MINUTES OF 2021 ANNUAL SHAREHOLDERS' MEETING OF ACER INCORPORATED

(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2021 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, July 9, 2021

Venue: 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: 1,892,893,057 shares

Percentage of shares held by shareholders present in person or proxy: 62.55%

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

Chairman: Jason Chen, the Chairman of the Board of Directors.

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 2020

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 2020

Explanatory Notes:

i. The Board of Directors approved the proposal of employees' 2020 profit sharing bonus and Board Directors' compensation on March 17, 2021. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.

ii. The total amount of employees' 2020 profit sharing bonus is NT$480,000,000.

iii. The total amount of Board Directors' 2020 compensation is NT$10,013,320.

(4) To Report on the Distribution of Cash Dividend for the Year 2020

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$4,578,855,432, and plan to distribute the cash dividend of NT$4,571,780,742 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$1.5 per share. (Rounded down to NT$1 and the residue will be calculated and booked as the Company's other income).

iii. Prior to the ex-dividend date for the distribution, should the cash distribution ratio require any adjustment due to amendment of laws or regulations, request by competent authorities, or any change of the numbers of the issued and outstanding shares, it is to authorize the Chairman with full power to adjust the distribution ratio.

iv. The record date for ex-dividend is temporarily set on July 6, 2021, and the distribution date is set on August 5, 2021. Should the dates above be adjusted due to the amendment of laws or regulations, or request by competent authorities, the Chairman is authorized with full power to adjust accordingly.

(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 Issuance of Unsecured Corporate Bonds

Explanatory Notes: Please refer to Attachment 4.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2020. (Proposed by the Board of Directors)

Explanatory Notes:

(1) Acer’s Financial Statements for the year 2020, 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 2020 and the aforementioned financial statements are attached hereto as Attachment 1 and Attachment 5, 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: 1,892,893,057 (votes casted electronically: 1,352,662,679 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,545,281,342 votes (1,005,051,966 votes)	81.64%
Vote against:	942,516 votes (942,516 votes)	0.05%
Votes invalid or abstained:	346,669,199 votes (346,668,197 votes)	18.31%

*including votes casted electronically (number in brackets)

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

Item 2

Proposal: Discussion Proposal of Profit & Loss Appropriation for the Year 2020. (Proposed by the Board of Directors)

Explanatory Notes:

(1) The Statement of Profit & Loss Appropriation have been approved by the Audit Committee and resolved by the Board of Directors.

(2) The Statement of Profit & Loss Appropriation hereby are shown as follows.

(3) Please discuss.

Acer Incorporated

2020 Statement of Profit & Loss Appropriation

Unit：NT$

Beginning Balance of Un-appropriated Retained Earnings	13,167,658
Plus: 2020 Net Income after Tax	6,029,286,797
Deduct: the disposal loss of financial assets at fair value through other comprehensive income	(3,538,827)
Deduct: Legal Reserve	(602,574,797)
Deduct: Special Reserve	(857,485,399)
Accumulative earnings available for appropriation	4,578,855,432
Appropriation Items:	
Cash dividends to shareholders(Note)	(4,571,780,742)
Ending Balance of Un-appropriated Retained Earnings	7,074,690

Note:

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$4,571,780,742, which has been approved by the Board of Directors on March 17, 2021.

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

Resolution: Shares present at the time of voting: 1,892,893,057 (votes casted electronically: 1,352,662,679 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,544,587,416 votes (1,004,358,040 votes)	81.60%
Vote against:	8,506,716 votes (8,506,716 votes)	0.45%
Votes invalid or abstained:	339,798,925 votes (339,797,923 votes)	17.95%

*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 Amendments to Acer's Internal Rule: (Proposed by the Board of Directors)

I. Procedures Governing Acquiring or Disposing of Assets

II. Procedures Governing Lending of Capital to Others

Explanatory Notes:

(1) To comply with the regulations and to cope with the business development, it is proposed to amend the Company's Internal Rule:

I. Procedures Governing Acquiring or Disposing of Assets

II. Procedures Governing Lending of Capital to Others

Please refer to Attachment 6 and 7, for the "Before and Revision Chart of Acer Incorporated Procedures Governing Acquiring or Disposing of Assets" and "Before and Revision Chart of Acer Incorporated Procedures Governing Lending of Capital to Others"

(2) Please discuss.

Supplementary Explanation Notes:

Shareholders' meeting is postponed due to COVID-19, the date of enactment of Acer Incorporated Procedures Governing Acquiring or Disposing of Assets and Acer Incorporated Procedures Governing Lending of Capital to Others is adjusted to July 9, 2021.

Resolution: Shares present at the time of voting: 1,892,893,057 (votes casted electronically: 1,352,662,679 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,543,577,177 votes (1,003,347,801 votes)	81.55%
Vote against:	519,161 votes (519,161 votes)	0.03%
Votes invalid or abstained:	348,796,719 votes (348,795,717 votes)	18.42%

*including votes casted electronically (number in brackets)

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

3. Extemporary Motion

None.

