

**MINUTES OF 2022 ANNUAL SHAREHOLDERS' MEETING OF ACER
INCORPORATED**

(Translation)

The translation is intended for reference only and nothing else. The Chinese text of the Minutes of 2022 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 10, 2022

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

Convening method: face-to-face meeting

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: 1,767,888,214 shares

Percentage of shares held by shareholders present in person or proxy: 58.42%

The attendance list of the directors: Jason Chen, Stan Shih, Hung Rouan Investment Corp.
Legal Representative: Maverick Shih, 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 2021

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 2021

Explanatory Notes:

- i. The Board of Directors approved the proposal of employees' 2021 profit sharing bonus and Board Directors' compensation on March 16, 2022. The employees' profit sharing bonus and Board Directors' compensation are to be distributed in cash.
- ii. The total amount of employees' 2021 profit sharing bonus is NT\$720,000,000.
- iii. The total amount of Board Directors' 2021 compensation is NT\$12,000,000.

(4) To Report on the Distribution of Cash Dividend for the Year 2021

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\$6,972,855,599, and plan to distribute the cash dividend of NT\$6,949,106,727 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a preliminary ratio of NT\$2.28 per share. (Rounded down to NT\$1 and the residue will be calculated and booked as the Company's other income).
- iii. The record date for ex-dividend is temporarily set on July 6, 2022, and the distribution date is set on August 4, 2022. 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.

Speech from shareholders: shareholders registered number 0091715, 0851387, 0218156 raised questions or express opinions on inventory, allowance for doubtful accounts, accounts receivable, borrowing rate of loan, exchange rate difference, stock price, reinvestment, future business outlook and new business, etc.

The questions were responded by the Chairman and the assigned.

2. Proposed Items for Ratification and Discussion

Item 1

Proposal: Ratification Proposal of the Financial Statements and Business Report for the Year 2021. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) Acer's Financial Statements for the year 2021, 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 Ching-Wen Kao of KPMG.
- (2) The Business Report for the year 2021 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: 1,767,888,214 (votes casted electronically: 1,218,821,869 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,570,931,216 votes (1,022,687,469 votes)	88.86%
Vote against:	1,882,393 votes (1,882,393 votes)	0.11%
Votes invalid or abstained:	195,074,605 votes (194,252,007 votes)	11.03%

*including votes casted electronically (number in brackets)

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

Speech from shareholders: shareholders registered number 0091715 and 0851387 raised questions or expressed opinions on investment profit and loss, accounts receivable, litigation and shareholder communication channels, etc.

The questions were responded by the Chairman and the assigned.

Item 2

Proposal: Discussion Proposal of Profit & Loss Appropriation for the Year 2021. (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
2021 Statement of Profit & Loss Appropriation

Unit : NT\$

Beginning Balance of Un-appropriated Retained Earnings	7,074,690
Plus: 2021 Net Income after Tax	10,897,426,811
Deduct: the disposal loss of financial assets at fair value through other comprehensive income	(308,290,129)
Deduct: Legal Reserve	(1,058,913,669)
Deduct: Special Reserve	(2,564,442,104)
	<hr/>
Accumulative earnings available for appropriation	6,972,855,599
Appropriation Items:	
Cash dividends to shareholders ^(Note)	(6,949,106,727)
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Ending Balance of Un-appropriated Retained Earnings	<u>23,748,872</u>

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

Chairman of Board:
Jason Chen

Corporate Officers:
Jason Chen
Meggy Chen

Accounting Officer:
Sophia Chen

Resolution: Shares present at the time of voting: 1,767,888,214 (votes casted electronically: 1,218,821,869 votes)

Voting Results*	% of the total represented share present
Votes in favor: 1,579,023,281 votes (1,030,779,534 votes)	89.32%
Vote against: 529,524 votes (529,524 votes)	0.03%
Votes invalid or abstained: 188,335,409 votes (187,512,811 votes)	10.65%

*including votes casted electronically (number in brackets)

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

Speech from shareholders: shareholders registered number 0851387 raised a question on future plan for cash position.

The question was responded by the Chairman.

Item 3

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

Explanatory Notes:

- (1) Considering the previous revisions to Company Act, the Company's actual needs and the revised articles of Company Act announced on December 29th, 2021, allowing the public company to revise Articles of Incorporation for holding the shareholders' meeting by means of visual communication network or other methods promulgated by the competent authority, it is proposed to amend the Company's Articles of Incorporation to increase flexibility for holding the shareholders' meeting. Please refer to Attachment 6, for "Comparison Table of Acer's Articles of Incorporation Before and After Revision"
- (2) Please discuss.

Resolution: Shares present at the time of voting: 1,767,888,214 (votes casted electronically: 1,218,821,869 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,471,041,813 votes (922,794,360 votes)	83.21%
Vote against:	78,606,229 votes (78,606,195 votes)	4.45%
Votes invalid or abstained:	218,240,172 votes (217,421,314 votes)	12.34%

*including votes casted electronically (number in brackets)

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

Speech from shareholders: shareholder registered number 0851387 raised questions on the reasons and basis for amendments to Articles of Incorporation.

The question was responded by the Chairman.

Item 4

Proposal: Proposal of the Amendments to Regulations for the Conduct of Shareholders' Meetings and Procedures for Acquiring or Disposing of Assets (Proposed by the Board of Directors)

Explanatory Notes:

- (1) To comply with the revised articles of Company Act announced on December 29th, 2021, allowing the public company to revise Articles of Incorporation for holding the shareholders' meeting by means of visual communication network or other methods promulgated by the competent authority, except for the revisions to the Company's Articles of Incorporation, it is proposed to amend the Company's "Regulations for the Conduct of Shareholders' Meeting" in accordance with relevant regulations announced by the competent authority.
- (2) To comply with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" amended on January 28, 2022 pursuant to ruling issued by the Financial Supervisory Commission, R.O.C. (Ref. no.: Jin Guan Zheng Fa Zi 1110380465), it is proposed to amend the Company's "Procedures Governing Acquiring or Disposing of Assets".
- (3) The before and after revision chart for the aforementioned internal rules are attached hereto as Attachments 7 and 8.
- (4) Please discuss.

Resolution: Shares present at the time of voting: 1,767,888,214 (votes casted electronically: 1,218,821,869 votes)

Voting Results*		% of the total represented share present
Votes in favor:	1,499,613,729 votes (951,366,276 votes)	84.83%
Vote against:	52,555,602 votes (52,555,568 votes)	2.97%
Votes invalid or abstained:	215,718,883 votes (214,900,025 votes)	12.20%

*including votes casted electronically (number in brackets)

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

Speech from shareholders: shareholder registered number 0851387 expressed opinions on the overall economic environment and company operations.

The questions were responded by the Chairman.

3. Extemporary Motion

Speech from shareholders: Shareholders had questions about remuneration to employees and future strategies.

The questions were responded by the Chairman.

4. Meeting Adjourned: 10:20 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 key focuses over the past year have been to maintain its business momentum and march towards a more sustainable future. We have continued to evolve with the industry and lifestyle changes by pushing for innovation and environmentally-friendly designs for our PCs/displays and expand our multiple business engines.

Acer believes that it is everyone's responsibility to do the right thing for a greener environment; it's a critical subject across all industries. In 2021, we joined the RE100 initiative and pledged to source 100% renewable energy by 2035. Moreover, we announced the Acer "Earthion" platform that unites employees and supply chain partners to tackle environmental challenges, and launched the Vero line of green notebooks, desktops and displays, which utilize post-consumer recycled (PCR) plastic, recyclable packaging, and ocean-bound plastic waste.

As the current pandemic lingers on, our company has been working hard to help people cope with the challenges by providing them with the technology to stay connected for study, work, or stay in touch with their loved ones. Adapting to changing needs, we have expanded our antimicrobial offering to more products and lines. The close monitoring of market dynamics and swift actions taken have helped our company to strengthen our resilience and return to profitability to over NT\$10 billion in 2021. We reported our fiscal 2021 results with consolidated revenues of NT\$319.01 billion with 15.1% year-over-year (YoY) growth, and operating income of NT\$14.16 billion with 58.5% YoY growth. In addition, the net income of NT\$10.90 billion and EPS of NT\$3.63 were both the highest in 11 years.

