	Current income tax assets	460,334	-	570,537	-
130X	Inventories (note 6(h))	42,076,409	27	40,079,221	25
1460	Non-current assets held for sale, net (note 6(i))	-	-	161,990	-
1470	Other current assets (note 6(o))	3,756,396	3	3,078,330	2
	Total current assets	123,120,995	80	126,294,298	80
	Non-current assets:				
1510	Financial assets measured at fair value through profit or loss－non-current (note 6(b))	44,894	-	-	-
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c))	4,340,457	3	-	-
1523	Available-for-sale financial assets－non-current (note 6(d))	-	-	5,252,341	3
1546	Investments in debt instrument without an active market－non-current (note 6(e))	-	-	308,444	-
1550	Investments accounted for using equity method (note 6(j))	875,861	-	569,405	-
1600	Property, plant and equipment (notes 6(l) and 8)	3,846,752	2	4,106,559	3
1760	Investment property (note 6(m))	1,122,385	1	1,141,199	1
1780	Intangible assets (note 6(n))	17,311,344	11	17,184,151	11
1840	Deferred income tax assets (note 6(v))	890,458	1	656,478	-
1900	Other non-current assets (notes 6(o) & (u))	1,432,482	1	1,101,079	1
1980	Other financial assets－non-current (note 8)	1,003,782	1	998,817	1
	Total non-current assets	30,868,415	20	31,318,473	20
	Total assets	**$ 153,989,410**	**100**	**157,612,771**	**100**

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(p) and 8)	$ 657,040	-	482,894	-
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	272,085	-	621,947	-
2130	Contract liabilities－current (note 6(z))	821,374	1	-	-
2170	Notes and accounts payable (note 7)	40,079,353	26	42,750,982	27
2200	Other payables (note 6(ab))	24,420,154	16	37,219,141	24
2250	Provisions－current (notes 6(s) and 9)	5,239,352	4	6,656,001	4
2322	Current portion of long-term debt (notes 6(r) and 8)	4,112	-	2,701,958	2
2365	Refund liabilities－current	12,703,866	8	-	-
2399	Other current liabilities (note 6(q))	2,619,592	2	2,807,010	2
	Total current liabilities	86,816,928	57	93,239,933	59
	Non-current liabilities:				
2527	Contract liabilities－non-current (note 6(z))	1,405,350	1	-	-
2540	Long-term debt (notes 6(r) and 8)	3,315,976	2	3,300,499	2
2550	Provisions－non-current (notes 6(s) and 9)	36,241	-	45,692	-
2570	Deferred income tax liabilities (note 6(v))	1,749,191	1	1,040,696	1
2600	Other non-current liabilities (notes 6(q) & (u))	1,679,438	1	2,010,545	1
	Total non-current liabilities	8,186,196	5	6,397,432	4
	Total liabilities	95,003,124	62	99,637,365	63
	Equity(notes 6(c), (w) & (x)):				
3110	Common stock	30,749,338	20	30,765,028	19
3200	Capital surplus	27,913,351	18	29,852,184	19
	Retained earnings:				
3310	Legal reserve	281,559	-	-	-
3320	Special reserve	2,534,028	2	-	-
3351	Unappropriated earnings	3,085,863	2	2,815,587	2
3400	Other equity	(3,381,189)	(2)	(3,198,500)	(2)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Equity attributable to shareholders of the Company	58,268,094	38	57,319,443	36
36XX	**Non-controlling interests**	718,192	-	655,963	1
	Total equity	58,986,286	38	57,975,406	37
	Total liabilities and equity	**$ 153,989,410**	**100**	**157,612,771**	**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, 2018 and 2017

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

		2018		2017	
		Amount	**%**	**Amount**	**%**
4000	**Net revenue (notes 6(s), (z) & (aa), 7 and 14)**	$ 242,270,406	100	237,274,883	100
5000	**Cost of revenue (notes 6(h), (l), (n), (s), (t) & (u), 7 and 12)**	(216,442,207)	(89)	(211,913,649)	(89)
	Gross profit	25,828,199	11	25,361,234	11
	Operating expenses (notes 6(f), (l), (m), (n), (s), (t), (u), (x) & (ab), 7 and 12):				
6100	Selling expenses	(15,234,252)	(6)	(14,855,347)	(6)
6200	General and administrative expenses	(4,462,573)	(2)	(4,547,263)	(2)
6300	Research and development expenses	(2,559,920)	(1)	(2,497,868)	(1)
	Total operating expenses	(22,256,745)	(9)	(21,900,478)	(9)
6500	**Other operating income and expenses, net (notes 6(t) & (ac), and 7)**	167,035	-	208,978	-
	Operating income	3,738,489	2	3,669,734	2
	Non-operating income and loss:				
7010	Other income (note 6(ad))	606,843	-	525,760	-
7020	Other gains and losses — net (notes 6(b), (e), (k), (t) & (ad), and 7)	216,232	-	(574,381)	(1)
7050	Finance costs (note 6(ad))	(175,288)	-	(225,832)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(j))	(133,896)	-	(38,629)	-
7673	Reversal of impairment loss on property, plant and equipment (note 6(l))	-	-	82,480	-
	Total non-operating income and loss	513,891	-	(230,602)	(1)
7900	**Income before taxes**	4,252,380	2	3,439,132	1
7950	**Income tax expense (note 6(v))**	(1,350,420)	(1)	(642,399)	-
	Net income	2,901,960	1	2,796,733	1
	Other comprehensive income (loss) (notes 6(j), (u), (v) & (w)):				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	682	-	(35,445)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(593,723)	-	-	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	22,695	-	11,050	-
		(570,346)	-	(24,395)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operations	385,004	-	(2,132,038)	(1)
8362	Change in fair value of available-for-sale financial assets	-	-	457,886	-
8370	Share of other comprehensive income (loss) of associates	(3,940)	-	741	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(3,596)	-	18	-
		377,468	-	(1,673,393)	(1)
	Other comprehensive loss, net of taxes	(192,878)	-	(1,697,788)	(1)
	Total comprehensive income for the year	**$ 2,709,082**	**1**	**1,098,945**	**-**
	Net income attributable to:				
8610	Shareholders of the Company	$ 3,060,429	1	2,815,587	1
8620	Non-controlling interests	(158,469)	-	(18,854)	-
		$ 2,901,960	**1**	**2,796,733**	**1**
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of the Company	$ 2,876,293	1	1,115,222	-
8720	Non-controlling interests	(167,211)	-	(16,277)	-
		$ 2,709,082	**1**	**1,098,945**	**-**
	Earnings per share (in New Taiwan dollars) (note 6(y)):				
9750	Basic earnings per share	**$**	**1.01**		**0.93**
9850	Diluted earnings per share	**$**	**1.01**		**0.93**

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 years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company															
			Retained earnings				Other equity									
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Unearned compensation cost arising from restricted shares of stock issued to employees	Total	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2017	$ 30,807,328	34,743,105	145,190	1,306,709	(4,900,296)	(3,448,397)	(1,061,015)	-	(347,770)	(77,257)	(26,743)	(1,512,785)	(2,914,856)	57,674,395	4,083	57,678,478
Net income for the year	-	-	-	-	2,815,587	2,815,587	-	-	-	-	-	-	-	2,815,587	(18,854)	2,796,733
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,141,146)	-	459,805	(19,024)	-	(1,700,365)	-	(1,700,365)	2,577	(1,697,788)
Total comprehensive income (loss) for the year	-	-	-	-	2,815,587	2,815,587	(2,141,146)	-	459,805	(19,024)	-	(1,700,365)	-	1,115,222	(16,277)	1,098,945
Appropriation approved by the stockholders:																
Decrease in legal reserve to offset accumulated deficit	-	-	(145,190)	-	145,190	-	-	-	-	-	-	-	-	-	-	-
Decrease in special reserve to offset accumulated deficit	-	-	-	(1,306,709)	1,306,709	-	-	-	-	-	-	-	-	-	-	-
Decrease in capital surplus to offset accumulated deficit	-	(3,448,397)	-	-	3,448,397	3,448,397	-	-	-	-	-	-	-	-	-	-
Cash distributed from capital surplus	-	(1,515,071)	-	-	-	-	-	-	-	-	-	-	-	(1,515,071)	-	(1,515,071)
Change in equity of investments in associates	-	28,571	-	-	-	-	-	-	-	-	-	-	-	28,571	19	28,590
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	649,886	649,886
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,893	19,893
Changes in ownership interests in subsidiaries	-	1,653	-	-	-	-	-	-	-	-	-	-	-	1,653	(1,653)	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	14,650	14,650	-	14,650	-	14,650
Retirement of restricted shares of stock issued to employees	(42,300)	42,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock option compensation cost of subsidiaries	-	23	-	-	-	-	-	-	-	-	-	-	-	23	12	35
Balance at December 31, 2017	30,765,028	29,852,184	-	-	2,815,587	2,815,587	(3,202,161)	-	112,035	(96,281)	(12,093)	(3,198,500)	(2,914,856)	57,319,443	655,963	57,975,406
Effects of retrospective application	-	-	-	-	(7,231)	(7,231)	-	112,035	(112,035)	-	-	-	-	(7,231)	2,021	(5,210)
Adjusted balance at January 1, 2018	30,765,028	29,852,184	-	-	2,808,356	2,808,356	(3,202,161)	112,035	-	(96,281)	(12,093)	(3,198,500)	(2,914,856)	57,312,212	657,984	57,970,196
Net income for the year	-	-	-	-	3,060,429	3,060,429	-	-	-	-	-	-	-	3,060,429	(158,469)	2,901,960
Other comprehensive income (loss) for the year	-	-	-	-	-	-	390,996	(601,596)	-	26,464	-	(184,136)	-	(184,136)	(8,742)	(192,878)
Total comprehensive income (loss) for the year	-	-	-	-	3,060,429	3,060,429	390,996	(601,596)	-	26,464	-	(184,136)	-	2,876,293	(167,211)	2,709,082
Appropriation approved by the stockholders:																
Legal reserve	-	-	281,559	-	(281,559)	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,534,028	(2,534,028)	-	-	-	-	-	-	-	-	-	-	-
Cash distributed from capital surplus	-	(2,120,798)	-	-	-	-	-	-	-	-	-	-	-	(2,120,798)	-	(2,120,798)
Change in equity of investments in associates	-	44,225	-	-	-	-	-	-	-	-	-	-	-	44,225	(19)	44,206
Changes in ownership interests in subsidiaries	-	32,647	-	-	-	-	-	-	-	-	-	-	-	32,647	9,734	42,381
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,682	105,682
Issuance of common stock from exercise of employee stock options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,987	61,987
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	100,600	-	-	-	-	-	-	-	-	-	-	-	100,600	52,050	152,650
Retirement of restricted shares of stock issued to employees	(15,690)	1,892	-	-	-	-	-	-	-	-	13,798	13,798	-	-	-	-
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	(1,705)	(1,705)	-	(1,705)	-	(1,705)
Stock option compensation cost of subsidiaries	-	1,857	-	-	-	-	-	-	-	-	-	-	-	1,857	97	1,954
Disposal of investments accounted for using equity method	-	744	-	-	-	-	22,019	-	-	-	-	22,019	-	22,763	-	22,763
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,112)	(2,112)
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	32,665	32,665	-	(32,665)	-	-	-	(32,665)	-	-	-	-
Balance at December 31, 2018	**$ 30,749,338**	**27,913,351**	**281,559**	**2,534,028**	**3,085,863**	**5,901,450**	**(2,789,146)**	**(522,226)**	**-**	**(69,817)**	**-**	**(3,381,189)**	**(2,914,856)**	**58,268,094**	**718,192**	**58,986,286**