4. Meeting Adjourned: 9:20 a.m.

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

Attachment 1

Business Report

Acer's strategy to maintain momentum and secure long-term sustainability is to evolve continuously with the industry and changing lifestyles by pushing for innovation in existing businesses, while expanding to new territories. Our vigilance of the market dynamics and the macro economy, and the velocity of critical actions have enabled Acer to sustain during times of uncertainty and demonstrate the resilience of our organization. Our focus on securing materials to fulfil the urgent demand for our products, so that people could stay connected during the pandemic, helped Acer to achieve some success and resulted in FY2020 consolidated revenues of NT$277.11 billion, operating income of NT$8.94 billion with 190.3% in YoY growth, net income of NT$6.03 billion with 3.2% margin, and EPS of NT$2.01.

The COVID-19 pandemic has been the topic of concern for almost everyone due to its direct impact on people's lives. In the ICT industry, it caused delays in global PC shipments and exposed the weaknesses of existing supply chains. Ultimately, it triggered new norms in lifestyles and required industries to rapidly adapt to high volatility and unexpected changes in order to continue operations. Despite the cancellation of most physical events due to the pandemic, Acer continued to host two global press conferences in 2020 by pushing creativity limits and announcing our new products to the world via online streaming.

Innovation and Intrapreneurship

In 2020, Acer ranked No. 5 for total PCs shipments worldwide with 22% YoY growth, exceeding the industry growth of 13% (Source: IDC). Our focus on industry bright spots yielded strong results with Chromebooks and the gaming line (desktops, notebooks, and monitors) gaining 95% and 31% in respective YoY revenue growth. We ranked No. 2 in Taiwan patent application with 523 filings.

In the PC and displays business, Acer is committed to strengthening foundations with technological innovations and offering unique product lines for the specific needs of gamers, creators, education, and more. At the same time, Acer is exploring new opportunities, expanding into adjacent territories, and cultivating multiple business engines through encouraging employees to think outside the box as intrapreneurs.

In the gaming field, Acer continued building on its comprehensive ecosystem that now includes hardware/accessories, esports tournaments, esports social platforms, and energy drinks. In hardware, Acer has stood out from the competition by introducing new generations of its advanced thermal cooling solutions to enable its gaming notebooks and desktops to run at peak performance. For PLANET9, a community-driven esports platform for gamers, Acer released a new in-game live AI translator service that's trained with game jargon to facilitate communication among gamers. The latest addition to the ecosystem is the distribution of popular gaming consoles by Acer subsidiaries in Taiwan.

Multiple Growth Engines and New Initiatives

Our multiple business engines also kept their momentum and saw viable growth, steadily increasing their contribution to Acer's overall revenues. The strategy of listing our subsidiaries has progressed: in Q4'20 Acer Synergy Tech was listed on the Taipei Exchange; in Q1'21, Acer e-Enabling Service Business was listed on the emerging stock market of the Taipei Exchange, and Weblink International became listed on the Taiwan Stock Exchange.

Many of our new initiatives made notable developments. In medical artificial intelligence (AI), Acer Healthcare collaborated with Novartis Taiwan and the national Taiwan University Hospital and to receive the first AI-assisted diagnostic software ophthalmic medical device certification from the Taiwan Food & Drug Administration (TFDA approved license). Another exciting development of our AI-based technology is an indoor smart air monitoring solution developed in collaboration with experts in the field of air quality. The solution was installed in 3,000 locations in western Taiwan in 2020, representing 90% of the market share. Acer provided a one-stop shop air quality improvement solution starting from detection, data analytics, reporting, solution, to maintenance for schools, hospitals, and other commercial buildings. And we also launched an air quality improvement solution for consumers.

In the realm of smart cities, following the successful installation of Taiwan's first roadside Smart Parking Meter BOT project in Tainan, Acer has won phase two of the project as the supplier of another 2,000 spaces and as operator for the next 20 years.

In addition, Acer e-Enabling Service Business developed an infection and antimicrobial resistance surveillance system in collaboration with Taiwan's Centers for Disease Control. The system won the Global ICT Excellence Award for COVID-19 Best Industry Solution by WITSA (World Information Technology and Service Alliance), an encouraging sign that Acer's efforts in applying information communication technology to pandemic prevention is bearing fruit.

Recognition for ESG Performance

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 first time we have been awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook 2021 for the top ESG scoring companies. Also for the first time, Acer ranked among the "100 most sustainably managed companies in the world" by The Wall Street Journal from a study into 5,500 publicly traded businesses. For the seventh consecutive year we have been listed in the Dow Jones Sustainability Indices Emerging Markets Index.

2020 has been an exceptional year; with your support we've navigated through these challenging times with some success, and tested our resilience. As a stronger company, we will continue to push limits and continue bringing value to our customers, shareholders and employees. Thank you

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

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company’s 2020 Business Report, Financial Statements, and the Proposal for Profit & Loss Appropriation. The CPA Huei-Chen Chang and Tzu-Chieh Tang from KPMG were retained to audit Acer’s Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for Profit & Loss Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer Incorporated in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Acer Incorporated

Convener of the Audit Committee: Ching-Hsiang, Hsu

March 17th, 2021

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

- Acer E-Enabling Service Business Inc. (6811.TW, “AEB”)

Date	2019.8	2020.7	2020.12
Purpose and Mode	Talents attraction and retention/ Employee stock option	To execute IPO plan/ Transfer shares	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue(Transfer)Price	NTD 17.2	NTD 43	NTD 72
Date of Audit Committee approved	-	2020.5.6	2020.11.4
Date of Board approved	-	2020.5.6	2020.11.4
Date of Shareholder meeting approved	-	-	-
Subscriber/Transferee	AEB and Acer Employees	AEB 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	4,449,000 shares	4,495,000 shares	1,101,000 shares
Acer’s Shareholdings before share-release	100%	87.79%	75.46%
Acer’s Shareholdings after share-release	87.79%	75.46%	72.44%
Bases of share price	CPA report to the share price	CPA report to the share price	1. The price will be determined after the negotiation among recommended emerging market underwriters, Acer and AEB 2. CPA report to the share price
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.

