

MINUTES OF 2020 ANNUAL SHAREHOLDERS' MEETING OF ACER INCORPORATED

(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2020 Annual 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 12, 2020

Place: Aspire Resort
(No. 428, Kewang Rd., Longtan District, Taoyuan City)

Total outstanding shares of ACER (excluding the shares without voting right as stipulated in Article 179 of the Company Law): 3,026,044,833 shares

Total shares represented by shareholders present in person or proxy: 1,683,471,525 shares

Percentage of shares held by shareholders present in person or proxy: 55.63%

The attendance list of the directors: Jason Chen, Stan Shih, Hung Rouan Investment Corp. Legal Representative: Maverick Shih, Smart Capital Corp. Legal Representative: Philip Peng, 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) Business Report for the Year 2019

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 2019

Explanatory Notes:

i. The Board of Directors approved the proposal of employees' 2019 profit sharing bonus and Board Directors' compensation on March 18, 2020. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.

ii. The total amount of employees' 2019 profit sharing bonus is NT\$138,000,000.

iii. The total amount of Board Directors' 2019 compensation is NT\$5,697,078.

(4) To Report on the Distribution of Cash Dividend for the Year 2019

Explanatory Notes:

- i. Pursuant to Article 21 of the Article of Incorporation, the distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
 - ii. The total accumulative earnings available for appropriation is NT\$1,366,138,542, and plan to distribute the cash dividend of NT\$1,352,970,884 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a preliminary ratio of NT\$0.44 per share. (Rounded down to NT\$1.0 and the residue will be calculated and booked as the Company's other income).
 - iii. The record date for ex-dividend is temporarily set on July 10, 2020, and the distribution date is set on August 6, 2020. Should the dates above be adjusted due to the amendment of laws or regulations, a request by competent authorities, authorize the Chairman with full power to adjust accordingly.
- (5) To Report on the Status of Shares-release of the Company's Certain Subsidiaries' Shares which will be Listed on Taiwan Stock Exchange or Taipei Exchange
Explanatory Notes: Please refer to Attachment 3.
- (6) To Report on the Resolution of Board of Directors and the Execution for Shares Buyback
Explanatory Notes: Please refer to Attachment 4.

2. Election Item

Proposal: To Elect Seven Directors (Including Four Independent Directors) of the Company.
(Proposed by the Board of Directors)

Explanatory Notes:

- (1) Since the tenure of all current eight directors of the Company (including three independent directors) will expire in June 2020, it is to re-elect all directors (including three ordinary directors and four independent directors) at the General Shareholders' Meeting this year in accordance with the Company's Articles of Incorporation. The tenure of directors to be elected shall commence on June 12, 2020, for three-year term and are eligible for re-election. The Audit Committee will be constituted by all the independent directors, and the Remuneration Committee will be constituted by three or more independent directors.
- (2) The List of Candidates for Directors and Independent Directors is attached as Attachment 5 which was nominated by the Board of Directors on March 18, 2020.

Voting Result:

Directors:

Elected	Elected Shares
Stan Shih	1,520,781,665
Jason Chen	1,448,296,206
Hung Rouan Investment Corp. Legal Representative: Maverick Shih	1,432,382,039

Independent Directors:

Elected	Elected Shares
Ching-Hsiang Hsu (Charles Hsu)	1,435,348,775
Ji-Ren Lee	1,436,203,072
San-Cheng Chang (Simon Chang)	1,435,909,754
Yuri, Kure	1,433,334,803

3. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2019. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Acer's Financial Statements for the year 2019, 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 2019 and the aforementioned financial statements are attached hereto as Attachment 1 and Attachment 6, which have been approved by the Audit Committee and by the Board of Directors via resolution.
- (3) Please discuss.

Resolution: Shares present at the time of voting: 1,683,471,525 (votes casted electronically: 909,706,467 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,508,514,595 votes (735,185,329 votes)	89.61%
Votes against :	1,761,885 votes (1,761,885 votes)	0.10%
Votes invalid or abstained:	173,195,045 votes (172,759,253 votes)	10.29%

*including votes casted electronically (number in brackets)

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

Item 2

Proposal: Ratification Proposal of Profit Appropriation for the Year 2019. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The statements of profit appropriation have been approved by the Audit Committee and resolved by the Board of Directors.
- (2) The Statements of Profit Appropriation hereby are shown as follows.
- (3) Please discuss

Acer Incorporated	
2019 Statement of Profit & Loss Appropriation	
	Unit : NT\$
Beginning Balance of Un-appropriated Retained Earnings	5,577,294
Plus : 2019 Net Income after Tax	2,632,565,199
Plus : Gain/Loss on Disposal from FVTOCI Financial Assets	29,939,151
Deduct: Legal Reserve	(266,250,435)
Deduct: Special Reserve	(1,035,692,667)
Accumulative earnings available for appropriation	1,366,138,542
Appropriation Items:	
Cash dividends to shareholders(*)	(1,352,970,884)
Ending Balance of Un-appropriated Retained Earnings	13,167,658

*

1. Pursuant to Article 21 of the Company's Article of Incorporation, the distributable dividends and bonuses in whole or in part will be paid in cash by this Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. The total amount of cash dividends to the shareholders is NT\$1,352,970,884, which has been approved by the Board of Directors on March 18, 2020.

Chairman of Board
Jason Chen

Corporate Officers
Jason Chen
Meggy Chen

Accounting Officer
Sophia Chen

Resolution: Shares present at the time of voting: 1,683,471,525 (votes casted electronically: 909,706,467 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,514,040,768 votes (740,711,502 votes)	89.94%
Votes against :	3,394,686 votes (3,394,686 votes)	0.20%
Votes invalid or abstained:	166,036,071 votes (165,600,279 votes)	9.86%

*including votes casted electronically (number in brackets)

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

Item 3

Proposal: To Approve the Proposal of Cash Distribution from the Capital Surplus. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) In accordance with Article 241 of the Company Act, it is proposed that a cash distribution of NT\$1,014,728,163 be made from the capital surplus derived from the Company's issuance of common stock above par value. The cash will be distributed to the shareholders according to the shares holding recorded in the shareholders' registrar on the record date for ex-dividend, at a ratio of NT\$0.33 per share (Rounded down to full NT dollar with the fractional amounts being aggregately recognized as the Company's other income).
- (2) Should the approved cash distribution ratio require any adjustment due to amendment of laws or regulations, request by competent authority, or any change of the numbers of the issued and outstanding shares, it is proposed that the General Shareholders' Meeting authorize the Board of Directors with full power to adjust the distribution ratio.
- (3) The record date for ex-dividend is temporarily set on July 10, 2020, and the distribution date is set on August 6, 2020. 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 Chairman with full power to adjust accordingly.
- (4) Please discuss.

Resolution: Shares present at the time of voting: 1,683,471,525 (votes casted electronically: 909,706,467 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,514,036,383 votes (740,707,117 votes)	89.94%
Votes against :	3,396,538 votes (3,396,538 votes)	0.20%
Votes invalid or abstained:	166,038,604 votes (165,602,812 votes)	9.86%

*including votes casted electronically (number in brackets)

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

Item 4

Proposal: To Approve the Proposal of Amendments to Acer's Internal Rule: Procedures for Acquiring or Disposing of Assets. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Based on "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission, R.O.C. and according to the execution of IFRS 16 "Leases", in order to formulate the layered authority management mechanism for acquiring and disposing right-of-use assets, it is proposed to amend the Company's "Procedures Governing Acquiring or Disposing of Assets". Please refer to Attachment 7 for the "Comparison Table of Acer's Procedures Governing Acquiring or Disposing of Assets Before and After Revision."
- (2) Please discuss.