Innovation and Intrapreneurship

In 2021, Acer ranked No. 5 for total PCs shipments worldwide (Source: IDC). Business highlights include YoY growth of both our notebook and desktop PCs by 21%, the gaming line (gaming related products and businesses) by 27%, our commercial notebooks by 43%, while other businesses (not part of PCs and displays) grew by 27% YoY. In addition, we ranked among the top 3 in Taiwan patent applications.

In the PCs and displays business, we are committed to strengthening the foundations with technological innovations such as our state-of-the-art thermal cooling solutions and unique product lines for the specific needs of gamers, creators, education, usage in harsh environments, and more. At the same time, our strategy to explore new initiatives such as solutions for smart cities, expand into adjacent territories, and cultivate multiple business engines, is gaining momentum.

In the gaming field, Acer continued building on its comprehensive ecosystem that now includes hardware/accessories, esports tournaments, esports social platforms, and beverages (launched in Asia, Europe and South America). In Taiwan, Acer subsidiaries are distributors of popular gaming consoles. 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.

Multiple Growth Engines and New Initiatives

Acer's strategy to build multiple business engines continued to gain momentum and saw viable growth, such as the good progress made by Highpoint Service Network, Acer Gaming, and Acer Gadget. For the full year of 2021, these businesses contributed to 17.6% of Acer's overall revenues, up from 15.4% in 2020.

The strategy of promoting intrapreneurship and listing our subsidiaries also made progress; as of January 2022, Acer has six listed subsidiaries in Taiwan, with Acer Medical as the newest addition being listed on the Taipei Exchange Emerging Stock Market. We always offer our shareholders the opportunity to invest in the new engines as they go public, so that shareholders can have their share of voice and be part of the business development, and ensuring that we adhere to proper governance.

Recognition for ESG Performance

Our corporate responsibility efforts have consistently been recognized by global sustainability indices that benchmark environmental, social and governance (ESG) performance of organizations. We have been awarded with a Silver Class distinction in the S&P Global Sustainability Yearbook in both 2021 and 2022 for the top ESG scoring companies. We were listed in the MSCI ESG Leaders Indexes for the eighth year, and garnered the best rating of "AAA" for the first time that represents the top 2% in its category. And for the eighth consecutive year we have been listed in the Dow Jones Sustainability Indices Emerging Markets Index.

With your support we've navigated through these ever-challenging times and tested our company resilience. We will continue to push limits and bring value to our customers, shareholders and employees. 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 2021 Business Report, Financial Statements, and the Proposal for Profit & Loss Appropriation. The CPA Huei-Chen Chang and Ching-Wen Kao from KPMG were retained to audit Acer's Financial Statements and have issued an audit report relating to the Financial Statements. The said Business Report, Financial Statements, and Proposal for Profit & Loss Appropriation have been reviewed and determined to be correct and accurate by the Audit Committee of Acer Incorporated in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this Report.

Acer Incorporated

Convener of the Audit Committee: Ching-Hsiang, Hsu

March 16th, 2022

[Additional Explanation] Communications between the Independent Directors and the Internal Auditors:

Except for reporting the internal audit performances to independent directors every month, the Company's Internal Auditing Officer may present the internal audit report in Audit Committee quarterly and will immediately report to the members of the Audit Committee if any special matter happens.

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 Medical Inc. (6857.TW, “AMED”)

Date	2021.6	2021.9	2021.10
Purpose and Mode	To increase capital in cash for operation needs.	To increase capital in cash for operation needs.	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue(Transfer)Price	NTD 13	NTD 16	NTD 32
Date of Audit Committee approved	2022.3.16	2021.8.4	2021.11.3
Date of Board approved	2021.3.17	2021.8.4	2021.11.3
Date of Shareholder meeting approved	-	-	-
Subscriber/Transferee	AMED Employees	AMED 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	300,000 shares	3,933,950 shares	301,000 shares
Acer's Shareholdings before share-release	100%	95.71%	63.33%
Acer's Shareholdings after share-release	95.71%	63.33%	60.83%
Bases of share price	CPA report to the share price	CPA report to the share price	The price will be determined after the negotiation among recommended emerging market underwriters, Acer and AMED
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 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.

- Highpoint Service Network Corporation (6884.TW, “HSNC”)

Date	2021.9~2021.11	2022.6 (Estimation)
Purpose and Mode	To transfer the shares for HSNC’s IPO plan.	Purchased by recommended emerging market underwriter under relevant rules/ Sales and purchase of shares
Issue(Transfer)Price	NTD 15	TBD
Date of Audit Committee approved	2021.5.5	2022.5.5 (Estimation)
Date of Board approved	2021.5.5	2022.5.5 (Estimation)
Date of Shareholder meeting approved	-	-
Subscriber/Transferee	HSNC employees, Acer shareholders, Acer Group Employees	Recommended emerging market underwriters, and Securities and Futures Investors Protection Center
Number of shares	4,257,119 shares	501,000 shares
Acer’s Shareholdings before share-release	92.54%	66.27%
Acer’s Shareholdings after share-release	66.27%	63.18%
Bases of share price	CPA report to the share price	The price will be determined after the negotiation among recommended emerging market underwriters, Acer and HSNC
Impact on Acer shareholders	Not harm to shareholders’ rights and interests	Not harm to shareholders’ rights and interests

Attachment 4

The Issuance of Unsecured Corporate Bonds

1. Considering the market interest rate and the Company's credit rating, Board of Directors of the Company resolved to issue domestic unsecured corporate bond on March 17th 2021 in accordance with Company Act, Securities and Exchange Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers in order to repay the debts and fulfill the operation capital for optimizing the group's business. The total issue amount is NTD 10 billion. The issue amount for each stage and the major issue terms are as follows:

Series Number	2021-1	2021-2
Issue Date	2021.4.27	2021.8.26
Issue Amount	NTD 5 billion	NTD 5 billion
Tenure (year)	5	5
Coupon Rate	0.7600%	0.6200%
Maturity Date	2026.4.27	2026.8.26
Interest Basis	Annually Compound 1 Time(s) and Pay 1 Time(s)	Annually Compound 1 Time(s) and Pay 1 Time(s)
Repayment of Principal	Principal Repaid in a Lump Sum at Maturity	50% of the principal will be paid at the end of the fourth and fifth years respectively

2. Considering the market interest rate and the Company's credit rating, Board of Directors of the Company resolved to issue domestic unsecured corporate bond on March 16th 2022 in accordance with Company Act, Securities and Exchange Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers in order to fulfill the operation capital for optimizing the group's business. The major issue terms are as follows:
- (1) The total issue amount: No more than NT\$10,000,000,000 and issued at one time or separately
 - (2) Issuance period: To be decided based on market condition, but no longer than 10 years
 - (3) Face value per bond: NT\$1,000,000
 - (4) Issue price: At face value
 - (5) Coupon rate: Fixed coupon rate, to be determined on market condition
 - (6) Calculation and repayment of interest: From the issue date, interest will be paid once a year based on the coupon rate.
 - (7) Repayment of Principal: Principal can be repaid in several installments or in a lump sum at maturity.