Attachment 4

The Issuance of Unsecured Corporate Bonds

1. To comply with Article 246 of the Company Act.
2. At the meeting held on March 17, 2021, the Board of Directors of Acer approved the issuance of unsecured corporate bond in the domestic market for amounts not exceeding NT$10 billion to cope with the bank loans and to enrich working capital.
3. The Company has completed the offering of the 1st issue of unsecured corporate bond in 2021 totaling NT$5 billion. A summary of the major terms of the offering are as follows:

   (a) Face Value Per Bond: NT$1 million

   (b) Maturity Date: 5 years; issued on April 27, 2021 and due on April 27, 2026

   (c) Coupon: 0.76% p.a.

   (d) Coupon Frequency: Annually

   (e) Principal Repayment: Bullet at maturity

Attachment 5

安侯建業聯合會計師事務所
KPMG
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Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 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. Furthermore, 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. 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, 2020 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 the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of 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 other related information on impairment of non-financial assets (including goodwill).

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 17, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 15,999,824	12	4,083,583	4
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	156,738	-	58,355	-
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	51,857	-	51,181	-
1140	Contract assets－current (note 6(t))	250	-	2,008	-
1170	Notes and accounts receivable, net (notes 6(d) & (t))	5,910,659	5	3,864,880	3
1180	Notes and accounts receivable from related parties (notes 6(d) & (t) and 7)	24,595,958	18	21,963,643	19
1200	Other receivables, net (note 6(e))	206,551	-	187,273	-
1210	Other receivables from related parties (notes 6(e) and 7)	214,152	-	130,046	-
130X	Inventories (note 6(f))	13,657,588	10	12,718,463	11
1470	Other current assets	226,214	-	248,829	-
	Total current assets	61,019,791	45	43,308,261	37
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c))	4,656,750	3	3,628,790	3
1550	Investments accounted for using the equity method (note 6(g))	66,039,920	49	65,760,877	57
1600	Property, plant and equipment (note 6(h))	1,844,520	1	1,310,885	1
1755	Right-of-use assets (note6(i))	73,967	-	133,049	-
1760	Investment property (note 6(j))	724,504	1	1,276,865	1
1780	Intangible assets (note 6(k))	180,529	-	207,915	-
1840	Deferred income tax assets (note 6(q))	1,911,708	1	973,841	1
1900	Other non-current assets	61,608	-	50,899	-
1980	Other financial assets－non-current (note 8)	88,955	-	91,717	-
	Total non-current assets	75,582,461	55	73,434,838	63
	Total assets	**$ 136,602,252**	**100**	**116,743,099**	**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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	$ 943,985	1	194,318	-
2130	Contract liabilities－current (note 6(t))	79,131	-	107,298	-
2170	Notes and accounts payable	41,949,644	31	28,022,101	24
2180	Accounts payable to related parties (note 7)	503,171	-	122,620	-
2200	Other payables (note 6(u))	18,406,873	13	15,813,420	14
2220	Other payables to related parties (note 7)	763,946	1	1,519,594	1
2250	Provisions－current (note 6(n) and 9)	742,153	1	716,840	1
2230	Current tax liabilities	1,680,371	1	388,906	1
2280	Lease liabilities－current (note 6(m))	60,449	-	73,195	-
2365	Refund liabilities－current	3,650,911	3	2,816,912	2
2399	Other current liabilities	433,513	-	374,774	-
	Total current liabilities	69,214,147	51	50,149,978	43
	Non-current liabilities:				
2540	Long-term debt (note 6(l))	3,300,000	3	5,800,000	5
2570	Deferred income tax liabilities (note 6(q))	3,153,296	2	2,183,773	2
2580	Lease liabilities－non-current (note 6(m))	14,236	-	60,833	-
2600	Other non-current liabilities (note 6(p))	607,208	-	576,321	-
2622	Long-term payable to related parties (note 7)	20,034	-	130,721	-
	Total non-current liabilities	7,094,774	5	8,751,648	7
	Total liabilities	76,308,921	56	58,901,626	50
	Equity (note 6(r)):				
3110	Common stock	30,478,538	22	30,749,338	26
3200	Capital surplus	27,378,068	20	28,152,962	24
	Retained earnings:				
3310	Legal reserve	853,852	1	587,602	1
3320	Special reserve	3,976,265	3	2,940,572	3
3350	Unappropriated retained earnings	6,038,916	4	2,668,082	2
3400	Other equity	(5,517,452)	(4)	(4,342,227)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Total equity	60,293,331	44	57,841,473	50
	Total liabilities and equity	**$ 136,602,252**	**100**	**116,743,099**	**100**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020 Amount	%	2019 Amount	%
4000	**Net revenue (notes 6(t) and 7)**	$ 209,586,473	100	173,659,404	100
5000	**Cost of revenue (notes 6(f) & (n) and 7)**	(199,065,721)	(95)	(165,923,911)	(96)
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures	10,520,752	5	7,735,493	4
5920	Realized gross profit on sales to subsidiaries, associates and joint ventures	2,440	-	265	-
	Gross profit	10,523,192	5	7,735,758	4
	Operating expenses (notes 6(d), (h), (i), (j), (k), (m), (n), (o), (p) & (u), 7 and 12):				
6100	Selling expenses	(3,034,971)	(1)	(2,663,797)	(2)
6200	General and administrative expenses	(1,165,863)	(1)	(976,456)	-
6300	Research and development expenses	(1,986,440)	(1)	(1,954,062)	(1)
	Total operating expenses	(6,187,274)	(3)	(5,594,315)	(3)
6500	**Other operating income and expenses, net (notes 6(o) & (v) and 7)**	154,916	-	158,473	-
	Operating income	4,490,834	2	2,299,916	1
	Non-operating income and loss:				
7100	Interest income (notes 6(w) and 7)	50,577	-	95,624	-
7010	Other income (note 6(w))	185,228	-	164,104	-
7020	Other gains and losses (notes 6(w) and 7)	178,477	-	186,829	-
7050	Finance costs (notes 6(m) & (w) and 7)	(65,529)	-	(113,981)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6 (g))	2,524,675	2	632,043	1
	Total non-operating income and loss	2,873,428	2	964,619	1
	Income before taxes	7,364,262	4	3,264,535	2
7950	**Income tax expenses (note 6 (q))**	(1,334,975)	(1)	(631,970)	-
	Net Income	6,029,287	3	2,632,565	2
	Other comprehensive income (loss) (notes 6 (g), (p), (q), (r) & (x)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(5,026)	-	(39,439)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	716,961	-	653,124	-
8330	Share of other comprehensive losses of subsidiaries and associates	(35,859)	-	(154,297)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	1,005	-	7,888	-
	Total items that will not be reclassified subsequently to profit or loss	677,081	-	467,276	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(1,855,833)	(1)	(1,405,928)	(1)
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(1,855,833)	(1)	(1,405,928)	(1)
	Other comprehensive loss, net of taxes	(1,178,752)	(1)	(938,652)	(1)
	Total comprehensive income for the year	$ **4,850,535**	**2**	**1,693,913**	**1**
	Earnings per share (in New Taiwan dollars) (note 6(s)):				
9750	Basic earnings per share	$	**2.01**		**0.87**
9850	Diluted earnings per share	$	**1.99**		**0.87**

