Stock Code:2353

ACER INCORPORATED AND SUBSIDIARIES

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

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Representation Letter

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

Hereby declare

Acer Incorporated
Jason Chen
Chairman
March 16, 2023

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Independent Auditors' Report

To the Board of Directors
Acer Incorporated:

Opinion

We have audited the consolidated financial statements of Acer Incorporated and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acer Incorporated and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Acer Incorporated and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

Key audit matters for the consolidated financial statements for the year ended December 31, 2022 are stated as follows:

1. Revenue recognition

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

   Description of key audit matter:

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

   How the matter was addressed in our audit:

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

2. Valuation of inventories

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

   Description of key audit matter:

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

   How the matter was addressed in our audit:

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

3. Impairment of goodwill

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 16, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

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

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

(Continued)

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

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

ACER INCORPORATED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Per Share Information And Otherwise Specified)

1. Organization and business

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

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

2. Authorization of the consolidated financial statements

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

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

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

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

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

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

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

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

- IFRS 16 “Requirements for Sale and Leaseback Transactions”

4. Summary of significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

Note 6: The subsidiaries were liquidated in 2022.

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

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

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

(d) Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Financial instruments

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

ACER INCORPORATED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

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

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

4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instruments

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

3) Treasury shares

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

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

(h) Inventories

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

(i) Investment accounted for using the equity method

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

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

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

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

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

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

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

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

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment property

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

(iii) Subsequent costs

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

(iv) Depreciation

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

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

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment property are the same as those adopted for property, plant and equipment.

Rental income from investment property is recognized as other operating income and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupied.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of the Group’s assessment on whether it will exercise an option to purchase the underlying asset, or;

— there is a change in the lease term resulting from a change of the Group’s assessment on whether it will exercise an extension or termination option; or

— there is any lease modifications in lease subject, scope of the lease or other terms.

At inception or on reassessment of whether a contract contains a lease, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Group has elected not to separate non-lease components and account for each lease component and any associated non-lease components as a single lease component.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

(Continued)

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating lease, the Group recognizes rental income on a straight-line basis over the lease term.

(m) Intangible assets

(i) Goodwill

Goodwill arising from acquisitions of subsidiaries is accounted for as intangible assets. Refer to note 4(u) for the description of the measurement of goodwill at initial recognition. Goodwill arising from acquisitions of investments accounted for using the equity method is included in the carrying amount of the investments. Goodwill is not amortized but is measured at cost less accumulated impairment losses.

(ii) Trademarks

Trademarks acquired in a business combination are measured at fair value at the acquisition date. Subsequent to the initial recognition, trademarks with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives of 7 years. Trademarks with indefinite useful lives are carried at cost less any accumulated impairment losses and are tested for impairment annually. The useful life of an intangible asset not subject to amortization is reviewed annually at each financial year-end to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Any change in the useful life assessment from indefinite to definite is accounted for as a change in accounting estimate.

(iii) Other intangible assets

Other separately acquired intangible assets are carried at cost or fair value at the acquisition date, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the following estimated useful lives: customer relationships - 7 to 10 years; developed technology - 10 years; channel resources - 8.8 years; developing technology - 15 years; patents - 4 to 15 years; acquired software - 1 to 3 years.

The residual value, amortization period, and amortization method are reviewed at least at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(n) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories, contract assets, and deferred tax assets) may be impaired. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(Continued)

(o) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(ii) Others

Provisions for litigation claims and environmental restoration are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(p) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognizes revenue based on the price specified in the contract, net of the estimated volume discounts and rebates. Accumulated experience is used to estimate the discounts and rebates using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranged from 30 to 90 days, which is consistent with the market practice.

(Continued)

Some subsidiaries of the Group grant their customers the right to return the products within 90 days. Therefore, they reduce revenue by the amount of expected returns and recognize a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns at the time of sale. At each reporting date, the Group reassesses the estimated amount of expected returns.

The Group's obligation to provide a refund for faulty goods under the standard warranty terms is recognized as a provision for warranty. Please refer to note 6(r) for more explanation.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Revenue from service rendered

The Group provides system implementation or integration services to enterprise customers. Revenue from providing services is recognized in the accounting periods in which the services are rendered. For performance obligations that are satisfied over time, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the portion of the work performed, the time passed by, or the milestone reached.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the accumulated revenue recognized by the Group exceeds the payments, a contract asset is recognized. If the payments exceed the accumulated revenue recognized, a contract liability is recognized.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes the incremental costs of obtaining a contract with a customer as an asset if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(Continued)

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

2) Assets recognized from costs to fulfill contracts with customers

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (e.g., IAS 2 *Inventories*, IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets*), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations) are recognized as expenses when incurred.

(q) Government grant

A government grant is recognized in profit or loss only when there is reasonable assurance that the Group will comply with the conditions associated with the grant and that the grant will be received.

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group without future related costs.

Government grant is recorded in other operating income and expenses, net.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expenses related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise (i) actuarial gains and losses; (ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income and reflected in other equity.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, and the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Board of Directors approves the exercise price and the shares to which employees can subscribe.

(t) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

(Continued)

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Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(u) Business combinations

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the acquisition-date fair value of consideration transferred, including the amount of non-controlling interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the amount calculated above is a deficit balance, the Group recognizes that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed. For each business combination, non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the fair value of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest' s proportionate share of the acquiree' s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree' s net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Group' s equity interest should be reclassified to profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(v) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Parent are disclosed in the consolidated financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Parent by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Parent and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Group' s dilutive potential common shares include profit sharing for employees to be settled in the form of common stock.

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(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker, who decides on the allocation of resources to the segment and assesses its performance. Each operating segment consists of standalone financial information.

5. Critical accounting judgments and key sources of estimation and assumption uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and Taiwan-IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in the future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

(a) Revenue recognition (accrual of sales return and allowance)

The Group records a refund liability for estimated future returns and other allowances in the same period the related revenue is recognized. Refund liability for estimated sales returns and other allowances is generally made and adjusted based on historical experience, channel inventory, market and economic conditions, and any other factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and rapid evolution of technology could result in significant adjustments to the accruals made.

(b) Valuation of inventory

Inventories are measured at the lower of cost or net realizable value. The Group uses judgment and estimates to determine the net realizable value of inventory at each reporting date.

Since the Group is under the electronics industry that is rapidly innovative, the Group estimates the net realizable value of inventory, taking obsolescence and unmarketable items into account at the reporting date, and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a time horizon, which could result in significant adjustments. Refer to note 6(f) for further description of inventory write-downs.

(c) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years. Refer to note 6(l) for further description of the impairment of goodwill.

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6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 4,199	4,205
Bank deposits	23,151,170	36,351,659
Time deposits	23,687,533	8,263,677
	$ 46,842,902	**44,619,541**

(b) Financial instruments measured at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign currency forward contracts	$ 159,488	680,128
Foreign currency option contracts	1,681	-
Non-derivative financial assets		
Stocks listed on foreign markets	2,661	1,754
Open-end funds	771,292	2,540,986
	$ 935,122	**3,222,868**
Financial liabilities held for trading:		
Derivatives－Foreign currency forward contracts	$ (1,000,700)	(259,225)
Derivatives－Foreign currency option contracts	(8,508)	-
Financial liabilities measured at fair value through profit or loss:		
Contingent consideration arising from business combinations	(1,199)	(35,758)
Contingent consideration arising from investment in associates	(9,850)	-
	$ (1,020,257)	**(294,983)**
Current	$ (1,015,407)	(291,917)
Non-current	(4,850)	(3,066)
	$ (1,020,257)	**(294,983)**

Please refer to note 6(ab) for the amounts recognized in profit or loss arising from remeasurement at fair value.

The Group entered into derivative contracts to manage foreign currency exchange risk arising from operating activities. At each reporting date, the outstanding foreign currency forward and option contracts that did not conform to the criteria for hedge accounting consisted of the following (the contract amount was presented in USD):

(i) Foreign currency forward contracts

December 31, 2022			
Contract amount (in thousands)		Currency	Maturity period
USD	61,017	AUD / USD	2023/01~2023/04
USD	1,326	AUD / NTD	2023/02~2023/03
USD	566	AUD / NZD	2023/01~2023/02
USD	791	EUR / CHF	2023/01~2023/03
USD	5,961	EUR / NOK	2023/01~2023/04
USD	9,264	EUR / SEK	2023/01~2023/06
USD	343,763	EUR / USD	2023/01~2023/06
USD	1,946	EUR / NTD	2023/01~2023/02
USD	38,180	EUR / PLN	2023/01
USD	114,017	GBP / USD	2023/01~2023/09
USD	6,337	NZD / USD	2023/01~2023/03
USD	44,136	USD / CAD	2023/01~2023/02
USD	5,000	USD / CLP	2023/04~2023/05
USD	40,200	USD / CNY	2023/01~2023/03
USD	68,000	USD / IDR	2023/01~2023/04
USD	152,967	USD / INR	2023/01~2023/07
USD	43,386	USD / JPY	2023/01~2023/10
USD	14,600	USD / MXN	2023/01~2023/03
USD	27,315	USD / MYR	2023/01~2023/04
USD	655,886	USD / NTD	2023/01~2023/04
USD	24,059	USD / PHP	2023/01~2023/04
USD	7,000	USD / SGD	2023/01~2023/02
USD	43,709	USD / THB	2023/01~2023/03

December 31, 2021					
Contract amount (in thousands)		Currency			Maturity period
USD	119,159	AUD	/	USD	2022/01~2022/06
USD	685	AUD	/	NTD	2022/02~2022/03
USD	28,051	EUR	/	CHF	2022/01~2022/05
USD	11,626	EUR	/	NOK	2022/01~2022/05
USD	18,185	EUR	/	SEK	2022/01~2022/06
USD	533,740	EUR	/	USD	2022/01~2022/05
USD	1,279	EUR	/	NTD	2022/01~2022/03
USD	73,745	EUR	/	PLN	2022/01~2022/06
USD	110,801	GBP	/	USD	2022/01~2022/05
USD	10,494	NZD	/	USD	2022/01~2022/05
USD	58,479	USD	/	CAD	2022/01~2022/02
USD	8,200	USD	/	CLP	2022/01
USD	60,000	USD	/	CNY	2022/01~2022/04
USD	70,800	USD	/	IDR	2022/01~2022/04
USD	229,969	USD	/	INR	2022/01~2022/06
USD	31,917	USD	/	JPY	2022/01~2022/08
USD	16,700	USD	/	MXN	2022/01~2022/03
USD	30,500	USD	/	MYR	2022/01~2022/03
USD	584,224	USD	/	NTD	2022/01~2022/11
USD	19,600	USD	/	PHP	2022/01~2022/03
USD	105,197	USD	/	RUB	2022/01~2022/04
USD	20,000	USD	/	SGD	2022/01~2022/05
USD	98,000	USD	/	THB	2022/01~2022/03

(ii) Foreign currency option contracts

	December 31, 2022		
	Contract amount (in thousands)		Maturity period
USD / CNY	USD	10,200	2023/02~2023/03

(c) Notes and accounts receivable, net (measured at amortized cost)

	December 31, 2022	December 31, 2021
Notes receivable	$ 327,462	213,707
Accounts receivable	51,137,567	63,946,493
Less: loss allowance	(142,992)	(120,763)
	51,322,037	64,039,437
Accounts receivable from related parties (note 7(b))	41,821	1,329
	$ 51,363,858	64,040,766

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The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. Forward looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable was as follows:

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 43,825,399	0.14%	(61,296)
Past due 1-30 days	6,520,997	0.28%	(17,948)
Past due 31-60 days	716,355	2.57%	(18,399)
Past due 61-90 days	202,999	2.71%	(5,501)
Past due 91-180 days	175,403	10.38%	(18,199)
Past due 181 days or over	23,876	90.67%	(21,649)
	$ 51,465,029		**(142,992)**

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 59,972,724	0.09%	(56,097)
Past due 1-30 days	3,550,650	0.48%	(16,893)
Past due 31-60 days	441,709	1.62%	(7,155)
Past due 61-90 days	81,506	10.31%	(8,400)
Past due 91-180 days	63,545	11.06%	(7,025)
Past due 181 days or over	50,066	50.32%	(25,193)
	$ 64,160,200		**(120,763)**

As of December 31, 2022 and 2021, no expected credit losses was provided for accounts receivable from related parties after management's assessment.

(Continued)

Movements of the allowance for notes and accounts receivable were as follows:

	2022	2021
Balance at January 1	$ 120,763	192,005
Impairment losses recognized (reversal of impairment loss)	20,735	(35,070)
Acquisition through business combination	-	6,911
Write-off	(4,218)	(35,458)
Effect of exchange rate changes	5,712	(7,625)
Balance at December 31	**$ 142,992**	**120,763**

The Group entered into factoring agreements with financial institutions to sell its accounts receivable. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group derecognized the above accounts receivable as it has transferred substantially all of the risks and rewards of ownership of the accounts receivable, and it did not have any continuing involvement in them. The accounts receivable from the financial institutions were recognized as "other receivables" upon the derecognition of those accounts receivable. As of December 31, 2021, the Group sold its accounts receivable without recourse as follows:

December 31, 2021						
Purchaser	**Amount Derecognized**	**Amount Advanced Unpaid**	**Amount Advanced Paid**	**Amount Recognized in Other Receivables**	**Range of Interest Rate**	**Significant Transferring Terms**
HSBC Bank	**$ 364,861**	**19,007**	**345,854**	**19,007**	**5.25%**	None

(d) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 13,048,547	15,676,331
Work in process	57,117	18,380
Finished goods and merchandise	22,151,378	22,188,155
Spare parts	1,009,184	1,073,057
Inventories in transit	5,946,851	19,747,904
	$ 42,213,077	**58,703,827**

For the years ended December 31, 2022 and 2021, the amounts of inventories recognized as cost of revenue were $225,668,269 and $255,560,066, respectively, of which $1,914,349 and $1,943,032, respectively, were the write-down of inventories to net realizable value.

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(e) Financial assets measured at fair value through other comprehensive income-non current

	December 31, 2022	December 31, 2021
Equity investments measured at fair value through other comprehensive income		
Domestic listed stock	$ 6,713,753	7,064,857
Unlisted stock	890,208	741,845
	$ 7,603,961	**7,806,702**

The Group designated the investments shown above as financial assets measured at fair value through other comprehensive income (FVOCI) because these equity instruments are held for long-term strategic purposes and not for trading.

Certain financial assets measured at FVOCI were disposed of in 2022 and 2021. The realized loss accumulated in other comprehensive income of $43,825 and $308,290 have been reclassified from other equity to retained earnings.

(f) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Fixed Rate Corporate Bonds	$ 183,622	-
Fixed Rate Callable Notes	614,160	-
	$ 797,782	**-**

The Group evaluated these financial assets being hold-to-maturity in order to collect the contractual cash flows, which are solely payments for principal and interest on principal amount outstanding. Therefore, such financial assets were classified as financial assets measured at amortized cost.

(Continued)

(g) Investments accounted for using the equity method

A summary of the Group's investments in associates and joint ventures at the reporting date is as follows:

Name of Associates and Joint Ventures	December 31, 2022 Percentage of ownership	December 31, 2022 Carrying amount	December 31, 2021 Percentage of ownership	December 31, 2021 Carrying amount
Associates：				
GrandPad Inc. ("GrandPAD")	28.85	$ 182,967	28.88	169,885
Apex Material Technology Corp. ("AMTC")	6.73	348,266	7.01	317,106
Antung Trading Corporation ("ANT")	11.79	317,502	11.79	275,656
Shine Passion Engineering Co, Ltd. ("SPE")	19.25	110,277	-	-
Others	-	161,630	-	102,881
Joint Venture:				
Smart Frequency Technology Inc. ("SFT", note(i))	55.00	53,732	55.00	71,601
		$ 1,174,374		937,129

Note (i): According to the joint venture agreement with a third party, the Group and the other party have joint control over SFT. Accordingly, this investment is accounted for using the equity method.

AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI's ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, AOI reclassified the investment to fair value through other comprehensive income (FVOCI) — non-current and recognized a gain on disposal of investment of $47,815, which was included in "other gains and losses" in the accompanying statements of comprehensive income.

Since AMTC failed to meet its sales forecast and maintain its profitability under the influence of the fierce market competition, on December 31, 2019, AOI assessed that there was an indication of impairment in the carrying amounts of its investments in AMTC, resulting in AOI to recognize the impairment loss of $50,294. Moreover, since the aforementioned impairment indicators may no longer exist or may have been mitigated based on the impairment assessments conducted in June 2022, the related recoverable amount had been remeasured, and a reversal of impairment loss of $30,048 was recognized in other gains and losses.

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Aggregated financial information on associates that were not individually material to the Group is summarized as follows.

		2022	2021
Attributable to the Group:			
Net income	$	138,691	86,144
Other comprehensive income		221	2,183
Total comprehensive income	$	**138,912**	**88,327**

Financial information on joint venture that was not individually material to the Group is summarized as follows.

		2022	2021
Attributable to the Group:			
Net loss	$	(17,868)	(17,717)
Other comprehensive income		-	-
Total comprehensive loss	$	**(17,868)**	**(17,717)**

(h) Subsidiaries

(i) Acquistion of Winking Entertainment Ltd. by AGM

1) Consideration transferred

On December 31, 2022 (the acquisition date), AGM acquired 54.96% ownership interest of Winking Entertainment Ltd. (“WKC”) for a consideration of $641,544, resulting in the Company to obtain control over WKC and its subsidiaries (“WKC Group”), who has been included in the Group’s consolidated entities thereafter. The acquisition of WKC was contracted under advance arrangements, whereby the payment of $61,102 made to the original shareholders in January 2023 was recognized in other payables as of December 31, 2022.

WKC Group is engaged in the operation of Art Outsourcing and Game Development. The acquisition of WKC enables the Group to jointly develop and expand game-related business and embark on the game business.