Resolution: Shares present at the time of voting: 1,683,471,525 (votes casted electronically: 909,706,467 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,516,348,238 votes (743,018,972 votes)	90.07%
Votes against :	705,219 votes (705,219 votes)	0.04%
Votes invalid or abstained:	166,418,068 votes (165,982,276 votes)	9.89%

*including votes casted electronically (number in brackets)

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

Item 5

Proposal: To Release Non-Compete Restrictions on Newly-Elected Directors and their Representatives. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Pursuant to Article 209 of the Company Act, a director engaging, either for himself or on behalf of another person, in activities that are within the scope of the company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
- (2) It is proposed to request the General Shareholders' Meeting to release the non-competes restrictions on newly-elected directors or their representatives, who

participate in the operations of another company that engages in the same or similar business scope as the Company.

(3) Please refer to Attachment 8 for the Concurrent Positions of Director and Independent Director Candidates.

(4) Please discuss.

Resolution: Shares present at the time of voting: 1,683,471,525 (votes casted electronically: 909,706,467 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,506,962,930 votes (733,633,664 votes)	89.52%
Votes against :	2,893,570 votes (2,893,570 votes)	0.17%
Votes invalid or abstained:	173,615,025 votes (173,179,233 votes)	10.31%

*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: 9:30 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,

Acer has made significant progress with the dual transformation of our core business and new initiatives in 2019, and we are pleased to share with you key developments that demonstrate the forward-looking mindset of a sustainable company. Opportunities as well as challenges have arisen, in fact, the industry's CPU supply issue that began in late 2018 persisted throughout 2019, and has been reflected in our consolidated revenues, which was down slightly year-over-year at NT\$234.29 billion, with net income of NT\$2.63 billion, and earnings per share (EPS) at NT\$0.87.

The pursuits in technological innovation, broadening the boundaries of the PC business and new markets, and creating multiple growth engines are the foundations of Acer's dual transformation. In the PC business we have focused on segments with growth opportunities, such as ultra-slim notebooks and gaming PCs. Our efforts have been rewarded with year-on-year growth for Acer gaming PC and ultrathin notebook shipments exceeding the industry (Source: FY2019, GfK & NPD), and ranking No. 2 in Taiwan patent applications with 565 filings – up 19% from the previous year.

At the same time, Acer's corporate responsibility efforts have consistently been recognized by global sustainability indices that benchmark environmental, social and governance (ESG) performance of organizations. For the sixth consecutive year we have been listed in the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index.

In the gaming field, Acer has created an ecosystem with powerful PCs and cool gadgets, esports events, and an esports social platform. Our flagship Predator PCs, and Predator Thronos gaming chair provide the ultimate gaming experience. We not only sponsored esports events but also hosted our own Asia Pacific Predator League with growing success. The 2019 tournament drew 3,530 teams who competed for months and battled for the championship in Thailand. The 2020 finals will bring the league to a higher level with almost 20,000 tickets sold already. Finally, Planet9 is our new brand and latest venture in gaming announced in September. Currently in open beta stage, it is an open community platform that allows players to build their team, train, and challenge for victory. Through esports, Acer will engage new audiences while bringing innovations and game-changing designs first to market.

In the PC business we have continued to challenge ourselves and innovate. We maintained our leading edge in the thin-and-light notebook segment with the Swift 5 as the world's lightest 14-inch notebook, under 900 g. Worldwide, Acer gaming monitors ranked No. 1 (Q1-Q3 '19, IHS). As we continue our leadership in these two segments, we unveiled a new brand of high-end PCs and monitors optimized for creators such as graphic designers, filmmakers, engineers, architects, developers and others. The pristine yet powerful ConceptD portfolio, with quiet operation and high color accuracy, has been hailed as the Windows comparison of the Apple Mac, as well as

receiving more the 40 “Best of Show” accolades recently at the CES consumer show, reflecting the media’s positive reception of the brand.

Making up the other part of Acer’s dual transformation is our multiple business engines, which have kept their momentum and have seen viable growth, these include Acer Cyber Security, Acer Synergy Tech (AST), Weblink International, and Acer e-Enabling Service Business, and more. The strategy of listing our subsidiaries is also progressing accordingly. During the fourth quarter, AST became listed on the emerging market of the Taipei Exchange, Weblink International began its public offering process, with more in the pipeline. These new businesses are also making steadily increasing contribution to Acer’s overall revenues.

Many of our new initiatives are making good progress. GadgeTek captured great international media attention with the launch in the Vatican of the “Click to Pray eRosary” smart wearable for the Catholic community, reaping 2500 media articles. In the biotech realm, we forged a cross-industry cooperation with Novartis Taiwan, where the companies will focus on artificial intelligence (AI) technology in areas such as clinical trial design, disease detection, and patient care integration. Acer and Novartis will benefit from each other’s global operations to bring smart medical products to markets, forming a win-win opportunity.

More exciting developments of our AI-based technologies include the indoor smart air monitor solution, developed by our AI research team in collaboration with experts in the field of air quality. Plans are in place to serve 1300 locations including schools in mid and southern Taiwan in 2020. Acer will provide a one-stop shop air quality improvement solution from detection, data analytics, reporting, solution, to maintenance. Also in the realm of smart cities, following the success of Taiwan’s first roadside Smart Parking Meter BOT project in Tainan by Acer ITS, more smart parking meters will be promoted to be implemented in other cities.

Without a doubt, Acer has so much under development and we are constantly seeking for new prospects. With your trust and support, Acer’s goal is to bring higher value to our customers, shareholders and employees, and to become an indispensable part of life. Thank you.

Chairman of Board
Jason Chen

Corporate Officers
Jason Chen
Meggy Chen

Accounting Officer
Sophia Chen

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2019 Business Report, Financial Statements, and the Proposal for profit 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 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 18th, 2020

【Supplementary Note】 The Communications between Independent Directors and Chief Internal Auditor:

In addition to internal audit monthly report to the Independent Directors, the Company Chief Internal Auditor also makes internal audit report in Audit Committee quarterly meeting, as well as discusses with the members of Audit Committee respect to the internal audit result and relative improvement. Furthermore, any unordinary or urgent case will be reported immediately to the members of Audit Committee.

Attachment 3

The Status of Shares-release of the Company's Certain Subsidiaries' Shares Which Will Be Listed on Taiwan Stock Exchange or Taipei Exchange

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

Date	2018.3	2019.5	2019.11
Purpose and Mode	Talents attraction and retention/ Employee stock option	Operating capital requirement/ Capital increase by cash	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue (Transfer) Price	NTD 10	NTD 22	NTD 27
Date of Audit Committee approved	2017.11.9	-	-
Date of Board approved	2018.11.9	2019.3.20	2019.11.6
Date of Shareholder meeting approved	-	2018.6.15	-
Subscriber/Transferee	AST employees	AST employees, Acer shareholders, Acer Group Employees, the specific personnel who will subscribe within the scope that the aforesaid person abandon to subscribe.(Note)	Recommended emerging market underwriters, and Securities and Futures Investors Protection Center
Number of shares	630,000 shares	3,500,000 shares	501,000 shares
Acer's Shareholdings before share-release	100%	91.74%	65.38%
Acer's Shareholdings after share-release	91.74%	65.38%	60.88%
Bases of share price	The appraisal report issued by CPA for fair value	CPA report to the share price	The price will be determined after the negotiation among recommended emerging market underwriters, Acer and AST
Impact on Acer shareholders	Not harm to shareholders' rights and interests	Not harm to shareholders' rights and interests	Not harm to shareholders' rights and interests

Note: The relevant matters has been approved by Acer General Shareholder Meeting on June 15th, 2018. The specific subscriber will be, in general, the employees of subsidiaries which plan to be offered by public market, the employees of group companies, and a strategy investor or a financial investor who will benefit the Company's development.