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2019	$ 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	-	-	-	-	(2,367,699)	(2,367,699)	-	-	-	-	-	(2,367,699)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,051	-	-	-	-	-	-	-	-	-	36,051
Share of changes in equity of associates	-	64,047	-	-	-	-	-	-	-	-	-	64,047
Changes in ownership interests in subsidiaries	-	197,096	-	-	-	-	-	-	-	-	-	197,096
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(57,583)	-	-	-	-	-	-	-	-	-	(57,583)
Reorganization under common control	-	-	-	-	(126)	(126)	-	-	-	-	-	(126)
Disposal of subsidiaries	-	-	-	-	-	-	7,680	-	-	7,680	-	7,680
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	30,066	30,066	-	(30,066)	-	(30,066)	-	-
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
Net income for the year	-	-	-	-	6,029,287	6,029,287	-	-	-	-	-	6,029,287
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,855,833)	632,065	45,016	(1,178,752)	-	(1,178,752)
Total comprehensive income (loss) for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	(1,178,752)	-	4,850,535
Appropriation approved by the stockholders:												
Legal reserve	-	-	266,250	-	(266,250)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,035,693	(1,035,693)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)	-	-	-	-	-	-	-	-	-	(1,014,728)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,416	-	-	-	-	-	-	-	-	-	36,416
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(361,943)	(361,943)
Retirement of treasury stock	(270,800)	(91,143)	-	-	-	-	-	-	-	-	361,943	-
Share of changes in equity of associates	-	76,443	-	-	-	-	-	-	-	-	-	76,443
Changes in ownership interests in subsidiaries	-	43,604	-	-	-	-	-	-	-	-	-	43,604
Difference between consideration and carrying amount of subsidiaries disposed	-	174,404	-	-	-	-	-	-	-	-	-	174,404
Reorganization under common control	-	-	-	-	(12)	(12)	-	-	-	-	-	(12)
Stock option compensation cost of subsidiaries	-	110	-	-	-	-	-	-	-	-	-	110
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(3,527)	(3,527)	-	3,527	-	3,527	-	-
Balance at December 31, 2020	$ 30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,869,033	(6,043,227)	768,662	(242,887)	(5,517,452)	(2,914,856)	60,293,331