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from operating activities:		
Income before income tax	$ 4,252,380	3,439,132
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	423,898	508,866
Amortization	415,818	563,486
Net loss on financial assets measured at fair value through profit or loss	496,558	-
Effects of exchange rate changes in investments in debt instrument without an active market	-	(7,000)
Interest expense	175,288	225,832
Interest income	(358,954)	(304,605)
Dividend income	(247,889)	(221,155)
Share-based compensation cost	249	14,685
Share of losses of associates and joint ventures	133,896	38,629
Loss on disposal of property, plant and equipment and non-current assets held for sale	3,475	5,817
Property, plant and equipment and intangible assets reclassified to expenses	453	602
Gain on disposal of intangible assets	-	(32)
Loss (gain) on disposal of investments accounted for using equity method	33,158	(690)
Impairment loss on financial assets	-	3,061
Gain on bargain purchase	(6,385)	(1,130)
Reversal of impairment loss on property, plant and equipment	-	(82,480)
Other investment loss	3,696	36,183
Total adjustments for profit and loss	1,073,261	780,069
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(606,239)	1,986,320
Contract assets	(383,613)	-
Notes and accounts receivable	(523,043)	(2,264,268)
Receivables from related parties	92,280	(44,928)
Inventories	(2,434,278)	(817,920)
Other receivables and other current assets	(147,231)	(54,430)
Non-current accounts receivable	-	33,429
Other non-current assets	4,968	(157,297)
Changes in operating assets	(3,997,156)	(1,319,094)
Changes in operating liabilities:		
Notes and accounts payable	(2,897,116)	(10,344,889)
Refund liabilities	(784,304)	-
Other payables and other current liabilities	338,917	(202,344)
Provisions	(144,977)	125,554
Contract liabilities	498,459	-
Other non-current liabilities	52,880	127,706
Changes in operating liabilities	(2,936,141)	(10,293,973)
Total changes in operating assets and liabilities	(6,933,297)	(11,613,067)
Total adjustments	(5,860,036)	(10,832,998)
Cash used in operations	(1,607,656)	(7,393,866)
Interest received	359,771	247,245
Income taxes paid	(884,258)	(366,162)
Net cash used in operating activities	(2,132,143)	(7,512,783)

(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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(86,605)	-
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	62,576	-
Proceeds from capital return of financial assets measured at fair value through other comprehensive income	31,883	-
Proceeds from repayments of financial assets measured at fair value through profit or loss	16,580	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	8,458	-
Purchase of available-for-sale financial assets	-	(314,312)
Proceeds from capital return of available-for-sale financial assets	-	15,691
Purchase of investments in debt instrument without an active market	-	(12,698)
Proceeds from repayments of investments in debt instrument without an active market	-	10,229
Acquisition of investments accounted for using equity method	(151,500)	(295,714)
Proceeds from disposal of investments accounted for using equity method	557	899
Proceeds from disposal of non-current assets held for sale	163,974	-
Additions to property, plant and equipment	(230,598)	(282,394)
Proceeds from disposal of property, plant and equipment	9,787	24,121
Additions to intangible assets	(218,040)	(38,846)
Proceeds from disposal of intangible assets	-	1,749
Net cash received from (paid for) acquisition of subsidiaries	(1,071)	496,674
Increase in other non-current financial assets	(4,965)	(38,174)
Dividends received	256,813	242,727
Net cash flows used in investing activities	(142,151)	(190,048)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	98,492	(50,828)
Increase in long-term debt	22,669	3,300,000
Repayment of long-term debt	(2,704,109)	(3,300,334)
Cash distributed from capital surplus	(2,120,798)	(1,515,071)
Cash dividends paid to non-controlling interests by subsidiaries	(2,112)	-
Capital injection from non-controlling interest	-	19,893
Issuance of common stock from exercise of employee stock options by subsidiaries	61,987	-
Increase in non-controlling interests	183,931	-
Interest paid	(161,420)	(257,938)
Net cash flows used in financing activities	(4,621,360)	(1,804,278)
Effect of foreign exchange rate changes	208,361	(812,233)
Net decrease in cash and cash equivalents	(6,687,293)	(10,319,342)
Cash and cash equivalents at beginning of period	33,970,331	44,289,673
Cash and cash equivalents at end of period	$ **27,283,038**	**33,970,331**

See accompanying notes to consolidated financial statements.

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, 2018 and 2017, 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, 2018 and 2017, 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 Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to Note 3(a) to the parent-company-only financial statements which describes that the Company initially adopted the IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on January 1, 2018, with no restatement of comparative period financial statements. Our opinion is not modified in respect of this matter.

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, 2018 are stated as follows:

1. Revenue recognition

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

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(h) for the details of related disclosures.

   Description of key audit matter:

   Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of technology and fierce market competition, the Company's product price may fluctuate rapidly. Furthermore, the stocks for products and 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 goodwill impairment, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(i) for the evaluation of goodwill impairment.

Description of key audit matter:

Goodwill arising from past acquisition of subsidiaries, which are included within the carrying amount of investments accounted for using equity method, are 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 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 model 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 business forecasts, and performing a sensitivity analysis of 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 assessing the adequacy of the Company's disclosures of its policy on impairment of non-financial assets (including goodwill) and other related disclosures.

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 parent-company-only financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 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 Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 20, 2019

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 3,625,154	3	13,708,705	12
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	266,951	-	58,407	-
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	39,908	-	-	-
1125	Available-for-sale financial assets－current (note 6(d))	-	-	67,077	-
1140	Contract assets－current (note 6(u))	84,450	-	-	-
1147	Investments in debt instrument without an active market－current (note 6(e))	-	-	227,243	-
1170	Notes and accounts receivable, net (notes 6(f) & (u))	3,352,271	3	4,246,340	4
1180	Accounts receivable from related parties (notes 6(f) & (u) and 7)	23,075,104	20	14,186,704	12
1200	Other receivables (note 6(g))	574,460	-	341,721	-
1210	Other receivables from related parties (notes 6(g) and 7)	87,697	-	260,738	-
130X	Inventories (note 6(h))	13,591,184	12	13,344,712	11
1470	Other current assets	157,176	-	196,659	-
	Total current assets	44,854,355	38	46,638,306	39
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c))	2,882,001	3	-	-
1523	Available-for-sale financial assets－non-current (note 6(d))	-	-	3,244,501	3
1550	Investments accounted for using equity method (note 6(i))	67,463,925	57	66,001,978	56
1600	Property, plant and equipment (note 6(j))	1,355,056	1	1,358,581	1
1760	Investment property (note 6(k))	1,269,699	1	1,288,312	1
1780	Intangible assets (note 6(l))	229,136	-	261,992	-
1840	Deferred income tax assets (note 6(q))	327,949	-	47,725	-
1900	Other non-current assets	69,880	-	109,598	-
1980	Other financial assets－non-current (note 8)	108,484	-	149,704	-
	Total non-current assets	73,706,130	62	72,462,391	61
	Total assets	**$ 118,560,485**	**100**	**119,100,697**	**100**