2. WEBLINK INTERNATIONAL INC. (6776.TW, “Weblink”)

Date	2018.11	2019.4	2019.7	2019.11	2020.3
Purpose and Mode	Talents attraction and retention/ Employee stock option	Talents attraction and retention/ Employee stock option	To execute IPO plan/ Transfer shares	To execute IPO plan/ Transfer shares	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue(Transfer)Price	NTD19	NTD19	NTD20	NTD19	NTD20
Date of Audit Committee approved	2018.5.9	2018.5.9	2018.11.7	2019.8.7	2018.8.8
Date of Board approved	2018.5.9	2018.5.9	2018.11.7	2019.8.7	2018.8.8 2019.11.6
Date of Shareholder meeting approved	107.6.15	107.6.15	2018.6.15	-	-
Subscriber/Transferee	Weblink Employees	Acer Group Employees	Specific personnel(Note)	The specific personnel who will subscribe within the scope that the aforesaid person abandon to subscribe (Note)	Recommended emerging market underwriters, and Securities and Futures Investors Protection Center
Number of shares	1,730,000 shares	1,299,000 shares	1,550,000 shares	19,110,712 shares	1,501,000 shares
Acer’s Shareholdings before share-release	99.79%	97.33%	95.48%	93.27%	67.36%
Acer’s Shareholdings after share-release	97.33%	95.48%	93.27%	67.36%	65.32%
Date	CPA report to the share price	CPA report to the share price	CPA report to the share price	Expert opinion which referring to the Company’s latest financial statements, the stock dividend, and CPA report	The price will be determined after the negotiation among recommended emerging market underwriter, Acer and Weblink
Purpose and Mode	Not harm to shareholders’ rights and interests	Not harm to shareholders’ rights and interests	Not harm to shareholders’ rights and interests	Not harm to shareholders’ rights and interests	Not harm to shareholders’ rights and interests

Note: The relevant matters has been approved by Acer General Shareholder Meeting on June 15th, 2018. The specific subscriber will be, in general, the employees of subsidiaries which plan to be offered by public market, the employees of group companies, and a strategy investor or a financial investor who will benefit the Company’s development.

Attachment 4

The Resolution of Board of Directors and the Execution for Shares Buyback

1. In accordance with Article 28-2 of the Securities and Exchange Act.
2. The Board of Directors presented unanimously approve Shares Buyback on March 13, 2020. The resolution and implementation are as follows:
 - (1) Term of Buyback : The First Buyback in Year 2020
 - (2) Purpose of Buyback : To Maintain the Company's Credit and Shareholders' Equity
 - (3) Type of Shares Buyback : Common Share
 - (4) Announced Number of Shares to Buyback : 230,000,000 shares
 - (5) Announced Period of Buyback : From March 13, 2020 to May 5, 2020
 - (6) Announced Price Range of Buyback : NT\$10.05 to NT\$13.5, Shares Buyback continued if the market price was below the stated price range.
 - (7) Volume of Bought back : 27,080,000 shares
 - (8) Actual Period of Buyback : From March 13, 2020 to March 23, 2020
 - (9) Monetary Amount of Shares Bought back : NT\$361,943,540
 - (10) Average Shares Buyback Price Per Share : NT\$13. 37
 - (11) Number of Shares Had Been Written Off and Transferred : None
 - (12) Number of the Company Shares Held In Accumulation : 27,080,000 shares
 - (13) Number of The Company Shares Held In Accumulation Out of The Total Number Shares Issued (%) : 0.88%

Attachment 5

List of Director and Independent Director Candidates

Type	Name	Academic Background	Experience	All Current Position (Note 1)	Shareholdings (Note 2)
Director	Stan Shih (Acct. No:0000002)	MS in Electrical Engineering, National Chiao Tung University	Co-Founder, Chairman President and CEO, Acer Group	<ol style="list-style-type: none"> 1. Honorary Chairman and Director, Acer Inc. 2. Independent Director, Taiwan Semiconductor Manufacturing Co., Ltd. 3. Director, Nan Shan Life Insurance Co., Ltd. 4. Director, Hung Rouan Investment Corp. (*) 5. Director, Egis Technology Inc. 6. Director, iD Innovation Inc. (*) 7. Chairman, Dragon Investment Co., Ltd. (*) 8. Director, CTS Inc. 9. Director, Rongxin Management Consultants Co., Ltd. (*) 10. Director, Bingyu Co., Ltd. (*) 11. Chairman, Ambi Investment and Consulting Inc. (*) 12. Chairman, Stans Foundation (*) 13. Chairman, Acer Foundation (*) 14. Chairman, CLOUD GATE Foundation(*) 15. Director, NSFG Foundation (*) 16. Director, Chew's Culture Foundation (*) 	34,989,531 shares
Director	Jason Chen (Acct. No:0857788)	MS in Business Administration, Missouri Columbia University	Senior Vice President of Worldwide Sales and Marketing, TSMC	<ol style="list-style-type: none"> 1. Chairman and CEO, Acer Inc. 2. Chairman, Mu-Jin Investment Co., Ltd. (*) 3. Chairman, Mu-Shi Investment Co., Ltd. (*) 4. Director, Supervisor or Manger, Acer Group 	4,897,536 shares (note 3)
Director	Hung Rouan Investment Corp. Legal Representative : Maverick Shih (Acct. No:0005978)	Ph.D. in Electrical Engineering, University of Southern California	Acer BYOC General Manager	<ol style="list-style-type: none"> 1. Director, Acer Inc. 2. Chairman, MAV's LAB. Inc. 3. Director, Rongxin Management Consultants Co., Ltd. (*) 4. Director, Dragon Investment Co., Ltd. (*) 5. Director, Kiwi Technology Inc. 6. Supervisor, Allxon Inc. (*) 7. Director, Supervisor or Manger, Acer Group 	73,629,933 shares
Independent Director	Ching-Hsiang Hsu	Ph.D. in Electrical Engineering,	1. Chairman, Research Institute of	1. Chairman, eMemory Technology Inc.	0 share

Type	Name	Academic Background	Experience	All Current Position (Note 1)	Shareholdings (Note 2)
	(Charles Hsu) (Acct. No: 0916903)	University of Illinois at Urban-Champaign	Electronics Engineering, Tsing-Hua University 2. Researcher, IBM T.J. Watson Research Center, State of New York, USA	2. Chairman, iMQ Technology Inc. (*) 3. Chairman and President, PUFsecurity Corp. (*) 4. Director, SecuX Technology Inc. (*) 5. Director, Powerflash Technology Corp. (*) 6. Independent Director and Member of Remuneration Committee, Materials Analysis Technology Inc. 7. Director, National Applied Research Laboratories(*) 8. Independent Director and Member of Remuneration Committee, Acer Inc.	
Independent Director	Ji-Ren Lee (Acct. No: 0857786)	Ph.D. in Strategic Management, University of Illinois at Urban-Champaign	Professor of International Business, College of Management, National Taiwan University	1. Independent Director, Delta Electronics, Inc. 2. Independent Director, E.Sun Financial Holdings Co., Ltd. 3. Independent Director, Vivotek Inc. 4. Member of Remuneration Committee, Media Tek Inc. 5. Independent Director and Chairman of Remuneration Committee, Acer Inc.	0 share
Independent Director	San-Cheng Chang (Simon Chang) (Acct. No: 0157790)	Ph.D. in Civil and Environmental Engineering, Cornell University	1. Premier 2. Chairman, Taiwan Mobile Foundation 3. President, Institute for Biotechnology and Medicine Industry	1. Chairman, SanCode Education Foundation(*) 2. President, Institute for Biotechnology and Medicine Industry(*)	530,322 shares
Independent Director	Yuri, Kure (Acct. No:1018823)	MS in Law, National Taiwan University	Lee and Li, Attorney-at-Law, Senior Associate-Japan Project Manager	None	0 share

Note 1. The mark of (*) refers to Non-Publicly Traded Company

Note 2. Shareholdings as of April 14, 2020.