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2) Identified assets acquired
The following table summarizes the fair value of assets acquired, liabilities assumed and goodwill recognized at the acquisition date (December 31, 2022):

Consideration transferred		$ 641,544
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets		247,911
Less: Fair value of identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	$ 186,012	
Contract assets-current	91,362	
Notes and accounts receivable, net	101,768	
Other receivable	98,321	
Other current assets	13,878	
Property, plant and equipment	70,860	
Right-of-use assets	86,114	
Intangible assets-customer relationships	189,068	
Intangible assets software	7,469	
Deferred tax asset	25,136	
Other non-current assets	11,208	
Contract liabilities-current	(4,206)	
Notes and accounts payable	(37,062)	
Other payable	(141,116)	
Other current liabilities	(3,722)	
Lease liabilities	(85,907)	
Deferred tax liabilities	(58,761)	550,422
Goodwill		**$ 339,033**

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional provisions existed as at the acquisition date, the acquisition accounting will be revised.

3) Intangible assets

Intangible assets－customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 12 years. Goodwill arising from the acquisition is due to control premium over WKC, the synergies of the business combination, future market development and value of workforce, none of these qualifies as an identifiable intangible asset.

4) Pro forma information
From the acquisition date to December 31, 2022, WKC contributed revenue of $0 and net income of $0 to the Group's operating results. If the acquisition had occurred on January 1, 2022, the management estimates that consolidated revenue would have been $276,154,994, and consolidated net income would have been $5,622,974.

(ii) Acquistion of Portrade Global Ltd. by WLII

On June 1, 2021, WLII acquired 32% of ownership interest in Protrade Global Ltd. After the acquisition, WLII's interest in Protrade Global Ltd. increased from 19% to 51%, and therefore obtained control over it since then.

Protrade Global Ltd. and its subsidiaries (the "Protrade") are mainly engaged in the global trade and distribution of synthetic rubber, plastics and related chemical products and raw materials as well as the logistic business. Although Protrade engages in different industry with WLII, they both involve in channel resources and platform industry. While WLII is developing "partnership economic" and cross-industry platform, it is expected to be benefited from the synergies of including Protrade as one of the important partners of the cross-industry alliance.

The purchase consideration, assets acquired and liabilities assumed at the acquisition date and goodwill recognized were as follows:

1) Fair value of consideration transferred the acquisition date

Cash	$	184,923
Contigent consideration		35,758
	$	**220,681**

According to the contigent consideration arrangements, the contigent consideration os estimated based on Protrade's consolidated net income in 2021 and 2022 and the maximum amount of the contigent consideration does not exceed US$1,672. The potential undiscounted contingent payments to be paid by the Group ranges from US$0 to US$1,672.

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2) Identifiable assets acquired and liabilities assumed

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (June 1, 2021).

Cash and cash equivalents	$ 373,961
Financial assets measured at fair value through profit or loss	46,504
Notes and accounts receivable, net	408,925
Other receivables	4,863
Inventories	404,619
Other current assets	380,392
Property, plant and equipment	134,224
Right-of-use assets	24,211
Intangible assets	183,663
Other non-current assets	7,909
Short-term borrowings	(827,234)
Contract liabilities	(162,464)
Notes and accounts payable	(175,947)
Other payables	(450,656)
Current income tax liabilities	(5,607)
Other current liabilities	(397)
Lease liabilities－non-current	(24,503)
Other non-current liabilities	(976)
Fair value of identifiable net assets	**$ 321,487**

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows.

Consideration transferred	$ 220,681
Add: Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	157,528
Fair value of pre-existing interest in the acquiree	96,068
Less: Fair value of identifiable net assets	(321,487)
Goodwill (reported under intangible assets)	**$ 152,790**

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WLII remeasured the fair value of its pre-existing 19% ownership of Protrade at the acquisition date, resulting in a valuation loss of $56,915, which was accumulated in other equity. At the acquisition date, the related other comprehensive loss accumulated in other equity has been reclassified to retained earnings by WLII, and the Group reduced the retained earnings of $33,538 accordingly based on its percentage of ownership of WLII.

Goodwill arising from the acquisition of Protrade is mainly due to value of workforce. It is expected to be benefited from the synergies of cross-industry alliance between Protrade and the Group. None of the goodwill recognized is expected to be deductible for tax purposes.

4) Pro forma information

From the acquisition date to December 31, 2021, Protrade contributed revenue of $3,279,739 and net income of $39,306 to the Group’s operating results. If the acquisition had occurred on January 1, 2021, the management estimates that consolidated revenue would have been $320,987,875, and consolidated net income would have been $11,372,141.

(iii) Changes in ownership interests of subsidiaries without losing control

The Group acquired additional equity interests of its subsidiaries or disposed a portion of them, which did not result in a loss of control over them. Moreover, subsidiaries of the Group increased their share capital by issuing shares, wherein the Group did not subscribe proportionately based on its current ownership percentage, resulting in the Group’s ownership interest in its subsidiaries to change. Please refer to note 4(c).

A summary the effect on the equity attributable to the parent arising from abovementioned changes in ownership interests in subsidiaries:

	2022	2021
Capital surplus－arising from changes in ownership interests in subsidiaries	$ 154,065	60,105
Capital surplus－arsing from difference between consideration and carrying amount of subsidiaries acquired or disposed.	12,345	29,880
	$ 166,410	**89,985**

ACER INCORPORATED AND SUBSIDIARIES
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(i) Property, plant and equipment

	Land	Buildings	Computer and communication equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:						
Balance at January 1, 2022	$ 1,841,707	4,166,451	1,774,175	2,569,692	34,627	10,386,652
Acquisition through business combination	-	-	61,158	45,757	8,239	115,154
Additions	81,559	103,716	87,993	149,017	35,895	458,180
Disposals	-	(6,595)	(62,589)	(154,397)	-	(223,581)
Reclassification to investment property	-	(9,310)	-	-	-	(9,310)
Other reclassification and effect of exchange rate changes	77,197	21,023	117,788	90,268	(37,920)	268,356
Balance at December 31, 2022	**$ 2,000,463**	**4,275,285**	**1,978,525**	**2,700,337**	**40,841**	**10,995,451**
Balance at January 1, 2021	$ 1,873,139	4,390,547	4,342,028	2,884,783	6,304	13,496,801
Acquisition through business combination	103,224	35,644	11,403	17,866	-	168,137
Additions	4,690	42,277	135,544	133,572	236,410	552,493
Disposals	-	(2,237)	(2,891,334)	(287,864)	-	(3,181,435)
Reclassification to investment property	(122,442)	(256,771)	-	-	-	(379,213)
Other reclassification and effect of exchange rate changes	(16,904)	(43,009)	176,534	(178,665)	(208,087)	(270,131)
Balance at December 31, 2021	**$ 1,841,707**	**4,166,451**	**1,774,175**	**2,569,692**	**34,627**	**10,386,652**
Accumulated depreciation and impairment loss:						
Balance at January 1, 2022	$ 278,877	2,824,030	1,247,491	1,980,384	-	6,330,782
Acquisition through business combination	-	-	23,977	12,493	-	36,470
Depreciation	-	54,679	145,711	132,612	-	333,002
Disposals	-	(6,485)	(60,226)	(141,902)	-	(208,613)
Reclassification to investment property	-	(1,623)	-	-	-	(1,623)
Other reclassification and effect of exchange rate changes	58,821	16,965	58,559	72,201	-	206,546
Balance at December 31, 2022	**$ 337,698**	**2,887,566**	**1,415,512**	**2,055,788**	**-**	**6,696,564**
Balance at January 1, 2021	$ 320,633	3,036,852	4,037,151	2,236,256	-	9,630,892
Acquisition through business combination	-	7,544	7,701	9,643	-	24,888
Depreciation	-	57,688	122,762	139,538	-	319,988
Disposals	-	(2,237)	(2,888,047)	(272,639)	-	(3,162,923)
Reclassification to investment property	(41,210)	(240,832)	-	-	-	(282,042)
Other reclassification and effect of exchange rate changes	(546)	(34,985)	(32,076)	(132,414)	-	(200,021)
Balance at December 31, 2021	**$ 278,877**	**2,824,030**	**1,247,491**	**1,980,384**	**-**	**6,330,782**
Carrying amounts:						
Balance at December 31, 2022	**$ 1,662,765**	**1,387,719**	**563,013**	**644,549**	**40,841**	**4,298,887**
Balance at December 31, 2021	**$ 1,562,830**	**1,342,421**	**526,684**	**589,308**	**34,627**	**4,055,870**

Please refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for bank loans.

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For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

(j) Right-of-use assets

	Land	Buildings	Other equipment	Total
Cost:				
Balance at January 1, 2022	$ 6,682	2,846,081	190,123	3,042,886
Acquisition through business combination	-	136,397	-	136,397
Additions	14,426	697,032	33,298	744,756
Disposals	-	(543,537)	(42,506)	(586,043)
Effect of exchange rates changes	839	150,934	9,083	160,856
Balance at December 31, 2022	**$ 21,947**	**3,286,907**	**189,998**	**3,498,852**
Balance at January 1, 2021	$ 4,023	2,794,296	201,889	3,000,208
Acquisition through business combination	-	44,208	-	44,208
Additions	3,207	623,992	42,317	669,516
Disposals	-	(449,297)	(36,876)	(486,173)
Effect of exchange rates changes	(548)	(167,118)	(17,207)	(184,873)
Balance at December 31, 2021	**$ 6,682**	**2,846,081**	**190,123**	**3,042,886**
Accumulated depreciation:				
Balance at January 1, 2022	$ 4,211	1,207,423	94,610	1,306,244
Acquisition through business combination	-	50,282	-	50,282
Depreciation	7,759	604,427	58,942	671,128
Disposals	-	(524,776)	(41,853)	(566,629)
Effect of exchange rates changes	540	62,679	5,244	68,463
Balance at December 31, 2022	**$ 12,510**	**1,400,035**	**116,943**	**1,529,488**
Balance at January 1, 2021	$ 3,017	1,065,372	74,299	1,142,688
Acquisition through business combination	-	6,287	-	6,287
Depreciation	1,562	629,711	60,788	692,061
Disposals	-	(433,365)	(33,015)	(466,380)
Effect of exchange rates changes	(368)	(60,582)	(7,462)	(68,412)
Balance at December 31, 2021	**$ 4,211**	**1,207,423**	**94,610**	**1,306,244**
Carrying amount:				
Balance at December 31, 2022	**$ 9,437**	**1,886,872**	**73,055**	**1,969,364**
Balance at December 31, 2021	**$ 2,471**	**1,638,658**	**95,513**	**1,736,642**

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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(k) Investment property

		Land	Buildings	Total
Cost:				
Balance at January 1, 2022	$	862,870	2,171,237	3,034,107
Additions		-	17,249	17,249
Reclassification from property, plant and equipment		-	9,310	9,310
Other reclassification		(82)	-	(82)
Balance at December 31, 2022	$	**862,788**	**2,197,796**	**3,060,584**
Balance at January 1, 2021	$	755,536	1,919,546	2,675,082
Additions		-	444	444
Disposals		(15,108)	(5,524)	(20,632)
Reclassification from property, plant and equipment		122,442	256,771	379,213
Balance at December 31, 2021	$	**862,870**	**2,171,237**	**3,034,107**
Accumulated depreciation and impairment loss:				
Balance at January 1, 2022	$	291,388	1,923,128	2,214,516
Depreciation		-	12,520	12,520
Reclassification from property, plant and equipment		-	1,623	1,623
Balance at December 31, 2022	$	**291,388**	**1,937,271**	**2,228,659**
Balance at January 1, 2021	$	250,178	1,675,061	1,925,239
Depreciation		-	10,511	10,511
Disposals		-	(3,276)	(3,276)
Reclassification from property, plant and equipment		41,210	240,832	282,042
Balance at December 31, 2021	$	**291,388**	**1,923,128**	**2,214,516**
Carrying amounts:				
Balance at December 31, 2022	$	**571,400**	**260,525**	**831,925**
Balance at December 31, 2021	$	**571,482**	**248,109**	**819,591**
Fair value:				
Balance at December 31, 2022				$ **1,251,802**
Balance at December 31, 2021				$ **1,250,794**

The fair value of the investment property is determined by referring to the market price of similar real estate transaction or the value in use of the investment property. The value in use is the present value of the future cash flows from continuous lease activities. On December 31, 2022 and 2021, the estimated discount rate used for calculating the present value of the future cash flows was 6.83% and 5.79%, respectively.

For certain land acquired, the ownership registration has not been transferred to the land acquirer, APDI, a subsidiary of the Company. To protect its interests, APDI has obtained signed deeds of assignment from the titleholders assigning all rights and obligations related to the land to APDI. Additionally, the land title certificates are held by APDI, and APDI has registered its liens thereon.

(Continued)

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(l) Intangible assets

(i) The movements of costs, and accumulated amortization and impairment loss of intangible assets were as follows:

		Goodwill	Trademarks and trade names	Others	Total
Net balance at January 1, 2022:					
Cost	$	23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss		(7,649,842)	(10,190,459)	(10,145,530)	(27,985,831)
Net balance at January 1, 2022		15,816,967	671	709,645	16,527,283
Additions		-	163	395,669	395,832
Acquisition through business combination		339,033	1	323,692	662,726
Disposals		-	-	(26,934)	(26,934)
Reclassification		40,414	161	(40,234)	341
Amortization		-	(237)	(341,777)	(342,014)
Impairment loss		-	-	(7,503)	(7,503)
Effect of exchange rate changes		1,292,147	14	28,699	1,320,860
Net balance at December 31, 2022	**$**	**17,488,561**	**773**	**1,041,257**	**18,530,591**
Net balance at December 31, 2022:					
Cost	$	25,945,854	10,241,387	11,338,192	47,525,433
Accumulated amortization and impairment loss		(8,457,293)	(10,240,614)	(10,296,935)	(28,994,842)
	$	**17,488,561**	**773**	**1,041,257**	**18,530,591**
Net balance at January 1, 2021:					
Cost	$	23,893,960	10,196,471	10,680,243	44,770,674
Accumulated amortization and impairment loss		(7,876,181)	(10,196,053)	(10,405,711)	(28,477,945)
Net balance at January 1, 2021		16,017,779	418	274,532	16,292,729
Additions		-	-	373,199	373,199
Acquisition through business combination		233,816	384	319,361	553,561
Reclassification		-	-	290	290
Amortization		-	(102)	(252,093)	(252,195)
Effect of exchange rate changes		(434,628)	(29)	(5,644)	(440,301)
Net balance at December 31, 2021	**$**	**15,816,967**	**671**	**709,645**	**16,527,283**
Net balance at December 31, 2021:					
Cost	$	23,466,809	10,191,130	10,855,175	44,513,114
Accumulated amortization and impairment loss		(7,649,842)	(10,190,459)	(10,145,530)	(27,985,831)
	$	**15,816,967**	**671**	**709,645**	**16,527,283**

The amortization and impairment loss of intangible assets were included in the following line items of the statements of comprehensive income:

		2022	2021
Cost of revenue	$	250,507	193,999
Operating expenses		91,507	58,196
Non-operating income and loss		7,503	-
	$	**349,517**	**252,195**

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(ii) Impairment test on goodwill and other intangible assets

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose were as follows:

	RO-EMEA	RO-PA	RO-PAP	RO-China	Other CGUs without significant goodwill	Total
Balance at January 1, 2022	$ 8,927,087	1,430,653	2,951,891	2,263,095	244,241	15,816,967
Acquisition through business combination	-	-	-	-	339,033	339,033
Reclassification	-	-	-	-	40,414	40,414
Effect of exchange rate changes	834,244	144,097	243,557	54,813	15,436	1,292,147
Balance at December 31, 2022	$ **9,761,331**	**1,574,750**	**3,195,448**	**2,317,908**	**639,124**	**17,488,561**
Balance at January 1, 2021	$ 9,240,816	1,469,709	3,018,281	2,271,251	17,722	16,017,779
Acquisition through business combination	-	-	-	-	233,816	233,816
Effect of exchange rate changes	(313,729)	(39,056)	(66,390)	(8,156)	(7,297)	(434,628)
Balance at December 31, 2021	$ **8,927,087**	**1,430,653**	**2,951,891**	**2,263,095**	**244,241**	**15,816,967**

The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

1) The cash flow projections were based on historical operating performance and future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using zero growth rate.

2) Discount rates used to determine the value in use for each CGU were as follows:

	RO-EMEA	RO-PA	RO-PAP	RO-China
December 31, 2022	15.7 %	11.1 %	16.3 %	14.9 %
December 31, 2021	16.9 %	13.5 %	19.2 %	20.3 %

The estimation of discount rate is based on the weighted-average cost of capital.

Based on the impairment assessments conducted in 2022 and 2021, no impairment losses were recognized as the recoverable amount of CGUs were higher than their carrying amounts.

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(m) Other current assets and other non-current assets

(i) Other current assets

		December 31, 2022	December 31, 2021
Overpaid VAT retained for offsetting against future tax payable	$	2,336,866	1,861,817
Advance on procurement		131,876	264,014
Prepaid royalty and other prepayments		634,362	494,004
Right to goods to be returned		496,521	332,990
Other financial assets		345,879	80,000
Others		36,482	31,675
	$	**3,981,986**	**3,064,500**

(ii) Other non-current assets

		December 31, 2022	December 31, 2021
Overpaid VAT retained for offsetting against future tax payable	$	77,815	1,141,805
Prepaid income tax		1,986,859	1,524,891
Prepaid royalty and other prepayments		45,232	37,862
Assets recognized from costs to fulfill contracts with customers		194,594	168,997
Others		83,098	69,511
	$	**2,387,598**	**2,943,066**

(n) Short-term borrowings

		December 31, 2022	December 31, 2021
Short-term notes payable	$	-	99,994
Bank overdraft		2,590	-
Unsecured bank loans		1,451,697	1,127,830
Secured bank loans		197,799	25,766
	$	**1,652,086**	**1,253,590**
Unused credit facilities	**$**	**39,615,678**	**36,391,741**
Interest rate		**1.65%~6.87%**	**0.70%~3.56%**

Please refer to note 8 for a description of the Group's assets pledged as collateral for bank loans.

(o) Long-term debt

	December 31, 2022	December 31, 2021
Unsecured loan	$ 1,006	23,141
Secured loan	161,487	96,785
Less: current portion of long-term debt	(58,017)	(20,106)
	$ 104,476	**99,820**
Unused credit facilities	**$ 4,770,800**	**4,469,000**
Interest rate	**1.87%~6.25%**	**1.30%~3.36%**

Please refer to note 6(ab) for related interest expense with respect to the abovementioned bank loans.

Please refer to note 8 for a description of the Group’s assets pledged as collateral for its bank loans.