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	183,413	-	326,006	-
2130	Contract liabilities－current (note 6(u))	122,994	-	-	-
2170	Notes and accounts payable	33,237,981	28	34,216,562	29
2180	Accounts payable to related parties (note 7)	131,574	-	94,524	-
2200	Other payables (note 6(w))	15,108,645	13	17,226,533	15
2220	Other payables to related parties (note 7)	1,368,927	1	1,146,233	1
2250	Provisions－current (note 6(n))	758,541	1	728,546	-
2230	Current tax liabilities	359,576	1	128,512	-
2322	Current portion of long-term debt (note 6(m))	-	-	2,700,000	3
2365	Refund liabilities－current	2,611,223	2	-	-
2399	Other current liabilities	196,752	-	142,911	-
	Total current liabilities	54,079,626	46	56,709,827	48
	Non-current liabilities:				
2527	Contract liabilities－non-current (note 6(u))	491,976	-	-	-
2540	Long-term debt (note 6(m))	3,300,000	3	3,300,000	3
2570	Deferred income tax liabilities (note 6(q))	1,450,536	1	788,259	-
2600	Other non-current liabilities (note 6(p))	869,655	1	813,161	1
2622	Long-term payables to related parties (note 7)	100,598	-	170,007	-
	Total non-current liabilities	6,212,765	5	5,071,427	4
	Total liabilities	60,292,391	51	61,781,254	52
	Equity (note 6(r)):				
3110	Common stock	30,749,338	26	30,765,028	26
3200	Capital surplus	27,913,351	24	29,852,184	25
	Retained earnings:				
3310	Legal reserve	281,559	-	-	-
3320	Special reserve	2,534,028	2	-	-
3351	Unappropriated earnings	3,085,863	3	2,815,587	2
3400	Other equity	(3,381,189)	(3)	(3,198,500)	(3)
3500	Treasury stock	(2,914,856)	(3)	(2,914,856)	(2)
	Total equity	58,268,094	49	57,319,443	48
	Total liabilities and equity	**$ 118,560,485**	**100**	**119,100,697**	**100**

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, 2018 and 2017

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

		2018		2017	
		Amount	%	Amount	%
4000	**Net revenue (notes 6(u) & (v) and 7)**	$ 177,953,077	100	174,273,511	100
5000	**Cost of revenue (notes 6(h) & (n) and 7)**	(169,518,256)	(95)	(165,762,193)	(95)
	Gross profit before unrealized gross profit on sales to subisidiaries, associates and joint ventures	8,434,821	5	8,511,318	5
5920	Unrealized gross profit on sales to subsidiaries, associates and joint ventures	35,372	-	(37,114)	-
	Gross profit	8,470,193	5	8,474,204	5
	Operating expenses(notes 6(f), (j), (k), (l), (n), (o), (p), (s) & (w), 7 and 12):				
6100	Selling expenses	(3,166,653)	(2)	(2,746,507)	(1)
6200	General and administrative expenses	(1,017,665)	-	(1,262,074)	(1)
6300	Research and development expenses	(1,689,954)	(1)	(1,545,541)	(1)
	Total operating expenses	(5,874,272)	(3)	(5,554,122)	(3)
6500	**Other operating income and expenses, net (notes 6(o) & (x) and 7)**	130,946	-	107,859	-
	Operating income	2,726,867	2	3,027,941	2
	Non-operating income and loss:				
7010	Other income (notes 6(y) and 7)	260,297	-	290,090	-
7020	Other gains and losses － net (notes 6(i) & (y) and 7)	375,077	-	260,352	-
7050	Finance costs (notes 6(m) & (y) and 7)	(123,094)	-	(217,933)	-
7060	Share of profits (losses) of subsidiaries, associates and joint ventures (note 6(i))	673,443	-	(334,231)	-
	Total non-operating income and loss	1,185,723	-	(1,722)	-
7900	**Income before taxes**	3,912,590	2	3,026,219	2
7950	**Income tax expense** (note 6(q))	(852,161)	-	(210,632)	-
	Net income	3,060,429	2	2,815,587	2
	Other comprehensive income (loss) (note 6(r)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(54,185)	-	(48,457)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(384,772)	-	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures	(154,199)	-	21,195	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	18,024	-	8,238	-
		(575,132)	-	(19,024)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	396,272	-	(2,141,164)	(1)
8362	Change in fair value of available-for-sale financial assets	-	-	494,936	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures	(1,847)	-	(35,131)	-
8399	Income tax related to items that may be reclassified to profit or loss	(3,429)	-	18	-
		390,996	-	(1,681,341)	(1)
	Other comprehensive loss, net of taxes	(184,136)	-	(1,700,365)	(1)
	Total comprehensive income for the year	**$ 2,876,293**	**2**	**1,115,222**	**1**
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	**$**	**1.01**		**0.93**
9850	Diluted earnings per share	**$**	**1.01**		**0.93**

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Unearned compensation cost arising from restricted shares of stock issued to employees	Total	Treasury stock	Total equity
Balance at January 1, 2017	$ 30,807,328	34,743,105	145,190	1,306,709	(4,900,296)	(3,448,397)	(1,061,015)	-	(347,770)	(77,257)	(26,743)	(1,512,785)	(2,914,856)	57,674,395
Net income for the year	-	-	-	-	2,815,587	2,815,587	-	-	-	-	-	-	-	2,815,587
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,141,146)	-	459,805	(19,024)	-	(1,700,365)	-	(1,700,365)
Total comprehensive income (loss) for the year	-	-	-	-	2,815,587	2,815,587	(2,141,146)	-	459,805	(19,024)	-	(1,700,365)	-	1,115,222
Appropriation approved by the stockholders:														
Decrease in legal reserve to offset accumulated deficit	-	-	(145,190)	-	145,190	-	-	-	-	-	-	-	-	-
Decrease in special reserve to offset accumulated deficit	-	-	-	(1,306,709)	1,306,709	-	-	-	-	-	-	-	-	-
Decrease in capital surplus to offset accumulated deficit	-	(3,448,397)	-	-	3,448,397	3,448,397	-	-	-	-	-	-	-	-
Cash distributed from capital surplus	-	(1,515,071)	-	-	-	-	-	-	-	-	-	-	-	(1,515,071)
Changes in equity of investments in subsidiaries and associates	-	30,247	-	-	-	-	-	-	-	-	-	-	-	30,247
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	14,650	14,650	-	14,650
Retirement of restricted shares of stock issued to employees	(42,300)	42,300	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2017	30,765,028	29,852,184	-	-	2,815,587	2,815,587	(3,202,161)	-	112,035	(96,281)	(12,093)	(3,198,500)	(2,914,856)	57,319,443
Effects of retrospective application	-	-	-	-	(7,231)	(7,231)	-	112,035	(112,035)	-	-	-	-	(7,231)
Adjusted balance at January 1, 2018	30,765,028	29,852,184	-	-	2,808,356	2,808,356	(3,202,161)	112,035	-	(96,281)	(12,093)	(3,198,500)	(2,914,856)	57,312,212
Net income for the year	-	-	-	-	3,060,429	3,060,429	-	-	-	-	-	-	-	3,060,429
Other comprehensive income (loss) for the year	-	-	-	-	-	-	390,996	(601,596)	-	26,464	-	(184,136)	-	(184,136)
Total comprehensive income (loss) for the year	-	-	-	-	3,060,429	3,060,429	390,996	(601,596)	-	26,464	-	(184,136)	-	2,876,293
Appropriation approved by the stockholders:														
Legal reserve	-	-	281,559	-	(281,559)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,534,028	(2,534,028)	-	-	-	-	-	-	-	-	-
Cash distributed from capital surplus	-	(2,120,798)	-	-	-	-	-	-	-	-	-	-	-	(2,120,798)
Changes in equity of investments in associates	-	44,225	-	-	-	-	-	-	-	-	-	-	-	44,225
Changes in ownership interests in subsidiaries	-	34,504	-	-	-	-	-	-	-	-	-	-	-	34,504
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	100,600	-	-	-	-	-	-	-	-	-	-	-	100,600
Compensation cost arising from restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	(1,705)	(1,705)	-	(1,705)
Retirement of restricted shares of stock issued to employees	(15,690)	1,892	-	-	-	-	-	-	-	-	13,798	13,798	-	-
Disposal of investments accounted for using equity method	-	744	-	-	-	-	22,019	-	-	-	-	22,019	-	22,763
Disposal of financial assets measured at fair value through other comprehensive income	-	-	-	-	32,665	32,665	-	(32,665)	-	-	-	(32,665)	-	-
Balance at December 31, 2018	**$ 30,749,338**	**27,913,351**	**281,559**	**2,534,028**	**3,085,863**	**5,901,450**	**(2,789,146)**	**(522,226)**	**-**	**(69,817)**	**-**	**(3,381,189)**	**(2,914,856)**	**58,268,094**

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from operating activities:		
Income before income tax	$ 3,912,590	3,026,219
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	72,016	82,761
Amortization	41,838	67,589
Effects of exchange rate changes in investments in debt instrument without an active market	-	(7,000)
Interest expense	123,094	217,933
Interest income	(75,548)	(107,821)
Dividend income	(184,749)	(182,269)
Share-based compensation cost	(1,705)	14,650
Share of (profits) losses of subsidiaries, associates and joint ventures	(673,443)	334,231
Gain on disposal of property, plant and equipment	(236)	(1,893)
Gain on disposal of intangible assets	-	(32)
Loss on disposal of investments accounted for using equity method	29,531	209
Gain on bargain purchase	(4,358)	(1,130)
Intangible assets and equipment reclassified to expenses	351	519
Change in unrealized profit on sales to subsidiaries, associates and joint ventures	(35,372)	37,114
Other investment loss	3,696	-
Total profit and loss	(704,885)	454,861
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(87,397)	1,374,447
Contract assets	(84,450)	-
Notes and accounts receivable	891,332	269,953
Receivables from related parties	(8,928,039)	8,400,358
Inventories	(269,224)	(965,874)
Other receivables and other current assets	(192,449)	165,383
Changes in operating assets	(8,670,227)	9,244,267
Changes in operating liabilities:		
Notes and accounts payable	(937,549)	(9,998,776)
Payables to related parties	179,759	(18,909)
Refund liabilities	(258,067)	-
Other payables and other current liabilities	1,559,970	(2,200,743)
Provisions	29,995	33,052
Contract liabilities	(139,182)	-
Other non-current liabilities and long-term payables to related parties	(43,529)	131
Changes in operating liabilities	391,397	(12,185,245)
Total changes in operating assets and liabilities	(8,278,830)	(2,940,978)
Total adjustments	(8,983,715)	(2,486,117)
Cash provided by (used in) operations	(5,071,125)	540,102
Interest received	75,785	82,054
Income taxes (paid) refunded	(226,341)	71,384
Net cash provided by (used in) operating activities	(5,221,681)	693,540