Note 3. Including the shares of 2,264,056 which held by the investment company wholly owned by Mr. Jason Chen himself.

Attachment 6



安侯建業聯合會計師事務所

KPMG

台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666

Fax 傳真 + 886 2 8101 6667

Internet 網址 kpmg.com/tw

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, 2019 and 2018, 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, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2018 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of 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, 2019 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 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(e) 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 impairment of non-financial assets, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(k) 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, 2019 and 2018, on which we have audited and issued an unmodified audit opinion for the year ended December 31, 2019, and an unmodified audit opinion with the paragraph on emphasis of matter for the year ended December 31, 2018.

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

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

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

Those charged with governance (including 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 Hwei-Chen Chang and Tzu-Chieh Tang.

KPMG

Taipei, Taiwan (Republic of China)

March 18, 2020

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 24,184,332	16	27,283,038	18
1110	Financial assets measured at fair value through profit or loss – current (note 6(b))	1,271,742	1	435,574	-
1120	Financial assets measured at fair value through other comprehensive income – current (note 6(c))	100,313	-	88,989	-
1140	Contract assets – current (note 6(w))	420,882	-	396,235	-
1170	Notes and accounts receivable, net (notes 6(d) & (w))	49,398,044	32	47,491,595	31
1180	Accounts receivable from related parties (notes 6(d) & (w) and 7)	41,201	-	34,623	-
1200	Other receivables (notes 7)	550,769	-	1,097,802	1
1220	Current income tax assets	314,898	-	460,334	-
130X	Inventories (note 6(e))	41,034,471	26	42,076,409	27
1470	Other current assets (note 6(l))	4,412,422	3	3,756,396	3
	Total current assets	<u>121,729,074</u>	<u>78</u>	<u>123,120,995</u>	<u>80</u>
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))	5,146,642	3	4,340,457	3
1550	Investments accounted for using the equity method (note 6(f))	944,958	1	875,861	-
1600	Property, plant and equipment (note 6(h) and 8)	3,561,644	2	3,846,752	2
1755	Right-of-use assets (notes 6(i))	1,948,343	1	-	-
1760	Investment property (note 6(j))	1,129,350	1	1,122,385	1
1780	Intangible assets (note 6(k))	16,930,072	11	17,311,344	11
1840	Deferred income tax assets (note 6(s))	1,551,795	1	890,458	1
1900	Other non-current assets (notes 6(l) & (r))	1,996,859	1	1,432,482	1
1980	Other financial assets – non-current (note 8)	1,157,827	1	1,003,782	1
	Total non-current assets	<u>34,367,490</u>	<u>22</u>	<u>30,868,415</u>	<u>20</u>
	Total assets	<u>\$ 156,096,564</u>	<u>100</u>	<u>153,989,410</u>	<u>100</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(m) and 8)	\$ 1,505,587	1	657,040	-
2120	Financial liabilities measured at fair value through profit or loss— current (note 6(b))	449,052	-	272,085	-
2130	Contract liabilities—current (note 6(w))	1,832,271	1	821,374	1
2170	Notes and accounts payable (note 7)	35,223,814	23	40,079,353	26
2200	Other payables (note 6(x) and 7)	24,711,860	16	24,420,154	16
2250	Provisions—current (notes 6(p) and 9)	4,953,980	3	5,239,352	4
2280	Lease liabilities—current (notes 6(o))	598,743	-	-	-
2322	Current portion of long-term debt (note 6(n) and 8)	9,627	-	4,112	-
2365	Refund liabilities—current	12,441,200	8	12,703,866	8
2399	Other current liabilities	2,747,123	2	2,619,592	2
	Total current liabilities	<u>84,473,257</u>	<u>54</u>	<u>86,816,928</u>	<u>57</u>
Non-current liabilities:					
2527	Contract liabilities—non-current (note 6(w))	662,672	-	1,405,350	1
2540	Long-term debt (notes 6(n) and 8)	5,834,188	4	3,315,976	2
2550	Provisions—non-current (notes 6(p) and 9)	32,096	-	36,241	-
2570	Deferred income tax liabilities (note 6(s))	2,525,953	2	1,749,191	1
2580	Lease liabilities—non-current (note 6(o))	1,409,264	1	-	-
2600	Other non-current liabilities	1,963,895	1	1,679,438	1
	Total non-current liabilities	<u>12,428,068</u>	<u>8</u>	<u>8,186,196</u>	<u>5</u>
	Total liabilities	<u>96,901,325</u>	<u>62</u>	<u>95,003,124</u>	<u>62</u>
Equity (notes 6(t) & (u)):					
3110	Common stock	30,749,338	20	30,749,338	20
3200	Capital surplus	28,152,962	18	27,913,351	18
Retained earnings:					
3310	Legal reserve	587,602	-	281,559	-
3320	Special reserve	2,940,572	2	2,534,028	2
3350	Unappropriated retained earnings	2,668,082	2	3,085,863	2
3400	Other equity	(4,342,227)	(3)	(3,381,189)	(2)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Equity attributable to shareholders of the Parent	<u>57,841,473</u>	<u>37</u>	<u>58,268,094</u>	<u>38</u>
36XX	Non-controlling interests	1,353,766	1	718,192	-
	Total equity	<u>59,195,239</u>	<u>38</u>	<u>58,986,286</u>	<u>38</u>
	Total liabilities and equity	<u>\$ 156,096,564</u>	<u>100</u>	<u>153,989,410</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

	2019		2018	
	Amount	%	Amount	%
4000 Net revenue (notes 6(g) & (w), 7 and 14)	\$ 234,285,354	100	242,270,406	100
5000 Cost of revenue (notes 6(e), (h), (i), (k), (o), (p), (q) & (r), 7 and 12)	(209,568,568)	(89)	(216,442,207)	(89)
Gross profit	24,716,786	11	25,828,199	11
Operating expenses (notes 6(d), (h), (i), (j), (k),(o), (p), (q), (r), (u) & (x), 7 and 12):				
6100 Selling expenses	(14,697,428)	(7)	(15,234,252)	(6)
6200 General and administrative expenses	(4,431,080)	(2)	(4,462,573)	(2)
6300 Research and development expenses	(2,571,756)	(1)	(2,559,920)	(1)
6400 Other expenses	(33,258)	-	-	-
Total operating expenses	(21,733,522)	(10)	(22,256,745)	(9)
6500 Other operating income and expenses, net (notes 6(q), (y), and 7)	94,550	-	167,035	-
Operating income	3,077,814	1	3,738,489	2
Non-operating income and loss:				
7010 Other income (note 6(z))	664,183	1	606,843	-
7020 Other gains and losses — net (notes 6(f), (g), (h), (k), (z) & (aa), and 7)	270,533	-	216,232	-
7050 Finance costs (note 6(o) & (z))	(189,251)	-	(175,288)	-
7060 Share of losses of associates and joint ventures (note 6(f))	(111,259)	-	(133,896)	-
Total non-operating income and loss	634,206	1	513,891	-
7900 Income before taxes	3,712,020	2	4,252,380	2
7950 Income tax expense (note 6(s))	(1,143,646)	(1)	(1,350,420)	(1)
Net income	2,568,374	1	2,901,960	1
Other comprehensive income (loss) (note 6(f), (s), (t) & (aa)):				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurements of defined benefit plans	(233,583)	-	682	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	687,671	-	(593,723)	-
8320 Share of other comprehensive losses of associates	(24)	-	-	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	9,504	-	22,695	-
Total items that will not be reclassified to profit or loss	463,568	-	(570,346)	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(1,413,636)	-	385,004	-
8370 Share of other comprehensive losses of associates	(36)	-	(3,940)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	(3,596)	-
Total items that may be reclassified subsequently to profit or loss	(1,413,672)	-	377,468	-
Other comprehensive loss, net of taxes	(950,104)	-	(192,878)	-
Total comprehensive income for the year	\$ 1,618,270	1	2,709,082	1
Net income (loss) attributable to:				
8610 Shareholders of the Parent	\$ 2,632,565	1	3,060,429	1
8620 Non-controlling interests	(64,191)	-	(158,469)	-
Total comprehensive income (loss) attributable to:	\$ 2,568,374	1	2,901,960	1
8710 Shareholders of the Parent	\$ 1,693,913	1	2,876,293	1
8720 Non-controlling interests	(75,643)	-	(167,211)	-
	\$ 1,618,270	1	2,709,082	1
Earnings per share (in New Taiwan dollars) (note 6(v)):				
9750 Basic earnings per share	\$ 0.87		1.01	
9850 Diluted earnings per share	\$ 0.87		1.01	