Attachment 5



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the parent-company-only financial statements of Acer Incorporated (the “Company”), which comprise the parent-company-only balance sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits of the parent-company-only financial statements in accordance with the Regulations Governing Auditing and Attestation 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 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 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, 2021 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 the write-down of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid innovation of the computech industry 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 acquisition of subsidiaries, which are included within the carrying amount of investments accounted for using the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of the cash-generating unit of goodwill involves management's judgment and estimation with respect to the future cash flows and key assumptions which are complex and involve significant uncertainty. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, assessing the basis used by management for identifying the cash-generating units and whether book value of assets belonging to respective cash-generating units have been completely covered; assessing the appropriateness of the estimation base 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 inspecting the adequacy of the Company's disclosures of related information on impairment evaluation of goodwill.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	\$ 20,564,678	13	15,999,824	12
1110	Financial assets measured at fair value through profit or loss— current (note 6(b))	443,248	-	156,738	-
1120	Financial assets measured at fair value through other comprehensive income—current (note 6(c))	-	-	51,857	-
1140	Contract assets—current (note 6(u))	-	-	250	-
1170	Notes and accounts receivable, net (notes 6(d) & (u))	6,335,764	4	5,910,659	5
1180	Notes and accounts receivable from related parties (notes 6(d) & (u) and 7)	37,518,525	23	24,595,958	18
1200	Other receivables, net (note 6(e))	263,174	-	206,551	-
1210	Other receivables from related parties (notes 6(e) and 7)	664,582	-	214,152	-
130X	Inventories (note 6(f))	16,213,599	10	13,657,588	10
1470	Other current assets	<u>245,025</u>	-	<u>226,214</u>	-
	Total current assets	<u>82,248,595</u>	<u>50</u>	<u>61,019,791</u>	<u>45</u>
	Non-current assets:				
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(c))	6,690,542	4	4,656,750	3
1550	Investments accounted for using the equity method (note 6(g))	67,951,695	42	66,039,920	49
1600	Property, plant and equipment (note 6(h))	1,740,178	1	1,844,520	1
1755	Right-of-use assets (note 6(i))	76,756	-	73,967	-
1760	Investment property (note 6(j))	811,781	1	724,504	1
1780	Intangible assets (note 6(k))	175,814	-	180,529	-
1840	Deferred income tax assets (note 6(r))	3,100,650	2	1,911,708	1
1900	Other non-current assets	40,261	-	61,608	-
1980	Other financial assets—non-current (note 8)	<u>160,566</u>	-	<u>88,955</u>	-
	Total non-current assets	<u>80,748,243</u>	<u>50</u>	<u>75,582,461</u>	<u>55</u>
	Total assets	<u>\$ 162,996,838</u>	<u>100</u>	<u>136,602,252</u>	<u>100</u>

(Continued)

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

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

ACER INCORPORATED

Parent-Company-Only Balance Sheets (Continued)

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020		
	Amount	%	Amount	%	
Liabilities and Equity					
Current liabilities:					
2120	Financial liabilities measured at fair value through profit or loss— current (note 6(b))	\$ 145,969	-	943,985	1
2130	Contract liabilities—current (note 6(u))	9,512	-	79,131	-
2170	Notes and accounts payable	47,977,844	30	41,949,644	31
2180	Accounts payable to related parties (note 7)	628,865	-	503,171	-
2200	Other payables (note 6(v))	26,560,173	17	18,406,873	13
2220	Other payables to related parties (note 7)	518,175	-	763,946	1
2250	Provisions—current (note 6(o) and 9)	834,725	1	742,153	1
2230	Current tax liabilities	3,502,017	2	1,680,371	1
2280	Lease liabilities—current (note 6(n))	43,432	-	60,449	-
2365	Refund liabilities—current	3,636,287	2	3,650,911	3
2399	Other current liabilities	434,939	-	433,513	-
	Total current liabilities	84,291,938	52	69,214,147	51
Non-current liabilities:					
2540	Long-term debt (note 6(l))	-	-	3,300,000	3
2530	Bonds payable(note 6(m))	10,000,000	6	-	-
2570	Deferred income tax liabilities (note 6(r))	4,234,394	3	3,153,296	2
2580	Lease liabilities—non-current (note 6(n))	33,810	-	14,236	-
2600	Other non-current liabilities (note 6(q))	745,386	-	607,208	-
2622	Long-term payable to related parties (note 7)	14,594	-	20,034	-
	Total non-current liabilities	15,028,184	9	7,094,774	5
	Total liabilities	99,320,122	61	76,308,921	56
Equity (note 6(s)):					
3110	Common stock	30,478,538	19	30,478,538	22
3200	Capital surplus	27,514,269	17	27,378,068	20
	Retained earnings:				
3310	Legal reserve	1,456,427	1	853,852	1
3320	Special reserve	4,833,750	3	3,976,265	3
3350	Unappropriated retained earnings	10,596,212	6	6,038,916	4
3400	Other equity	(8,287,624)	(5)	(5,517,452)	(4)
3500	Treasury stock	(2,914,856)	(2)	(2,914,856)	(2)
	Total equity	63,676,716	39	60,293,331	44
	Total liabilities and equity	\$ 162,996,838	100	136,602,252	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, 2021 and 2020

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

	2021		2020		
	Amount	%	Amount	%	
4000	\$ 246,828,456	100	209,586,473	100	
5000	(231,450,073)	(94)	(199,065,721)	(95)	
	Gross profit before realized gross profit on sales to subsidiaries, associates and joint ventures				
	15,378,383	6	10,520,752	5	
5920	(Unrealized) realized gross profit on sales to subsidiaries, associates and joint ventures				
	(45,415)	-	2,440	-	
	Gross profit	6	10,523,192	5	
	Operating expenses (notes 6(d), (h), (i), (j), (k), (n), (o), (p), (q) & (v), 7 and 12):				
6100	Selling expenses	(3,325,745)	(1)	(3,034,971)	(1)
6200	General and administrative expenses	(1,459,183)	(1)	(1,165,863)	(1)
6300	Research and development expenses	(2,204,357)	(1)	(1,986,440)	(1)
	Total operating expenses	(6,989,285)	(3)	(6,187,274)	(3)
6500	Other operating income and expenses, net (notes 6(p) & (w) and 7)	161,174	-	154,916	-
	Operating income	8,504,857	3	4,490,834	2
	Non-operating income and loss:				
7100	Interest income (notes 6(x) and 7)	42,434	-	50,577	-
7010	Other income (note 6(x))	287,772	-	185,228	-
7020	Other gains and losses (notes 6(x) and 7)	(33,924)	-	178,477	-
7050	Finance costs (notes 6(n) & (x) and 7)	(51,662)	-	(65,529)	-
7060	Share of profits of subsidiaries, associates and joint ventures (note 6(g))	4,953,384	2	2,524,675	2
	Total non-operating income and loss	5,198,004	2	2,873,428	2
	Income before taxes	13,702,861	5	7,364,262	4
7950	Income tax expenses (note 6(r))	(2,805,434)	(1)	(1,334,975)	(1)
	Net Income	10,897,427	4	6,029,287	3
	Other comprehensive income (loss) (notes 6(g), (q), (r), (s) & (y)):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	(157,368)	-	(5,026)	-
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	(83,057)	-	716,961	-
8330	Share of other comprehensive losses of subsidiaries and associates	(103,357)	-	(35,859)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	31,474	-	1,005	-
	Total items that will not be reclassified subsequently to profit or loss	(312,308)	-	677,081	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(2,766,226)	(1)	(1,855,833)	(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	(2,766,226)	(1)	(1,855,833)	(1)
	Other comprehensive loss, net of taxes	(3,078,534)	(1)	(1,178,752)	(1)
	Total comprehensive income for the year	\$ 7,818,893	3	4,850,535	2
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	\$ <u>3.63</u>		<u>2.01</u>	
9850	Diluted earnings per share	\$ <u>3.60</u>		<u>1.99</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 Changes in Equity