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	$ 7,364,262	3,264,535
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	154,282	154,529
Amortization	27,796	29,758
Net loss on financial assets measured at fair value through profit or loss	1,268	-
Interest expense	65,529	113,981
Interest income	(50,577)	(95,624)
Dividend income	(185,228)	(164,104)
Share of profits of subsidiaries, associates and joint ventures	(2,524,675)	(632,043)
Gain on disposal of equipment and intangible assets	(1,181)	(5,943)
Gain on lease modification	-	(32)
Loss on disposal of investments accounted for using the equity method	-	6,538
Realized profit on sales to subsidiaries, associates and joint ventures	(2,440)	(265)
Acquisition of financial assets by contribution of technical know-how	(17,421)	-
Total adjustments for profit or loss	(2,532,647)	(593,205)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	650,016	208,252
Contract assets	1,758	82,442
Notes and accounts receivable	(2,045,779)	(512,609)
Notes and accounts receivable from related parties	(2,632,315)	1,111,461
Inventories	(980,229)	860,860
Other receivables and other current assets	3,436	295,369
Changes in operating assets	(5,003,113)	2,045,775
Changes in operating liabilities:		
Notes and accounts payable	13,931,231	(5,215,880)
Payables to related parties	437,903	(178,287)
Refund liabilities	833,999	205,689
Other payables and other current liabilities	2,652,811	269,600
Provisions	25,313	(41,701)
Contract liabilities	(28,167)	107,298
Other non-current liabilities	(84,826)	(2,971)
Changes in operating liabilities	17,768,264	(4,856,252)
Cash provided by (used in) operations	17,596,766	(139,147)
Interest received	50,566	95,811
Income taxes paid	(13,457)	(507,432)
Net cash provided by (used in) operating activities	17,633,875	(550,768)

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(297,000)	(120,000)
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	2,746	15,062
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	(43,365)	(277,432)
Proceeds from disposal of investments accounted for using the equity method	29,930	455,910
Proceeds from capital return of investments accounted for using the equity method	602,819	424,870
Proceeds from liquidation of investments accounted for using the equity method	-	4,210
Additions to property, plant and equipment and investment property	(43,789)	(26,573)
Proceeds from disposal of property, plant and equipment	5,251	1,523
Increase in receivables from related parties	(84,106)	(42,349)
Additions to intangible assets	(410)	(12,727)
Proceeds from disposal of intangible assets	-	9,360
Cash outflows from business demerger	(27,718)	-
Decrease (Increase) in other non-current financial assets and other non-current assets	(7,947)	35,748
Dividends received	333,191	272,627
Net cash flows provided by investing activities	469,602	751,478
Cash flows from financing activities:		
Increase in short-term borrowings	5,233,942	-
Decrease in short-term borrowings	(5,233,942)	-
Increase in long-term debt	-	5,800,000
Repayment of long-term debt	(2,500,000)	(3,300,000)
Payment of lease liabilities	(78,575)	(78,829)
Increase (decrease) in loans from related parties	(813,000)	320,000
Cash dividends	(1,352,971)	(2,367,699)
Cash distributed from capital surplus	(1,014,728)	-
Purchase of treasury stock	(361,943)	-
Interest paid	(66,019)	(115,753)
Net cash flows provided by (used in) financing activities	(6,187,236)	257,719
Net increase in cash and cash equivalents	11,916,241	458,429
Cash and cash equivalents at beginning of period	4,083,583	3,625,154
Cash and cash equivalents at end of period	$ **15,999,824**	**4,083,583**

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

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020 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. Furthermore, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

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 the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of 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 other related information on impairment of non-financial assets (including goodwill).

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 17, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 15,999,824	12	4,083,583	4
1110	Financial assets measured at fair value through profit or loss－current (note 6(b))	156,738	-	58,355	-
1120	Financial assets measured at fair value through other comprehensive income－current (note 6(c))	51,857	-	51,181	-
1140	Contract assets－current (note 6(t))	250	-	2,008	-
1170	Notes and accounts receivable, net (notes 6(d) & (t))	5,910,659	5	3,864,880	3
1180	Notes and accounts receivable from related parties (notes 6(d) & (t) and 7)	24,595,958	18	21,963,643	19
1200	Other receivables, net (note 6(e))	206,551	-	187,273	-
1210	Other receivables from related parties (notes 6(e) and 7)	214,152	-	130,046	-
130X	Inventories (note 6(f))	13,657,588	10	12,718,463	11
1470	Other current assets	226,214	-	248,829	-
	Total current assets	61,019,791	45	43,308,261	37
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income－non-current (note 6(c))	4,656,750	3	3,628,790	3
1550	Investments accounted for using the equity method (note 6(g))	66,039,920	49	65,760,877	57
1600	Property, plant and equipment (note 6(h))	1,844,520	1	1,310,885	1
1755	Right-of-use assets (note6(i))	73,967	-	133,049	-
1760	Investment property (note 6(j))	724,504	1	1,276,865	1
1780	Intangible assets (note 6(k))	180,529	-	207,915	-
1840	Deferred income tax assets (note 6(q))	1,911,708	1	973,841	1
1900	Other non-current assets	61,608	-	50,899	-
1980	Other financial assets－non-current (note 8)	88,955	-	91,717	-
	Total non-current assets	75,582,461	55	73,434,838	63
	Total assets	**$ 136,602,252**	**100**	**116,743,099**	**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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2120	Financial liabilities measured at fair value through profit or loss－current (note 6(b))	$ 943,985	1	194,318	-
2130	Contract liabilities－current (note 6(t))	79,131	-	107,298	-
2170	Notes and accounts payable	41,949,644	31	28,022,101	24
2180	Accounts payable to related parties (note 7)	503,171	-	122,620	-
2200	Other payables (note 6(u))	18,406,873	13	15,813,420	14
2220	Other payables to related parties (note 7)	763,946	1	1,519,594	1
2250	Provisions－current (note 6(n) and 9)	742,153	1	716,840	1
2230	Current tax liabilities	1,680,371	1	388,906	1
2280	Lease liabilities－current (note 6(m))	60,449	-	73,195	-
2365	Refund liabilities－current	3,650,911	3	2,816,912	2
2399	Other current liabilities	433,513	-	374,774	-
	Total current liabilities	69,214,147	51	50,149,978	43
	Non-current liabilities:				
2540	Long-term debt (note 6(l))	3,300,000	3	5,800,000	5
2570	Deferred income tax liabilities (note 6(q))	3,153,296	2	2,183,773	2
2580	Lease liabilities－non-current (note 6(m))	14,236	-	60,833	-
2600	Other non-current liabilities (note 6(p))	607,208	-	576,321	-
2622	Long-term payable to related parties (note 7)	20,034	-	130,721	-
	Total non-current liabilities	7,094,774	5	8,751,648	7
	Total liabilities	76,308,921	56	58,901,626	50
	Equity (note 6(r)):				
3110	Common stock	30,478,538	22	30,749,338	26
3200	Capital surplus	27,378,068	20	28,152,962	24
	Retained earnings:				
3310	Legal reserve	853,852	1	587,602	1
3320	Special reserve	3,976,265	3	2,940,572	3
3350	Unappropriated retained earnings	6,038,916	4	2,668,082	2
3400	Other equity	(5,517,452)	(4)	(4,342,227)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Total equity	60,293,331	44	57,841,473	50
	Total liabilities and equity	**$ 136,602,252**	**100**	**116,743,099**	**100**