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent															
	Retained earnings					Other equity										
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) measured at fair value through other comprehensive income	Unrealized gain (loss) from available-for-sale financial assets	Revaluations of defined benefit plans	Unearned stock-based employee compensation	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at January 1, 2018	30,765,028	20,552,184	-	-	2,815,587	2,815,587	(3,102,161)	112,035	(112,035)	(96,281)	(12,063)	(3,198,590)	(2,914,856)	57,119,445	655,965	57,775,410
Effects of retrospective application	-	-	-	-	(2,231)	(2,231)	-	-	-	-	-	-	-	2,021	2,021	(5,210)
Adjusted balance at January 1, 2018	30,765,028	20,552,184	-	-	2,813,356	2,813,356	(3,102,161)	112,035	(112,035)	(96,281)	(12,063)	(3,198,590)	(2,914,856)	57,121,466	657,986	57,779,452
Net income for the year	-	-	-	-	3,060,175	3,060,175	-	-	-	-	-	(184,136)	-	3,060,175	(18,849)	2,941,326
Other comprehensive income (loss) for the year	-	-	-	-	3,060,129	3,060,129	390,996	(60,296)	-	26,264	-	(184,136)	-	(84,136)	(8,742)	(92,878)
Total comprehensive income (loss) for the year	-	-	-	-	3,060,304	3,060,304	390,996	(60,296)	-	26,264	-	(184,136)	-	2,876,239	(16,211)	2,760,028
Appropriation approved by the stockholders:																
Legal reserve	-	-	381,559	-	(381,559)	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,511,028	(2,511,028)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	(2,534,028)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends from capital surplus	-	(2,120,398)	-	-	-	-	-	-	-	-	-	-	-	(2,120,398)	(19)	(2,120,417)
Share of changes in equity of associates	-	1,275	-	-	-	-	-	-	-	-	-	-	-	44,225	9,134	53,359
Changes in ownership interests in subsidiaries	-	32,641	-	-	-	-	-	-	-	-	-	-	-	32,641	105,682	138,323
Issuance of common stock from exercise of employee stock options by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement of restricted shares of stock issued to employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of stock issued in restricted shares	(15,690)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	13,798	-	-	13,798	-	13,798
Disposal of investments accounted for using the equity method	-	-	1,857	-	-	1,857	-	-	-	-	(1,705)	-	-	(1,705)	97	1,660
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	22,019	-	-	-	-	-	-	22,019	-	22,019
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2018	30,765,028	22,013,351	381,559	2,511,028	3,265,585	3,265,585	(2,380,140)	(52,226)	(52,226)	(60,217)	(1,705)	(3,381,120)	(2,914,856)	58,548,024	218,102	58,766,126
Net income for the year	-	-	-	-	2,632,565	2,632,565	(1,405,028)	685,362	-	(218,086)	-	(938,652)	-	(938,652)	(11,452)	(950,104)
Other comprehensive income (loss) for the year	-	-	-	-	2,632,565	2,632,565	(1,405,028)	685,362	-	(218,086)	-	(938,652)	-	(938,652)	(11,452)	(950,104)
Total comprehensive income (loss) for the year	-	-	-	-	2,632,565	2,632,565	(1,405,028)	685,362	-	(218,086)	-	(938,652)	-	(938,652)	(11,452)	(950,104)
Appropriation approved by the stockholders:																
Legal reserve	-	-	306,013	-	(306,013)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	406,514	(406,514)	-	-	-	-	-	-	-	-	-	-	-
Share of changes in equity of associates	-	-	-	-	(2,367,699)	(2,367,699)	-	-	-	-	-	-	-	-	-	-
Share of changes in equity of associates	-	36,051	-	-	-	-	-	-	-	-	-	-	-	36,051	6,005	42,056
Changes in ownership interests in subsidiaries	-	64,017	-	-	-	-	-	-	-	-	-	-	-	64,017	70,052	134,069
Issuance of common stock from employee stock options by subsidiaries	-	195,228	-	-	-	-	-	-	-	-	-	-	-	195,228	(195,228)	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	(126)	(126)	7,680	-	-	-	7,680	-	-	7,680	-	7,680
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	30,765,028	26,152,962	587,602	2,511,572	2,668,082	2,668,082	(4,187,394)	(30,669)	(30,669)	(187,703)	(1,705)	(4,321,222)	(2,914,856)	57,841,473	1,353,766	59,195,239

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from operating activities:		
Income before income tax	\$ 3,712,020	4,252,380
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	1,193,596	423,898
Amortization	318,723	415,818
Net (gain) loss on financial assets measured at fair value through profit or loss	(20,112)	496,558
Interest expense	189,251	175,288
Interest income	(468,887)	(358,954)
Dividend income	(195,296)	(247,889)
Share-based compensation cost	2,894	249
Share of losses of associates and joint ventures	111,259	133,896
Loss on disposal of equipment, intangible assets and non-current assets held for sale	12,830	3,475
Property, plant and equipment and intangible assets reclassified to expenses	-	453
Loss on disposal of investments	5,086	33,158
Impairment loss	51,584	-
Gain on bargain purchase	-	(6,385)
Other investment loss	-	3,696
Total adjustments for profit and loss	1,200,928	1,073,261
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	514,979	(606,239)
Contract assets	(24,647)	(383,613)
Notes and accounts receivable	(2,031,798)	(523,043)
Receivables from related parties	(6,578)	92,280
Inventories	1,025,472	(2,434,278)
Other receivables and other current assets	(106,195)	(147,231)
Other non-current assets	(49,783)	4,968
Changes in operating assets	(678,550)	(3,997,156)
Changes in operating liabilities:		
Contract liabilities	883,189	498,459
Notes and accounts payable	(4,855,539)	(2,897,116)
Other payables and other current liabilities	(289,681)	338,917
Provisions	(289,517)	(144,977)
Refund liabilities	(262,666)	(784,304)
Other non-current liabilities	60,379	52,880
Changes in operating liabilities	(4,753,835)	(2,936,141)
Cash used in operations	(519,437)	(1,607,656)
Interest received	466,089	359,771
Income taxes paid	(1,327,101)	(884,258)
Net cash used in operating activities	(1,380,449)	(2,132,143)