For the years ended December 31, 2021 and 2020

(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 financial assets measured at fair value through other comprehensive income		Remeasurements of defined benefit plans	Treasury stock
Balance at January 1, 2020	\$ 30,749,338	28,152,962	587,602	2,940,572	6,029,287	6,029,287	(4,187,394)	133,070	(287,903)	(2,914,856)	57,841,473
Net income for the year	-	-	-	-	6,029,287	6,029,287	-	632,065	45,016	-	6,029,287
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(1,855,833)	-	-	-	(1,855,833)
Total comprehensive income (loss) for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	-	(1,178,752)
Appropriation approved by the stockholders:											
Legal reserve	-	-	266,250	-	(266,250)	-	-	-	-	-	-
Special reserve	-	-	-	1,035,693	(1,035,693)	-	-	-	-	-	-
Cash dividends	-	(1,014,728)	-	-	(1,352,971)	(1,352,971)	-	-	-	-	(1,352,971)
Cash distributed from capital surplus	-	36,416	-	-	-	-	-	-	-	-	36,416
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	-
Retirement of treasury share	(270,800)	(91,143)	-	-	-	-	-	-	-	(361,943)	(662,943)
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	-	-	-
Balance at December 31, 2020	\$ 30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,897,427	(6,043,227)	768,662	(242,887)	(2,914,856)	60,293,331
Net income for the year	-	-	-	-	10,897,427	10,897,427	-	-	-	-	10,897,427
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(2,766,226)	(324,225)	11,917	-	(3,078,534)
Total comprehensive income (loss) for the year	-	-	-	-	10,897,427	10,897,427	(2,766,226)	(324,225)	11,917	-	(3,078,534)
Appropriation approved by the stockholders:											
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-
Cash dividends	-	(70,119)	-	-	(4,571,781)	(4,571,781)	-	-	-	-	(4,571,781)
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	(24,908)
Changes in ownership interests in subsidiaries	-	60,105	-	-	-	-	-	-	-	-	60,105
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	29,880	-	-	-	-	3,856	(6,544)	2,760	-	60,177
Stock option compensation cost of subsidiaries	-	1,005	-	-	-	-	-	-	-	-	1,005
Disposal of financial assets measured at fair value through other comprehensive income by the company	-	-	-	-	40,230	40,230	-	(40,230)	-	-	-
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(348,520)	(348,520)	-	348,520	-	-	-
Balance at December 31, 2021	\$ 30,478,538	27,514,269	1,456,427	4,833,750	10,596,212	16,886,389	(8,805,597)	746,183	(228,210)	(2,914,856)	63,676,716

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Income before income tax	\$ 13,702,861	7,364,262
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	140,120	154,282
Amortization	24,593	44,041
Net loss on financial assets measured at fair value through profit or loss	406	1,268
Interest expense	51,662	65,529
Interest income	(42,434)	(50,577)
Dividend income	(287,772)	(185,228)
Share of profits of subsidiaries, associates and joint ventures	(4,953,384)	(2,524,675)
Gain on disposal of equipment and intangible assets	(657)	(1,181)
Property, Plant and equipment reclassified to expenses	917	-
Unrealized (realized) profit on sales to subsidiaries, associates and joint ventures	45,415	(2,440)
Acquisition of financial asset by contribution of technical know-how	-	(17,421)
Other profits from investment	(196)	-
Total adjustments for profit or loss	<u>(5,021,330)</u>	<u>(2,516,402)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(1,084,932)	650,016
Contract assets	250	1,758
Notes and accounts receivable	(425,105)	(2,045,779)
Notes and accounts receivable from related parties	(12,922,567)	(2,632,315)
Inventories	(2,563,051)	(980,229)
Other receivables and other current assets	(70,225)	3,436
Changes in operating assets	<u>(17,065,630)</u>	<u>(5,003,113)</u>
Changes in operating liabilities:		
Notes and accounts payable	6,028,200	13,931,231
Payables to related parties	159,923	437,903
Refund liabilities	(14,624)	833,999
Other payables and other current liabilities	8,119,742	2,652,811
Provisions	92,572	25,313
Contract liabilities	(69,619)	(28,167)
Other non-current liabilities and long-term payables to related parties	(24,630)	(84,826)
Changes in operating liabilities	<u>14,291,564</u>	<u>17,768,264</u>
Cash provided by operations	5,907,465	17,613,011
Interest received	42,317	50,566
Income taxes paid	(1,065,249)	(13,457)
Net cash provided by operating activities	<u>4,884,533</u>	<u>17,650,120</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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(2,175,540)	(297,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	107,703	-
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	2,845	2,746
Additions to investments accounted for using the equity method	(113,655)	(43,365)
Proceeds from disposal of investments accounted for using the equity method	66,165	29,930
Proceeds from capital return of investments accounted for using the equity method	-	602,819
Additions to property, plant and equipment and investment property	(40,378)	(43,789)
Proceeds from disposal of equipment and intangible assets	895	5,251
Increase in receivables from related parties	(412,338)	(84,106)
Additions to intangible assets	(7,810)	(410)
Cash outflows from business demerger	-	(27,718)
Increase in assets recognized from costs to fulfill contracts with customers	(2,438)	(19,096)
Increase in other non-current financial assets and other non-current assets	(59,894)	(5,096)
Dividends received	560,248	333,191
Net cash flows provided by (used in) investing activities	<u>(2,074,197)</u>	<u>453,357</u>
Cash flows from financing activities:		
Increase in short-term borrowings	23,465,683	5,233,942
Decrease in short-term borrowings	(23,465,683)	(5,233,942)
Proceeds from issuing bonds	10,000,000	-
Repayment of long-term debt	(3,300,000)	(2,500,000)
Payment of lease liabilities	(77,024)	(78,575)
Decrease in loans from related parties	(280,000)	(813,000)
Cash dividends	(4,571,781)	(1,352,971)
Cash distributed from capital surplus	-	(1,014,728)
Purchase of treasury stock	-	(361,943)
Interest paid	(16,677)	(66,019)
Net cash flows provided by (used in) financing activities	<u>1,754,518</u>	<u>(6,187,236)</u>
Net increase in cash and cash equivalents	4,564,854	11,916,241
Cash and cash equivalents at beginning of period	<u>15,999,824</u>	<u>4,083,583</u>
Cash and cash equivalents at end of period	<u>\$ 20,564,678</u>	<u>15,999,824</u>

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



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acer Incorporated and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), and interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation 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 Acer Incorporated and its subsidiaries 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.



Key audit matters for the consolidated financial statements for the year ended December 31, 2021 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:

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

How the matter was addressed in our audit:

In relation to the key audit matters above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of Acer Incorporated and its subsidiaries' internal controls over the timing of revenue recognition; performing a sample test of sales transactions taking place before and after the balance sheet date to ensure that revenue was recognized in the appropriate period; assessing the methodology used by management in estimating sales allowances and returns, including the reasonableness of key assumptions; and inspecting the historical payments of sales allowances and returns to evaluate the reasonableness of the sales allowances and returns estimated by management.

2. Valuation of inventories

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Impairment of goodwill

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



Description of key audit matter:

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

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, assessing the basis used by management for identifying the cash-generating units and whether book value of assets belonging to respective cash-generating units have been completely covered; assessing the appropriateness of the estimation base 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 inspecting the adequacy disclosures of related information on impairment evaluation of goodwill.

Other Matter

Acer Incorporated has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified audit opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Acer Incorporated and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an 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 Acer Incorporated and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Acer Incorporated and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Acer Incorporated and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Acer Incorporated and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are Huei-Chen Chang and Ching-Wen Kao.