(p) Bonds payable

	December 31, 2022	December 31, 2021
Unsecured bonds payable	**$ 10,000,000**	**10,000,000**

On April 27, 2021, the Company issued $5,000,000 of unsecured corprorate bonds at par value. The bonds have 5-year term and are repayable on maturity. The bonds bears annual coupon rate of 0.76% and interests are payable annually at coupon rate from the issuance date. On August 26, 2021, the Company issued $5,000,000 of unsecured corprorate bonds at par value. The bonds have 5-year term and are repayable in two equal installments on August 26, 2025 and on maturity. The bonds bears annual coupon rate of 0.62% and interests are payable annually at coupon rate from the issuance date.

(q) Lease liabilities

(i) The carrying amount of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	$ 613,263	530,564
Non-current	$ 1,495,786	1,320,713

Please refer to note 6(ad) for the maturity analysis of lease liabilities.

(ii) The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	$ 38,738	36,338
Variable lease payments not included in the measurement of lease liabilities	$ 90,651	56,516
Expenses relating to short-term leases	$ 41,099	40,448
Expenses relating to leases of low-value assets	$ 4,736	3,492

(iii) The amounts recognized in the statement of cash flows for the Group were as follows:

	2022	2021
Total cash outflow for leases	$ 827,442	816,589

(iv) Major terms of leases

The Group leases land, buildings, vehicles, office equipment, and miscellaneous equipment with lease terms ranged from 1 to 30 years, some of which include options to extend the lease term after the end of the contract term. As certain leases of office and miscellaneous equipment meet the definition of short-term lease or lease of low-value assets, the Group elected to applied exemption and not to recognize right-of-use assets and lease liabilities.

(r) Provisions

	Warranties	Litigation	Restructuring	Environmental protection and others	Total
Balance at January 1, 2022	$ 6,080,590	282,693	-	240,026	6,603,309
Additions	4,180,422	2,875	-	121,042	4,304,339
Amount utilized and reversed	(4,124,254)	(16,752)	-	(134,005)	(4,275,011)
Effect of exchange rate changes	268,782	25,052	-	5,815	299,649
Balance at December 31, 2022	$ 6,405,540	293,868	-	232,878	6,932,286
Current	$ 6,405,540	293,868	-	217,582	6,916,990
Non-current	-	-	-	15,296	15,296
	$ 6,405,540	293,868	-	232,878	6,932,286

(Continued)

	Warranties	Litigation	Restructuring	Environmental protection and others	Total
Balance at January 1, 2021	$ 5,492,122	254,386	6,476	228,281	5,981,265
Additions	4,639,198	42,679	-	146,486	4,828,363
Amount utilized and reversed	(3,701,976)	(1,892)	(6,443)	(119,223)	(3,829,534)
Effect of exchange rate changes	(348,754)	(12,480)	(33)	(15,518)	(376,785)
Balance at December 31, 2021	**$ 6,080,590**	**282,693**	**-**	**240,026**	**6,603,309**
Current	$ 5,893,893	282,693	-	225,073	6,401,659
Non-current	186,697	-	-	14,953	201,650
	$ 6,080,590	**282,693**	**-**	**240,026**	**6,603,309**

(i) Warranties

The provision for warranties is made based on the number of units sold currently under warranty, historical rates of warranty claim on those units, and cost per claim to satisfy the warranty obligation. The Group reviews the estimation basis on an ongoing basis and revises it when appropriate.

(ii) Litigation

Litigation provisions are recorded for pending litigation when it is determined that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated.

(iii) Restructuring

One of subsidiaries underwent an operational optimization and organizational downsizing in response to the change of international trade environment and other factors and restructuring provision and cost was recognized accordingly. The provision was mainly for employee termination benefits and relocation costs of machinery equipment. The related expenses were reported in other expenses under operating expenses in the accompanying statements of comprehensive income.

(iv) Environmental protection and others

An environmental protection provision is made when products are sold and is estimated based on historical experience.

(s) Operating lease

The Group leases its investment and operating properties to others. The Group has classified these leases as operating leases as it does not transfer substantially all the risks and rewards incidental to ownership of the assets to lessees. Please refer to note 6(k) for the information of investment property.

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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2022	December 31, 2021
Less than 1 year	$ 24,912	91,256
1 year to 2 years	29,957	50,860
2 years to 3 years	24,860	36,291
3 years to 4 years	18,039	21,360
4 years to 5 years	15,760	17,488
Over 5 years	39,008	44,747
Total undiscounted lease payments	**$ 152,536**	**262,002**

In 2022 and 2021, the rental income from investment property amounting to $36,107 and $89,327, respectively, were recognized and included in other operating income and loss. Related repair and maintenance expenses recognized and included in operating expense were as follows:

	2022	2021
Arising from investment property that generated rental income during the period	$ 29,811	34,756
Arising from investment property that did not generate rental income during the period	7,816	11,957
	$ 37,627	**46,713**

(t) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities (assets) for defined benefit plans was as follows:

	December 31, 2022	December 31, 2021
Present value of benefit obligations	$ 2,742,742	2,980,785
Fair value of plan assets	(1,340,916)	(1,112,882)
Net defined benefit liabilities (reported under other non-current liabilities)	**$ 1,401,826**	**1,867,903**

	December 31, 2022	December 31, 2021
Present value of benefit obligations	$ 12,002	66,518
Fair value of plan assets	(70,527)	(115,826)
Net defined benefit assets (reported under other non-current assets)	**$ (58,525)**	**(49,308)**

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The Company and its domestic subsidiaries make defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

Foreign subsidiaries, including AJC, ATH, AIN, AMI, AIL, APHI, AEG, ASZ, AIT, ACF, ASIN, AEH, SER, AOJ, HSNI, HSNP and HSNT, also have defined benefit pension plans based on their respective local laws and regulations.

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company and its domestic subsidiaries is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Company and its domestic subsidiaries also established pension funds in accordance with the "Regulations Governing the Management, Investment, and Distribution of the Employees' Retirement Fund Established by a Profit-seeking Enterprise", which are funded by time deposits and bank deposits deposited in the designated financial institutions. The administration of pension funds is separate from the Group, and the principal and interest from such funds shall not be used in any form except for the payment of pension and severance to employees.

Foreign subsidiaries with defined benefit pension plans make pension contributions to pension management institutions in accordance with their respective local regulations.

As of December 31, 2022 and 2021, the Group's fair value of plan assets, by major categories, was as follows:

	December 31, 2022	December 31, 2021
Cash	$ 446,957	466,440
Equity instruments	531,806	444,883
Instruments with fixed return	126,350	85,958
Real estate	306,330	231,427
	$ 1,411,443	**1,228,708**

Cash includes the labor pension fund assets. For information on the domestic labor pension fund assets (including the asset portfolio and yield of the fund), please refer to the website of the Bureau of Labor Funds.

(Continued)

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2) Movements in present value of the defined benefit obligations

	2022	2021
Defined benefit obligations at January 1	$ 3,047,303	3,212,386
Current service costs	195,043	233,367
Interest expense	18,813	17,408
Remeasurement on the net defined benefit liabilities (assets):		
Actuarial loss (gain) arising from experience adjustments	(77,667)	35,476
Actuarial loss (gain) arising from changes in demographic assumption	481	(58,786)
Actuarial loss (gain) arising from changes in financial assumption	(427,807)	70,889
Benefits paid by the Group and the plan	(99,052)	(189,572)
Past service costs and settlement loss (gain)	(13,886)	(116,372)
Settlement	(53,520)	(54,505)
Contributions by plan participants	19,635	25,282
Effect of exchange rate changes	145,401	(128,270)
Defined benefit obligations at December 31	**$ 2,754,744**	**3,047,303**

3) Movements in fair value of plan assets

	2022	2021
Fair value of plan assets at January 1	$ 1,228,708	1,355,940
Interest income	4,981	5,407
Remeasurement on the net defined benefit liabilities (assets):		
Return on plan assets (excluding amounts included in net interest expense)	82,287	10,442
Benefits paid by the plan	(81,958)	(174,285)
Contributions by plan participants	19,635	25,282
Contributions by the employer	119,202	117,094
Loss on curtailment	(5,025)	(64,367)
Settlement	(44,063)	-
Effect of exchange rate changes	87,676	(46,805)
Fair value of plan assets at December 31	**$ 1,411,443**	**1,228,708**

4) Changes in the effect of the asset ceiling

In 2022 and 2021, there was no effect of the asset ceiling.

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5) Expenses recognized in profit or loss

	2022	2021
Current service costs	$ 195,043	233,367
Net interest expense	13,832	12,001
Past service costs and settlement loss (gain)	(13,886)	(116,372)
Loss on curtailment	5,025	64,367
	$ 200,014	**193,363**
Classified under cost of revenue	$ 12,375	522
Classified under operating expense	187,639	192,841
	$ 200,014	**193,363**

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2022	**December 31, 2021**
Discount rate	0.625%~7.45%	0.15%~6.94%
Future salary increases rate	1.50%~7.00%	2.00%~6.00%

The weighted-average duration of the defined benefit plans ranges from 4 years to 22 years. The Group expects to make contribution of $115,812 to the defined benefit plans in the year following December 31, 2022.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates and future salary changes. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation.

	December 31, 2022		**December 31, 2021**	
	0.25% Increase	**0.25% Decrease**	**0.25% Increase**	**0.25% Decrease**
Discount rate	**$ (77,009)**	**58,321**	**(118,564)**	**132,939**
Future salary change	**$ 28,147**	**(48,786)**	**56,274**	**(50,329)**

The above sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are interrelated. The method used to carry out the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities recognized in the balance sheets. The method and assumptions used to carry out the sensitivity analysis is the same as in the prior year.

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(ii) Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance. Foreign subsidiaries make contributions in compliance with their respective local regulations.

For the years ended December 31, 2022 and 2021, the Group recognized pension expenses of $393,144 and $378,604, respectively, in relation to the defined contribution plans.

(u) Income taxes

(i) Income tax returns of the Group are filed individually by each entity and not on a combined basis. The Company and its subsidiaries incorporated in the R.O.C. are subject to R.O.C. income tax at a rate of 20% for fiscal years 2022 and 2021. Foreign subsidiaries are subject to income tax in accordance with their respective local tax law and regulations. The components of income tax expense were as follows:

	2022	2021
Current income tax expense		
Current period	$ 2,024,117	3,709,640
Adjustments for prior years	(3,706)	538,476
	2,020,411	4,248,116
Deferred tax expense		
Origination and reversal of temporary differences	(428,737)	(14,281)
Change in unrecognized deductible temporary differences	678,855	(85,503)
	250,118	(99,784)
Income tax expense	**$ 2,270,529**	**4,148,332**

The components of income tax benefit (expense) recognized in other comprehensive income were as follows:

	2022	2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit plans	**$ (34,430)**	**39,131**

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Reconciliation between the expected income tax expense calculated based on the Company's statutory tax rate and the actual income tax expense reported in the consolidated statements of comprehensive income was as follows:

	2022	2021
Income before taxes	$ 7,873,821	15,435,645
Income tax using the Company's statutory tax rate	$ 1,574,764	3,087,129
Effect of different tax rates in foreign jurisdictions	713,287	1,381,200
Adjustments for prior-year income tax expense	(3,706)	538,476
Change in unrecognized temporary differences and tax losses	678,855	(85,503)
Others	(692,671)	(772,970)
	$ 2,270,529	4,148,332

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2022	December 31, 2021
Tax losses	$ 4,057,145	3,635,014
Loss associated with investments in subsidiaries	2,258,231	2,337,741
Deductible temporary differences	3,387,583	3,774,575
	$ 9,702,959	9,747,330

The above deferred income tax assets were not recognized as management believed that it is not probable that future taxable profits will be available against which the Group can utilize the benefits therefrom.

Each entity in the Group is entitled to use tax losses to offset future taxable income in accordance with the respective local tax regulations of each jurisdiction. As of December 31, 2022, the tax effects of unused tax losses and the respective expiry years were as follows:

Tax effects of tax losses	Year of expiry
$ 140,987	2023
195,093	2024
10,604	2025
2,995	2026
3,707,467	2027 and thereafter
$ 4,057,146	

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2) Unrecognized deferred income tax liabilities

	December 31, 2022	December 31, 2021
Net profits associated with investments in subsidiaries	$ 910,775	1,634,001

The Group is able to control the timing of reversal of the temporary differences associated with investments in subsidiaries. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities.

3) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities were as follows:

Deferred income tax assets:

	Inventory	Accrued expenses and provisions	Unused tax loss carryforwards	Others	Total
Balance at January 1, 2022	$ 166,351	3,253,687	41,074	210,522	3,671,634
Acquisition through business combination	-	-	21,809	3,327	25,136
Recognized in profit or loss	(6,088)	192,244	(11,633)	(101,977)	72,546
Recognized in other comprehensive income	-	-	-	(34,430)	(34,430)
Effect of exchange rate changes	-	-	-	(29,498)	(29,498)
Balance at December 31, 2022	**$ 160,263**	**3,445,931**	**51,250**	**47,944**	**3,705,388**
Balance at January 1, 2021	$ 150,531	2,114,416	38,640	177,189	2,480,776
Recognized in profit or loss	15,820	1,139,271	2,434	30,976	1,188,501
Recognized in other comprehensive income	-	-	-	39,131	39,131
Effect of exchange rate changes	-	-	-	(36,774)	(36,774)
Balance at December 31, 2021	**$ 166,351**	**3,253,687**	**41,074**	**210,522**	**3,671,634**

Deferred income tax liabilities:

	Unremitted earnings from subsidiaries	Unrealized foreign exchange gain on financial instruments	Intangible assets	Others	Total
Balance at January 1, 2022	$ 3,832,828	474,852	299,983	36,167	4,643,830
Acquisition through business combination	-	-	37,814	20,947	58,761
Recognized in profit or loss	796,074	(465,315)	6,534	(14,629)	322,664
Balance at December 31, 2022	**$ 4,628,902**	**9,537**	**344,331**	**42,485**	**5,025,255**
Balance at January 1, 2021	$ 2,927,543	288,959	300,750	37,861	3,555,113
Recognized in profit or loss	905,285	185,893	(767)	(1,694)	1,088,717
Balance at December 31, 2021	**$ 3,832,828**	**474,852**	**299,983**	**36,167**	**4,643,830**

(Continued)

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(iii) No income tax expense was recognized directly in equity in 2022 and 2021.

(iv) The Company's income tax returns for the years through 2019 were examined and approved by the R.O.C. income tax authorities.

(v) Capital and other equity

(i) Common stock

As of December 31, 2022 and 2021, the Company had issued 5,664 thousand units and 5,707 thousand units, respectively, of global depository receipts (GDRs). The GDRs were listed on the London Stock Exchange, and each GDR represents five common shares.

As of December 31, 2022 and 2021, the Company's authorized shares of common stock consisted of 4,000,000 thousand shares, of which 3,047,854 thousands shares were issued. The par value of the Company's common stock is $10 per share. All issued shares were paid up upon issuance.

Certain shares of common stock were not outstanding as they were repurchased by the Company or held by the Company's subsidiaries. The movements in outstanding shares of common stock were as follows (in thousands of shares):

	2022	2021
Balance at January 1 (at December 31)	**3,001,108**	**3,001,108**

(ii) Capital surplus

	December 31, 2022	December 31, 2021
Paid-in capital in excess of par value	$ 10,094,950	10,086,648
Surplus from mergers	15,797,245	15,797,245
Surplus related to treasury stock transactions and cash dividend	729,273	621,975
Difference between consideration and carrying amount of subsidiaries acquired or disposed	259,646	247,301
Employee share options	90,000	90,000
Surplus from equity-method investments	824,769	671,100
	$ 27,795,883	**27,514,269**

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Legal reserve, special reserve, surplus distribution and dividend policy

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, after retaining a certain portion of it for business considerations, can be distributed as dividends to stockholders. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings. The distributable dividends in whole or in part will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Since the Company operates in an industry experiencing rapid change and development, earnings are distributed in consideration of the current year's earnings, the overall economic environment, related laws and decrees, and the Company's long-term development and stability in its financial position. The Company has adopted a stable dividend policy, in which a cash dividend comprises at least 10% of the total dividend distribution.

Additionally, pursuant to the Company Act, if the Company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

In accordance with the rulings issued by the FSC, a special reserve shall be retained at an amount equal to the proportionate share of the carrying value of the treasury stock held by subsidiaries in excess of the market value at the reporting date. The special reserve may be reversed when the market value recovers in subsequent periods.

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the current-period undistributed earnings and prior-period undistributed earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

On March 16, 2022, the Company's Board of Directors approved the distribution of cash dividends amounting to $6,949,107 ($2.28 per share), of which $107,298 was distributed to the subsidiaries holding the Company's common shares. Additionally, on June 10, 2022, the Company's shareholders approved an appropriation of legal reserve and special reserve of $1,058,914 and $2,564,442, respectively.

On March 16, 2023, the Company's Board of Directors approved the distribution of cash dividends amounting to $4,571,781 ($1.5 per share), of which $70,119 was distributed to the subsidiaries holding the Company's common shares.

On March 17, 2021, the Company's Board of Directors had approved the distribution of cash dividends amounting to $4,571,781 ($1.5 per share), of which $70,119 was distributed to the subsidiaries holding the Company's common shares. Additionally, on July 9, 2021, the Company's shareholders approved an appropriation of legal reserve and special reserve of $602,575 and $857,485, respectively.

Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(iv) Treasury stock

As of December 31, 2022 and 2021, details of the GDRs (for the implementation of an overseas employee stock option plan) held by subsidiary ASCBVI and the Company's common stock held by subsidiaries ASCBVI (to maintain the Company's shareholders' equity), CCI (to maintain the Company's shareholders' equity), and AGT (resulting from the acquisition of AGT) were as follows (expressed in thousands of shares):

	December 31, 2022		
	Number of shares	Carrying amount	Market value
Common stock	21,809	$ 945,239	513,602
GDRs	24,937	1,969,617	536,042
	46,746	**$ 2,914,856**	**1,049,644**

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	December 31, 2021		
	Number of shares	**Carrying amount**	**Market value**
Common stock	21,809	$ 945,239	664,084
GDRs	24,937	1,969,617	704,324
	46,746	**$ 2,914,856**	**1,368,408**

According to the Securities and Exchange Act, treasury stock cannot be collateralized. In addition, treasury shares do not bear shareholder rights prior to being sold to third parties. Moreover, the number of treasury shares shall not exceed 10% of the number of common shares issued. The total amount of treasury stock shall not exceed the sum of retained earnings, paid-in capital in excess of par value, and other realized capital surplus.