(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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(272,983)	(86,605)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	-	62,576
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	23,028	31,883
Proceeds from repayments of financial assets measured at fair value through profit or loss	61,307	16,580
Purchase of financial assets measured at fair value through profit or loss	(1,329,782)	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	114,896	8,458
Acquisition of investments accounted for using the equity method	(101,526)	(151,500)
Proceeds from disposal of investments accounted for using the equity method	-	557
Proceeds from liquidation of investments accounted for using the equity method	9,563	-
Proceeds from disposal of non-current assets held for sale	-	163,974
Additions to property, plant and equipment	(225,397)	(230,598)
Proceeds from disposal of equipment and intangible assets	7,784	9,787
Additions to intangible assets	(303,594)	(218,040)
Net cash paid for acquisition of subsidiaries	-	(1,071)
Increase in other non-current financial assets	(18,233)	(4,965)
Dividends received	228,450	256,813
Net cash flows used in investing activities	(1,806,487)	(142,151)
Cash flows from financing activities:		
Increase in short-term borrowings	850,496	98,492
Increase in long-term debt	5,828,760	22,669
Repayment of long-term debt	(3,304,596)	(2,704,109)
Payment of lease liabilities	(631,624)	-
Cash dividends	(2,331,648)	-
Cash distributed from capital surplus	-	(2,120,798)
Cash dividends paid to non-controlling interests by subsidiaries	(24,389)	(2,112)
Issuance of common stock from employee stock options by subsidiaries	76,523	61,987
Additions to interests in subsidiaries	(93,762)	(18,500)
Proceeds from disposal of interests in subsidiaries (without losing control)	455,911	168,402
Increase in non-controlling interests	427,422	34,029
Interest paid	(182,087)	(161,420)
Net cash flows provided by (used in) financing activities	1,071,006	(4,621,360)
Effect of foreign exchange rate changes	(982,776)	208,361
Net decrease in cash and cash equivalents	(3,098,706)	(6,687,293)
Cash and cash equivalents at beginning of period	27,283,038	33,970,331
Cash and cash equivalents at end of period	\$ 24,184,332	\$ 27,283,038

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

KPMG

台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666

Fax 傳真 + 886 2 8101 6667

Internet 網址 kpmg.com/tw

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, 2019 and 2018, 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, 2019 and 2018, 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 audit of the parent-company-only financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the parent-company-only financial statements as of and for the year ended December 31, 2018 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.

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, 2019 are stated as follows:

1. Revenue recognition

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



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(f) 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 impairment of non-financial assets, Note 5(c) for uncertainty of accounting estimations and assumptions for goodwill impairment and Note 6(g) 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 18, 2020

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 4,083,583	4	3,625,154	3
1110	Financial assets measured at fair value through profit or loss— current (note 6(b))	58,355	-	266,951	-
1120	Financial assets measured at fair value through other comprehensive income—current (note 6(c))	51,181	-	39,908	-
1140	Contract assets—current (note 6(u))	2,008	-	84,450	-
1170	Notes and accounts receivable, net (notes 6(d) & (u))	3,864,880	3	3,352,271	3
1180	Notes and accounts receivable from related parties (notes 6(d) & (u) and 7)	21,963,643	19	23,075,104	20
1200	Other receivables, net (note 6(e))	187,273	-	574,460	-
1210	Other receivables from related parties (notes 6(e) and 7)	130,046	-	87,697	-
130X	Inventories (note 6(f))	12,718,463	11	13,591,184	12
1470	Other current assets	248,829	-	157,176	-
Total current assets		43,308,261	37	44,854,355	38
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(c))	3,628,790	3	2,882,001	3
1550	Investments accounted for using the equity method (note 6(g))	65,760,877	57	67,463,925	57
1600	Property, plant and equipment (note 6(h))	1,310,885	1	1,355,056	1
1755	Right-of-use assets (note 6(i))	133,049	-	-	-
1760	Investment property (note 6(j))	1,276,865	1	1,269,699	1
1780	Intangible assets (note 6(k))	207,915	-	229,136	-
1840	Deferred income tax assets (note 6(q))	973,841	1	327,949	-
1900	Other non-current assets	50,899	-	69,880	-
1980	Other financial assets—non-current (note 8)	91,717	-	108,484	-
Total non-current assets		73,434,838	63	73,706,130	62
Total assets		\$ 116,743,099	100	118,560,485	100

(Continued)

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

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

ACER INCORPORATED
Parent-Company-Only Balance Sheets (Continued)
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities measured at fair value through profit or loss— current (note 6(b))	194,318	-	183,413	-
2130	Contract liabilities—current (note 6(u))	107,298	-	122,994	-
2170	Notes and accounts payable	28,022,101	24	33,237,981	28
2180	Accounts payable to related parties (note 7)	122,620	-	131,574	-
2200	Other payables (note 6(v))	15,813,420	14	15,108,645	13
2220	Other payables to related parties (note 7)	1,519,594	1	1,368,927	1
2250	Provisions—current (note 6(n))	716,840	1	758,541	1
2230	Current tax liabilities	388,906	1	359,576	1
2280	Lease liabilities—current (note 6(m))	73,195	-	-	-
2365	Refund liabilities—current	2,816,912	2	2,611,223	2
2399	Other current liabilities	<u>374,774</u>	-	<u>196,752</u>	-
	Total current liabilities	<u>50,149,978</u>	<u>43</u>	<u>54,079,626</u>	<u>46</u>
Non-current liabilities:					
2527	Contract liabilities—non-current (note 6(u))	-	-	491,976	-
2540	Long-term debt (note 6(l))	5,800,000	5	3,300,000	3
2570	Deferred income tax liabilities (note 6(q))	2,183,773	2	1,450,536	1
2580	Lease liabilities—non-current (note 6(m))	60,833	-	-	-
2600	Other non-current liabilities (note 6(p))	576,321	-	869,655	1
2622	Long-term payable to related parties (note 7)	<u>130,721</u>	-	<u>100,598</u>	-
	Total non-current liabilities	<u>8,751,648</u>	<u>7</u>	<u>6,212,765</u>	<u>5</u>
	Total liabilities	<u>58,901,626</u>	<u>50</u>	<u>60,292,391</u>	<u>51</u>
Equity (note 6(r)):					
3110	Common stock	30,749,338	26	30,749,338	26
3200	Capital surplus	28,152,962	24	27,913,351	24
	Retained earnings:				
3310	Legal reserve	587,602	1	281,559	-
3320	Special reserve	2,940,572	3	2,534,028	2
3350	Unappropriated retained earnings	2,668,082	2	3,085,863	3
3400	Other equity	(4,342,227)	(4)	(3,381,189)	(3)
3500	Treasury stock	<u>(2,914,856)</u>	<u>(2)</u>	<u>(2,914,856)</u>	<u>(3)</u>
	Total equity	<u>57,841,473</u>	<u>50</u>	<u>58,268,094</u>	<u>49</u>
	Total liabilities and equity	<u>\$ 116,743,099</u>	<u>100</u>	<u>118,560,485</u>	<u>100</u>