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2022

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 44,619,541	21	39,181,023	21
1110	Financial assets measured at fair value through profit or loss— current (note 6(b))	3,222,868	2	5,841,103	3
1120	Financial assets measured at fair value through other comprehensive income—current (note 6(c))	-	-	98,818	-
1140	Contract assets—current (note 6(x))	451,354	-	514,369	-
1170	Notes and accounts receivable, net (notes 6(d) & (x))	64,039,437	30	55,170,110	30
1180	Accounts receivable from related parties (notes 6(d) & (x) and 7)	1,329	-	27,419	-
1200	Other receivables (notes 6(d) and 7)	505,914	-	548,016	-
1220	Current income tax assets	486,468	-	365,493	-
130X	Inventories (note 6(e))	58,703,827	27	42,983,432	24
1470	Other current assets (note 6(l))	<u>3,064,500</u>	<u>1</u>	<u>4,006,693</u>	<u>3</u>
	Total current assets	<u>175,095,238</u>	<u>81</u>	<u>148,736,476</u>	<u>81</u>
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income—non-current (note 6(c) and 7)	7,806,702	4	6,109,592	3
1550	Investments accounted for using the equity method (note 6(f) and 7)	937,129	-	1,008,312	1
1600	Property, plant and equipment (notes 6(h))	4,055,870	2	3,865,909	2
1755	Right-of-use assets (note 6(i))	1,736,642	1	1,857,520	1
1760	Investment property (note 6(j))	819,591	-	749,843	-
1780	Intangible assets (note 6(k))	16,527,283	8	16,292,729	9
1840	Deferred income tax assets	3,671,634	2	2,480,776	1
1900	Other non-current assets (notes 6(l) & (s))	2,943,066	1	1,748,559	1
1980	Other financial assets—non-current (note 8)	<u>1,195,156</u>	<u>1</u>	<u>1,058,956</u>	<u>1</u>
	Total non-current assets	<u>39,693,073</u>	<u>19</u>	<u>35,172,196</u>	<u>19</u>
	Total assets	<u>\$ 214,788,311</u>	<u>100</u>	<u>183,908,672</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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (notes 6(m) and 8)	\$ 1,253,590	1	1,029,117	1
2120	Financial liabilities measured at fair value through profit or loss – current (note 6(b) & (g))	291,917	-	1,526,494	1
2130	Contract liabilities – current (note 6(x))	2,455,504	1	2,269,409	1
2170	Notes and accounts payable (note 7)	57,897,697	27	49,405,634	27
2200	Other payables (notes 6(y) and 7)	37,249,145	17	29,810,924	16
2230	Current tax liabilities	5,205,928	2	3,371,032	2
2250	Provisions – current (notes 6(q) and 9)	6,401,659	3	5,948,144	3
2280	Lease liabilities – current (note 6(p))	530,564	-	602,656	-
2322	Current portion of long-term debt (notes 6(n) and 8)	20,106	-	18,113	-
2365	Refund liabilities – current	16,128,976	8	15,074,621	8
2399	Other current liabilities (note 6(s))	1,987,969	1	1,664,174	1
	Total current liabilities	129,423,055	60	110,720,318	60
Non-current liabilities:					
2500	Financial liabilities measured at fair value through profit or loss – non-current (note 6(b) & (g))	3,066	-	-	-
2527	Contract liabilities – non-current (note 6(x))	1,002,391	-	827,783	-
2531	Bonds payable (notes 6(o))	10,000,000	5	-	-
2540	Long-term debt (notes 6(n) and 8)	99,820	-	3,395,102	2
2550	Provisions – non-current (note 6(q) and 9)	201,650	-	33,121	-
2570	Deferred income tax liabilities	4,643,830	2	3,555,113	2
2580	Lease liabilities – non-current (note 6(p))	1,320,713	1	1,353,697	1
2600	Other non-current liabilities	2,070,843	1	2,081,574	1
	Total non-current liabilities	19,342,313	9	11,246,390	6
	Total liabilities	148,765,368	69	121,966,708	66
Equity (note 6(u)):					
3110	Common stock	30,478,538	14	30,478,538	17
3200	Capital surplus	27,514,269	13	27,378,068	15
	Retained earnings:				
3310	Legal reserve	1,456,427	1	853,852	1
3320	Special reserve	4,833,750	2	3,976,265	2
3350	Unappropriated retained earnings	10,596,212	5	6,038,916	3
3400	Other equity	(8,287,624)	(4)	(5,517,452)	(3)
3500	Treasury stock	(2,914,856)	(1)	(2,914,856)	(2)
	Equity attributable to shareholders of the Parent	63,676,716	30	60,293,331	33
36XX	Non-controlling interests	2,346,227	1	1,648,633	1
	Total equity	66,022,943	31	61,941,964	34
	Total liabilities and equity	\$ 214,788,311	100	183,908,672	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020	
	Amount	%	Amount	%
4000 Net revenue (notes 6(x), 7 and 14)	319,005,456	100	277,112,477	100
5000 Cost of revenue (notes 6(e), (h), (i), (k), (p), (q) & (s), 7 and 12)	<u>(281,814,400)</u>	<u>(88)</u>	<u>(246,992,862)</u>	<u>(89)</u>
Gross profit	<u>37,191,056</u>	<u>12</u>	<u>30,119,615</u>	<u>11</u>
Operating expenses (notes 6(d), (h), (i), (j), (k), (p), (q), (s), (v), (y), 7 and 12):				
6100 Selling expenses	(15,492,033)	(5)	(14,397,099)	(5)
6200 General and administrative expenses	(5,002,271)	(2)	(4,632,802)	(2)
6300 Research and development expenses	<u>(2,646,170)</u>	<u>(1)</u>	<u>(2,382,649)</u>	<u>(1)</u>
Total operating expenses	<u>(23,140,474)</u>	<u>(8)</u>	<u>(21,412,550)</u>	<u>(8)</u>
6500 Other operating income and expenses, net (notes 6(r) & (z) and 7)	<u>112,279</u>	<u>-</u>	<u>228,773</u>	<u>-</u>
Operating income	<u>14,162,861</u>	<u>-4</u>	<u>8,935,838</u>	<u>3</u>
Non-operating income and loss:				
7100 Interest income (note 6(aa))	318,945	-	315,460	-
7010 Other income (note 6(aa))	354,416	-	243,073	-
7020 Other gains and losses (notes 6(aa) and 7)	867,673	-	(437,479)	-
7050 Finance costs (notes 6(p) & (aa))	(336,677)	-	(155,301)	-
7060 Share of profits (losses) of associates and joint ventures (note 6(f))	<u>68,427</u>	<u>-</u>	<u>3,512</u>	<u>-</u>
Total non-operating income and loss	<u>1,272,784</u>	<u>-</u>	<u>(30,735)</u>	<u>-</u>
7900 Income before taxes	15,435,645	4	8,905,103	3
7950 Income tax expense (note 6(t))	<u>(4,148,332)</u>	<u>(1)</u>	<u>(2,759,493)</u>	<u>(1)</u>
Net income	<u>11,287,313</u>	<u>3</u>	<u>6,145,610</u>	<u>2</u>
Other comprehensive income (loss) (notes 6(f), (u), (ab)):				
Items that will not be reclassified subsequently to profit or loss				
8310 Remeasurements of defined benefit plans	(37,137)	-	37,203	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(358,717)	-	635,743	-
8320 Share of other comprehensive income of associates	17	-	42	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	<u>39,131</u>	<u>-</u>	<u>162</u>	<u>-</u>
Total items that will not be reclassified subsequently to profit or loss	<u>(356,706)</u>	<u>-</u>	<u>673,150</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss				
8360 Exchange differences on translation of foreign operations	(2,788,067)	(1)	(1,841,430)	-
8370 Share of other comprehensive gains (losses) of associates	2,166	-	(3,271)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total items that may be reclassified subsequently to profit or loss	<u>(2,785,901)</u>	<u>(1)</u>	<u>(1,844,701)</u>	<u>-</u>
Other comprehensive income (loss), net of taxes	<u>(3,142,607)</u>	<u>(1)</u>	<u>(1,171,551)</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 8,144,706</u>	<u>2</u>	<u>\$ 4,974,059</u>	<u>2</u>
Net income (loss) attributable to:				
8610 Shareholders of the Parent	\$ 10,897,427	3	6,029,287	2
8620 Non-controlling interests	<u>389,886</u>	<u>-</u>	<u>116,323</u>	<u>-</u>
	<u>\$ 11,287,313</u>	<u>3</u>	<u>\$ 6,145,610</u>	<u>2</u>
Total comprehensive income (loss) attributable to:				
8710 Shareholders of the Parent	\$ 7,818,893	2	4,850,535	2
8720 Non-controlling interests	<u>325,813</u>	<u>-</u>	<u>123,524</u>	<u>-</u>
	<u>\$ 8,144,706</u>	<u>2</u>	<u>\$ 4,974,059</u>	<u>2</u>
Earnings per share (in New Taiwan dollars) (note 6(w)):				
9750 Basic earnings per share	\$ 3.63		2.01	
9850 Diluted earnings per share	<u>\$ 3.60</u>		<u>1.99</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Parent					Other equity		Total equity attributable to shareholders of the parent	Non-controlling interests	Total 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	Treasury stock				
Balance at January 1, 2020	30,745,333	28,152,962	387,602	2,940,572	2,668,082	6,029,287	(4,187,394)	133,070	(287,293)	(2,914,856)	1,333,266	57,841,473	39,195,239	6,145,610	(1,171,551)	4,974,059	
Net income for the year	-	-	-	-	6,029,287	6,029,287	(1,855,833)	632,065	45,016	(1,178,525)	-	6,029,287	10,897,427	389,886	11,287,313		
Other comprehensive income (loss) for the year	-	-	-	-	(266,250)	(266,250)	-	-	-	-	-	-	-	-	(1,352,971)	-	
Total comprehensive income (loss) for the year	-	-	-	-	5,763,037	5,763,037	(1,855,833)	632,065	45,016	(1,178,525)	-	5,763,037	10,518,890	389,886	10,908,776	-	
Appropriation approved by the stockholders:																	
Legal reserve	-	-	266,250	-	-	-	-	-	-	-	-	-	-	-	(1,352,971)	-	
Special reserve	-	-	-	1,035,693	-	-	-	-	-	-	-	-	-	-	(1,014,728)	-	
Cash dividends	-	-	-	-	(1,352,971)	(1,352,971)	-	-	-	-	-	-	-	-	36,416	-	
Cash distributed from capital surplus	-	(1,014,728)	-	-	-	-	-	-	-	-	-	-	-	-	36,416	-	
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	36,416	-	-	-	-	-	-	-	-	-	-	-	-	(361,943)	-	
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	(361,943)	-	-	-	-	-	-	
Retirement of treasury stock	(270,800)	-	-	-	-	-	-	-	-	361,943	-	-	-	-	-	-	
Share of changes in equity of associates	-	-	-	-	76,443	76,443	-	-	-	-	-	-	76,443	33,556	109,999	-	
Change in ownership interests in subsidiaries	-	-	-	-	43,604	43,604	-	-	-	-	-	-	43,604	301,669	301,669	-	
Acquisition and disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(174,404)	-	
Difference between consideration and carrying amount of subsidiaries disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110	-	
Reorganization under common control	-	-	-	-	(12)	(12)	-	-	-	-	-	-	-	-	71	-	
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	135,381	135,381	-	
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(76,181)	(76,181)	-	
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(3,527)	(3,527)	-	3,527	-	-	-	-	3,527	(45,337)	(45,337)	-	
Balance at December 31, 2020	30,478,538	27,378,068	853,852	3,976,265	6,038,916	10,897,427	(6,043,227)	768,662	(242,887)	(5,517,852)	-	60,293,331	61,941,904	389,886	62,331,790	-	
Net income for the year	-	-	-	-	10,897,427	10,897,427	(2,766,236)	(324,223)	11,917	(3,078,534)	-	10,897,427	18,875,833	389,886	19,265,719	-	
Other comprehensive income (loss) for the year	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	-	-	-	(4,571,781)	-	
Total comprehensive income (loss) for the year	-	-	-	-	6,325,646	6,325,646	(2,766,236)	(324,223)	11,917	(3,078,534)	-	6,325,646	18,875,833	389,886	19,265,719	-	
Appropriation approved by the stockholders:																	
Legal reserve	-	-	602,575	-	(602,575)	-	-	-	-	-	-	-	-	-	(4,571,781)	-	
Special reserve	-	-	-	857,485	(857,485)	-	-	-	-	-	-	-	-	-	70,119	-	
Cash dividends	-	-	-	-	(4,571,781)	(4,571,781)	-	-	-	-	-	-	-	-	(24,908)	-	
Adjustments of capital surplus for the cash dividends distributed to subsidiaries	-	70,119	-	-	-	-	-	-	-	-	-	-	-	-	(60,177)	-	
Share of changes in equity of associates	-	(24,908)	-	-	-	-	-	-	-	-	-	-	-	-	53,032	-	
Changes in ownership interests in subsidiaries	-	60,105	-	-	-	-	-	-	-	-	-	-	-	-	(29,880)	-	
Acquisition and disposal of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,005	-	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249,470	-	
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337,222	-	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(141,671)	-	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(308,290)	(308,290)	-	308,290	-	-	-	-	308,290	(63,676,216)	(63,676,216)	-	
Balance at December 31, 2021	30,478,538	27,514,469	1,456,447	4,833,750	10,596,212	16,886,289	(8,805,597)	346,483	(228,210)	(8,287,624)	-	63,676,216	66,022,943	389,886	66,412,829	-	