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

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

ACER INCORPORATED

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Net revenue (notes 6(t) and 7)**	$ 209,586,473	100	173,659,404	100
5000	**Cost of revenue (notes 6(f) & (n) and 7)**	(199,065,721)	(95)	(165,923,911)	(96)
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures	10,520,752	5	7,735,493	4
5920	Realized gross profit on sales to subsidiaries, associates and joint ventures	2,440	-	265	-
	Gross profit	10,523,192	5	7,735,758	4
	Operating expenses (notes 6(d), (h), (i), (j), (k), (m), (n), (o), (p) & (u), 7 and 12):				
6100	Selling expenses	(3,034,971)	(1)	(2,663,797)	(2)
6200	General and administrative expenses	(1,165,863)	(1)	(976,456)	-
6300	Research and development expenses	(1,986,440)	(1)	(1,954,062)	(1)
	Total operating expenses	(6,187,274)	(3)	(5,594,315)	(3)
6500	**Other operating income and expenses, net (notes 6(o) & (v) and 7)**	154,916	-	158,473	-
	Operating income	4,490,834	2	2,299,916	1
	Non-operating income and loss:				
7100	Interest income (notes 6(w) and 7)	50,577	-	95,624	-
7010	Other income (note 6(w))	185,228	-	164,104	-
7020	Other gains and losses (notes 6(w) and 7)	178,477	-	186,829	-
7050	Finance costs (notes 6(m) & (w) and 7)	(65,529)	-	(113,981)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6 (g))	2,524,675	2	632,043	1
	Total non-operating income and loss	2,873,428	2	964,619	1
	Income before taxes	7,364,262	4	3,264,535	2
7950	**Income tax expenses (note 6 (q))**	(1,334,975)	(1)	(631,970)	-
	Net Income	6,029,287	3	2,632,565	2
	Other comprehensive income (loss) (notes 6 (g), (p), (q), (r) & (x)):				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	(5,026)	-	(39,439)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	716,961	-	653,124	-
8330	Share of other comprehensive losses of subsidiaries and associates	(35,859)	-	(154,297)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	1,005	-	7,888	-
	Total items that will not be reclassified subsequently to profit or loss	677,081	-	467,276	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(1,855,833)	(1)	(1,405,928)	(1)
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(1,855,833)	(1)	(1,405,928)	(1)
	Other comprehensive loss, net of taxes	(1,178,752)	(1)	(938,652)	(1)
	Total comprehensive income for the year	**$ 4,850,535**	**2**	**1,693,913**	**1**
	Earnings per share (in New Taiwan dollars) (note 6(s)):				
9750	Basic earnings per share	**$**	**2.01**		**0.87**
9850	Diluted earnings per share	**$**	**1.99**		**0.87**