(v) Other equity items (net after tax)

1) Foreign currency translation differences:

	2022	**2021**
Balance at January 1	$ (8,805,597)	(6,043,227)
Foreign exchange differences arising from translation of foreign operations	4,596,004	(2,767,945)
Share of other comprehensive income (loss) of associates	(176)	1,719
Organizational restructuring under common control	(11,702)	-
Liquidation of subsidiaries	1,855	-
Changes in ownership interests in subsidiaries	(287)	3,856
Balance at December 31	**$ (4,219,903)**	**(8,805,597)**

2) Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income:

	2022	**2021**
Balance at January 1	$ 746,183	768,662
Change in fair value of financial assets measured at fair value through other comprehensive income	(1,204,929)	(324,225)
Net loss (gain) on disposal of financial assets measured at fair value through other comprehensive income	43,825	308,290
Changes in ownership interests in subsidiaries	5,195	(6,544)
Balance at December 31	**$ (409,726)**	**746,183**

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3) Remeasurement of defined benefit plans:

		2022	2021
Balance at January 1	$	(228,210)	(242,887)
Changes in the period		535,623	11,910
Reorganization under common control		5,483	-
Share of other comprehensive income of associates		(6)	7
Changes in ownership interests in subsidiaries		7,486	2,760
Balance at December 31	**$**	**320,376**	**(228,210)**

(vi) Non-controlling interests (net after tax)

		2022	2021
Balance at January 1	$	2,346,227	1,648,633
Equity attributable to non-controlling interests:			
Net income for the year		599,604	389,886
Changes in ownership interests in subsidiaries		(166,459)	(60,177)
Acquisition and disposal of interests in subsidiaries		22,986	53,032
Difference between consideration and carrying amount of subsidiaries acquired or disposed		(12,345)	(29,880)
Stock option compensation cost of subsidairies		18,407	699
Acquisition of subsidiaries		278,873	249,470
Increase in non-controlling interests		1,616,281	337,722
Reorganization under common control		(2,083)	-
Cash dividends paid to non-controlling interests by subsidiaries		(207,441)	(141,671)
Foreign currency translation differences		632	(20,122)
Unrealized loss from financial assets measured at fair value through other comprehensive income		(16,953)	(34,492)
Remeasurement of defined benefit plans		17,227	(9,916)
Changes in equity of investments in associates		(8,218)	(36,957)
Balance at December 31	**$**	**4,486,738**	**2,346,227**

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(w) Share-based payment

The Group's share-based payment arrangements in 2022 and 2021 were as follows:

(i) Restricted stock

Grant date	111.03.25
Number of shares granted (in thousands)	241
Vesting conditions	1~3 years of service subsequent to grant date
Qualified employees	Shares granted to qualified full-time employees of ACSI

ACSI's shareholders in an extraordinary meeting held on December 23, 2021 approved the issuance of 300 thousand shares of restricted stocks to qualified full-time employees. ACSI had filed an effective registration with the Securities and Futures Bureau of the FSC for the issuance of the stocks. As of December 31, 2022, ACSI issued 241 thousand shares of restricted stocks to entitled qualified employees who can purchase the shares at the exercise price of $0. The restricted stocks have the vesting periods of 1, 2 and 3 years subsequent to the grant date, and shall be vested based on each employee's performance. During the vesting period, the restricted stock could not be sold, pledged, transferred, gifted, or disposed, in any other forms, except for inheritance; nevertheless, the shareholders' rights (such as attendance, proposing, speaking, voting and electing at the shareholders' meeting) are the same as those of the Company's outstanding shares but are executed by a custodian who will act based on the law and regulations. Employees holding restricted stocks may participate in stock dividends even when the vesting conditions are still yet to be met. For those employees who failed to meet the vesting conditions, ACSI shall recall those shares and retire them thereafter.

The fair value of the restricted stocks at the grant date was $117.5 per share, which was determined by reference to the closing price of the Company's common stock traded on the Taiwan Stock Exchange at the grant date.

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(ii) Issuance of new shares reserved for employee subscription

Issuer	Grant Date	Numbers of options granted (in thousands of shares)	Contract period
WLII	2021/3/17	1,174	2021/03/17~ 2021/03/19
AST	2022/02/22	1,045.5	2022/02/23～2022/03/02
ACSI	2022/05/20	222	2022/05/20～2022/06/23
AEB	2022/08/02	750	2022/08/02
AGM	2022/03/16	2,250	2022/03/16～2022/04/22
AGT	2022/05/17	4,500	2022/05/17~ 2022/06/17
MPS	2022/11/04	600	2022/11/12~ 2022/11/28
AMED	2022/08/01	5	2022/11/24~ 2022/12/26
PAM	2022/10/19	893,100	2022/10/19~ 2022/10/24

The abovementioned issuance of new shares by cash reserved for employee subscription granted were vested immediately.

The Group used the Black-Scholes Model in measuring the fair value of its employee stock options. The main inputs to the valuation model were as follows:

	WLII	AST	ACSI	AEB	AGM	AGT
Fair value of options granted (NT$/ share)	1.6	0	13	10.3	0.07	0.003449
Fair value of stock at grant date (NT$/ share)	26.63	33.34	109	120.3	16.15	13.66
Exercise price (NT$/ share)	25	45.00	96	110	18	18
Expected volatility (%)	21.08%	27.0986%	28.33%	24.17%	27.01%	37.77%
Expected life (in years)	0.0082	0.0137	0.0931	0.002	0.1	0.085
Risk-free interest rate (%)	0.35%	0.2904%	0.63%	0.65%	0.26%	0.7260%

	MPS	AMED	PAM
Fair value of options granted (NT$/ share)	0.008224	6.26	0
Fair value of stock at grant date (NT$/ share)	9.84	68	32.24
Exercise price (NT$/ share)	11	62	43
Expected volatility (%)	28.8889%	23.82%	33.84%
Expected life (in years)	0.0438	0.0904	0.016
Risk-free interest rate (%)	1.0724%	0.95%	1.325%

Expected volatility was determined based on the vesting period and historical volatility of the comparable companies. The risk-free interest rate was determined based on government bonds.

(iii) For the years ended December 31, 2022 and 2021, the compensation cost recognized for the abovemetioned share-based payment arrangements amounted to $20,757 and $1,704, respectively, which was reported in the operating expenses.

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(x) Earnings per share ("EPS")

(i) Basic earnings per share

The basic earnings per share were calculated as the earnings attributable to the shareholders of the Company divided by the weighted-average number of common shares outstanding as follows:

	2022	2021
Net income attributable to the ordinary shareholders of the Parent	$ **5,003,688**	**10,897,427**
Weighted-average number of ordinary shares outstanding (in thousands)	**3,001,108**	**3,001,108**
Basic earnings per share (in New Taiwan dollars)	$ **1.67**	**3.63**

(ii) Diluted earnings per share

	2022	2021
Net income attributable to the ordinary shareholders of the Parent	$ **5,003,688**	**10,897,427**
Weighted-average number of ordinary shares outstanding (in thousands)	3,001,108	3,001,108
Effect of dilutive potential common stock (in thousands):		
Effect of employee remuneration in stock	25,195	27,180
Weighted-average shares of common stock outstanding (including effect of dilutive potential common stock)(in thousands)	**3,026,303**	**3,028,288**
Diluted earnings per share (in New Taiwan dollars)	$ **1.65**	**3.60**

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	2022		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 73,326,421	-	73,326,421
Pan America	70,678,360	-	70,678,360
Asia Pacific	88,505,710	42,913,253	131,418,963
	$ **232,510,491**	**42,913,253**	**275,423,744**

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	2021		
	IT Hardware Products	**Others**	**Total**
Primary geographical markets:			
EMEA	$ 106,690,873	-	106,690,873
Pan America	84,105,680	-	84,105,680
Asia Pacific	91,972,328	36,236,575	128,208,903
	$ 282,768,881	**36,236,575**	**319,005,456**

(ii) Contract balances

	December 31, 2022	**December 31, 2021**	**January 1, 2021**
Notes and accounts receivable (including receivables from related parties)	$ 51,506,850	64,161,529	55,389,534
Less: loss allowance	(142,992)	(120,763)	(192,005)
	$ 51,363,858	**64,040,766**	**55,197,529**
Contract assets－current	**$ 523,881**	**451,354**	**514,369**
Contract liabilities－current	**$ 2,985,415**	**2,455,504**	**2,269,409**
Contract liabilities－non-current	**$ 829,346**	**1,002,391**	**827,783**

Please refer to note 6(c) for details on notes and accounts receivable and related loss allowance.

The major changes in the balance of contract assets and contract liabilities were due to the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at January 1, 2022 and 2021, was $1,257,234 and $1,160,024, respectively.

(z) Remuneration to employees and directors

The Company's Articles of Incorporation require that annual earning shall first be offset against any deficit, then, a minimum of 4% shall be allocated as employee remuneration and a maximum of 0.8% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of subsidiaries of the Company who meet certain specific requirements.

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For the years ended December 31, 2022 and 2021, the Company accrued its remuneration to employees amounting to $475,000 and $720,000, respectively, and the remuneration for directors of $18,800 and $29,819, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors.

Except that the remuneration to directors for 2022 resolved by the Company's Board of Directors on March 16, 2023 was $7,000 and that for 2021 resolved by the Company's Board of Directors on March 16, 2022 was $12,000, the aforementioned accrued remunerations to employees were the same as the amounts resolved by the Board of Directors, which were all paid in cash. The difference between accrual and actual payment, amounting to $11,800 and $17,819 for 2022 and 2021, respectively, is treated as change in accounting estimate and recognized in profit or loss in the following year.

Related information is available on the Market Observation Post System website of Taiwan Stock Exchange.

(aa) Other operating income and expenses – net

	2022	2021
Government grants	$ 92,388	5,555
Rental income	45,685	106,724
	$ 138,073	**112,279**

(ab) Non-operating income and loss

(i) Interest income

	2022	2021
Interest income from bank deposits	535,293	298,794
Other interest income	453	20,151
	$ 535,746	**318,945**

(ii) Other income

	2022	2021
Dividend income	**$ 556,176**	**354,416**

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(iii) Other gains and losses

	2022	2021
Foreign currency exchange gain (loss)	$ (3,820,214)	398,307
Gain on financial assets and liabilities measured at fair value through profit or loss	3,660,978	346,083
Loss on disposal of equipment and intangible assets	(9,560)	(8,252)
Gain on disposal of investment property	-	1,141
Gain on disposal of investments accounted for using the equity method	8,121	47,815
Gain (loss) on liquidation of subsidiaries and other investments	(2,566)	3,068
Reversal of impairment loss on non-financial assets (note6 (g))	30,048	-
Impairment loss on non-financial assets	(7,503)	-
Others	67,759	79,511
	$ (72,937)	**867,673**

(iv) Finance costs

	2022	2021
Interest expense from bank loans and corporate bonds	$ 184,064	93,167
Interest expense on lease liabilities	38,738	36,338
Interest expense on cost of tax	(29,118)	207,172
	$ 193,684	**336,677**

(ac) Financial instruments and fair value information

(i) Categories of financial instruments

1) Financial assets

	December 31, 2022	December 31, 2021
Financial assets measured at fair value through profit or loss	$ 935,122	3,222,868
Financial assets measured at fair value through other comprehensive income	7,603,961	7,806,702
Financial assets measured at amortized cost:		
Cash and cash equivalents	46,842,902	44,619,541
Notes and accounts receivable and other receivables (including receivables from related parties)	51,805,578	64,546,680
Other financial assets – current (included in other current assets)	345,879	80,000
Financial assets measured at amortized cost-non current	797,782	-
Other financial assets – non-current	1,082,824	1,195,156
	$ 109,414,048	**121,470,947**

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2) Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities measured at fair value through profit or loss	$ 1,020,257	294,983
Financial liabilities measured at amortized cost:		
Short-term borrowings	1,652,086	1,253,590
Notes and accounts payable	31,549,698	57,897,697
Other payables	35,449,182	37,249,145
Lease liabilities (including current and non-current)	2,109,049	1,851,277
Bonds payable	10,000,000	10,000,000
Long-term debt (including current portion)	162,493	119,926
	$ 81,942,765	**108,666,618**

(ii) Fair value information

1) Financial instruments not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis.

The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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	December 31, 2022			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	159,488	-	159,488
Foreign currency option contracts	-	1,681	-	1,681
Stocks listed on foreign markets	2,661	-	-	2,661
Funds	771,292	-	-	771,292
	$ 773,953	161,169	-	935,122
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 6,713,753	-	-	6,713,753
Unlisted stock	-	-	890,208	890,208
	$ 6,713,753	-	890,208	7,603,961
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	(1,000,700)	-	(1,000,700)
Foreign currency option contracts	-	(8,508)	-	(8,508)
Contingent consideration arising from business combinations	-	-	(1,199)	(1,199)
Contingent consideration arising from investment in associates	-	-	(9,850)	(9,850)
	-	(1,009,208)	(11,049)	(1,020,257)
Financial assets measured at amortized cost：				
Fixed rate corporate bonds	$ 177,410	-	-	177,410
Fixed rate callable notes	-	591,950	-	591,950
	177,410	591,950	-	769,360

	December 31, 2021			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	680,128	-	680,128
Stocks listed on foreign markets	1,754	-	-	1,754
Funds	2,540,986	-	-	2,540,986
	$ 2,542,740	680,128	-	3,222,868
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stock	$ 7,064,857	-	-	7,064,857
Unlisted stock	-	-	741,845	741,845
	$ 7,064,857	-	741,845	7,806,702
Financial liabilities measured at fair value through profit or loss:				
Foreign currency forward contracts	$ -	(259,225)	-	(259,225)
Contingent consideration arising from business combinations	-	-	(35,758)	(35,758)
	-	(259,225)	(35,758)	(294,983)

There were no transfers among fair value hierarchies for the years ended December 31, 2022 and 2021.

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3) Movement in financial assets included in Level 3 fair value hierarchy

	2022		2021	
	Financial liabilities measured at fair value through profit or loss	**Financial assets measured at fair value through other comprehensive income**	**Financial liabilities measured at fair value through profit or loss**	**Financial assets measured at fair value through other comprehensive income**
Balance at January 1	$ (35,758)	741,845	-	1,111,551
Total gains or losses:				
Recognized in profit and loss	(3,125)	-	-	-
Recognized in other comprehensive income	-	(12,565)	-	(295,230)
Additions	(9,700)	165,449	(35,758)	42,305
Disposals	37,534	(41,535)	-	(99,122)
Effect of exchange rate changes	-	37,014	-	(17,659)
Balance at December 31	**$ (11,049)**	**890,208**	**(35,758)**	**741,845**

The abovementioned total gains or losses were included in "other gains and losses" and " unrealized gain (loss) from financial assets measured at fair value through other comprehensive income", respectively. The gains or losses attributable to the financial assets held on December 31, 2022 and 2021 were as follows:

	2022	2021
Total gains or losses:		
Recognized in profit and loss (included in "other gains and losses")	$ (3,125)	-
Recognized in other comprehensive income (included in "unrealized gain (loss) from financial assets measured at fair value through other comprehensive income")	(12,565)	(3,193)
	$ (15,690)	**(3,193)**

4) Valuation techniques and inputs used for financial instruments measured at fair value

a) The fair values of financial assets with standard terms and conditions and traded on active markets are determined with reference to quoted market prices (e.g., listed stocks).

b) The fair value of derivative financial instruments is determined using a valuation technique, with estimates and assumptions consistent with those used by market participants that are readily available to the Group. The fair value of foreign currency forward contracts and foreign currency option contracts is computed individually by each contract using the valuation technique.

c) The fair value of unlisted stocks in Level 3 fair value hierarchy is estimated by using the market approach and is determined by reference to recent financing activities, valuations of similar companies, market conditions, and other economic indicators. The fair value of financial liabilities measured at fair value through

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profit or loss (contingent consideration arising from business combinations) is determined based on the discounted cash flow model.

5) Quantitative information of significant unobservable inputs

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income	Comparable company valuation	Discount for lack of marketability (10%~30%)	The estimated fair value would decrease if the discount for lack of marketability was higher
Financial liabilities measured at fair value through profit or loss - Contingent consideration arising from business combinations	Discounted cash flow model	Discount rate (10.10% at December 31, 2022 and 2021)	The estimated fair value would increase if the discount rate was lower

6) Fair value measurements in Level 3－ sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments may change if different valuation models or inputs are used. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income:

	Input	Change in assumptions	Net income or loss for current period		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2022						
Financial assets measured at fair value through other comprehensive income:						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	$ 9,505	(9,505)
Financial liabilities measured at fair value through profit or loss:						
Contingent consideration arising from business combinations	Discount rate	0.5%	1	1	-	-
December 31, 2021						
Financial assets measured at fair value through other comprehensive income:						
Equity investments without an active market	Discount for lack of marketability	1%	-	-	4,316	(4,316)
Financial liabilities measured at fair value through profit or loss:						
Contingent consideration arising from business combinations	Discount rate	0.5%	28	83	-	-

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The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. If the fair value of a financial instrument is subject to more than one inputs, the analysis above reflects only the effects of changes in a single input and does not include the interrelationship with another inputs.

(iii) Offsetting of financial assets and financial liabilities

The Group has financial instrument transactions which are set off in accordance with paragraph 42 of IAS 32; the related financial assets and liabilities are presented in the balance sheets on a net basis.

The table below summarizes the related information of offsetting of financial assets and liabilities:

December 31, 2022
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 70,877,833	19,555,796	51,322,037	-	-	51,322,037

December 31, 2022
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts payable	$ 51,105,494	19,555,796	31,549,698	-	-	31,549,698

December 31, 2021
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amount of financial assets presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Cash collateral received	(e)=(c)-(d)
Notes and accounts receivable, net	$ 108,372,011	44,332,574	64,039,437	-	-	64,039,437

	December 31, 2021					
	Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements					
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Amounts not offset in the balance sheet (d)		Net amount
				Financial instruments	Cash collateral received	
	(a)	(b)	(c)=(a)-(b)			(e)=(c)-(d)
Notes and accounts payable	$ 102,230,271	44,332,574	57,897,697	-	-	57,897,697

(ad) Financial risk management

The Group is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Group has disclosed the information on exposure to the aforementioned risks and the Group's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Board of Directors are responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations.