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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Income before income tax	\$ 15,435,645	8,905,103
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,022,560	1,078,156
Amortization	492,670	573,592
Net gain on financial assets measured at fair value through profit or loss	(30,094)	(4,930)
Interest expense	336,677	155,301
Net gain on disposal of investments accounted for using the equity method	(47,815)	-
Interest income	(318,945)	(315,460)
Dividend income	(354,416)	(243,073)
Share-based compensation cost	1,704	181
Share of profit of associates and joint ventures	(68,427)	(3,512)
Loss (gain) on disposal of equipment and intangible assets	8,252	(2,713)
Net gain on disposal of investment property	(1,141)	-
Property, plant and equipment reclassified to expenses	917	-
Intangible assets reclassified to expenses	-	6,806
Acquisition of financial asset by contribution of technical know-how	-	(17,421)
Gain on liquidation of subsidiaries and other investments	(3,068)	(902)
Total adjustments for profit or loss	<u>1,038,874</u>	<u>1,226,025</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Derivative financial instruments measured at fair value through profit or loss	(1,744,184)	960,364
Contract assets	63,015	(93,487)
Notes and accounts receivable	(8,283,499)	(5,716,202)
Receivables from related parties	30,990	13,782
Inventories	(15,317,842)	(1,968,800)
Other receivables and other current assets	268,860	384,523
Other non-current assets	(16,406)	(5,429)
Changes in operating assets	<u>(24,999,066)</u>	<u>(6,425,249)</u>
Changes in operating liabilities:		
Contract liabilities	198,239	602,249
Notes and accounts payable	8,138,491	14,181,820
Other payables and other current liabilities	7,158,143	5,252,540
Provisions	622,044	995,189
Refund liabilities	1,052,018	2,633,421
Other non-current liabilities	(11,505)	155,044
Changes in operating liabilities	<u>17,157,430</u>	<u>23,820,263</u>
Cash provided by operations	8,632,883	27,526,142
Interest received	318,103	319,923
Income taxes paid	(2,453,171)	(355,523)
Net cash flows provided by operating activities	<u>6,497,815</u>	<u>27,490,542</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:		
Purchase of financial assets measured at fair value through other comprehensive income	(2,234,039)	(356,940)
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	178,648	458
Proceeds from capital return and liquidation of financial assets measured at fair value through other comprehensive income	2,845	2,746
Purchase of financial assets measured at fair value through profit or loss	-	(4,748,217)
Proceeds from disposal of financial assets measured at fair value through profit or loss	2,849,874	267,856
Proceeds from disposal of investments accounted for using equity method	-	(2,991)
Additions to property, plant and equipment and investment property	(552,937)	(327,885)
Proceeds from disposal of property, plant and equipment	10,260	70,735
Proceeds from disposal of investment property	18,497	-
Additions to intangible assets	(373,199)	(217,927)
Net cash flow from disposal of subsidiaries and other investments	2,872	31
Net cash received from acquisition of subsidiaries	154,958	-
Increase in assets recognized from costs to fulfill contracts with customers	(364,440)	(266,927)
Decrease (increase) in other non-current financial assets	(130,914)	43,007
Dividends received	416,584	282,517
Net cash flows used in investing activities	<u>(20,991)</u>	<u>(5,253,537)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	3,070,574	5,507,521
Decrease in short-term borrowings	(3,664,124)	(5,911,621)
Proceeds from issuing bonds	10,000,000	-
Increase in long-term debt	64,510	79,771
Repayment of long-term debt	(3,349,490)	(2,515,061)
Payment of lease liabilities	(679,795)	(693,094)
Cash dividends	(4,501,662)	(1,332,162)
Cash distributed from capital surplus	-	(999,121)
Purchase of treasury stock	-	(361,943)
Cash dividends paid to non-controlling interests by subsidiaries	(141,671)	(76,181)
Issuance of common stock by subsidiaries not subscribed by the Group	337,722	135,581
Acquisition of ownership to interests in subsidiaries	(22,736)	-
Proceeds from disposal of interests in subsidiaries (without losing control)	75,768	301,669
Interest paid	(294,441)	(145,572)
Net cash flows provided by (used in) financing activities	<u>894,655</u>	<u>(6,010,213)</u>
Effect of foreign exchange rate changes	<u>(1,932,961)</u>	<u>(1,230,101)</u>
Net increase in cash and cash equivalents	5,438,518	14,996,691
Cash and cash equivalents at beginning of period	39,181,023	24,184,332
Cash and cash equivalents at end of period	<u><u>\$ 44,619,541</u></u>	<u><u>39,181,023</u></u>

See accompanying notes to consolidated financial statements.