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2019 and 2018

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

		2019		2018	
		Amount	%	Amount	%
4000	Net revenue (notes 6(u) and 7)	\$ 173,659,404	100	177,953,077	100
5000	Cost of revenue (notes 6(f) & (n) and 7)	(165,923,911)	(96)	(169,518,256)	(95)
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures	7,735,493	4	8,434,821	5
5920	Realized gross profit on sales to subsidiaries, associates and joint ventures	265	-	35,372	-
	Gross profit	7,735,758	4	8,470,193	5
	Operating expenses (notes 6(d), (h), (i), (j), (k), (m), (n), (o), (p), (s) & (v), 7 and 12):				
6100	Selling expenses	(2,663,797)	(2)	(3,166,653)	(2)
6200	General and administrative expenses	(976,456)	-	(1,017,665)	-
6300	Research and development expenses	(1,954,062)	(1)	(1,689,954)	(1)
	Total operating expenses	(5,594,315)	(3)	(5,874,272)	(3)
6500	Other operating income and expenses, net (notes 6(o) & (w) and 7)	158,473	-	130,946	-
	Operating income	2,299,916	1	2,726,867	2
	Non-operating income and loss:				
7010	Other income (notes 6(x) and 7)	259,728	-	260,297	-
7020	Other gains and losses — net (notes 6(g) & (x) and 7)	186,829	-	375,077	-
7050	Finance costs (notes 6(l), (m) & (x) and 7)	(113,981)	-	(123,094)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(g))	632,043	1	673,443	-
	Total non-operating income and loss	964,619	1	1,185,723	-
	Income before taxes	3,264,535	2	3,912,590	2
7950	Income tax expenses (note 6(q))	(631,970)	-	(852,161)	-
	Net Income	2,632,565	2	3,060,429	2
	Other comprehensive income (loss) (note 6(p), (q), (r) & (y)):				
	Items that will not be reclassified subsequently to profit or loss				
8310	Remeasurements of defined benefit plans	(39,439)	-	(54,185)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	653,124	-	(384,772)	-
8330	Share of other comprehensive losses of subsidiaries and associates	(154,297)	-	(154,199)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	7,888	-	18,024	-
	Total items that will not be reclassified subsequently to profit or loss	467,276	-	(575,132)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(1,405,928)	(1)	396,272	-
8380	Share of other comprehensive losses of subsidiaries and associates	-	-	(1,847)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	(3,429)	-
	Total items that may be reclassified subsequently to profit or loss	(1,405,928)	(1)	390,996	-
	Other comprehensive loss, net of taxes	(938,652)	(1)	(184,136)	-
	Total comprehensive income for the year	\$ 1,693,913	1	2,876,293	2
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	\$	0.87	\$	1.01
9850	Diluted earnings per share	\$	0.87	\$	1.01

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, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings							Other equity				Total equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from available-for-sale financial assets	Remeasurements of defined benefit plans	Unearned stock-based compensation	Total		Treasury stocks
Balance at January 1, 2018	\$ 30,765,028	29,852,184	-	-	2,815,587	2,815,587	(3,202,161)	112,035	-	(12,093)	(3,198,500)	(2,914,856)	57,319,443
Effects of retrospective application	-	-	-	-	(7,231)	(7,231)	-	(112,035)	-	-	-	-	(7,231)
Adjusted balance at January 1, 2018	-	29,852,184	-	-	2,808,356	2,808,356	(3,202,161)	-	-	(12,093)	(3,198,500)	(2,914,856)	57,312,212
Net income for the year	-	-	-	-	3,060,429	3,060,429	-	-	-	-	(184,136)	-	3,060,429
Other comprehensive income (loss) for the year	-	-	-	-	-	-	390,996	(601,596)	-	-	26,464	-	(184,136)
Total comprehensive income (loss) for the year	-	-	-	-	3,060,429	3,060,429	390,996	(601,596)	-	-	26,464	-	2,876,793
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)
Share of changes in equity of 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 the equity method	-	744	-	-	-	-	22,019	-	-	-	-	-	22,763
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	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
Net income for the year	-	-	-	-	2,632,565	2,632,565	-	-	-	-	-	-	2,632,565
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,405,928)	685,362	-	(218,086)	(938,652)	-	(938,652)
Total comprehensive income (loss) for the year	-	-	-	-	2,632,565	2,632,565	(1,405,928)	685,362	-	(218,086)	(938,652)	-	1,693,913
Appropriation approved by the stockholders:													
Legal reserve	-	-	306,043	-	(306,043)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	406,544	(406,544)	-	-	-	-	-	-	-	-
Cash dividends distributed to subsidiaries	-	-	-	-	(2,567,699)	(2,567,699)	-	-	-	-	-	-	(2,567,699)
Share of changes in equity of associates	-	36,051	-	-	-	-	-	-	-	-	-	-	36,051
Changes in ownership interests in subsidiaries	-	64,047	-	-	-	-	-	-	-	-	-	-	64,047
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	197,096	-	-	-	-	-	-	-	-	-	-	197,096
Reorganization under common control	-	(57,583)	-	-	(126)	(126)	-	-	-	-	-	-	(57,583)
Disposal of subsidiaries	-	-	-	-	-	-	7,680	-	-	-	7,680	-	(126)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	30,066	30,066	-	(30,066)	-	-	(30,066)	-	7,680
Balance at December 31, 2019	\$ 30,749,338	28,152,962	587,602	2,940,572	2,668,082	6,196,256	(4,187,394)	133,070	-	(287,903)	(4,342,227)	(2,914,856)	57,841,473

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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Income before income tax	\$ <u>3,264,535</u>	<u>3,912,590</u>
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	154,529	72,016
Amortization	29,758	41,838
Interest expense	113,981	123,094
Interest income	(95,624)	(75,548)
Dividend income	(164,104)	(184,749)
Share-based compensation cost	-	(1,705)
Share of profits of subsidiaries, associates and joint ventures	(632,043)	(673,443)
Gain on disposal of equipment and intangible assets	(5,943)	(236)
Gain on lease modification	(32)	-
Loss on disposal of investments accounted for using the equity method	6,538	29,531
Gain on bargain purchase	-	(4,358)
Intangible assets and equipment reclassified to expenses	-	351
Realized profit on sales to subsidiaries, associates and joint ventures	(265)	(35,372)
Other investment loss	-	<u>3,696</u>
Total profit and loss	<u>(593,205)</u>	<u>(704,885)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	208,252	(87,397)
Contract assets	82,442	(84,450)
Notes and accounts receivable	(512,609)	891,332
Notes and accounts receivable from related parties	1,111,461	(8,928,039)
Inventories	860,860	(269,224)
Other receivables and other current assets	<u>295,369</u>	<u>(192,449)</u>
Changes in operating assets	<u>2,045,775</u>	<u>(8,670,227)</u>
Changes in operating liabilities:		
Notes and accounts payable	(5,215,880)	(937,549)
Payables to related parties	(178,287)	179,759
Refund liabilities	205,689	(258,067)
Other payables and other current liabilities	269,600	1,559,970
Provisions	(41,701)	29,995
Contract liabilities	107,298	(139,182)
Other non-current liabilities and long-term payable to related parties	<u>(2,971)</u>	<u>(43,529)</u>
Changes in operating liabilities	<u>(4,856,252)</u>	<u>391,397</u>
Cash used in operations	(139,147)	(5,071,125)
Interest received	95,811	75,785
Income taxes paid	<u>(507,432)</u>	<u>(226,341)</u>
Net cash used in operating activities	<u>(550,768)</u>	<u>(5,221,681)</u>

(Continued)

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

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

ACER INCORPORATED

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

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(120,000)	-
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	15,062	4,898
Proceeds from repayments of financial assets measured at fair value through profit or loss	-	14,418
Proceeds from disposal of financial assets measured at fair value through profit or loss	11,249	-
Additions to investments accounted for using the equity method	(277,432)	(592,056)
Proceeds from disposal of investments accounted for using the equity method	455,910	159,755
Proceeds from capital return of investments accounted for using the equity method	424,870	-
Proceeds from liquidation of investments accounted for using the equity method	4,210	-
Additions to property, plant and equipment	(26,573)	(39,371)
Proceeds from disposal of property, plant and equipment	1,523	2,825
Decrease (Increase) in receivables from related parties	(42,349)	153,289
Additions to intangible assets	(12,727)	(200)
Proceeds from disposal of intangible assets	9,360	524
Decrease in other non-current financial assets and other non-current assets	35,748	80,940
Cash outflows from business demerger	-	(65,640)
Dividends received	272,627	308,272
Net cash flows provided by investing activities	<u>751,478</u>	<u>27,654</u>
Cash flows from financing activities:		
Increase in long-term debt	5,800,000	-
Repayment of long-term debt	(3,300,000)	(2,700,000)
Payment of lease liabilities	(78,829)	-
Increase in loans from related parties	320,000	89,000
Cash dividends	(2,367,699)	-
Cash distributed from capital surplus	-	(2,153,552)
Interest paid	(115,753)	(124,972)
Net cash flows provided by (used in) financing activities	<u>257,719</u>	<u>(4,889,524)</u>
Net increase (decrease) in cash and cash equivalents	458,429	(10,083,551)
Cash and cash equivalents at beginning of period	<u>3,625,154</u>	<u>13,708,705</u>
Cash and cash equivalents at end of period	<u>\$ 4,083,583</u>	<u>3,625,154</u>