(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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from investing activities:		
Proceeds from capital return of financial assets measured at fair value through other comprehensive income	4,898	-
Proceeds from repayments of financial assets measured at fair value through profit or loss	14,418	-
Proceeds from capital return of available-for-sale financial assets	-	455
Additions to investments accounted for using equity method	(592,056)	(1,279,994)
Proceeds from disposal of investments accounted for using equity method	159,755	-
Additions to property, plant and equipment	(39,371)	(16,004)
Proceeds from disposal of property, plant and equipment	2,825	4,377
Decrease in receivables from related parties	153,289	560,867
Additions to intangible assets	(200)	(2,137)
Proceeds from disposal of intangible assets	524	2,298
Decrease in other non-current financial assets and other non-current assets	80,940	89,598
Cash outflows from business demerger	(65,640)	-
Dividends received	308,272	241,831
Net cash flows from (used in) investing activities	27,654	(398,709)
Cash flows from financing activities:		
Increase in long-term debt	-	3,300,000
Repayment of long-term debt	(2,700,000)	(3,300,000)
Increase in loans from related parties	89,000	999,000
Cash distributed from capital surplus	(2,153,552)	(1,538,379)
Interest paid	(124,972)	(223,157)
Net cash flows used in financing activities	(4,889,524)	(762,536)
Net decrease in cash and cash equivalents	(10,083,551)	(467,705)
Cash and cash equivalents at beginning of period	13,708,705	14,176,410
Cash and cash equivalents at end of period	$ **3,625,154**	**13,708,705**

See accompanying notes to parent-company-only financial statements.

Attachment 4

Acer Incorporated
Articles of Incorporation
(Before and After Revision Chart)

After Revision	Before Revision	Reason for Revision
Article 1 This Company shall be incorporated in accordance with the Company Law, and its name shall be 宏碁股份有限公司 in the Chinese language, and Acer Incorporated in the English language.	Article 1 This Company shall be incorporated in accordance with the Company Law, and shall be called Acer Incorporated.	To Amend it in accordance with Article 392-1 of Company Act.
Article 6-1 When this Company issues employee stock options, transfers treasury stock to employees, issues new shares reserved for subscription by employees, and issues restricted stock for employees, the employees of subsidiaries of this Company may be included. Qualification requirements of the employees who are entitled to receive it may be set and specified by the Board of Director. To issue employee stock options that the exercise price may be lower than the closing price of this Company stocks as of the issue date, this Company must have obtained the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. To transfer shares to employees at less than the average actual repurchase price, this Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.	Article 6-1 To issue employee stock options that the exercise price may be lower than the closing price of this Company stocks as of the issue date, this Company must have obtained the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares. To transfer shares to employees at less than the average actual repurchase price, this Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.	To add the section in accordance with Article 167-1, 167-2, and 267 of Company Act.
Article 13 The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of	Article 13 The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of	To Amend it in accordance with Article 204 of Company Act.

After Revision	Before Revision	Reason for Revision
directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on. The meeting of the Board of Directors shall be convened in accordance with ~~Article 204 of~~ the Company Law <u>and relevant regulations of competent authority</u>; the notice of the meeting may be made by electronic mail or facsimile transmission.	directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on. The meeting of the Board of Directors shall be convened in accordance with Article 204 of the Company Law; the notice of the meeting may be made by electronic mail or facsimile transmission.	
Article 21 Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total authorized capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses. Except distribution of reserve in accordance with competent laws and regulations, the company shall not pay dividends or bonuses when there is no profit. <u>The distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.</u>	Article 21 Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total authorized capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses. Except distribution of reserve in accordance with competent laws and regulations, the company shall not pay dividends or bonuses when there is no profit.	To add the section in accordance with Article 240 of Company Act.
Article 23 (omitted) <u>The forty-fourth amendment was approved on June 14 , 2019 (Upon being amended)</u>	Article 23 (omitted)	To Add the date of approval of shareholder's meeting.

Attachment 5

Acer Incorporated
Procedures Governing the Acquiring or Disposing of Assets
(Before and Revision Chart)

After Revision	Before Revision	Reason for Revision
Article 2 Scope of "assets" as used in these Procedures is as follows: 1. Investments in stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc. 2. Real estate (including land, houses and buildings, investment property, ~~rights to use land,~~ and construction enterprise inventory) and equipment. 3. Membership certificates. 4. Intangible assets, such as patent right, copyright, trademark right, franchise, etc. 5. <u>Right-of-use assets.</u> 6. Derivative products. 7. Assets acquired or disposed by mergers, splits, acquisition or share transfer in accordance with laws. 8. Other major assets.	Article 2 Scope of "assets" as used in these Procedures is as follows: 1. Investments in stocks, government bonds, corporate bonds, financial debentures, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities, etc. 2. Real estate (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 3. Membership certificates. 4. Intangible assets, such as patent right, copyright, trademark right, franchise, etc. 5. Derivative products. 6. Assets acquired or disposed by mergers, splits, acquisition or share transfer in accordance with laws. 7. Other major assets.	Amended and issued, per 26th Nov, 2018 Order No. 1070341072 Financial-Supervisory-Securities-Corporate-- of the Financial Supervisory Commission.
Article 3 Definition Terms used in these Procedures are defined as follows<u>; any term is not defined herein, it shall be had the same definition in accordance with Securities and Exchange Act, Regulations Governing the Acquisition and Disposal of Assets by Public Companies and related rules</u>: 1. "Derivative Products": means forward contracts, options contracts, futures contracts, leverage contracts, ~~and~~ swap contracts<u>, hybrid contracts combining the above contracts, or</u>	Article 3 Definition Terms used in these Procedures are defined as follows: 1. "Derivative Products": means forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts,	As above.

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hybrid contracts or structured products containing embedded derivatives.~~, and compound contracts combining the above products~~, whose value is derived from a specified interest rate, financial instrument price, commodity price~~assets, interest rates~~, foreign exchange rates, index of prices or rates, indexes, credit rating or credit index, or other variable ~~or other interests~~. The term “forward contracts” does not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term leasing contracts and long-term purchase (sale) contracts. 2. “Assets Acquired or Disposed Through Mergers, Splits, Acquisitions or Share transfer Pursuant to Laws”: means assets acquired or disposed through mergers, splits, acquisitions in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts or, or to share transfer from another company through issuance of the Company’s new shares as the consideration therefor (hereinafter "share transfer") under ~~Paragraph 8 of~~ Article 156-3 of the Company Act. 3. “Related Party” and “Subsidiary”: As defined in the ~~means which is provided pursuant to~~ Regulations Governing the Preparation of Financial Reports by Securities Issuers. 4. “Professional appraiser”: refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal	fulfillment contracts, after-sales service contracts, long-term leasing contracts and long-term purchase (sale) contracts. 2. “Assets Acquired or Disposed Through Mergers, Splits, Acquisitions or Share transfer Pursuant to Laws”: means assets acquired or disposed through mergers, splits, acquisitions in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts or, or to share transfer from another company through issuance of the Company’s new shares as the consideration therefor (hereinafter "share transfer") under Paragraph 8 of Article 156 of the Company Act. 3. “Related Party” and “Subsidiary”: means which is provided pursuant to Regulations Governing the Preparation of Financial Reports by Securities Issuers. 4. “Date of occurrence of the event”: means the date of contract signing, date of payment, date of consignment trading, date of transfer, date of resolution of Board of Directors, or other date which can confirm the counterparty and trading amount (whichever date is earlier); provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. 5. “Professional appraiser”: refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal	

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of real property or ~~other fixed assets~~ equipment. 5. "Date of occurrence of the event": means the date of contract signing, date of payment, date of consignment trading, date of transfer, date of resolution of Board of Directors, or other date which can confirm the counterparty and trading amount ~~(~~, whichever date is earlier~~)~~; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply. 6. "Mainland area investment": refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	of real property or other fixed assets. 6. "Mainland area investment": refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	
Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets 1. Acquisition or Disposal of Securities (1) For securities acquired or disposed of in the centralized exchange market or OTC exchange, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, and price reference, etc. to the in-charge department for the decision. (2) For securities not acquired or disposed of in the centralized exchange market or OTC exchange, the operating	Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets 1. Acquisition or Disposal of Securities (1) For securities acquired or disposed of in the centralized exchange market or OTC exchange, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, and price reference, etc. to the in-charge department for the decision. (2) For securities not acquired or disposed of in the centralized exchange market or OTC exchange, the operating department shall submit items	As above.

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department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. 2. For acquisition or disposal of real estates, equipment, right-of-use assets of real estate, right-of-use assets of equipment~~, other fixed assets~~, membership certificates, intangible assets, and assets acquired or disposed of by mergers, splits, acquisition or share transfer in accordance with laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. 3. For evaluation of derivative products, the finance manager shall hold periodic meetings with relevant persons examining operational strategies and performances. In principle, trading position and performances shall be reported to the chief treasury officer weekly, reported to the chief financial officer monthly and reported to the general manager quarterly. 4. The appraisal reports to Company or any subsidiaries which shall comply with these Procedures, opinions provided by certified public accountant, attorney, or securities underwriter, the requirements to professional appraisers and their officers, certified public accounts, attorneys, and securities	such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. 2. For acquisition or disposal of real estates, other fixed assets, membership certificates, intangible assets, and assets acquired or disposed of by mergers, splits, acquisition or share transfer in accordance with laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposal, targeted assets, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision. 3. For evaluation of derivative products, the finance manager shall hold periodic meetings with relevant persons examining operational strategies and performances. In principle, trading position and performances shall be reported to the chief treasury officer weekly, reported to the chief financial officer monthly and reported to the general manager quarterly. 4. Relevant operations for acquisition or disposal of assets shall be handled in accordance with the Company's regulations relating to the internal control system.	