The Group's management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake reviews of risk management controls and procedures, and the results of which are reported to the Board of Directors on a regular basis.

(i) Credit risk

1) The maximum exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, derivative instruments, receivables from customers, other receivables and time deposit. The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets.

2) Concentration of credit risk

The Group primarily sells and markets its multi-branded IT products through distributors in different geographic areas. The Group believes that there is no significant concentration of credit risk due to the Group's large number of customers and their wide geographical spread.

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3) Credit risk from receivables

Please refer to note 6(e) for credit risk exposure of notes and accounts receivable.
Other financial assets measured at amortized cost include other receivables and time deposits (classified as other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets, and thus, the loss allowance is measured using 12-months ECL. Please refer to note 4(g) for descriptions about how the Group determines the credit risk. As of December 31, 2022 and 2021, except for other receivables amounting to $40,141 and $40,291, respectively, for which the loss allowance was fully provided, no loss allowance was provided for the remaining receivables after management's assessment.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2022 and 2021, the Group had unused credit facilities of $44,386,478 and $40,860,741, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and estimated interest.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	$ 1,670,735	1,670,735	-	-	-
Long-term debt carrying floating interest rates	172,130	63,244	42,433	66,453	-
Bonds payable carrying fixed interest rates	10,260,500	69,000	69,000	10,122,500	-
Notes and accounts payable	31,549,698	31,549,698	-	-	-
Other payables	35,449,182	32,699,483	2,729,124	20,575	-
Lease liability	2,174,023	649,316	496,724	777,178	250,805
	$ 81,276,268	**66,701,476**	**3,337,281**	**10,986,706**	**250,805**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 58,294,250	58,294,250	-	-	-
Inflow	(57,907,837)	(57,907,837)	-	-	-
	$ 386,413	**386,413**	**-**	**-**	**-**
Foreign currency option contracts－settled in gross:					
Outflow	$ 318,506	318,506	-	-	-
Inflow	(313,222)	(313,222)	-	-	-
	$ 5,284	**5,284**	**-**	**-**	**-**

(Continued)

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	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings carrying floating interest rates	$ 1,256,984	1,256,984	-	-	-
Long-term debt carrying floating interest rates	125,834	23,666	70,789	31,379	-
Bonds payable carrying fixed interest rates	10,329,500	69,000	69,000	10,191,500	-
Notes and accounts payable	57,897,697	57,897,697	-	-	-
Other payables	37,249,145	34,899,022	2,330,465	19,658	-
Lease liability	1,935,847	558,646	396,855	667,616	312,730
	$ 108,795,007	**94,705,015**	**2,867,109**	**10,910,153**	**312,730**
Derivative financial instruments:					
Foreign currency forward contracts－settled in gross:					
Outflow	$ 78,556,507	78,556,507	-	-	-
Inflow	(78,866,935)	(78,866,935)	-	-	-
	$ (310,428)	**(310,428)**	**-**	**-**	**-**

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, and will affect the Group' s income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group utilizes derivative financial instruments to manage market risk and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies used in these transactions are mainly the Euro (EUR), US dollar (USD), Indian Rupee (INR), Polish Zloty (PLN), Australian dollar (AUD), Russian Ruble (RUB), Great British Pound (GBP), etc.

The Group utilizes foreign currency forward contracts to hedge its foreign currency exposure with respect to its forecast sales and purchases over the following 12 months.

a) Exposure to foreign currency risk and sensitivity analysis

The Group’ s exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable/payable (including related parties), and other receivables/payables (including related parties) that are denominated in foreign currencies. At the reporting date, the carrying amounts of the Group’ s significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of the Group entities and their sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

(in thousands)

	December 31, 2022				
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
Financial assets					
Monetary items					
USD	$ 948,502	30.7080	29,126,599	1 %	291,266
INR	9,339,299	0.3712	3,466,748	1 %	34,667
PLN	641,500	7.0188	4,502,560	1 %	45,026
GBP	56,940	37.1045	2,112,730	1 %	21,127
Financial liabilities					
Monetary items					
EUR	105,277	32.8729	3,460,760	1 %	34,608
USD	1,622,036	30.7080	49,809,481	1 %	498,095

(in thousands)

	December 31, 2021				
	Foreign currency	Exchange rate	NTD	Change in magnitude	Pre-tax effect on profit or loss
Financial assets					
Monetary items					
EUR	$ 224,369	31.4835	7,063,921	1 %	70,639
USD	1,998,391	27.6900	55,335,447	1 %	553,354
INR	13,403,716	0.3725	4,992,884	1 %	49,929
PLN	558,313	6.8621	3,831,200	1 %	38,312
AUD	115,401	20.1112	2,320,853	1 %	23,209
RUB	6,058,373	0.3708	2,246,445	1 %	22,464
GBP	64,040	37.4701	2,399,585	1 %	23,996
Financial liabilities					
Monetary items					
EUR	34,702	31.4835	1,092,540	1 %	10,925
PLN	272,598	6.8621	1,870,595	1 %	18,706
USD	2,926,973	27.6900	81,047,882	1 %	810,479

(Continued)

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With varieties of functional currencies within the consolidated entities of the Group, the Group disclosed net realized and unrealized foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(ab) for further information.

2) Interest rate risk

The Group's short-term borrowings and long-term debt carry floating interest rates, and the Group has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Group is based on 100 basis points (1%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 100 basis points (1%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2022 and 2021 would have been $18,146 and $13,735, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Group is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Group supervises the equity price risk actively and manages the risk based on fair value. The Group also has strategic investments in privately held stocks, in which the Group does not actively participate in their trading.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2022 and 2021, would have increased or decreased by $380,198 and $390,335, respectively.

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(ae) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Group maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, research and development activities, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

(af) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(j) for a description of acquisition of right-of-use assets through leases in 2022 and 2021.

(ii) The reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes			
	January 1, 2022	**Cash flows**	**Movement of leases**	**Business merger**	**Fluctuation of foreign exchange rate**	**December 31, 2022**
Long-term debt	$ 119,926	37,794	-	-	4,773	162,493
Short-term borrowings	1,253,590	366,306	-	759	31,431	1,652,086
Lease liabilities	1,851,277	(652,218)	725,342	85,907	98,741	2,109,049
Bonds payable	10,000,000	-	-	-	-	10,000,000
Total liabilities from financing activities	**$13,224,793**	**(248,118)**	**725,342**	**86,666**	**134,945**	**13,923,628**

			Non-cash changes			
	January 1, 2021	**Cash flows**	**Movement of leases**	**Business merger**	**Fluctuation of foreign exchange rate**	**December 31, 2021**
Long-term debt	$ 3,413,215	(3,284,980)	-	-	(8,309)	119,926
Short-term borrowings	1,029,117	(593,550)	-	827,287	(9,264)	1,253,590
Lease liabilities	1,956,353	(679,795)	649,723	38,331	(113,335)	1,851,277
Bonds payable	-	10,000,000	-	-	-	10,000,000
Total liabilities from financing activities	**$ 6,398,685**	**5,441,675**	**649,723**	**865,618**	**(130,908)**	**13,224,793**

7. Related-party transactions

(a) Related party name and categories

The followings are related parties that have had transactions with the Group during the reporting periods:

Name of related party	Relationship with the Group
Aegis Semiconductor Technology Inc.	Associates, liquidated on August 26th, 2021
GrandPad Inc.	Associates
Piovision International Inc.	Associates
ECOM Software Inc.	Associates
Kbest Technology Inc.	Associates
Shine Passion Engineering Co., Ltd	Associates
Meldcx Pty Ltd. (MPL)	Associates, before August 30, 2021 (note)
Meldcx USA Inc.(MPLA)	Associates, before August 30, 2021 (note)
Apex Material Technology Corp.	Associates
Antung Trading Corporation	Associates
Angel Filtration Products Corp.	Associates
Datasitter Information Service Inc.	Associates
Smart Frequency Technology Inc.	Joint venture
Other Related Parties:	
Acer Foundation	Substantive related party
Satoro Taiwan Inc.	The entity’s chairman is the Company's director
AiSails Power Inc.	The entity’s chairman is the Company's director (On December 14, 2022, the chairman of AiSails Power Inc. resigned, AiSails Power Inc. was no longer a related party of the Group since then.)
Erics Sports Marketing Inc.	The entity’s chairman is the first-degree relatives of the Company’s director
Mu-Jin Investment Co., Ltd	The entity’s director is the Company's chairman
Mu-Shi Investment Co., Ltd	The entity’s director is the Company's chairman
Yuan Kuo Hostipal	The person in charge is the second-degree relative of the chairman of the company
Chen Junhong Pediatric Clinic	The person in charge is the second-degree relative of the chairman of the company

Note: AOI donated partial of its ownership interest in MPL, formerly an investment accounted for using the equity method, to Acer Foundation on August 30, 2021. Consequently, AOI’ s ownership interest in MPL decreased from 27.21% to 17.21% and lost significant influence over it. Therefore, MPL and MPLA were no longer related parties of the Group from the date of donation.

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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(b) Significant related-party transactions

(i) Revenue

The amounts of significant sales to related parties were as follows:

		2022	2021
Associates	$	66,499	137,848
Joint venture		31	96
Other related parties		4,918	229
	$	71,448	138,173

The sales prices with related parties are not comparable to those with third-party customers due to different product specifications. The credit terms ranged from 30 to 120 days, which were not significantly different from those with third-party customers. Receivables from related parties were uncollateralized.

(ii) Purchases

The amounts of significant purchases from related parties were as follows:

		2022	2021
Associates	$	30,682	2,693

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

(iii) Operating expenses and other losses

The operating expenses and other gains and losses related to the system maintenance service provided by related parties and the donation to related parties were as follows:

Account	Related-party categories		2022	2021
Operating expense	Associates	$	1,745	1,745
Operating expense	Other related parties		13,835	-
Other gains and losses	Other related parties		-	11,911
		$	15,580	13,656

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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(iv) Lease

The Group leased its investment property and office premises to related parties. The related rental income was reported in "other operating income and expenses — net" and was summarized as follows:

	2022	2021
Associates	$ 212	2,623
Joint venture	211	2,584
Other related parties	127	83
	$ 550	**5,290**

(v) Service income

The service income related to the management consulting service provided to related parties was included in "other gains and losses" and was summarized as follows:

	2022	2021
Associates	$ 48	48
Joint venture	3,634	3,223
Other related parties	123	165
	$ 3,805	**3,436**

(vi) Receivables from related parties

The receivables from related parties were as follows:

Account	Related-party categories	December 31, 2022	December 31, 2021
Accounts receivable	Associates	$ 39,308	1,221
Accounts receivable	Joint venture	-	92
Accounts receivable	Other related parties	2,513	16
Other receivables	Associates	-	10
Other receivables	Joint venture	667	294
Other receivables	Other related parties	129	173
		$ 42,617	**1,806**

(vii) Payables to related parties

The payables to related parties were as follows:

Account	Related party categories	December 31, 2022	December 31, 2021
Accounts payable	Associates	$ 32,138	89
Other payables	Other related parties	15,031	12,500
		$ 47,169	12,589

(c) Compensation for key management personnel

	2022	2021
Short-term employee benefits	$ 367,745	520,153
Post-employment benefits	9,465	8,459
	$ 377,210	528,612

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	December 31, 2022	December 31, 2021
Cash in bank, time deposits and refundable deposits (reported under other current assets and other financial assets－non-current)	Contract bidding, security for letters of credit, project fulfillment, import tariffs, lease guarantee, etc.	$ 1,098,490	1,126,674
Land, house and buildings	Bank loans	120,791	-
Bluechip’s assets	Short-term and long-term loans	1,548,616	824,536
		$ 2,767,897	1,951,210

9. Significant commitments and contingencies

(a) The Company has entered into software and royalty license agreements with Microsoft, IBM, and other companies. The Company has fulfilled its obligations according to the contracts.

(b) An American company has filed a lawsuit against Acer for violating confidential agreement and trade secret. The Group had appointed outside counsel to handle the case. Acer won the summary motion to dismiss but the plaintiff filed appeal. The appellate procedure is still under review. However, the management foresees no immediate material adverse effect on the Group's business operations and finance.

(c) In the regular course of its business, the Group received letter of notice from third parties asserting that the Company has infringed certain patents and demanded that it should obtain certain patent licenses. Although the Group does not expect that the outcome of any of these legal proceedings (individually or collectively) will have a material adverse effect on its business operations and finance, the litigation is inherently unpredictable. Therefore, the Group may be involved in a future lawsuit or enter into settlements of claims that could adversely affect its operating results or cash flows within a particular period.

(d) The Group faces various taxation challenges globally due to the rapid changes in the international taxation law, wherein the Group held different positions with various local tax authorities for certain tax audits and has provided the accruals for the cases (including, but not limited to, income taxes, withholding taxes and business taxes) that met the criteria for recognizing a provision. Nevertheless, the tax disputes are inherently complicated and may take years to be settled, in which the ultimate result is unpredictable and could adversely affect the Group's business operation results or cash flows in a particular period.

(e) As of December 31, 2022, there were no outstanding stand-by letters of credit issued for bidding or contracts. As of December 31, 2021, the Company had outstanding stand-by letters of credit provided by the banks totaling $6,720 for purposes of bids and contracts.

(f) As of December 31, 2022 and 2021, the Group had issued promissory notes amounting to $43,240,746 and $40,314,183, respectively, as collateral for obtaining credit facilities from financial institutions.

10. Significant loss from disaster: None

11. Significant subsequent events: None

(Continued)

ACER INCORPORATED AND SUBSIDIARIES
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12. Others

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	2022			2021		
	Cost of revenue	**Operating expenses**	**Total**	**Cost of revenue**	**Operating expenses**	**Total**
Employee benefits:						
Salaries	1,292,013	10,165,059	11,457,072	1,276,896	10,911,880	12,188,776
Insurance	190,648	1,068,725	1,259,373	188,775	1,042,580	1,231,355
Pension	39,850	553,308	593,158	34,213	537,754	571,967
Others	111,631	829,609	941,240	109,360	799,820	909,180
Depreciation	311,870	704,780	1,016,650	188,272	834,288	1,022,560
Amortization	581,962	92,086	674,048	428,323	64,347	492,670

13. Additional disclosures

(a) Information on significant transactions:

(i) Financing provided to other parties: See Table 1 attached;

(ii) Guarantees and endorsements provided to other parties: See Table 2 attached;

(iii) Marketable securities held at reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities): See Table 3 attached;

(iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed $300 million or 20% of the paid-in capital: See Table 4 attached;

(v) Acquisition of real estate at costs which exceeds $300 million or 20% of the paid-in capital: None;

(vi) Disposal of real estate at prices which exceeds $300 million or 20% of the paid-in capital: None;

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital: See Table 5 attached;

(viii) Receivables from related parties which exceed $100 million or 20% of the paid-in capital: See Table 6 attached;

(ix) Information about derivative instruments transactions: See notes 6(b);

(x) Business relationships and significant intercompany transactions: See Table 7 attached;

(b) Information on investees: See Table 8 attached;

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits (losses) of investees, ending balance, amount received as earnings distributions from the investment, and limitation on investment: See Table 9 attached;

(ii) Significant direct or indirect transactions with investee companies, the prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2022, please refer to "Information on significant transactions" and "Business relationships and significant intercompany transactions" above.

(d) Major shareholders:

According to the information provided by Taiwan Depository & Clearing Corporation, none of the shareholders hold over 5% of the Company's stocks.

14. Segment information

(a) General information

The Group's reportable segments comprise the device business group ("IT Hardware Products") and other business groups. The IT Hardware Products engages mainly in the research, design, and marketing of personal computers, IT products, and tablet products. Other business groups, which do not meet the quantitative reporting threshold, mainly engage in the activities of e-commerce, cloud services, sales and distribution of smart devices, distributors and agency, new energy devices, and handheld devices, as well as real estate services.

Strategic investment expenditures (such as global branding expenditures, depreciation of the capital expenditures for the strengthening of the global information structure, and non-routine long-term strategic expenditures) are not allocated to reportable segments. Operating profit is used as the measurement for segment profit and the basis for performance evaluation. The reporting amount is consistent with the report used by the chief operating decision maker. There was no material inconsistency between the accounting policies adopted for the operating segments and the significant accounting policies of the Group.

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The Group's operating segment information and reconciliation was as follows:

	2022			
	IT Hardware Products	Others	Adjustments and eliminations	Total
Revenues from external customers	$ 232,510,491	42,913,253	-	275,423,744
Intra-group revenue	1,885,445	6,077,042	(7,962,487)	-
Total revenues	**$ 234,395,936**	**48,990,295**	**(7,962,487)**	**275,423,744**
Segment profit (loss)	**$ 7,528,284**	**1,447,292**	**(2,047,879)**	**6,927,697**

	2021			
	IT Hardware Products	Others	Adjustments and eliminations	Total
Revenues from external customers	$ 281,640,355	37,365,101	-	319,005,456
Intra-group revenue	1,676,566	2,524,042	(4,200,608)	-
Total revenues	**$ 283,316,921**	**39,889,143**	**(4,200,608)**	**319,005,456**
Segment profit (loss)	**$ 15,845,251**	**1,024,627**	**(2,707,017)**	**14,162,861**

(b) Product and service information

Revenues from external customers are detailed below:

Products and services	2022	2021
Personal computers	$ 192,824,599	237,437,820
Peripherals and others	82,599,145	81,567,636
	$ 275,423,744	**319,005,456**

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

Region	2022	2021
U.S.A.	$ 58,547,932	72,123,742
Mainland China	16,586,189	17,067,580
Taiwan	51,095,996	50,521,591
Others	149,193,627	179,292,543
	$ 275,423,744	**319,005,456**

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Non-current assets:

Region		December 31, 2022	December 31, 2021
U.S.A.	$	11,584,163	10,520,400
Taiwan		6,095,293	5,296,052
Mainland China		2,226,194	2,197,269
Others		5,791,245	5,182,892
	$	**25,696,895**	**23,196,613**

Non-current assets include property, plant and equipment, right-of-use assets, investment property and intangible assets, and do not include financial instruments, prepaid income taxes, deferred tax assets, and pension fund assets.