Attachment 6

Acer Incorporated Articles of Incorporation (Before and Revision Chart)

After Revision	Before Revision	Reason for Revision
<p>Article 2</p> <p>The scope of business of this Company shall include the following:</p> <p>(1)~(14) (Omitted)</p> <p><u>(15) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import;</u></p> <p><u>(15) F113070 Wholesale of Telecom Instruments;</u></p> <p><u>(16) IZ13010 Internet Identify Services;</u></p> <p><u>(17) F108031 Wholesale of Drugs, Medical Goods;</u></p> <p><u>(18) F208031 Retail Sale of Medical Equipments;</u></p> <p><u>(19) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	<p>Article 2</p> <p>The scope of business of this Company shall include the following:</p> <p>(1)~(14) (Omitted)</p> <p>(15) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import;</p> <p>(16) F113070 Wholesale of Telecom Instruments;</p> <p>(17) IZ13010 Internet Identify Services;</p> <p>(18) F108031 Wholesale of Drugs, Medical Goods;</p> <p>(19) F208031 Retail Sale of Medical Equipments;</p> <p>(20) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Given that the revisions to Telecommunications Management Act already cancelled the special approval with respect to permit for the import of controlled telecommunications radio-frequency devices, such business items is deleted correspondingly.</p> <p>The serial numbers are adjusted because the business item has been deleted.</p>
<p>Article 7</p> <p>After approval for registration, the share certificates of this Company shall be issued in registered form, signed by, and affixed with the seals of, at least three directors of this Company, and authenticated by the competent registrar.</p> <p>The Company is entitled to deliver the share certificates by book-entry transfer without printing physical securities. It shall be the same for issuance of other securities.</p> <p><u>The Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.</u></p>	<p>Article 7</p> <p>After approval for registration, the share certificates of this Company shall be issued in registered form, signed by, and affixed with the seals of, at least three directors of this Company, and authenticated by the competent registrar.</p> <p>The Company is entitled to deliver the share certificates by book-entry transfer without printing physical securities. It shall be the same for issuance of other securities.</p>	<p>To amend it in accordance with Company Act and the Company's actual operation.</p>

After Revision	Before Revision	Reason for Revision
<p>Article 9</p> <p>Shareholders' meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.</p> <p><u>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, and the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u></p>	<p>Article 9</p> <p>Shareholders' meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.</p>	<p>To amend it in accordance with the revisions to Article 172-2 and 356-8 of Company Act that the public company is entitled to held shareholders' meeting by means of visual communication network or other methods promulgated by the central competent authority. Such amendment may increase flexibility to held shareholding meeting by means of visual communication network.</p>
<p>Article 10</p> <p>Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form provided by this Company, which shall specify the scope of proxy and be signed and sealed by the shareholder. Where one person has been appointed to act as proxy for more than two shareholders, unless such person is engaged in the trust business, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding capital stock of this Company shall not be counted. <u>The above-mentioned proxies shall be made pursuant to the requirements of the competent authority in charge of securities affairs, and delivered to this Company five (5) days before the shareholders' meeting.</u> In such a case, only the proxy received earlier shall be effective.</p>	<p>Article 10</p> <p>Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form provided by this Company, which shall specify the scope of proxy and be signed and sealed by the shareholder. Where one person has been appointed to act as proxy for more than two shareholders, unless such person is engaged in the trust business, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding capital stock of this Company shall not be counted. The above-mentioned proxies shall be delivered to this Company five (5) days before the shareholders' meeting. In such a case, only the proxy received earlier shall be effective.</p>	<p>To amend it in accordance with Article 177 of Company Act.</p>

After Revision	Before Revision	Reason for Revision
<p>Article 21</p> <p>Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total <u>authorized paid-in</u> capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends or bonuses when there is no profit. 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.</p>	<p>Article 21</p> <p>Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total authorized capital. Thereafter, this Company shall set aside or reverse a special reserve in accordance with the applicable laws and regulations. The remainder together with previous year amount, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses. Except distribution of reserve in accordance with competent laws and regulations, the Company shall not pay dividends or bonuses when there is no profit. 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.</p>	<p>To amend it in accordance with the wording of Article 237 of Company Act for clarification.</p>
<p>Article 23</p> <p>(omitted)</p> <p><u>The forty-fifth amendment was approved on June 10, 2022.</u></p>	<p>Article 23</p> <p>(omitted)</p>	<p>To add the date of amendment.</p>

Attachment 7

Acer Incorporated Regulations for the Conduct of Shareholders' Meeting (Before and Revision Chart)

After Revision	Before Revision	Reason for Revision
<p>2. Each shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.</p> <p><u>The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>2. Each shareholders or his/her/its proxy attending the Shareholders' Meeting shall sign the attendance card for their attendance. The number of shares in attendance of the Shareholders' Meeting shall be calculated based upon the number of shares signed in according to the attendance cards so submitted.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>
<p>3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated <u>according to the shares indicated by the attendance book and attendance card handed in, and the shares checked in on the virtual meeting platform, plus the shares exercising voting right by the way of electronic transmission.</u></p>	<p>3. The attendance and votes at the Shareholders' Meeting shall be based upon the number of shares in attendance. The shares in attendance shall be calculated in accordance with the attendance book or the attendance cards submitted, plus the shares exercising voting right by the way of electronic transmission.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>

After Revision	Before Revision	Reason for Revision
<p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p> <p><u>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p>		
<p>4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p> <p><u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location domestically, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>4. The Shareholders' Meeting shall be held at the location of the Company, or a place which is convenient for the shareholders to attend and proper for holding such meeting. The Shareholders' Meeting shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>

After Revision	Before Revision	Reason for Revision
<p>7. The Shareholders' Meeting shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting.</p> <p><u>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u></p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>	<p>7. The Shareholders' Meeting shall be recorded in their entirety by video or audio recording equipment, and such records shall be kept on file for one year following each such meeting.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>
<p>10. A shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No shareholders shall interfere with the shareholder who is making oral statement in any way unless the chairman of the meeting or the speaking shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.</p>	<p>10. A shareholder in attendance who wishes to make an oral statement at the Shareholders' Meeting shall first submit an oral statement form, stating the gist of his/her statement, his/her name and shareholder's account number. The person presiding over the meeting shall determine the order to make such oral statements. Shareholder in attendance who submits an oral statement form but fail to make an oral statement shall be deemed to have not made any statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail. No shareholders shall interfere with the shareholder who is making oral statement in any way unless the chairman of the meeting or the speaking shareholder gives his/her consent. The person presiding over the meeting shall stop any such interference.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>

After Revision	Before Revision	Reason for Revision
<p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraph do not apply.</u></p>		
<p>15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.</p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	<p>15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to supervise the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the voting shall be announced immediately, and a record of the same shall be made accordingly.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>
<p>16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.</p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>16. Unless otherwise provided for in the Company Act or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>