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underwriters, and the process when issuing an appraisal report or opinion, shall comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and related regulations." 5. Relevant operations for acquisition or disposal of assets shall be handled in accordance with the Company's regulations relating to the internal control system.		
Article 5 Procedures for Approval of Acquisition or Disposal of Assets 1. Methods and the Reference Basis for the Decision on Price (1) For securities purchased and sold in the centralized exchange market or OTC exchange, the price shall be determined according to market price at the time of transaction. For securities not acquired or disposed of in the centralized exchange market or OTC exchange, the price shall be determined by reference to net worth per share, profitability, potential for future development, and then transaction price. (2) The acquisition or disposal of real estate, equipment, right-of-use assets of real estate, or right-of-use assets of equipment~~, other fixed assets~~ shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the publicly announced current value, appraised current value,	Article 5 Procedures for Approval of Acquisition or Disposal of Assets 1. Methods and the Reference Basis for the Decision on Price (1) For securities purchased and sold in the centralized exchange market or OTC exchange, the price shall be determined according to market price at the time of transaction. For securities not acquired or disposed of in the centralized exchange market or OTC exchange, the price shall be determined by reference to net worth per share, profitability, potential for future development, and then transaction price. (2) The acquisition or disposal of real estate and other fixed assets shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the publicly announced current value, appraised current value, and actual transaction price in the vicinity. (3) For acquisition or disposal of membership certificate, the	As above.

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and actual transaction price in the vicinity. (3) For acquisition or disposal of membership certificate, the price shall be comprehensively evaluated by reference to future anticipated added-value and produced benefit. (4) For acquisition of disposal of intangible assets such as patent right, copyright, trademark right, and franchise, the price shall be determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legal protected conditions, circumstances of license and implementation, production cost or implementation cost, in addition thereto, the relevant elements of right owners and licensees shall also be overall considered. 2. Amount and Level of Authorization In-charge department of the Company shall decide within its authority on the acquisition and disposal of assets in the following situations; provided, however, that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance: (1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution: (a) the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$100 million, and said matter is	price shall be comprehensively evaluated by reference to future anticipated added-value and produced benefit. (4) For acquisition of disposal of intangible assets such as patent right, copyright, trademark right, and franchise, the price shall be determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legal protected conditions, circumstances of license and implementation, production cost or implementation cost, in addition thereto, the relevant elements of right owners and licensees shall also be overall considered. 2. Amount and Level of Authorization In-charge department of the Company shall decide within its authority on the acquisition and disposal of assets in the following situations; provided, however, that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance: (1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution: (a) the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$100 million, and said matter is brought up to and ratified by the Board of Directors later. (b) for acquisition or disposal	

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brought up to and ratified by the Board of Directors later. (b) for acquisition or disposal of securities purchased and sold in the centralized exchange market or OTC exchange, the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$300 million, and said matter is brought up to and ratified by the Board of Directors later. (c) the finance manager is authorized to execute short-term idle fund to invest in short-term securities such as government bond, domestic bond fund, financial debentures, monetary fund, and US Treasury Bond with each single transaction or the daily total amount not exceeding NT$300 million; the approval of the head of treasury department is required for amount between NT300 million to 600 million; the approval of the chief financial officer is required for amount between NT$600 million and NT1.2 billion; the approval of the chief executive officer is required for amount between NT 1.2 billion and NT 1.5 billion; and the approval of the Company's Chairman is required for amount exceeding NT$1.5	of securities purchased and sold in the centralized exchange market or OTC exchange, the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$300 million, and said matter is brought up to and ratified by the Board of Directors later. (c) the finance manager is authorized to execute short-term idle fund to invest in short-term securities such as government bond, domestic bond fund, financial debentures, monetary fund, and US Treasury Bond with each single transaction or the daily total amount not exceeding NT$300 million; the approval of the head of treasury department is required for amount between NT300 million to 600 million; the approval of the chief financial officer is required for amount between NT$600 million and NT1.2 billion; the approval of the chief executive officer is required for amount between NT 1.2 billion and NT 1.5 billion; and the approval of the Company's Chairman is required for amount exceeding NT$1.5 billion. (2) The acquisition or disposal of real estate shall be approved by the Board of Directors before	

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billion. (2) The acquisition or disposal of real estate or right-of-use assets of real estate shall be approved by the Board of Directors before its execution, except that the Company's Chairman is authorized by the Board of Directors to execute project of which the amount is less than NT$50 million and be brought up to and ratified by the Board of Directors later. (3) The acquisition or disposal of ~~other fixed assets~~ equipment or right-of-use assets of equipment shall be decided by the Company's Chairman before its execution, except that the transaction of which the amount is above NT$100 million shall be approved by the Board of Directors. (4) Regulations are enacted, in accordance with the Company's development of turnover and variation of risk position, for the process of the license of acquisition or disposal of derivative products. (5) The acquisition or disposal of patent rights, copyrights, trademark rights, franchise rights, and other intangible assets shall be decided by the Company's Chairman before its execution, except that the transaction of which the amount is above NT$300 million shall be approved by the Board of Directors. (6) The following transactions between the Company, its	its execution, except that the Company's Chairman is authorized by the Board of Directors to execute project of which the amount is less than NT$50 million and be brought up to and ratified by the Board of Directors later. (3) The acquisition or disposal of other fixed assets shall be decided by the Company's Chairman before its execution, except that the transaction of which the amount is above NT$100w96 million shall be approved by the Board of Directors. (4) Regulations are enacted, in accordance with the Company's development of turnover and variation of risk position, for the process of the license of acquisition or disposal of derivative products. (5) The acquisition or disposal of patent rights, copyrights, trademark rights, franchise rights, and other intangible assets shall be decided by the Company's Chairman before its execution, except that the transaction of which the amount is above NT$300 million shall be approved by the Board of Directors. 3. Operating Department Finance department is the operating department for securities and derivative product investments; the using department and relevant in-charge departments are the operating departments for investments in real estate, other fixed assets, intangible assets, membership certificate and assets acquired or disposed of through	

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Subsidiary, or its subsidiaries in which the Company holds, directly or indirectly, 100% of the shares outstanding or total capital shall be decided by the Company's Chairman before its execution, except that the transaction of which the amount is above NT$300 million shall be approved by the Board of Directors: (a) acquisition or disposal of equipment or right-of-use assets of equipment for business use. (b) acquisition or disposal of right-of-use assets of real estate for business use. 3. Operating Department Finance department is the operating department for securities and derivative product investments; the using department and relevant in-charge departments are the operating departments for investments in real estate, equipment, right-of-use assets of real estate, right-of-use assets of equipment~~,other fixed assets~~, intangible assets, membership certificate and assets acquired or disposed of through mergers, splits, acquisition or share transfer.	mergers, splits, acquisition or share transfer.	
Article 6 The Standards for Public Announcement 1. For acquisition or disposal of the Company's assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing	Article 6 The Standards for Public Announcement 1. For acquisition or disposal of the Company's assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days	As above.

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immediately from the date of occurrence of said matter: (1) acquisition or disposal of real estate or right-of-use assets of real estate from related party; or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate from related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT$300 million or more; provided, however, that trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises shall not be applied. (2) proceeding mergers, splits, acquisition or share transfer. (3) ~~Enaging~~ enacting in derivative products transactions and the loss reaching the maximum loss limit amount of the total or individual contract as provided in relevant procedures. (4) acquisition or disposal of equipment or right-of-use assets of equipment for business use, the counterparty is not a related party, and the transaction amount. reaches the follows: (a) the transaction amount is NT$500 million or more in the event the paid-in capital of the Company is less than NT$10 billion. (b) the transaction amount is NT$1 billion or more in the	commencing immediately from the date of occurrence of said matter: (1) acquisition or disposal of real estate from related party; or the acquisition or disposal of other assets other than real estate from related party and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT$300 million or more; provided, however, that trading of government bonds or bonds under repurchase and resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises shall not be applied. (2) proceeding mergers, splits, acquisition or share transfer. (3) engaging in derivative products transactions and the loss reaching the maximum loss limit amount of the total or individual contract as provided in relevant procedures. (4) acquisition or disposal of equipment for business use, the counterparty is not a related party, and the transaction amount. reaches the follows: (a) the transaction amount is NT$500 million or more in the event the paid-in capital of the Company is less than NT$10 billion. (b) the transaction amount is NT$1 billion or more in the event the paid-in capital of the Company is	

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event the paid-in capital of the Company is NT$10 billion or more. (5) where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on a leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages with an party which is not a related party, an, or joint construction and separate sale, and the amount Company expects to invest in the transaction is NT$500 million or more. (6) asset transactions other than those provided in the preceding items (1) to (5), or investment in Mainland China, the transaction amount reaches 20% of Company’s paid-in capital or NT$300 million or more; provided, however, that the following situations are not applied: (a) purchase and sale of domestic government bond. (b) trading of bonds under repurchase/resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises. 2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (1) the amount of any individual transaction. (2) the transaction amount accumulated within one year	NT$10 billion or more. (5) where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on a leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is NT$500 million or more. (6) asset transactions other than those provided in the preceding items (1) to (5), or investment in Mainland China, the transaction amount reaches 20% of the Company’s paid-in capital or NT$300 million or more; provided, however, that the following situations are not applied: (a) purchase and sale of government bond. (b) trading of bonds under repurchase/resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises. 2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (1) the amount of any individual transaction.	