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

Attachment 7

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

After Revision	Before Revision	Reason for Revision
<p>Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1. Acquisition or Disposal of Securities</p> <p>(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.</p> <p>(2) For securities not 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, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.</p> <p>2. For acquisition or disposal of real estates, equipment, right-of-use assets of real estate, right-of-use assets of equipment, 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.</p>	<p>Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1. Acquisition or Disposal of Securities</p> <p>(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.</p> <p>(2) For securities not 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, counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.</p> <p>2. For acquisition or disposal of real estates, equipment, right-of-use assets of real estate, right-of-use assets of equipment, 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.</p>	<p>Amended for real practice of the company organization.</p>

After Revision	Before Revision	Reason for Revision
<p>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 <u>chief executive officer (equivalent chief manager)</u> quarterly.</p> <p>(Omitted)</p>	<p>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.</p> <p>(Omitted)</p>	
<p>Article 5 Procedures for Approval of Acquisition or Disposal of Assets</p> <p>(Omitted)</p> <p>1. Amount and Level of Authorization</p> <p>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:</p> <p>(1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution:</p> <p>(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.</p> <p>(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</p>	<p>Article 5 Procedures for Approval of Acquisition or Disposal of Assets</p> <p>(Omitted)</p> <p>1. Amount and Level of Authorization</p> <p>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:</p> <p>(1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution:</p> <p>(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.</p> <p>(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</p>	<p>1. As above.</p> <p>2. According to the distinctive natures of real estate, right of use of real estate, and equipment or right of use of equipment, it is enacted different amounts and levels of authorization to favor management of the Company.</p>

After Revision	Before Revision	Reason for Revision
<p>amount is within NT\$300 million, and said matter is brought up to and ratified by the Board of Directors later.</p> <p>(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(<u>equivalent chief manager</u>) 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.</p> <p>(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.</p> <p>(3) <u>The acquisition or disposal of right-of-use assets of real estate shall be approved by the Board of Directors with the amount is more than</u></p>	<p>amount is within NT\$300 million, and said matter is brought up to and ratified by the Board of Directors later.</p> <p>(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.</p> <p>(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.</p> <p>(3) The acquisition or disposal of 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</p>	

After Revision	Before Revision	Reason for Revision
<p><u>NT\$300 million; the approval of the Company's Chairman is required for amount between NT\$100 million and NT\$300 million (not exceeding); the approval of the (equivalent chief manager) is required for amount between NT\$50 million and NT\$100 million (not exceeding); the chief officers(equivalent managers) who directly report to chief executive officer are authorized to execute the acquisition or disposal of right-of-use assets of real estate with the amount not reaching NT\$50 million.</u></p> <p>(4) (3) The acquisition or disposal of equipment or right-of-use assets of equipment which the amount is above NT\$100 million, decided by the Company's Chairman before its execution, except that the transaction of shall be approved by the Board of Directors, and which the <u>amount is not exceeding NT\$100 million, shall be executed in accordance with the Company's Internal Control Systems to management of assets and relevant rules..</u></p> <p>(5) (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.</p> <p>(6)(5) The acquisition or disposal of patent rights, copyrights, trademark rights, franchise rights, and other intangible assets shall be decided by</p>	<p>amount is above NT\$100 million shall be approved by the Board of Directors.</p> <p>(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.</p> <p>(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.</p> <p>(6) The following transactions between the Company, its 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:</p> <p>(a) acquisition or disposal of equipment or right-of-use assets of equipment for business use.</p> <p>(b) acquisition or disposal of right-of-use assets of real estate for business use.</p> <p>(Omitted)</p>	

After Revision	Before Revision	Reason for Revision
<p>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.</p> <p>(7)(6)The following transactions between the Company, its 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:</p> <p>(a) acquisition or disposal of equipment or right-of-use assets of equipment for business use.</p> <p>(b) acquisition or disposal of right-of-use assets of real estate for business use.</p> <p>(Omitted)</p>		
<p>Article 29</p> <p>(Omitted)</p> <p><u>The tenth amendment was enacted on June 12, 2020.</u></p>	<p>Article 29</p> <p>(Omitted)</p>	<p>Added the date of approval of shareholder's meeting.</p>

Attachment 8

Concurrent Positions of Director and Independent Director Candidates

Type	Name	All Current Position (Note)
Director	Stan Shih (Acct. No: 0000002)	<ol style="list-style-type: none"> 1. Honorary Chairman and Director, Acer Inc. 2. Independent Director, Taiwan Semiconductor Manufacturing Co., Ltd. 3. Director, Nan Shan Life Insurance Co., Ltd. 4. Director, Hung Rouan Investment Corp. (*) 5. Director, Egis Technology Inc. 6. Director, iD Innovation Inc. (*) 7. Chairman, Dragon Investment Co., Ltd. (*) 8. Director, CTS Inc. 9. Director, Rongxin Management Consultants Co., Ltd. (*) 10. Director, Bingyu Co., Ltd. (*) 11. Chairman, Ambi Investment and Consulting Inc. (*) 12. Chairman, Stans Foundation (*) 13. Chairman, Acer Foundation (*) 14. Chairman, CLOUD GATE Foundation (*) 15. Director, NSFG Foundation(*) 16. Director, Chew's Culture Foundation (*)
Director	Jason Chen (Acct. No: 0857788)	<ol style="list-style-type: none"> 1. Chairman and CEO, Acer Inc. 2. Chairman, Mu-Jin Investment Co., Ltd. (*) 3. Chairman, Mu-Shi Investment Co., Ltd. (*) 4. Director, Supervisor or Manger, Acer Group
Director	Hung Rouan Investment Corp. Legal Representative: Maverick Shih (Acct. No: 0005978)	<ol style="list-style-type: none"> 1. Director, Acer Inc. 2. Chairman, MAVs LAB. Inc. 3. Director, Rongxin Management Consultants Co., Ltd. (*) 4. Director, Dragon Investment Co., Ltd. (*) 5. Director, Kiwi Technology Inc. 6. Supervisor, Allxon Inc. (*) 7. Director, Supervisor or Manger, Acer Group
Independent Director	Ching Hsiang Hsu (Charles Hsu) (Acct. No:0916903)	<ol style="list-style-type: none"> 1. Chairman, eMemory Technology Inc 2. Chairman, iMQ Technology Inc. (*) 3. Chairman and President, PUFsecurity Corp. (*) 4. Director, SecuX Technology Inc. (*) 5. Director, Powerflash Technology Corp. (*) 6. Independent Director and Member of Compensation Committee, Materials Analysis Technology Inc. 7. Director, National Applied Research Laboratories (*) 8. Independent Director and Member of Compensation Committee, Acer Inc.
Independent Director	Ji-Ren Lee (Acct. No: 0857786)	<ol style="list-style-type: none"> 1. Independent Director, Delta Electronics, Inc. 2. Independent Director, E.Sun Financial Holdings Co., Ltd. 3. Independent Director, Vivotek Inc. 4. Member of Compensation Committee, Media Tek Inc. 5. Independent Director and Chairman of Compensation Committee, Acer Inc.
Independent Director	San-Cheng Chang (Simon Chang) (Acct. No: 0157790)	<ol style="list-style-type: none"> 1. Chairman, SanCode Education Foundation(*) 2. President, Institute for Biotechnology and Medicine Industry(*)
Independent Director	Yuri, Kure	None