(d) Major customers' information

The Group doesn't have a single customer representing at least 10% of revenue in the consolidated statements of comprehensive income.

Acer Incorporated and Subsidiaries
Financing provided to other parties
For the year ended December 31, 2022

Table 1

(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amout Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	The Company	APDI	Other receivables from related parties	Yes	30,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	CCI	Other receivables from related parties	Yes	4,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ADSC	Other receivables from related parties	Yes	16,000	1,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ASDI	Other receivables from related parties	Yes	35,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGT	Other receivables from related parties	Yes	100,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	API	Other receivables from related parties	Yes	25,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	100,000	76,000	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	MPS	Other receivables from related parties	Yes	250,000	50,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	EDC	Other receivables from related parties	Yes	800,000	400,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ALT	Other receivables from related parties	Yes	405,000	300,000	132,000	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AGM	Other receivables from related parties	Yes	295,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ITS	Other receivables from related parties	Yes	900,000	600,000	410,000	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	AFE	Other receivables from related parties	Yes	744,497	373,931	373,931	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
0	The Company	ABH	Other receivables from related parties	Yes	1,000	1,000	-	0%~4%	2	-	Operating requirements	-	None	-	6,594,746	32,973,729
1	APDI	The Company	Other receivables from related parties	Yes	30,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	15,467	15,467
2	ABH	ABST	Other receivables from related parties	Yes	209,000	35,000	35,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABST	Other receivables from related parties	Yes	209,000	66,000	66,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABSG	Other receivables from related parties	Yes	134,731	68,211	68,211	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	14,000	14,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	10,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	ABC	Other receivables from related parties	Yes	58,000	10,000	7,500	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	AIC	Other receivables from related parties	Yes	70,000	40,000	20,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	APDI	Other receivables from related parties	Yes	80,000	80,000	74,000	0%~4%	2	-	Operating requirements	-	None	-	195,478	781,911
2	ABH	The Company	Other receivables from related parties	Yes	100,000	100,000	-	0%~4%	2	-	Operating requirements	-	None	-	781,911	781,911
3	CCI	The Company	Other receivables from related parties	Yes	100,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	155,719	155,719
4	ADSC	The Company	Other receivables from related parties	Yes	190,000	90,000	90,000	0%~4%	2	-	Operating requirements	-	None	-	507,215	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	37,658	37,658	0%~4%	2	-	Operating requirements	-	None	-	126,804	507,215
4	ADSC	Bluechip	Other receivables from related parties	Yes	86,529	23,013	23,013	0%~4%	2	-	Operating requirements	-	None	-	126,804	507,215

No.	Financing Company	Counterparty	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period	Ending Balance	Amout Actually Drawn	Interest Rate	Nature of Financing (Note 1)	Transaction Amounts	Reasons for Short-term Financing	Loss Allowance	Collateral		Financing Limit for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
5	ASDI	The Company	Other receivables from related parties	Yes	35,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	33,049	33,049
5	ASDI	APDI	Other receivables from related parties	Yes	38,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	33,049	33,049
6	AGT	The Company	Other receivables from related parties	Yes	185,000	-	-	0.6%	2	-	Operating requirements	-	None	-	420,010	420,010
7	API	The Company	Other receivables from related parties	Yes	25,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	119,006	119,006
8	AIZS	ACCQ	Other receivables from related parties	Yes	428,063	215,890	215,890	0%~4%	2	-	Operating requirements	-	None	-	266,340	266,340
9	GWI	AAC	Other receivables from related parties	Yes	866,596	446,801	446,801	0%~4%	2	-	Operating requirements	-	None	-	28,625,365	28,625,365
10	AAH	AAC	Other receivables from related parties	Yes	9,109,671	4,652,263	4,621,554	0%~4%	2	-	Operating requirements	-	None	-	35,643,772	35,643,772
11	MPS	The Company	Other receivables from related parties	Yes	1,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	8,173	32,691
12	EDC	The Company	Other receivables from related parties	Yes	50,000	-	-	0%~4%	2	-	Operating requirements	-	None	-	225,673	225,673
13	Bluechip	BLI	Other receivables from related parties	Yes	15,387	9,213	7,370	0%~4%	2	-	Operating requirements	-	None	-	77,784	77,784
13	Bluechip	DNA	Other receivables from related parties	Yes	34,878	-	-	0%~4%	2	-	Operating requirements	-	None	-	77,784	77,784
14	AEG	AEH	Other receivables from related parties	Yes	98,619	98,619	98,619	0%~4%	2	-	Operating requirements	-	None	-	1,910,388	3,820,776
15	AST	ASTA	Other receivables from related parties	Yes	90,000	90,000	21,496	1.3%	2	-	Operating requirements	-	None	-	69,951	279,804
15	AST	ISU	Other receivables from related parties	Yes	60,000	60,000	-	-	2	-	Operating requirements	-	None	-	69,951	279,804
16	WLII	PAM	Other receivables from related parties	Yes	74,315	-	-	1%~1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	CRI	Other receivables from related parties	Yes	190,458	153,540	153,540	1.2%~5.5%	2	-	Operating requirements	-	None	-	202,585	810,339
16	WLII	PGL	Other receivables from related parties	Yes	84,063	-	-	1%~1.2%	2	-	Operating requirements	-	None	-	202,585	810,339
17	PGL	CRI	Other receivables from related parties	Yes	16,945	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
17	PGL	PAM	Other receivables from related parties	Yes	16,945	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	(Note 3)	(Note 3)
18	PAL	CRI	Other receivables from related parties	Yes	9,634	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PAM	Other receivables from related parties	Yes	9,634	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PGL	Other receivables from related parties	Yes	9,634	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
18	PAL	PST	Other receivables from related parties	Yes	9,634	-	-	1.2~1.5%	2	-	Operating requirements	-	None	-	3,926	15,704
19	WKHK	WKTW	Other receivables from related parties	Yes	45,000	45,000	18,438	-	2	-	Operating requirements	-	None	-	82,861	82,861

Note 1: Nature of Financing:

Type 2: Short-term financing purpose

Note 2: 1. The aggregate financing amount shall not exceed 50% of net worth of the Company, within which the short-term financing amount shall not exceed 20% of net worth of the Company.

1-1. For an entity which the Company owns less than 50% of its outstanding common shares, the individual financing amounts shall not exceed lower of 5% of net worth of the Company and 40% of net worth of the entity.

1-2. For an entity which the Company owns more than 50% of its outstanding common shares, the individual financing amounts shall not exceed 10% of net worth of the Company.

1-3. When a subsidiary who provides financing to other parties is directly or indirectly wholly owned by the Company, the aforementioned limit of aggregate amount and individual financing amount is applied.

2. For AIZS, the aggregate financing amount shall not exceed 120% of net worth of AIZS.

3. The financing limits of GWI and AAH were as follows:

3-1. The individual financing amounts shall not exceed higher of 20% of net worth of the entity or 50% of net worth of the ultimate parent company.

3-2. For an entity which the ultimate parent company wholly owns directly or indirectly, the individual financing amounts shall not exceed 120% of net worth of the entity.

4. The financing limits of APDI, ABH, CCI, ADSC, API and EDC were as follows:

4-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

4-2. The individual financing amounts to the ultimate parent company shall not exceed 40% of net worth of the entities listed above.

5. For an entity which the financing company owns more than 50% of its outstanding common shares or is fellow subsidiary of the same group, the individual financing amounts of ABH and ADSC shall not exceed 10% of net worth of ABH and ADSC.

6. The financing limit of ASDI was as follows:

6-1. The aggregate financing amount shall not exceed 40% of net worth of ASDI.

6-2. The individual financing amounts to the ultimate parent company and its related parties shall not exceed 40% of net worth of ASDI.

7. Both of the aggregate financing amount and the individual financing amounts of Bluechip shall not exceed 20% of net worth of Bluechip.

8. The financing limits of AST, AGT, MPS, WLII, PGL and PAL were as follows:

8-1. The aggregate financing amount shall not exceed 40% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 10% of net worth of the entities listed above.

8-3.Regarding the financing provided by AST to ASTA, since the financing contract with a financing limit of $30,000 will expire in January 2023, AST's Board of Directors approved the financing of $60,000 to ASTA due to its operating requirements. However, because of the early meeting of the Board of Directors, the ending balance of the financing provided by AST to ASTA was repetitively calculated.

9. The financing limit of AEG was as follows:

8-1. The aggregate financing amount shall not exceed 100% of net worth of the entities listed above.

8-2. The individual financing amounts shall not exceed 50% of net worth of the entities listed above.

10. For the financing limit of WKHK, both of the aggregate financing amount and the individual financing amounts shall not exceed 100% of its net worth.

Note 3: PGL was liquidated during 2022.

Note 4: Net worth of the Company and subsidiaries listed above are the most recent audited.

Note 5: The above transactions are eliminated when preparing the consolidated financial statements.

Acer Incorporated and Subsidiaries
Guarantees and endorsements provided to other parties
For the year ended December 31, 2022

Table 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	The Company	AJC	2	13,189,491	730,983	702,593	-	-	1.07%	65,947,457	Y		
0	The Company	ATH	2	13,189,491	170,713	162,752	-	-	0.25%	65,947,457	Y		
0	The Company	Acer Asia Pacific subsidiaries	2	13,189,491	2,254,700	2,149,560	31,164	-	3.26%	65,947,457	Y		
0	The Company	AEG	2	13,189,491	289,681	288,911	288,911	-	0.44%	65,947,457	Y		
0	The Company	Acer EMEA subsidiaries	2	13,189,491	1,127,350	1,074,780	23,999	-	1.63%	65,947,457	Y		
0	The Company	ACN/ACD/ACW/AFN	2	13,189,491	12,233	11,779	11,779	-	0.02%	65,947,457	Y		
0	The Company	ATB	2	13,189,491	858,660	-	-	-	0.00%	65,947,457	Y		
0	The Company	Acer Pan America subsidiaries	2	13,189,491	5,475,700	5,220,360	2,303	-	7.92%	65,947,457	Y		
0	The Company	AMEX	2	13,189,491	289,890	276,372	-	-	0.42%	65,947,457	Y		
0	The Company	Acer Greater China subsidiaries	2	13,189,491	1,771,550	1,688,940	-	-	2.56%	65,947,457	Y		Y
0	The Company	SMA	2	13,189,491	104,591	104,591	2,087	-	0.16%	65,947,457	Y		
0	The Company	ACA	2	13,189,491	177,155	168,894	168,894	-	0.26%	65,947,457	Y		
0	The Company	AIL	2	13,189,491	3,248,771	3,181,039	914,494	-	4.82%	65,947,457	Y		
0	The Company	ACCN/ACCQ/BJAC	2	13,189,491	902,902	890,268	-	-	1.35%	65,947,457	Y		Y
0	The Company	ABSG	2	13,189,491	170,588	169,977	16,436	-	0.26%	65,947,457	Y		
0	The Company	ITS	2	13,189,491	402,100	402,100	102,159	-	0.61%	65,947,457	Y		
0	The Company	ALT	2	13,189,491	400,000	400,000	-	-	0.61%	65,947,457	Y		
0	The Company	HSNC	2	13,189,491	224,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNP	2	13,189,491	58,960	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNT	2	13,189,491	76,903	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNC/HSNI/HSNP/HSNT	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	MPS	2	13,189,491	152,533	152,204	52,204	-	0.23%	65,947,457	Y		
0	The Company	EDC	2	13,189,491	2,898,900	2,763,720	1,055,808	-	4.19%	65,947,457	Y		
0	The Company	AAC	2	13,189,491	1,127,350	1,074,780	1,067,377	-	1.63%	65,947,457	Y		
0	The Company	AGM	2	13,189,491	1,529,020	1,407,080	638,540	-	2.13%	65,947,457	Y		
0	The Company	HSNI	2	13,189,491	117,920	-	-	-	0.00%	65,947,457	Y		
0	The Company	API	2	13,189,491	150,000	100,000	-	-	0.15%	65,947,457	Y		
0	The Company	AGT	2	13,189,491	344,510	-	-	-	0.00%	65,947,457	Y		
0	The Company	HSNV	2	13,189,491	29,480	-	-	-	0.00%	65,947,457	Y		
0	The Company	CPY	2	13,189,491	16,436	16,436	16,436	-	0.02%	65,947,457	Y		
0	The Company	ALTH	2	13,189,491	48,315	46,062	-	-	0.07%	65,947,457	Y		
0	The Company	ALIN	2	13,189,491	113,849	111,348	-	-	0.17%	65,947,457	Y		
1	AAC	ASC	4	2,519,031	19,326	18,425	18,425	-	0.73%	2,519,031			
2	AOI	AOSD	2	254,729	3,221	-	-	-	0.00%	849,095			
2	AOI	AOC	2	254,729	177,155	168,894	-	-	19.89%	849,095			Y
3	AST	ISU	2	139,902	60,000	60,000	-	-	8.58%	349,755			
3	AST	ASTS	2	139,902	35,611	35,611	-	-	5.09%	349,755			Y
3	AST	ASTA	2	139,902	128,840	122,832	-	-	17.56%	349,755			
4	WLII	CRI	2	405,169	266,756	142,844	-	-	7.05%	1,012,923			
4	WLII	PAM	2	405,169	337,333	180,935	-	-	8.93%	1,012,923			
4	WLII	PST	2	405,169	293,834	168,238	25,251	-	8.30%	1,012,923			Y
5	PGL	CRI	2	(Note 8)	9,523	-	-	-	(Note 8)	(Note 8)			

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2 to Note 7)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2 to Note 7)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
6	HSNC	HSNT	2	39,867	32,210	30,708	14,146	-	15.41%	199,334			
6	HSNC	HSNI	2	39,867	32,210	30,708	888	-	15.41%	199,334			
6	HSNC	HSNV	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSNP	2	39,867	32,210	30,708	-	-	15.41%	199,334			
6	HSNC	HSN	2	39,867	32,210	30,708	-	-	15.41%	199,334			

Note 1: Relationships between the endorsement/guarantee provider and the guaranteed party:
Type 2: an entity directly or indirectly owned by the Company over 50%
Type 4: between entities directly or indirectly owned by the Company over 90%

Note 2: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of the Company.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the Company.

Note 3: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of AOI.
The endorsement/guarantee provided to individual guarantee party shall not exceed 30% of the most recent audited net worth of AOI.
AOSD was dissolved due to merger on December 15, 2021, and the liquidation was completed on January 28, 2022.

Note 4: The aggregate endorsement/guarantee amount provided shall not exceed 20% of the most recent audited net worth of AAC.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AAC.

Note 5: The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of AST.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of AST.

Note 6: The aggregate endorsement/guarantee amount provided limits of WLII and its subsidiaries were as follows:
The aggregate endorsement/guarantee amount provided shall not exceed 50% of the most recent audited net worth of the entities listed above.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of the entities listed above.
The aggregate endorsement/guarantee amount provided by WLII and its subsidiaries shall not exceed 50% of the most recent audited net worth of WLII.
The endorsement/guarantee provided to individual guarantee party by WLII and its subsidiaries shall not exceed 20% of the most recent audited net worth of WLII.

Note 7: The aggregate endorsement/guarantee amount provided shall not exceed the most recent audited net worth of HSNC.
The endorsement/guarantee provided to individual guarantee party shall not exceed 20% of the most recent audited net worth of HSNC.

Note 8: PGL was liquidated during 2022.

Acer Incorporated and Subsidiaries
Marketable securities held at reporting date
(Excluding investments in subsidiaries, associates, and joint controlled entities)
December 31, 2022

Table 3

(Amounts in Thousands of New Taiwan Dollars / Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbreeze	-	Financial assets measured at fair value through profit or loss — current	572	2,661	0.10%	2,661	572	0.10%	
The Company	Stock: Qisda	-	Financial assets measured at fair value through other comprehensive income — non-current	89,516	2,519,867	4.55%	2,519,867	89,516	4.55%	
The Company	Stock: WPG Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	4,012	192,956	0.24%	192,956	4,012	0.24%	
The Company	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	54,816	1,611,590	1.89%	1,611,590	54,816	1.89%	
The Company	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	6,830	245,197	3.08%	245,197	6,830	3.08%	Note 1
The Company	Stock: FocalTech	-	Financial assets measured at fair value through other comprehensive income — non-current	8,733	511,735	4.04%	511,735	8,733	4.04%	
The Company	Preferred stock B: CTBC	-	Financial assets measured at fair value through other comprehensive income — non-current	855	50,701	0.26%	50,701	855	0.26%	Note 1
The Company	Preferred stock B: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	1,177	64,265	0.17%	64,265	1,177	0.17%	Note 1
The Company	Preferred stock A: CTFH	-	Financial assets measured at fair value through other comprehensive income — non-current	260	14,716	0.03%	14,716	260	0.03%	Note 2
The Company	Preferred stock B: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	991	56,982	0.15%	56,982	991	0.15%	Note 1
The Company	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	254	15,342	0.04%	15,342	254	0.04%	Note 2
The Company	Preferred stock A: UBOT	-	Financial assets measured at fair value through other comprehensive income — non-current	30	1,551	0.02%	1,551	30	0.02%	Note 2
The Company	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	7,000	385,700	2.10%	385,700	7,000	2.10%	Note 3
The Company	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	335	17,286	0.07%	17,286	335	0.07%	Note 4
The Company	Stock: Apacer	-	Financial assets measured at fair value through other comprehensive income — non-current	11,000	455,400	8.97%	455,400	11,000	8.97%	
The Company	Stock: Pell Bio-med Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,400	120,000	5.41%	120,000	2,400	7.19%	
The Company	Stock: CellMax Life Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	600	17,421	0.19%	17,421	600	1.02%	
The Company	Stock: CT Ambi Investment and Consulting Inc.	-	Financial assets measured at fair value through other comprehensive income — non-current	2,000	20,000	15.50%	20,000	2,000	15.50%	
The Company	Stock: Fortune Electric	-	Financial assets measured at fair value through other comprehensive income — non-current	2,500	80,000	8.83%	80,000	2,500	8.83%	