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with the same counterparty in the acquisition or disposal of the targeted assets of the same type. (3) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of real estate <u>or right-of-use assets of real estate</u> within the same development project. (4) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of the same securities. "Within one year" as used in this paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount. 3. The Company shall monthly report the transaction of the derivative products engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month by entering the information in the stipulated form to the website designated by the Competent Authority for filing of information before the 10th date of each month. 4. Where there is an error or omission in an item required to be announced according to regulations at the time of announcement and correction is required, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission.	(2) the transaction amount accumulated within one year with the same counterparty in the acquisition or disposal of the targeted assets of the same type. (3) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of real estate within the same development project. (4) the amount accumulated (the transaction amount for acquisition and disposal are separately accumulated) within one year in the acquisition or disposal of the same securities. "Within one year" as used in this paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount. 3. The Company shall monthly report the transaction of the derivative products engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month by entering the information in the stipulated form to the website designated by the Competent Authority for filing of information before the 10th date of each month. 4. Where there is an error or omission in an item required to be announced according to regulations at the time of announcement and correction is required, all the items shall be again publicly announced and	

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5. Unless otherwise provided by other laws, the Company acquiring or disposing assets shall retain all relevant contracts, meeting minutes, registry, appraisal reports, and opinions of accountants, attorneys and security underwriters for at least 5 years. 6. After announcing and filing the transaction in accordance with these Procedures, the Company shall make a public announcement of relevant information in the website designated by the Competent Authority within two days commencing immediately from the date of occurrence of said matter: (1) The executed relevant contracts of the original transaction have been changed, terminated or ceased. (2) Mergers, splits, acquisition or share transfer have not been completed in the anticipated timeframe as provided in the contracts. (3) Any change in the content of the original announcement and filing.	reported in their entirety within 2 days commencing immediately from the date of knowing of the error or omission. 5. Unless otherwise provided by other laws, the Company acquiring or disposing assets shall retain all relevant contracts, meeting minutes, registry, appraisal reports, and opinions of accountants, attorneys and security underwriters for at least 5 years. 6. After announcing and filing the transaction in accordance with these Procedures, the Company shall make a public announcement of relevant information in the website designated by the Competent Authority within two days commencing immediately from the date of occurrence of said matter: (1) The executed relevant contracts of the original transaction have been changed, terminated or ceased. (2) Mergers, splits, acquisition or share transfer have not been completed in the anticipated timeframe as provided in the contracts. (3) Any change in the content of the original announcement and filing.	
Article 7 Scope and Amount of Acquisition or Disposal of Assets 1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate, equipment, right-of-use assets of real estate, right-of-use assets of	Article 7 Scope and Amount of Acquisition or Disposal of Assets 1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the	1. As above. 2. Added the ceiling to the total investment of the subsidiaries in equipment

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equipment, and securities for non-business use, the limitations on amounts are set forth as follows: (1) Total investment in real estate, equipment, right-of-use assets of real estate, and right-of-use assets of equipment for non-business use shall not exceed 40% of the summation of shareholder's equity and long-term liabilities of the Company as certified by the accountant. (2) Total investment in securities shall not exceed the shareholder's equity of the Company as certified by the accountant. (3) Investment in a single security shall not exceed 40% of the shareholder's equity of the Company as certified by the accountant. 2. ~~As to the Company and subsidiaries which the Company integrally holds more than (including) 50% shares, t~~The limitations to the Company's subsidiaries on amounts of acquisition or disposal of assets shall not violate rules provided herein below: (1) shall not purchase real estate or right-of-use assets of real estate for non-business use. (2) total investment in equipment and right-of-use assets of equipment, for non-business use, shall not exceed 15% of the shareholder's equity of the Company as certified by the accountant. (3)total investment in securities shall not exceed 40% of the shareholder's equity of the Company as certified by the accountant.	limitations on amounts are set forth as follows: (1) Total investment in real estate for non-business use shall not exceed 40% of the summation of shareholder's equity and long-term liabilities of the Company as certified by the accountant. (2) Total investment in securities shall not exceed the shareholder's equity of the Company as certified by the accountant. (3) Investment in a single security shall not exceed 40% of the shareholder's equity of the Company as certified by the accountant. 2. As to the Company and subsidiaries which the Company integrally holds more than (including) 50% shares, the limitations on amounts of acquisition or disposal of assets shall not violate rules provided herein below: (1) shall not purchase real estate for non-business use. (2) total investment in securities shall not exceed 40% of the shareholder's equity of the Company as certified by the accountant. (3) investment in a single security shall not exceed 20% of the shareholder's equity of the Company as certified by the accountant.	and right-of-use assets, for non-business use.

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(4) investment in a single security shall not exceed 20% of the shareholder's equity of the Company as certified by the accountant.		
Article 8 Control Procedures for Acquisition or Disposal of Assets of the Company's Subsidiaries 1. For the acquisition or disposal of assets by the Company's subsidiaries ~~invested by the Company~~ thereof that is not a public company in Taiwan, either one of the following shall be processed in advance: (1) The acquisition or disposal shall be approved and executed by the Company's Board of Director and relevant departments of the Company in accordance with these Procedures, and the Company's subsidiaries shall cooperate to handle relevant matters; or (2) the subsidiaries' "Procedures Governing Acquiring or Disposing of Assets" shall be enacted and executed in accordance with regulations; and filed with the Company's Board of Director for approval. Any amendment thereto shall be subject to the same procedures. 2. Where subsidiaries of the Company not categorized as domestic public companies whose acquisition or disposal of assets reach the thresholds of public announcement under these Procedures, the Company shall also make a public announcement with copies to relevant competent authorities in accordance with these Procedures.	Article 8 Control Procedures for Acquisition or Disposal of Assets of the Company's Subsidiaries 1. For the acquisition or disposal of assets by subsidiaries invested by the Company, either one of the following shall be processed in advance: (1) The acquisition or disposal shall be approved and executed by the Company's Board of Director and relevant departments of the Company in accordance with these Procedures, and the Company's subsidiaries shall cooperate to handle relevant matters; or (2) the subsidiaries' "Procedures Governing Acquiring or Disposing of Assets" shall be enacted and executed in accordance with regulations; and filed with the Company's Board of Director for approval. Any amendment thereto shall be subject to the same procedures. 2. Where subsidiaries of the Company not categorized as domestic public companies whose acquisition or disposal of assets reach the thresholds of public announcement under these Procedures, the Company shall also make a public announcement with copies to relevant competent authorities in accordance with these Procedures.	The subsidiaries thereof that is a public company in Taiwan shall enact its own "Procedures Governing the Acquiring or Disposing of Assets."

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3. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary under the preceding paragraph is subject to Paragraph 1 of Article 6 (in the event the type of transaction reaches 20% of paid-in capital or 10% of total assets). 4. <u>For the acquisition or disposal of assets by the Company's subsidiaries thereof that is a public company in Taiwan, the subsidiaries shall comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and related regulations.</u>	3. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary under the preceding paragraph is subject to Paragraph 1 of Article 6 (in the event the type of transaction reaches 20% of paid-in capital or 10% of total assets).	
Article 9 Punishment of Violation of the Procedure If relevant employees and personnel of the Company violate these Procedures, they will be subject to ~~Articles 37 and 38~~ <u>the related rules</u> of the Company's "Personnel Administration Regulations".	Article 9 Punishment of Violation of the Procedure If relevant employees and personnel of the Company violate these Procedures, they will be subject to Articles 37 and 38 of the Company's "Personnel Administration Regulations".	Amended and issued, per the Company's "Personnel Administration Regulations" which is verified by the authority
Article 10 Appraisal Report of Professional Appraisal Institutions In acquiring or disposing of real estates,~~or~~ equipment, <u>right-of-use assets of real estate, or right-of-use assets of equipment,</u> where the transaction amount reaches 20% of the company's paid-in capital or NT$300 million or more, the Company, unless otherwise transacted with a <u>domestic</u> government institution, engaging others to build on its own land, engaging others to build on leased land, or acquiring or disposing of equipment <u>or right-of-use assets of equipment</u> for business use, the Company shall obtain an appraisal report prior to the date of	Article 10 Appraisal Report of Professional Appraisal Institutions In acquiring or disposing of real estates or equipment, where the transaction amount reaches 20% of the company's paid-in capital or NT$300 million or more, the Company, unless otherwise transacted with a government institution, engaging others to build on its own land, engaging others to build on leased land, or acquiring or disposing of equipment for business use, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraisal institution and shall further	Amended and issued, per 26TH Nov, 2018 Order No. 1070341072 Financial-Supervisory-Securities-Corporate-- of the Financial Supervisory Commission.

After Revision	Before Revision	Reason for Revision
occurrence of the event from a professional appraisal institution and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance~~.~~, as well as ~~The same procedure shall be followed for~~ any future changes to the terms and conditions of the transaction thereto. (Omitted)	comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance. The same procedure shall be followed for any future changes to the terms and conditions of the transaction. (Omitted)	
Article 11 Certified Public Accountant's Opinions 1. (Omitted) 2. In acquiring or disposing ~~membership certificate or~~ intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. 3. (Omitted)	Article 11 Certified Public Accountant's Opinions 1. (Omitted) 2. In acquiring or disposing membership certificate or intangible assets and the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company, unless transacted with a government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. 3. (Omitted)	As above.
Article 12	Article 12	As above.