After Revision	Before Revision	Reason for Revision
<p>19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.</p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p>	<p>19. In the event of force majeure during the meeting, the person presiding over the meeting may suspend a meeting and may announce at a later time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>

After Revision	Before Revision	Reason for Revision
<p><u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p>		
<p>20. The applicable provisions of the Company Act, the relevant regulations and the Company's Articles of Incorporation shall govern any matter not provided herein.</p>	<p>20. The applicable provisions of the Company Act and the Company's Articles of Incorporation shall govern any matter not provided herein.</p>	<p>To amend it in accordance with revised Company Act and the regulations stipulated by the competent authority in charge of securities affairs.</p>
<p>Article 22 (omitted)</p> <p><u>Fifth Amendment approved by the General Shareholders' Meeting held on June 10, 2022.</u></p>	<p>Article 22 (omitted)</p>	<p>To add the date of amendment.</p>

Attachment 8

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

After Revision	Before Revision	Reason for Revision
<p>Article 4</p> <p>Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1.~3 (Omitted)</p> <p>4. The appraisal reports to the Company or any subsidiaries which shall comply with these Procedures, opinions provided by certified public accountant, attorney, or securities underwriter, the requirements to professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters, and the process when issuing an appraisal report or opinion, shall comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, and <u>related regulations” and self-discipline enacted by such person’s industry association.</u></p> <p>5. (Omitted)</p>	<p>Article 4</p> <p>Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets</p> <p>1.~3 (Omitted)</p> <p>4. The appraisal reports to the Company or any subsidiaries which shall comply with these Procedures, opinions provided by certified public accountant, attorney, or securities underwriter, the requirements to professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters, and the process when issuing an appraisal report or opinion, shall comply with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and related regulations.”</p> <p>5. (Omitted)</p>	<p>To amend it in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” amended pursuant to ruling issued by the Financial Supervisory Commission, R.O.C. (Ref. no.: Jin Guan Zheng Fa Zi 1110380465) on January 28, 2022.</p>
<p>Article 6</p> <p>The Standards for Public Announcement</p> <p>1.For acquisition or disposal of the Company’s assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing immediately from the date of occurrence of said matter:</p> <p>(1)~(5) (Omitted)</p> <p>(6) asset transactions other than those provided in the preceding items (1) to (5), or investment in Mainland China, the transaction amount reaches 20% of Company’s paid-in capital or NT\$300 million or more; provided, however, that the following situations are not applied:</p> <p>(a) purchase and sale of domestic government bond, or foreign bond with a <u>credit rating not lower than the sovereign rating of the ROC.</u></p>	<p>Article 6</p> <p>The Standards for Public Announcement</p> <p>1.For acquisition or disposal of the Company’s assets as provided below, the Company shall announce the same at the website designated by the Competent Authority in a form stipulated by the Competent Authority based on its nature, within two days commencing immediately from the date of occurrence of said matter:</p> <p>(1)~(5) (Omitted)</p> <p>(6) asset transactions other than those provided in the preceding items (1) to (5), or investment in Mainland China, the transaction amount reaches 20% of Company’s paid-in capital or NT\$300 million or more; provided, however, that the following situations are not applied:</p> <p>(a) purchase and sale of domestic government bond, or foreign bond with a credit rating not lower than the sovereign rating of the ROC.</p>	<p>To amend it in accordance with Company Act and the Company’s actual operation.</p>

After Revision	Before Revision	Reason for Revision
<p>(b) trading of bonds under repurchase/ resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (Omitted)</p>	<p>(b) trading of bonds under repurchase/ resale agreements, or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. The transaction amount in the preceding paragraph is calculated in accordance with the methods provided below: (Omitted)</p>	
<p>Article 11</p> <p>Certified Public Accountant’s Opinions</p> <p>1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, a certified public accountant shall be retained prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p> <p>2. In acquiring or disposing intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.</p> <p>3. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>Article 11</p> <p>Certified Public Accountant’s Opinions</p> <p>1. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, a certified public accountant shall be retained prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Competent Authority.</p> <p>2. In acquiring or disposing intangible assets, right-of-use of intangible assets, or membership certificate and the transaction amount reaches 20% of the Company’s paid-in capital or NT\$300 million or more, the Company, unless transacted with a domestic government institution, shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation..</p> <p>3. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>Same as above.</p>

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<p>Article 12</p> <p>The acquisition or disposal of real estate or right-of-use assets of real estate, from related parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate from related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, unless trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of more than half of all audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments:</p> <ol style="list-style-type: none"> 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the related party as a trading counterparty. 3. with respect to the acquisition of real property or right-of-use assets of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with these Procedures. 7. Restrictive covenants and other important stipulations associated with the transaction. 	<p>Article 12</p> <p>The acquisition or disposal of real estate or right-of-use assets of real estate, from related parties, or the acquisition or disposal of other assets other than real estate or right-of-use assets of real estate from related party, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the Company's total assets or NT\$300 million or more; provided, unless trading of domestic government bonds or bonds under repurchase and resale agreements or subscription or buyback/redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall submit information provided below to the audit committee for approval of more than half of all audit committee members and then submit the same to the Board of Directors for further approval before signing the contracts and payments:</p> <ol style="list-style-type: none"> 1. the purpose, necessity and the anticipated benefit of the acquisition or disposal of assets. 2. reasons for choosing the related party as a trading counterparty. 3. with respect to the acquisition of real property or right-of-use assets of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Articles 13 and 14. 4. the date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5. monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with these Procedures. 7. Restrictive covenants and other important stipulations associated with the transaction. 	

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<p><u>Provided that this Company or the Company's subsidiary that isn't a public company has the transaction as stated in Paragraph 1 and the transaction amount in Paragraph 1 reaches 10% of the Company's total assets, the Company shall submit all information set forth in Paragraph 1 before signing the transaction agreement or making the payment but this requirement does not apply to the transaction between this Company and its subsidiary or between the Company's subsidiaries.</u></p> <p>The transaction amount in <u>Paragraph 1</u> and the preceding paragraph is calculated in accordance with Paragraph 2 of Article 6; "within one year" as used in these Procedures refers to the year preceding the date of occurrence of the current transaction. Items duly approved by more than half of all audit committee members and submit to shareholder's meeting and the Board of Directors for further approval in accordance with these Procedures need not be counted toward the transaction amount.</p>		
<p>Article 29</p> <p>The Procedures were enacted on July 28, 1995.</p> <p>The first amendment was made on October 27, 1995.</p> <p>The second amendment was made on November 18, 1999.</p> <p>The third amendment was made on June 11, 2003.</p> <p>The fourth amendment was made on June 13, 2008.</p> <p>The fifth amendment was made on June 15, 2012.</p> <p>The sixth amendment was made on June 18, 2014.</p> <p>The seventh amendment was enacted on June 23, 2015.</p> <p>The eighth amendment was enacted on June 21, 2017.</p> <p>The ninth amendment was enacted on June 14, 2019.</p> <p>The tenth amendment was enacted on June 12, 2020.</p> <p>The eleventh amendment was enacted on July 9, 2021.</p> <p><u>The twelfth amendment was enacted on June 10, 2022.</u></p>	<p>Article 29</p> <p>The Procedures were enacted on July 28, 1995.</p> <p>The first amendment was made on October 27, 1995.</p> <p>The second amendment was made on November 18, 1999.</p> <p>The third amendment was made on June 11, 2003.</p> <p>The fourth amendment was made on June 13, 2008.</p> <p>The fifth amendment was made on June 15, 2012.</p> <p>The sixth amendment ws made on June 18, 2014.</p> <p>The seventh amendment was enacted on June 23, 2015.</p> <p>The eighth amendment was enacted on June 21, 2017.</p> <p>The ninth amendment was enacted on June 14, 2019.</p> <p>The tenth amendment was enacted on June 12, 2020.</p> <p>The eleventh amendment was enacted on July 9, 2021.</p>	<p>To add the date of amendment.</p>