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Treasury stock	Total equity
Balance at January 1, 2019	$ 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	-	-	-	-	(2,367,699)	(2,367,699)	-	-	-	-	-	(2,367,699)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,051	-	-	-	-	-	-	-	-	-	36,051
Share of changes in equity of associates	-	64,047	-	-	-	-	-	-	-	-	-	64,047
Changes in ownership interests in subsidiaries	-	197,096	-	-	-	-	-	-	-	-	-	197,096
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(57,583)	-	-	-	-	-	-	-	-	-	(57,583)
Reorganization under common control	-	-	-	-	(126)	(126)	-	-	-	-	-	(126)
Disposal of subsidiaries	-	-	-	-	-	-	7,680	-	-	7,680	-	7,680
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	30,066	30,066	-	(30,066)	-	(30,066)	-	-
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
Net income for the year	-	-	-	-	6,029,287	6,029,287	-	-	-	-	-	6,029,287
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,855,833)	632,065	45,016	(1,178,752)	-	(1,178,752)
Total comprehensive income (loss) for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	(1,178,752)	-	4,850,535
Appropriation approved by the stockholders:												
Legal reserve	-	-	266,250	-	(266,250)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,035,693	(1,035,693)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)	-	-	-	-	-	-	-	-	-	(1,014,728)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,416	-	-	-	-	-	-	-	-	-	36,416
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(361,943)	(361,943)
Retirement of treasury stock	(270,800)	(91,143)	-	-	-	-	-	-	-	-	361,943	-
Share of changes in equity of associates	-	76,443	-	-	-	-	-	-	-	-	-	76,443
Changes in ownership interests in subsidiaries	-	43,604	-	-	-	-	-	-	-	-	-	43,604
Difference between consideration and carrying amount of subsidiaries disposed	-	174,404	-	-	-	-	-	-	-	-	-	174,404
Reorganization under common control	-	-	-	-	(12)	(12)	-	-	-	-	-	(12)
Stock option compensation cost of subsidiaries	-	110	-	-	-	-	-	-	-	-	-	110
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(3,527)	(3,527)	-	3,527	-	3,527	-	-
Balance at December 31, 2020	$ **30,478,538**	**27,378,068**	**853,852**	**3,976,265**	**6,038,916**	**10,869,033**	**(6,043,227)**	**768,662**	**(242,887)**	**(5,517,452)**	**(2,914,856)**	**60,293,331**

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Income before income tax	$ 7,364,262	3,264,535
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	154,282	154,529
Amortization	27,796	29,758
Net loss on financial assets measured at fair value through profit or loss	1,268	-
Interest expense	65,529	113,981
Interest income	(50,577)	(95,624)
Dividend income	(185,228)	(164,104)
Share of profits of subsidiaries, associates and joint ventures	(2,524,675)	(632,043)
Gain on disposal of equipment and intangible assets	(1,181)	(5,943)
Gain on lease modification	-	(32)
Loss on disposal of investments accounted for using the equity method	-	6,538
Realized profit on sales to subsidiaries, associates and joint ventures	(2,440)	(265)
Acquisition of financial assets by contribution of technical know-how	(17,421)	-
Total adjustments for profit or loss	(2,532,647)	(593,205)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	650,016	208,252
Contract assets	1,758	82,442
Notes and accounts receivable	(2,045,779)	(512,609)
Notes and accounts receivable from related parties	(2,632,315)	1,111,461
Inventories	(980,229)	860,860
Other receivables and other current assets	3,436	295,369
Changes in operating assets	(5,003,113)	2,045,775
Changes in operating liabilities:		
Notes and accounts payable	13,931,231	(5,215,880)
Payables to related parties	437,903	(178,287)
Refund liabilities	833,999	205,689
Other payables and other current liabilities	2,652,811	269,600
Provisions	25,313	(41,701)
Contract liabilities	(28,167)	107,298
Other non-current liabilities	(84,826)	(2,971)
Changes in operating liabilities	17,768,264	(4,856,252)
Cash provided by (used in) operations	17,596,766	(139,147)
Interest received	50,566	95,811
Income taxes paid	(13,457)	(507,432)
Net cash provided by (used in) operating activities	17,633,875	(550,768)

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(297,000)	(120,000)
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	2,746	15,062
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	(43,365)	(277,432)
Proceeds from disposal of investments accounted for using the equity method	29,930	455,910
Proceeds from capital return of investments accounted for using the equity method	602,819	424,870
Proceeds from liquidation of investments accounted for using the equity method	-	4,210
Additions to property, plant and equipment and investment property	(43,789)	(26,573)
Proceeds from disposal of property, plant and equipment	5,251	1,523
Increase in receivables from related parties	(84,106)	(42,349)
Additions to intangible assets	(410)	(12,727)
Proceeds from disposal of intangible assets	-	9,360
Cash outflows from business demerger	(27,718)	-
Decrease (Increase) in other non-current financial assets and other non-current assets	(7,947)	35,748
Dividends received	333,191	272,627
Net cash flows provided by investing activities	469,602	751,478
Cash flows from financing activities:		
Increase in short-term borrowings	5,233,942	-
Decrease in short-term borrowings	(5,233,942)	-
Increase in long-term debt	-	5,800,000
Repayment of long-term debt	(2,500,000)	(3,300,000)
Payment of lease liabilities	(78,575)	(78,829)
Increase (decrease) in loans from related parties	(813,000)	320,000
Cash dividends	(1,352,971)	(2,367,699)
Cash distributed from capital surplus	(1,014,728)	-
Purchase of treasury stock	(361,943)	-
Interest paid	(66,019)	(115,753)
Net cash flows provided by (used in) financing activities	(6,187,236)	257,719
Net increase in cash and cash equivalents	11,916,241	458,429
Cash and cash equivalents at beginning of period	4,083,583	3,625,154
Cash and cash equivalents at end of period	$ **15,999,824**	**4,083,583**