After Revision	Before Revision	Reason for Revision
The acquisition or disposal of real estate or right-of-use assets of real estate, from related parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate from related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company’s total assets or NT$300 million or more; provided, unless trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of more than half of all audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments: 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the related party as a trading counterparty. 3. with respect to the acquisition of real property or right-of-use assets of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. monthly cash flow forecasts for the year commencing from the	The acquisition or disposal of real estate from related parties, or the acquisition or disposal of other assets other than real estate from related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company’s total assets or NT$300 million or more; provided, unless trading of government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of more than half of all audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments: 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the related party as a trading counterparty. 3. with respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the	

After Revision	Before Revision	Reason for Revision
anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with these Procedures. 7. Restrictive covenants and other important stipulations associated with the transaction. The transaction amount in the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6; “within one year” as used in these Procedures refers to the year preceding the date of occurrence of the current transaction. Items duly approved by more than half of all audit committee members and submit to the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.	necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with these Procedures. 7. Restrictive covenants and other important stipulations associated with the transaction. The transaction amount in the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6; “within one year” as used in these Procedures refers to the year preceding the date of occurrence of the current transaction. Items duly approved by more than half of all audit committee members and submit to the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.	
Article 13 The Company purchases real estate or right-of-use assets of real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: 1. Based on the transaction price of the related party plus necessary interest on funding and the cost to be borne by the buyer according to law. “Necessary interest on funding” shall be imputed based on the weighted average interest rate of the funding borrowed by the Company in the year of purchase of the asset; however, it may not be higher than the maximum non-financial industry	Article 13 The Company purchases real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost: 1. Based on the transaction price of the related party plus necessary interest on funding and the cost to be borne by the buyer according to law. “Necessary interest on funding” shall be imputed based on the weighted average interest rate of the funding borrowed by the Company in the year of purchase of the asset. 2. Total loan value appraisal from a financial institution where the	As above.

After Revision	Before Revision	Reason for Revision
lending rate announced by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, however, that the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one (1) year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. 3. Where both the land and building on the property in question are purchased or leased in one transaction, the cost of the transaction may be reached by respectively evaluating such land and building based on either of the methods described above. 4. The Company acquires real property or right-of-use assets of real property from a related party and appraises the cost of the real property in accordance with the preceding Paragraphs 1, 2 and 3 shall also engage a CPA to check the appraisal and render a specific opinion. 5. Where the Company acquires real property or right-of-use assets of real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 5 and 12, and the preceding four paragraphs do not apply:	related party has previously created a mortgage on the property as security for a loan; provided, however, that the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one (1) year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. 3. Where both the land and building on the property in question are purchased in one transaction, the cost of the transaction may be reached by respectively evaluating such land and building based on either of the methods described above. 4. The Company acquires real property from a related party and appraises the cost of the real property in accordance with the preceding Paragraphs 1, 2 and 3 shall also engage a CPA to check the appraisal and render a specific opinion. 5. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 12 and the preceding four paragraphs do not apply: (1) the related party acquires real estate through inheritance or as a gift. (2) more than five (5) years will have elapsed from the time the related party signed the contract to obtain the real property to the	

After Revision	Before Revision	Reason for Revision
(1) the related party acquires real estate or right-of-use assets of real estate through inheritance or as a gift. (2) more than five (5) years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets of real property to the signing date for the current transaction. (3) the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on leased land. (4) the acquisition or disposal of real estate's right-of-use assets, which is for business use, between the Company, its Subsidiary, or its subsidiaries in which the Company holds, directly or indirectly, 100% of the shares outstanding or total capital.	signing date for the current transaction. (3) the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on leased land.	
Article 14 When the results evaluated by the Company in accordance with paragraphs 1, 2 and 3 of the preceding Article are all lower than the transaction price, the matter shall be handled in accordance with Article 15; provided, however, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	Article 14 When the results evaluated by the Company in accordance with paragraphs 1, 2 and 3 of the preceding Article are all lower than the transaction price, the matter shall be handled in accordance with Article 15; provided, however, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:	As above.

After Revision	Before Revision	Reason for Revision
1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and buildings according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property <u>or leasing</u> market practices. ~~(3) Completed leasing transactions by unrelated parties for other floors of the same property within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance~~	1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and buildings according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices. (3) Completed leasing transactions by unrelated parties for other floors of the same property within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.	

After Revision	Before Revision	Reason for Revision
~~with standard property leasing market practices.~~ 2. Where the Company acquiring real property by purchasing or acquiring right-of-use assets of real estate by lease from a related party provides evidence that the terms of the transaction are similar to the terms of transactions ~~completed~~ for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets of real property.	2. Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.	
Article 15 Where the Company acquires real property or right-of-use assets of real property from a related party and the results of appraisals conducted in accordance with Articles 13 and 14 are all lower than the transaction price or there are evidences showing that the aforesaid transaction is a non-arm's length transaction, the following steps shall be done: 1. a special reserve shall be set aside in accordance with the	Article 15 Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Articles 13 and 14 are all lower than the transaction price or there are evidences showing that the aforesaid transaction is a non-arm's length transaction, the following steps shall be done: 1. a special reserve shall be set aside against the difference between the	As above.

After Revision	Before Revision	Reason for Revision
Securities and Exchange Act and related regulations against the difference between the real property or right-of-use assets of real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under the Securities and Exchange Act and related regulations shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. 2. the audit committee handling the matter pursuant to Article 218 of the Company Act. 3. actions taken pursuant to the preceding subparagraphs ~~1 and 2~~ shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus. After setting aside a special reserve pursuant to the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or the assets have been disposed of, terminated the lease agreement, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Competent Authority has given its consent.	real property transaction price and the appraised cost. 2. the audit committee handling the matter pursuant to Article 218 of the Company Act. 3. actions taken pursuant to the preceding subparagraphs 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and prospectus. After setting aside a special reserve pursuant to the preceding paragraph, the Company may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or the assets have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Competent Authority has given its consent.	
Article 18 Principles of Supervision and	Article 18 Principles of Supervision and	As above.

After Revision	Before Revision	Reason for Revision
Management of the Board of Directors: 1. Assign high-level managers to pay continuous attention to monitoring and controlling derivatives trading risk. 2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance. The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors: 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the “Rules to Engage in the Transaction of Derivative Products” stipulated by the Company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion. The Company shall report to the next meeting of the Board of Directors after it authorizes the relevant personnel to handle derivative trading in accordance with its enacting Procedures for Engaging in Derivatives Trading.	Management of the Board of Directors: 1. Assign high-level managers to pay continuous attention to monitoring and controlling derivatives trading risk. 2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.. The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors: 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the “Rules to Engage in the Transaction of Derivative Products” stipulated by the Company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where the Company has independent directors, an independent director shall be present at the meeting and express an opinion. The Company shall report to the next meeting of the Board of Directors after it authorizes the relevant personnel to handle derivative trading in accordance with its Procedures for Engaging in Derivatives Trading.	
Article 19 The Company shall establish a log	Article 19 The Company shall establish a log	As above.

After Revision	Before Revision	Reason for Revision
book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Subparagraph 4 of Article 17, Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 18 shall be recorded in detail. The Company's internal auditors shall periodically check the suitability of internal controls on derivative transactions and conduct a monthly audit of compliance of the trading departments with the Procedures to Engage in the Transaction of Derivative Products, and prepare an audit report. If any material violation is discovered, the audit committee and its members shall be notified in writing.	book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Subparagraph 4 of Article 17, Subparagraph 2 of Paragraph 1 and Subparagraph 1 of Paragraph 2 of Article 18 shall be recorded in detail. The Company's internal auditors shall periodically check the suitability of internal controls on derivative transactions and conduct a monthly audit of compliance of the trading departments with the Procedures to Engage in the Transaction of Derivative Products, and prepare an audit report. If any material violation is discovered, the audit committee shall be notified in writing.	
Article 28 Others (Omitted) 9. Where the Company's share is no-par stock or its par value per share is not the NT$10, the transaction amount calculation related to 20% of the paid-in capital under these Procedures ~~Articles 6, 8 and Article 10 to Article 12~~ shall be calculated based on 10% of equity attributable to owners of the parent company; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted. (Omitted)	Article 28 Others (Omitted) 9. Where the Company's share is no-par stock or its par value per share is not the NT$10, the transaction amount calculation related to 20% of the paid-in capital under Articles 6, 8 and Article 10 to Article 12 shall be calculated based on 10% of equity attributable to owners of the parent company. (Omitted)	As above.
Article 29 (Omitted)	Article 29 (Omitted)	Added the date of approval of

After Revision	Before Revision	Reason for Revision
The ninth amendment was enacted on June 14, 2019.		shareholder’s meeting.

Attachment 6

Acer Incorporated
Procedures Governing Lending of Capital to Others
(Before and Revision Chart)

After Revision	Before Revision	Reason to Revision
Article 9 Punishment of Violation of These Procedures If relevant employees and personnel of the Company violate these Procedures, they will be subject to ~~Articles 37 and 38~~ the related rules of the Company's "Personnel Administration Regulations".	Article 9 Punishment of Violation of These Procedures If relevant employees and personnel of the Company violate these Procedures, they will be subject to Articles 37 and 38 of the Company's "Personnel Administration Regulations".	Amended and issued, per the Company's "Personnel Administration Regulations" which is verified by the authority.
Article 10 Control Procedures for the Company's Subsidiaries 1. When the subsidiaries ~~over which the Company has control~~ thereof that is not a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds: (1)For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and its Procedures; provided, however, that if Clause 3 of this Article applies, the aforementioned threshold shall be calculated based on	Article 10 Control Procedures for the Company's Subsidiaries When the subsidiaries over which the Company has control propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds: 1. For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and its Procedures; provided, however, that if Clause 3 of this Article applies, the aforementioned threshold shall be calculated based on the Company's net worth instead.	1.Amended and issued, per 7th March, 2019 Order No. 10803034826 Financial-Supervisory-Securities-Auditing- of the Financial Supervisory Commission. 2. The subsidiaries thereof that is a public company in Taiwan shall enact its own "Procedures Governing Lending of Capital."