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
The Company	Stock: Starbit	-	Financial assets measured at fair value through other comprehensive income — non-current	2,920	35,040	15.31%	35,040	2,920	15.31%	
The Company	Stock: GreenHarvest	-	Financial assets measured at fair value through other comprehensive income — non-current	1,111	49,995	8.40%	49,995	1,111	8.40%	
The Company	USD Fixed Rate Callable Note (2022/2/23)	-	Financial assets measured at amortized cost－non-current	-	307,080	-	307,080	-	-	
The Company	USD Fixed Rate Callable Note (2022/4/1)	-	Financial assets measured at amortized cost－non-current	-	153,540	-	153,540	-	-	
The Company	USD Fixed Rate Callable Note (2022/5/13)	-	Financial assets measured at amortized cost－non-current	-	153,540	-	153,540	-	-	
The Company	HSBC Holdings PLC Bond	-	Financial assets measured at amortized cost－non-current	-	60,919	-	60,919	-	-	
The Company	CREDIT AGRICOLE SA Corporate Bond	-	Financial assets measured at amortized cost－non-current	-	61,556	-	61,556	-	-	
The Company	UBS GROUP AG Corporate Bond	-	Financial assets measured at amortized cost－non-current	-	61,147	-	61,147	-	-	
ADSC	Stock: Wistron	-	Financial assets measured at fair value through other comprehensive income — non-current	13,046	383,559	0.45%	383,559	13,046	0.45%	
ADSC	Stock: Benepet Biomedical Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income — non-current	322	12,108	18.92%	12,108	322	18.92%	
ADSC	21st Century Technology Co., Ltd	-	Financial assets measured at fair value through other comprehensive income — non-current	478	126,414	0.86%	126,414	478	0.94%	
ASCBVI	ID5 Fund L.P.	-	Financial assets measured at fair value through other comprehensive income — non-current	3,800	160,937	19.39%	160,937	3,800	19.39%	
ASCBVI	Stock: Trutag	-	Financial assets measured at fair value through other comprehensive income — non-current	1,346	6,633	0.33%	6,633	1,346	0.33%	
ASCBVI	Stock: Gorilla	-	Financial assets measured at fair value through other comprehensive income — non-current	910	61,416	1.21%	61,416	910	1.90%	
ASCBVI	Stock: Locix	-	Financial assets measured at fair value through other comprehensive income — non-current	1,000	-	4.05%	-	1,000	4.05%	
ASCBVI	Stock: BoniO	-	Financial assets measured at fair value through other comprehensive income — non-current	463	122,832	12.20%	122,832	463	12.20%	
AGT	Stock: RoyalTek	-	Financial assets measured at fair value through other comprehensive income — non-current	1,015	22,848	2.01%	22,848	1,015	2.01%	
ABST	Stock: PilotTV Holdings	-	Financial assets measured at fair value through other comprehensive income — non-current	2,676	57,462	19.18%	57,462	2,676	19.18%	
ACTCQ	Equity of Thinputer Technology Corporation	-	Financial assets measured at fair value through other comprehensive income — non-current	-	8,566	13.79%	8,566	-	13.79%	
ACTCQ	Equity of Shenmou Technology (Shenzhen)	-	Financial assets measured at fair value through other comprehensive income — non-current	-	420	19.99%	420	-	19.99%	
AHN	EUR Term Liquidity Fund	-	Financial assets measured at fair value through profit or loss — current	-	771,292	0.00%	771,292	-	0.00%	
AEB	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Maximum ownership during 2022		Note
				Shares/ Units (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	Shares/ Units (in thousands)	Percentage of Ownership	
AEB	Stock: Ambi Arts	-	Financial assets measured at fair value through other comprehensive income — non-current	180	983	18.00%	983	180	18.00%	
ACSI	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	666	23,909	0.30%	23,909	666	0.30%	Note 1
AOI	Stock: MPL	-	Financial assets measured at fair value through other comprehensive income — non-current	25	9,981	15.06%	9,981	25	15.06%	
AOI	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	200	11,020	0.06%	11,020	200	0.60%	Note 3
AST	Preferred stock C: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	400	22,040	0.12%	22,040	400	0.12%	Note 3
AST	Stock: Simple Mart Retail	-	Financial assets measured at fair value through other comprehensive income — non-current	300	13,140	0.44%	13,140	300	0.44%	
AST	Preferred stock A: FBFH	-	Financial assets measured at fair value through other comprehensive income — non-current	20	1,208	0.003%	1,208	20	0.003%	Note 2
AST	Preferred stock E: TSFH	-	Financial assets measured at fair value through other comprehensive income — non-current	952	49,123	0.19%	49,123	952	0.19%	Note 4
AST	Preferred Stock B: SKFHC	-	Financial assets measured at fair value through other comprehensive income — non-current	549	19,709	0.25%	19,709	549	0.25%	Note 1

Note 1: The stocks of SKFHC、CTBC、CTFH、FBFH are prefered stock B. The percentage of ownership listed above is the percentage of ownership of preferred stock B.
Note 2: The stocks of CTFH、FBFH、UBOT are prefered stock A. The percentage of ownership listed above is the percentage of ownership of preferred stock A.
Note 3: The stocks of FBFH are prefered stock C. The percentage of ownership listed above is the percentage of ownership of preferred stock C.
Note 4: The stocks of TSFH are prefered stock E. The percentage of ownership listed above is the percentage of ownership of preferred stock E.

Acer Incorporated and Subsidiaries

Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT$300 million or 20% of the paid-in capital

For the year ended December 31, 2022

Table 4

(Amounts in Thousands of New Taiwan Dollars / Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisitions		Disposal				Ending Balance	
					Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Shares/ Units (in thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/ Units (in thousands)	Amount
ACCN	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	788,000	3,518,675	788,000	3,543,359	3,518,675	24,684	-	-
ACCQ	Fubon Bank (China) CNY SDRMBC 16030000	Financial assets measured at fair value through profit or loss — current	Fubon Bank (China) Co., Ltd.	None	-	-	4,127,000	18,347,417	4,127,000	18,430,956	18,347,417	83,539	-	-
The Company	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	Acer Cyber Security Incorporated	Parent/Subsidiary	44,462	468,820	-	-	44,462	475,748	468,820	6,928 (Note 1)	-	-
ACSI	Acer e-Enabling Data Center Incorporated	Investments accounted for using equity method	The Company	Parent/Subsidiary	-	-	44,462	475,748	-	-	-	-	44,462	564,183 (Note 3)
AGM	WKC	Investments accounted for using equity method	WKC and its shareholders	Parent/Subsidiary	-	-	9,589	641,544	-	-	-	-	9,589	641,544
WLII	PAM	Investments accounted for using equity method	(Note 2)	Parent/Subsidiary	-	-	14,340	628,483 (Note 2)	-	-	-	-	14,340	591,945 (Note 3)

Note 1: Because ACSI’s acquisition of 100% equity ownership of EDC from the Company was classfied as reorganization under common control, the Company recognized such amount in capital surplus.

Note 2: WLII acquired the shares of PAM through its reorganization and subscription its cash capital increase.

Note 3: Ending balances include share of profits of subsidiaries, exchange differences on translation of foreign operations, amortization of customer relationships, capital surplus subscripted disproportionately to the current ownership percentage and the adjustment of retained earnings.

Acer Incorporated and Subsidiaries
Total purchases from and sales to related parties which exceed NT$100 million or 20% of the paid-in capital
For the year ended December 31, 2022

Table 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	AAC	Parent/Subsidiary	(Sales)	(39,345,499)	(23.24)%	OA90	-	-	2,008,759	12.31%	
The Company	ACA	Parent/Subsidiary	(Sales)	(5,346,411)	(3.16)%	OA60	-	-	1,251,180	7.67%	
The Company	ACCQ	Parent/Subsidiary	(Sales)	(12,460,328)	(7.36)%	OA60	-	-	369,683	2.27%	
The Company	ACNZ	Parent/Subsidiary	(Sales)	(612,267)	(0.36)%	OA60	-	-	149,370	0.92%	
The Company	ACS	Parent/Subsidiary	(Sales)	(1,760,586)	(1.04)%	OA60	-	-	107,310	0.66%	
The Company	AEG	Parent/Subsidiary	(Sales)	(62,204,606)	(36.75)%	OA60	-	-	607,349	3.72%	
The Company	AFE	Parent/Subsidiary	(Sales)	(533,177)	(0.31)%	OA60	-	-	82,193	0.50%	
The Company	AIL	Parent/Subsidiary	(Sales)	(7,928,004)	(4.68)%	OA150	-	-	3,491,157	21.40%	
The Company	AIN	Parent/Subsidiary	(Sales)	(4,244,333)	(2.51)%	OA90	-	-	995,444	6.10%	
The Company	AJC	Parent/Subsidiary	(Sales)	(1,493,314)	(0.88)%	OA60	-	-	970,810	5.95%	
The Company	AMI	Parent/Subsidiary	(Sales)	(2,676,504)	(1.58)%	OA90	-	-	555,097	3.40%	
The Company	APHI	Parent/Subsidiary	(Sales)	(2,389,336)	(1.41)%	OA60	-	-	532,357	3.26%	
The Company	ASC	Parent/Subsidiary	(Sales)	(134,189)	(0.08)%	OA60	-	-	7,639	0.05%	
The Company	ASSB	Parent/Subsidiary	(Sales)	(2,365,200)	(1.40)%	OA60	-	-	535,730	3.28%	
The Company	ATH	Parent/Subsidiary	(Sales)	(4,489,999)	(2.65)%	OA60	-	-	636,650	3.90%	
The Company	AVN	Parent/Subsidiary	(Sales)	(142,574)	(0.08)%	OA60	-	-	-	-	
The Company	WLII	Parent/Subsidiary	(Sales)	(1,845,817)	(1.09)%	EM45	-	-	262,434	1.61%	
The Company	APHI	Parent/Subsidiary	Purchases	204,754	0.13%	OA60	-	-	(59,587)	(0.27)%	
The Company	API	Parent/Subsidiary	Purchases	102,754	0.07%	OA60	-	-	(16,182)	(0.07)%	
The Company	AVN	Parent/Subsidiary	Purchases	118,420	0.08%	OA60	-	-	(30,868)	(0.14)%	
The Company	ALT	Parent/Subsidiary	Purchases	577,442	0.37%	OA60	-	-	(86,429)	(0.40)%	
The Company	AEB	Parent/Subsidiary	Purchases	157,280	0.10%	EM30	-	-	(24,289)	(0.11)%	
The Company	AOI	Parent/Subsidiary	Purchases	2,240,569	1.44%	EM60	-	-	(385,516)	(1.76)%	
The Company	AGT	Parent/Subsidiary	Purchases	952,666	0.61%	OA60	-	-	(173,919)	(0.80)%	
WELL	WLII	Parent/Subsidiary	Purchases	510,187	100.00%	EM45	-	-	(42,376)	(95.15)%	
ALT	The Company	Parent/Subsidiary	(Sales)	(577,442)	(65.51)%	OA60	-	-	86,429	47.47%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEB	The Company	Parent/Subsidiary	(Sales)	(157,280)	(2.19)%	EM30	-	-	24,289	1.22%	
AEB	WLII	Fellow subsidiary	Purchases	249,242	4.10%	EM60	-	-	(63,638)	(4.84)%	
AGM	AGPH	Parent/Subsidiary	(Sales)	297,781	(12.78)%	OA30	-	-	220,353	40.16%	
AOI	AOA	Parent/Subsidiary	(Sales)	(168,493)	(5.82)%	OA90	-	-	224,100	26.58%	
AOI	AOE	Parent/Subsidiary	(Sales)	(404,061)	(13.96)%	OA60	-	-	194,671	23.09%	
AOI	The Company	Parent/Subsidiary	(Sales)	(2,240,569)	(77.44)%	EM60	-	-	385,516	45.73%	
AGT	The Company	Parent/Subsidiary	(Sales)	(952,666)	(65.30)%	OA60	-	-	173,919	63.63%	
WLII	WELL	Parent/Subsidiary	(Sales)	(510,187)	(2.81)%	EM45	-	-	42,376	1.76%	
WLII	AEB	Fellow subsidiary	(Sales)	(249,242)	(1.37)%	EM60	-	-	63,638	2.64%	
WLII	The Company	Parent/Subsidiary	Purchases	1,845,817	10.80%	EM45	-	-	(262,434)	(11.95)%	
PAM	CRI	Fellow subsidiary	(Sales)	(876,523)	(40.00)%	TT60	-	-	152,244	46.31%	
AAC	AMEX	Fellow subsidiary	(Sales)	(1,831,758)	(3.18)%	OA60	-	-	385,231	4.06%	
AAC	ASC	Fellow subsidiary	(Sales)	(728,672)	(1.27)%	OA60	-	-	93,693	0.99%	
AAC	ATB	Fellow subsidiary	(Sales)	(271,139)	(0.47)%	OA60	-	-	34,368	0.36%	
AAC	The Company	Parent/Subsidiary	Purchases	39,345,499	92.03%	OA90	-	-	(2,008,759)	(55.18)%	
ACA	Bluechip	Fellow subsidiary	(Sales)	(162,433)	(2.10)%	EM30	-	-	23,743	1.67%	
ACA	The Company	Parent/Subsidiary	Purchases	5,346,411	86.95%	OA60	-	-	(1,251,180)	(93.44)%	
ACCN	ACCQ	Fellow subsidiary	(Sales)	(353,145)	(70.07)%	OA60	-	-	137,377	89.59%	
ACCQ	ACCN	Fellow subsidiary	Purchases	353,145	2.35%	OA60	-	-	(137,377)	(11.73)%	
ACCQ	AOC	Fellow subsidiary	Purchases	274,431	1.83%	EM60	-	-	(26,738)	(2.28)%	
ACCQ	The Company	Parent/Subsidiary	Purchases	12,460,328	82.86%	OA60	-	-	(369,683)	(31.58)%	
ACF	AEG	Fellow subsidiary	(Sales)	(345,788)	(3.86)%	OA60	-	-	1,360,946	27.72%	
ACF	AEG	Fellow subsidiary	Purchases	7,995,951	93.14%	OA60	-	-	(1,712,753)	(98.26)%	
ACF	APX	Fellow subsidiary	Purchases	160,511	1.87%	OA60	-	-	(15,204)	(0.87)%	
ACG	AEG	Fellow subsidiary	(Sales)	(573,227)	(2.85)%	OA60	-	-	2,058,090	27.63%	
ACG	AEG	Fellow subsidiary	Purchases	18,376,210	95.68%	OA60	-	-	(3,737,706)	(97.51)%	
ACG	APL	Fellow subsidiary	Purchases	141,242	0.74%	OA30	-	-	(9,407)	(0.25)%	
ACG	APX	Fellow subsidiary	Purchases	231,546	1.21%	OA45	-	-	(39,767)	(1.04)%	
ACH	AEG	Fellow subsidiary	Purchases	3,824,276	96.33%	OA60	-	-	(937,216)	(96.81)%	
ACNZ	The Company	Parent/Subsidiary	Purchases	612,267	89.72%	OA60	-	-	(149,370)	(96.20)%	
ACS	The Company	Parent/Subsidiary	Purchases	1,760,586	72.94%	OA60	-	-	(107,310)	(91.38)%	
ACZ	AEG	Fellow subsidiary	(Sales)	(123,247)	(21.48)%	OA60	-	-	15,055	20.83%	
ACZ	ASIN	Fellow subsidiary	(Sales)	(230,913)	(40.24)%	OA30	-	-	17,439	24.13%	
ACZ	APX	Fellow subsidiary	Purchases	177,290	34.25%	OA90	-	-	(26,958)	(82.70)%	
AEG	ACF	Fellow subsidiary	(Sales)	(7,995,951)	(11.79)%	OA60	-	-	1,712,753	12.10%	
AEG	ACG	Fellow subsidiary	(Sales)	(18,376,210)	(27.10)%	OA60	-	-	3,737,706	26.41%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AEG	ACH	Fellow subsidiary	(Sales)	(3,824,276)	(5.64)%	OA60	-	-	937,216	6.62%	
AEG	AIB	Fellow subsidiary	(Sales)	(4,042,590)	(5.96)%	OA60	-	-	859,846	6.08%	
AEG	AIT	Fellow subsidiary	(Sales)	(3,872,482)	(5.71)%	OA60	-	-	15,866	0.11%	
AEG	ASIN	Fellow subsidiary	(Sales)	(18,640,638)	(27.49)%	OA60	-	-	2,161,708	15.28%	
AEG	ASZ	Fellow subsidiary	(Sales)	(2,047,700)	(3.02)%	OA60	-	-	10,413	0.07%	
AEG	AUK	Fellow subsidiary	(Sales)	(6,330,433)	(9.34)%	OA60	-	-	1,895,944	13.40%	
AEG	CPY	Fellow subsidiary	(Sales)	(1,214,566)	(1.79)%	OA60	-	-	304,759	2.15%	
AEG	SER	Fellow subsidiary	(Sales)	(1,559,211)	(2.30)%	OA60	-	-	279,817	1.98%	
AEG	ACF	Fellow subsidiary	Purchases	345,788	0.53%	OA60	-	-	(1,360,946)	(18.89)%	
AEG	ACG	Fellow subsidiary	Purchases	573,227	0.87%	OA60	-	-	(2,058,090)	(28.56)%	
AEG	ACZ	Fellow subsidiary	Purchases	123,247	0.19%	OA60	-	-	(15,055)	(0.21)%	
AEG	AEH	Parent/Subsidiary	Purchases	216,766	0.33%	OA60	-	-	(3,584)	(0.05)%	
AEG	AIB	Fellow subsidiary	Purchases	303,279	0.46%	OA60	-	-	(688,815)	(9.56)%	
AEG	AIT	Fellow subsidiary	Purchases	252,276	0.38%	OA60	-	-	(900,067)	(12.49)%	
AEG	APX	Fellow subsidiary	Purchases	644,861	0.98%	OA60	-	-	(52,803)	(0.73)%	
AEG	ASZ	Fellow subsidiary	Purchases	126,574	0.19%	OA60	-	-	(232,080)	(3.22)%	
AEG	ENNL	Fellow subsidiary	Purchases	193,794	0.30%	OA30	-	-	(26,786)	(0.37)%	
AEG	The Company	Parent/Subsidiary	Purchases	62,204,606	94.89%	OA60	-	-	(607,349)	(8.43)%	
AEH	AEG	Parent/Subsidiary	(Sales)	(216,766)	(73.09)%	OA60	-	-	3,584	100.00%	
AFE	The Company	Parent/Subsidiary	Purchases	533,177	42.98%	OA60	-	-	(82,193)	(92.19)%	
AGPH	AGM	Parent/Subsidiary	Purchases	297,781	98.29%	OA30	-	-	(220,353)	(99.71)%	
AIB	AEG	Fellow subsidiary	(Sales)	(303,279)	(6.58)%	OA60	-	-	688,815	31.54%	
AIB	AEG	Fellow subsidiary	Purchases	4,042,590	90.66%	OA60	-	-	(859,846)	(95.24)%	
AIB	APX	Fellow subsidiary	Purchases	134,904	3.03%	OA60	-	-	(29,114)	(3.22)%	
AIL	ALIN	Fellow subsidiary	(Sales)	(327,647)	(1.99)%	OA120	-	-	96,076	4.44%	
AIL	The Company	Parent/Subsidiary	Purchases	7,928,004	52.44%	OA150	-	-	(3,491,157)	(85.20)%	
AIN	AMI	Parent/Subsidiary	(Sales)	(359,615)	(3.85)%	OA60	-	-	13,244	4.29%	
AIN	AMI	Fellow subsidiary	Purchases	3,107,010	32.81%	OA90	-	-	(582)	(0.06)%	
AIN	The Company	Parent/Subsidiary	Purchases	4,244,333	44.82%	OA90	-	-	(995,444)	(99.08)%	
AIT	AEG	Fellow subsidiary	(Sales)	(252,276)	(5.86)%	OA60	-	-	900,067	48.56%	
AIT	AEG	Fellow subsidiary	Purchases	3,872,482	94.25%	OA60	-	-	(15,866)	(55.70)%	
AJC	The Company	Parent/Subsidiary	Purchases	1,493,314	97.02%	OA60	-	-	(970,810)	(93.37)%	
ALIN	AIL	Fellow subsidiary	Purchases	327,647	100.00%	OA120	-	-	(96,076)	(99.92)%	
AMEX	AAC	Fellow subsidiary	Purchases	1,831,758	100.00%	OA60	-	-	(385,231)	(100.00)%	
AMI	AIN	Fellow subsidiary	(Sales)	(3,107,010)	(99.72)%	OA90	-	-	582	7.86%	
AMI	AIN	Parent/Subsidiary	Purchases	359,615	11.09%	OA60	-	-	(13,244)	(2.20)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
AMI	The Company	Parent/Subsidiary	Purchases	2,676,504	82.51%	OA90	-	-	(555,097)	(92.08)%	
AOA	AOI	Parent/Subsidiary	Purchases	168,493	92.85%	OA90	-	-	(224,100)	(98.12)%	
AOC	ACCQ	Fellow subsidiary	(Sales)	(274,431)	(92.22)%	EM60	-	-	26,738	96.14%	
AOE	AOI	Parent/Subsidiary	Purchases	404,061	99.29%	OA60	-	-	(194,671)	(100.00)%	
APHI	The Company	Parent/Subsidiary	(Sales)	(204,754)	(6.43)%	OA60	-	-	59,587	22.68%	
APHI	The Company	Parent/Subsidiary	Purchases	2,389,336	86.22%	OA60	-	-	(532,357)	(91.48)%	
API	The Company	Parent/Subsidiary	(Sales)	(102,754)	(51.24)%	OA60	-	-	16,182	56.78%	
APL	ACG	Fellow subsidiary	(Sales)	(141,242)	(100.00)%	OA30	-	-	9,407	62.98%	
APX	ACF	Fellow subsidiary	(Sales)	(160,511)	(9.13)%	OA60	-	-	15,204	7.16%	
APX	ACG	Fellow subsidiary	(Sales)	(231,546)	(13.17)%	OA45	-	-	39,767	18.73%	
APX	ACZ	Fellow subsidiary	(Sales)	(177,290)	(10.08)%	OA90	-	-	26,958	12.70%	
APX	AEG	Fellow subsidiary	(Sales)	(644,861)	(36.68)%	OA60	-	-	52,803	24.87%	
APX	AIB	Fellow subsidiary	(Sales)	(134,904)	(7.67)%	OA60	-	-	29,114	13.71%	
ARU	ASIN	Fellow subsidiary	(Sales)	(154,416)	(100.00)%	OA60	-	-	12,088	100.00%	
ASC	AAC	Fellow subsidiary	Purchases	728,672	84.08%	OA60	-	-	(93,693)	(51.84)%	
ASC	The Company	Parent/Subsidiary	Purchases	134,189	15.48%	OA60	-	-	(7,639)	(4.23)%	
ASIN	ACZ	Fellow subsidiary	Purchases	230,913	1.18%	OA30	-	-	(17,439)	(0.74)%	
ASIN	AEG	Fellow subsidiary	Purchases	18,640,638	95.19%	OA60	-	-	(2,161,708)	(91.45)%	
ASIN	ARU	Fellow subsidiary	Purchases	154,416	0.79%	OA60	-	-	(12,088)	(0.51)%	
ASSB	HSN	Fellow subsidiary	(Sales)	(112,401)	(3.81)%	OA60	-	-	7,610	4.47%	
ASSB	SMA	Parent/Subsidiary	(Sales)	(411,108)	(12.80)%	OA60	-	-	-	-	
ASSB	The Company	Parent/Subsidiary	Purchases	2,365,200	90.21%	OA60	-	-	(535,730)	(97.75)%	
ASZ	AEG	Fellow subsidiary	(Sales)	(126,574)	(5.22)%	OA60	-	-	232,080	51.97%	
ASZ	AEG	Fellow subsidiary	Purchases	2,047,700	90.56%	OA60	-	-	(10,413)	(98.04)%	
ATB	AAC	Fellow subsidiary	Purchases	271,139	2.09%	OA60	-	-	(34,368)	(1.51)%	
ATH	The Company	Parent/Subsidiary	Purchases	4,489,999	80.41%	OA60	-	-	(636,650)	(93.54)%	
AUK	AEG	Fellow subsidiary	Purchases	6,330,433	97.56%	OA60	-	-	(1,895,944)	(99.33)%	
AVN	The Company	Parent/Subsidiary	(Sales)	(118,420)	(31.98)%	OA60	-	-	30,868	62.27%	
AVN	The Company	Parent/Subsidiary	Purchases	142,574	67.07%	OA60	-	-	-	-	
Bluechip	ACA	Fellow subsidiary	Purchases	162,433	4.19%	EM30	-	-	(23,743)	(4.29)%	
Bluechip	MIA	Parent/Subsidiary	Purchases	115,045	2.97%	EM30	-	-	(108,923)	(19.69)%	
CPY	AEG	Fellow subsidiary	Purchases	1,214,566	90.55%	OA60	-	-	(304,759)	(94.02)%	
CRI	PAM	Fellow subsidiary	Purchases	876,523	48.60%	TT60	-	-	(152,244)	(99.83)%	
ENNL	AEG	Fellow subsidiary	(Sales)	(193,794)	(100.00)%	OA30	-	-	26,786	100.00%	
HSN	ASSB	Fellow subsidiary	Purchases	112,401	73.36%	OA60	-	-	(7,610)	(49.47)%	