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

Attachment 6

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

After Revision	Before Revision	Reason for Revision
Article 5 Procedures for Approval of Acquisition or Disposal of Assets 1. Methods and the Reference Basis for the Decision on Price Amount and Level of Authorization (omit) 2. Amount and Level of Authorization In-charge department of the Company shall decide within its authority on the acquisition and disposal of assets in the following situations; provided, however, that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance: (1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution: (a) the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within ~~NT$50 million, and said matter is brought up to and ratified by the Board of Directors later~~ ~~(b) for acquisition or disposal of securities purchased and sold in the centralized exchange market or OTC exchange, the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within~~ NT$300 million, and said matter is brought up to and ratified by the Board of Directors later. ~~(c)~~(b) the finance manager is authorized to execute ~~short-term~~ idle fund to invest in ~~short-term securities such as~~ domestic and foreign government bond, commercial paper, domestic bond fund, financial debentures, monetary fund, financial preferred stock trading in centralized securities exchange market and over-the-counter market, and corporate bond with investment grade above BBB ~~US~~	Article 5 Procedures for Approval of Acquisition or Disposal of Assets 1. Methods and the Reference Basis for the Decision on Price Amount and Level of Authorization (omit) 2. Amount and Level of Authorization In-charge department of the Company shall decide within its authority on the acquisition and disposal of assets in the following situations; provided, however, that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance: (1) Unless otherwise provided below, the acquisition or disposal of securities shall be approved by the Board of Directors before its execution: (a) the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$50 million, and said matter is brought up to and ratified by the Board of Directors later (b) for acquisition or disposal of securities purchased and sold in the centralized exchange market or OTC exchange, the Company's Chairman is authorized by the Board of Directors to decide and execute project of which amount is within NT$300 million, and said matter is brought up to and ratified by the Board of Directors later. (c) the finance manager is authorized to execute short-term idle fund to invest in short-term securities such as government bond, domestic bond fund, financial debentures, monetary fund, and US Treasury Bond with each single transaction or the daily total amount not exceeding NT$300 million; the approval of the head of treasury department is required for amount between NT300 million to	1. Considering that the system of stock exchange becomes sound and we have already established Investment Committee to take charge of relevant issue, we plan to adjust the authority for actual demand. 2. The capital market has successively developed other low-risk investment targets which may match our investment preference of idle funds. Furthermore, for strengthening management control, we adjust the way of authorization from "single transaction or daily basis" to "total amount basis" to prevent the improper use of investment split.

After Revision	Before Revision	Reason for Revision
~~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(equivalent chief manager) is required for amount between NT 1.2 billion and NT 1.5 billion; and the approval of the Company's Chairman is required for amount exceeding NT$1.5 billion. (2) (omitted below)	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(equivalent chief manager) is required for amount between NT 1.2 billion and NT 1.5 billion; and the approval of the Company's Chairman is required for amount exceeding NT$1.5 billion. (2) (omitted below)	
Article 29 (Omitted) The eleventh amendment was enacted on June 11, 2021.	Article 29 (Omitted)	Added the date of approval of shareholder's meeting.

Attachment 7

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

After Revision	Before Revision	Reason for Revision
Article 10 Control Procedures for the Company's Subsidiaries 1. When the subsidiaries thereof that is not a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds: (1) For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and its Procedures~~; provided, however, that if Clause 3 of this Article applies, the aforementioned threshold shall be calculated based on the Company's net worth instead~~. (2) For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of the subsidiaries and its Procedures. (3) Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, or any overseas companies in which the Company directly and indirectly holds 100% voting shares or capital provides loans to the Company, such funds may be loaned free of the limitation of the aggregate amount of short-term funding provided	Article 10 Control Procedures for the Company's Subsidiaries 1. When the subsidiaries thereof that is not a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds: (1) For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and its Procedures; provided, however, that if Clause 3 of this Article applies, the aforementioned threshold shall be calculated based on the Company's net worth instead. (2) For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of the subsidiaries and its Procedures. (3) Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, or any overseas companies in which the Company directly and indirectly holds 100% voting shares or capital provides loans to the Company, such funds may be loaned free of the limitation of the aggregate amount of short-term funding provided	Amended and issued, per "FAQ of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" updated by Securities and Futures Bureau of the Financial Supervisory Commission in July, 2020.

After Revision	Before Revision	Reason for Revision
in Paragraph 1 of Article 3, the limits to each borrower provided in Paragraph 3 (1) of Article 3 and Article 4; provided, however, that the loan period shall not exceed three (3) years and the limit to lend to each borrower and the aggregate loan amount shall not exceed ~~50~~ 120% of the borrower's ~~Company's~~ net worth. 2. When the subsidiaries thereof that is a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and related regulations, and comply with those procedures.	in Paragraph 3 (1) of Article 3 and Article 4; provided, however, that the loan period shall not exceed three (3) years and the limit to lend to each borrower and the aggregate loan amount shall not exceed 50% of the Company's net worth. 2. When the subsidiaries thereof that is a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and related regulations, and comply with those procedures.	
Article 18 (Omitted) The Fourteenth amendment was made on June 11, 2021.	Article 18 (Omitted)	Added the date of approval of shareholder's meeting.