After Revision	Before Revision	Reason to Revision
the Company's net worth instead. (2)For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of the subsidiaries and its Procedures. (3)Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, <u>or any overseas companies in which the Company directly and indirectly holds 100% voting shares or capital provides loans to the Company,</u> such funds may be loaned free of the limitation of the aggregate amount of short-term funding provided in Paragraph 1 of Article 3, the limits to each borrower provided in Paragraph 3 (1) of Article 3 and Article 4; provided, however, that the loan period shall not exceed three (3) years and the limit to lend to each borrower and the aggregate loan amount shall not exceed 50% of the Company's net worth. 2. <u>When the subsidiaries thereof that is a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" in accordance with "Regulations Governing Loaning of Funds and Making of</u>	2. For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of the subsidiaries and its Procedures. 3. Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, such funds may be loaned free of the limitation of the aggregate amount of short-term funding provided in Paragraph 1 of Article 3, the limits to each borrower provided in Paragraph 3 (1) of Article 3 and Article 4; provided, however, that the loan period shall not exceed three (3) years and the limit to lend to each borrower and the aggregate loan amount shall not exceed 50% of the Company's net worth.	

After Revision	Before Revision	Reason to Revision
Endorsements/Guarantees by Public Companies" and related regulations, and comply with those procedures.		
Article 13 The opinion of each independent director shall be fully taken into consideration when the Board of Directors discusses these ~~Procedures and provision of~~ loans. Opinions of each independent director for and against the said matter and reasons against said matters shall be clearly recorded in the minutes.	Article 13 The opinion of each independent director shall be fully taken into consideration when the Board of Directors discusses these Procedures and provision of loans. Opinions of each independent director for and against the said matter and reasons against said matters shall be clearly recorded in the minutes.	Amended and issued, per 7th March, 2019 Order No. 10803034826 Financial-Supervisory-Securities-Auditing- of the Financial Supervisory Commission.
Article 15 These Procedures~~, as well as any revision thereto~~, shall be commenced after being approved by more than half of all audit committee members and submitted to the Board of Directors for further approval, and submitted to the shareholders meeting for approval. If a director holds dissenting opinions on Company's matters and there were relevant records or made in writing, the Company shall submit materials of the director's dissenting opinions to audit committee, and submitted to the shareholders meeting for discussion, as well as any revision thereto. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, provided that the resolution of the audit committee is recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in the preceding two paragraphs and "all directors" in the	Article 15 These Procedures, as well as any revision thereto, shall be approved by more than half of all audit committee members and submitted to the Board of Directors for further approval, and submitted to the shareholders meeting for approval. If a director holds dissenting opinions on Company's matters and there were relevant records or made in writing, the Company shall submit materials of the director's dissenting opinions to audit committee. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, provided that the resolution of the audit committee is recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in the preceding two paragraphs and "all directors" in the preceding paragraph shall be	As above.

After Revision	Before Revision	Reason to Revision
preceding paragraph shall be calculated as the actual number of persons currently holding those positions.	calculated as the actual number of persons currently holding those positions.	
Article 18 (Omitted) The Thirteenth amendment was made on June 14, 2019.	Article 18 (Omitted)	Added the date of approval of shareholder's meeting.

Attachment 7

Acer Incorporated
Procedures Governing Endorsement and Guarantee
(Before and Revision Chart)

After Revision	Before Revision	Reason to Revision
Article 7 Control Procedures for the Company's Subsidiaries 1. When the net worth of the subsidiaries for which the Company provides endorsements/guarantees is less than one-half of its paid-in capital, the relevant finance department shall re-estimate the risk of the principal debt at least every six months. In case there is the real risk that the principal debt will default, the finance department shall submit an improvement plan to the Company's Chairman for approval and implement the same. 2. When any subsidiaries ~~in which the Company holds 50% or more of its total outstanding common shares~~ <u>thereof that is not a public company in Taiwan</u> provide endorsements and/or guarantees to other companies, the subsidiaries shall enact the "Procedures Governing Endorsement and Guarantee" in accordance with these Procedures and the proposal shall be submitted to the Company's Chairman for approval and filed with the Board of Directors of the Company for recordation. The Company shall make a public announcement in accordance with these Procedures. 3. <u>When any subsidiaries thereof that is a public company in Taiwan provide endorsements</u>	Article 7 Control Procedures for the Company's Subsidiaries 1. When the net worth of the subsidiaries for which the Company provides endorsements/guarantees is less than one-half of its paid-in capital, the relevant finance department shall re-estimate the risk of the principal debt at least every six months. In case there is the real risk that the principal debt will default, the finance department shall submit an improvement plan to the Company's Chairman for approval and implement the same. 2. When any subsidiaries in which the Company holds 50% or more of its total outstanding common shares provide endorsements and/or guarantees to other companies, the subsidiaries shall enact the "Procedures Governing Endorsement and Guarantee" in accordance with these Procedures and the proposal shall be submitted to the Company's Chairman for approval and filed with the Board of Directors of the Company for recordation. The Company shall make a public announcement in accordance with these Procedures. 3. In the case of a subsidiary with shares having no par value or a par value other than NT$10, the paid-in capital in the calculation under paragraph 1 of this Article shall be calculated based on the	The subsidiaries thereof that is a public company in Taiwan shall enact its own "Procedures Governing Endorsement and Guarantee."

<table>
<tr><th>After Revision</th><th>Before Revision</th><th>Reason to Revision</th></tr>
<tr><td><u>and/or guarantees to other companies, the subsidiaries shall enact the “Procedures Governing Endorsement and Guarantee” in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and related regulations, and comply with those procedures.</u>

4. In the case of a subsidiary with shares having no par value or a par value other than NT$10, the paid-in capital in the calculation under paragraph 1 of this Article shall be calculated based on the sum of the share capital plus paid-in capital in excess of par.</td><td>sum of the share capital plus paid-in capital in excess of par.</td><td></td></tr>
<tr><td>Article 10 The Standards for Public Announcement

1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount reaches any of the following thresholds, the Company shall make a separate public announcement:

(1) The total amount of endorsements and/or guarantees reaches fifty percent (50%) or more of the Company’s net worth as shown in its latest financial report.

(2) The amount of endorsement and/or guarantee to any single enterprise reaches twenty percent (20%) or more of the Company’s net</td><td>Article 10 The Standards for Public Announcement

1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount reaches any of the following thresholds, the Company shall make a separate public announcement:

(1) The total amount of endorsements and/or guarantees reaches fifty percent (50%) or more of the Company’s net worth as shown in its latest financial report.

(2) The amount of endorsement and/or guarantee to any single enterprise reaches twenty percent (20%) or more of the Company’s net</td><td>Amended and issued, per 7th March, 2019 Order No. 10803034826 Financial-Supervisory-Securities-Auditing- of the Financial Supervisory Commission.</td></tr>
</table>

After Revision	Before Revision	Reason to Revision
worth as shown in its latest financial report. (3) The amount of endorsement and/or guarantee for any single enterprise reaches NT$10 million, and the aggregate amount of the endorsements and/or guarantees, ~~long-term~~ investment <u>accounted for under the equity method at its book value</u> of the Company's net worth as shown in its latest financial report. (4) The aggregate amount of new endorsement and/or guarantee made reaches NT$30 million and five percent (5%) or more of the Company's net worth as shown in its latest financial report. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to this Paragraph. 2. Time Limits for and Contents of the Public Announcement (Omitted) (3) "Date of occurrence of the event" in these Procedures means the date of ~~contract~~<u>endorsements/guarantees</u> signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the ~~transaction~~ <u>endorsements/guarantees</u>, whichever date is earlier.	worth as shown in its latest financial report. (3) The amount of endorsement and/or guarantee for any single enterprise reaches NT$10 million, and the aggregate amount of the endorsements and/or guarantees, long-term investment of the Company's net worth as shown in its latest financial report. (4) The aggregate amount of new endorsement and/or guarantee made reaches NT$30 million and five percent (5%) or more of the Company's net worth as shown in its latest financial report. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to this Paragraph. 2. Time Limits for and Contents of the Public Announcement (Omitted) (3) "Date of occurrence of the event" in these Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.	

After Revision	Before Revision	Reason to Revision
Article 11 Punishment of Violation of These Procedures If relevant employees and personnel of the Company violate these Procedures, they will be subject to ~~Articles 37 and 38~~ the related rules of the Company's "Personnel Administration Regulations".	Article 11 Punishment of Violation of These Procedures If relevant employees and personnel of the Company violate these Procedures, they will be subject to Articles 37 and 38 of the Company's "Personnel Administration Regulations".	Amended and issued, per the Company's "Personnel Administration Regulations" which is verified by the authority
Article 14 (Omitted) 3. When the Company ~~submits the~~ making of endorsements and/or guarantees ~~for the Board of Directors' approval~~, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.	Article 14 (Omitted) 3. When the Company submits the making of endorsements and/or guarantees for the Board of Directors' approval, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.	Amended and issued, per 7th March, 2019 Order No. 10803034826 Financial-Supervisory-Securities-Auditing- of the Financial Supervisory Commission.
Article 16 These Procedures~~, as well as any revision thereto~~, shall be commenced after being approved by more than half of all audit committee members and submitted to the Board of Directors for further approval, and submitted to the shareholders meeting for approval. If a director holds dissenting opinions of Company's matters and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to audit committee, and submitted to the shareholders meeting for approval, as well as any revision thereto. If approval of more than half of all audit committee members as required in the preceding paragraph	Article 16 These Procedures, as well as any revision thereto, shall be approved by more than half of all audit committee members and submitted to the Board of Directors for further approval, and submitted to the shareholders meeting for approval. If a director holds dissenting opinions of Company's matters and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to audit committee. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, provided that the resolution of the	As above.

After Revision	Before Revision	Reason to Revision
is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, provided that the resolution of the audit committee is recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in the preceding two paragraphs and "all directors" in the preceding paragraph shall be calculated as the actual number of persons currently holding those positions.	audit committee is recorded in the minutes of the board of directors meeting. The terms "all audit committee members" in the preceding two paragraphs and "all directors" in the preceding paragraph shall be calculated as the actual number of persons currently holding those positions.	
Article 19 (Omitted) The tenth amendment was made on June 14, 2019.	Article 19 (Omitted)	Added the date of approval of shareholder’s meeting.