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others(Note 1)		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
MIA	Bluechip	Parent/Subsidiary	(Sales)	(115,045)	(66.43)%	EM30	-	-	108,923	94.84%	
SER	AEG	Fellow subsidiary	Purchases	1,559,211	100.00%	OA60	-	-	(279,817)	(99.33)%	
SMA	ASSB	Parent/Subsidiary	Purchases	411,108	12.57%	OA60	-	-	-	-	

Note 1: The trade terms and price of sales with related parties are not comparable to those with third-party customers as they are determined by the economic environment and market competition of specific locations.

The purchase price with related parties are not comparable to the purchase price with third-party vendors as the specifications of products are different.

Note 2: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Acer Incorporated and Subsidiaries
Receivables from related parties which exceed NT$100 million or 20% of the paid-in capital
December 31, 2022

Table 6

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AAC	Parent/Subsidiary	2,008,759	4.56	-	-	926,743	-	
The Company	ACA	Parent/Subsidiary	1,252,722	3.06	752,848	Under collection	965,158	-	
The Company	ACCQ	Parent/Subsidiary	369,683	21.16	-	-	369,683	-	
The Company	ACNZ	Parent/Subsidiary	149,370	3.23	103,725	Under collection	149,370	-	
The Company	ACS	Parent/Subsidiary	107,310	4.41	-	-	106,161	-	
The Company	AEG	Parent/Subsidiary	607,349	17.25	-	-	190,323	-	
The Company	AFE	Parent/Subsidiary	458,021	5.33	69,777	Under collection	33,480	-	
The Company	AIL	Parent/Subsidiary	3,491,157	1.86	729,842	Under collection	1,293,579	-	
The Company	AIN	Parent/Subsidiary	995,693	2.35	-	-	514,137	-	
The Company	AJC	Parent/Subsidiary	981,656	1.77	602,730	Under collection	307,538	-	
The Company	AMI	Parent/Subsidiary	555,204	7.28	8,036	Under collection	276,262	-	
The Company	APHI	Parent/Subsidiary	534,957	4.20	37,768	Under collection	314,837	-	
The Company	ASSB	Parent/Subsidiary	535,730	4.32	337,627	Under collection	230,319	-	
The Company	ATH	Parent/Subsidiary	636,650	4.20	326,676	Under collection	589,855	-	
The Company	ALT	Parent/Subsidiary	144,693	7.37	27	Under collection	5,102	-	
The Company	ITS	Parent/Subsidiary	411,943	3.95	205	Under collection	413	-	
The Company	WLII	Parent/Subsidiary	263,164	9.08	-	-	251,776	-	
ABH	ABST	Parent/Subsidiary	101,303	-	-	-	-	-	
AGM	AGPH	Parent/Subsidiary	220,353	1.34	58,319	Under collection	213,737	-	
AOI	AOA	Parent/Subsidiary	224,100	0.82	196,233	Under collection	7,074	-	
AOI	AOE	Parent/Subsidiary	194,671	2.58	102,787	Under collection	63,760	-	
AOI	The Company	Parent/Subsidiary	385,516	6.47	-	-	385,516	-	
AGT	The Company	Parent/Subsidiary	174,848	5.70	72,885	Under collection	107,401	-	
WLII	CRI	Parent/Subsidiary	155,325	-	-	-	-	-	Note 2
PAM	CRI	Fellow subsidiary	152,244	6.36	-	-	38,947	-	
AAC	AMEX	Fellow subsidiary	385,231	5.80	351,108	Under collection	322,879	-	

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
AAC	ASC	Fellow subsidiary	503,387	8.94	2,367	Under collection	2,339	-	
AAH	AAC	Parent/Subsidiary	4,644,919	-	-	-	-	-	
ACCN	ACCQ	Fellow subsidiary	137,377	3.20	-	-	-	-	
ACCQ	The Company	Parent/Subsidiary	274,215	-	-	-	-	-	
ACF	AEG	Fellow subsidiary	1,360,946	0.27	32,477	Under collection	32,477	-	
ACG	AEG	Fellow subsidiary	2,058,090	0.26	-	-	-	-	
ACH	AEG	Fellow subsidiary	406,881	0.07	6,511	Under collection	6,511	-	
AEG	AEH	Parent/Subsidiary	137,954	0.40	-	-	-	-	
AEG	The Company	Parent/Subsidiary	2,014,650	-	-	-	-	-	
AEG	ACF	Fellow subsidiary	1,712,753	4.41	699,467	Under collection	688,803	-	
AEG	ACG	Fellow subsidiary	3,737,706	3.52	1,417,196	Under collection	737,545	-	
AEG	ACH	Fellow subsidiary	937,216	4.10	556,309	Under collection	547,905	-	
AEG	AIB	Fellow subsidiary	859,846	4.88	468,021	Under collection	458,726	-	
AEG	ASIN	Fellow subsidiary	2,161,708	4.54	-	-	-	-	
AEG	AUK	Fellow subsidiary	1,895,944	3.08	1,162,773	Under collection	1,130,425	-	
AEG	CPY	Fellow subsidiary	304,759	3.61	-	-	-	-	
AEG	SER	Fellow subsidiary	279,817	4.96	-	-	-	-	
AIB	AEG	Fellow subsidiary	690,995	0.46	-	-	-	-	
AIT	AEG	Fellow subsidiary	900,067	0.28	-	-	-	-	
ASC	AAC	Fellow subsidiary	292,373	27.44	-	-	-	-	
ASIN	AEG	Fellow subsidiary	485,200	-	-	-	-	-	
ASZ	AEG	Fellow subsidiary	232,540	0.50	-	-	-	-	
AUK	AEG	Fellow subsidiary	515,237	0.11	-	-	-	-	
Bluechip	MIA	Parent/Subsidiary	108,960	-	1,472	Under collection	30	-	
GWI	AAC	Parent/Subsidiary	446,801	-	-	-	-	-	
MIA	Bluechip	Parent/Subsidiary	108,923	2.11	-	-	-	-	

Note 1: The above transactions between parent and subsidiary are eliminated when preparing the consolidated financial statements.

Note 2: Receivables are financing and interest receivables, not applicable.

Acer Incorporated and Subsidiaries
Business relationships and significant intercompany transactions
December 31, 2022

Table 7

(Amounts in Thousands of New Taiwan Dollars)

Intercompany relationships and significant intercompany transactions for the year ended December 31, 2022 were as follows:

Number	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Account	Amount	Transaction Terms	
0	The Company	ACA	1	Sales	5,346,411	OA60	1.94%
0	The Company	ATH	1	Sales	4,489,999	OA60	1.63%
0	The Company	ACCQ	1	Sales	12,460,328	OA60	4.52%
0	The Company	AAC	1	Sales	39,345,499	OA90	14.29%
0	The Company	AIN	1	Sales	4,244,333	OA90	1.54%
0	The Company	AIL	1	Sales	7,928,004	OA150	2.88%
0	The Company	AEG	1	Sales	62,204,606	OA60	22.59%
0	The Company	AAC	1	Accounts receivable	2,008,759	OA90	1.06%
0	The Company	AIL	1	Accounts receivable	3,491,157	OA150	1.85%
1	AEG	ASIN	3	Sales	18,640,638	OA60	6.77%
1	AEG	ACG	3	Sales	18,376,210	OA60	6.67%
1	AEG	AUK	3	Sales	6,330,433	OA60	2.30%
1	AEG	ACF	3	Sales	7,995,951	OA60	2.90%
1	AEG	ACH	3	Sales	3,824,276	OA60	1.39%
1	AEG	AIT	3	Sales	3,872,482	OA60	1.41%
1	AEG	AIB	3	Sales	4,042,590	OA60	1.47%
1	AEG	The Company	2	Accounts receivable	2,014,650	OA60	1.07%
1	AEG	ASIN	3	Accounts receivable	2,161,708	OA60	1.14%
1	AEG	ACG	3	Accounts receivable	3,737,706	OA60	1.98%
1	AEG	AUK	3	Accounts receivable	1,895,944	OA60	1.00%

Number	Company Name	Counterparty	Nature of Relationship	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets
				Account	Amount	Transaction Terms	
2	AMI	AIN	2	Sales	3,107,010	OA90	1.64%
3	ACG	AEG	3	Accounts receivable	2,058,090	OA60	1.09%
4	AAH	AAC	1	Other receivable	4,644,919	-	2.46%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

Note 2: The relationships with counter party are as follows:

No. 1 represents the transactions from parent company to subsidiary.

No. 2 represents the transactions from subsidiary to parent company.

No. 3 represents the transactions from subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net revenue or total assets.

The corresponding purchases and accounts payables are not disclosed.

Acer Incorporated and Subsidiaries
Names, Locations, and Related Information of Investees over which The Company Exercises Significant Influence
December 31, 2022

Table 8

(Amounts in Thousands of New Taiwan Dollars/Shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
The Company	ADSC	Taiwan	Investment and holding activity	1,143,730	1,143,730	66,215	100.00	1,268,035	66,215	100.00	47,216	47,216	Parent/Subsidiary
The Company	Boardwalk	British Virgin Islands	Investment and holding activity	41,496,383	41,496,383	1,263,432	92.02	28,595,246	1,263,432	92.02	403,836	371,591	Parent/Subsidiary
The Company	AEH	Switzerland	Investment and holding activity	2,464,262	2,464,262	147	100.00	19,359,626	147	100.00	331,884	331,884	Parent/Subsidiary
The Company	AHI	British Virgin Islands	Investment and holding activity	6,230,208	6,230,208	191,155	100.00	16,338,839	191,155	100.00	11,811	11,811	Parent/Subsidiary
The Company	Bluechip	Australia	Sale of computer peripherals and software system	43,407	43,407	1,421	24.86	92,038	1,421	28.10	36,737	9,315	Parent/Subsidiary
The Company	ASCBVI	British Virgin Islands	Investment and holding activity	5,658,111	5,658,111	158,475	100.00	3,271,416	158,475	100.00	(18,676)	(18,676)	Parent/Subsidiary
The Company	CCI	Taiwan	Investment and holding activity	1,299,817	1,299,817	-	100.00	615,773	-	100.00	3,997	3,997	Parent/Subsidiary
The Company	ACSI	Taiwan	Cyber security service	1,362,550	1,139,390	13,296	59.78	722,725	13,296	64.54	155,366	95,406	Parent/Subsidiary
The Company	WLII	Taiwan	Sale of computers and communication products	728,694	728,694	48,073	58.93	1,211,483	48,073	58.93	415,049	244,574	Parent/Subsidiary
The Company	AGT	Taiwan	Research, design and sale of smart handheld products and peripheral 3C products	6,993,697	6,826,148	39,309	65.51	2,232,474	39,308	100.00	132,552	90,223	Parent/Subsidiary
The Company	ABH	Taiwan	Investment and holding activity	2,128,004	2,128,004	130,308	100.00	1,954,777	130,308	100.00	156,011	156,011	Parent/Subsidiary
The Company	ASBZ	Taiwan	Solutions provider of B2B virtual reality	395,981	395,981	441	66.81	7,649	441	66.81	692	462	Parent/Subsidiary
The Company	EDC	Taiwan	Business continuity plan and IT operation outsourcing services	-	518,167	-	-	-	44,462	100.00	89,192	-	Parent/Subsidiary
The Company	AOI	Taiwan	Sale, manufacture, import and export of commercial computer products, software, components, peripheral equipment and apparatus; repair and maintenance service of computer products	333,155	333,155	28,970	40.55	347,183	28,970	40.55	216,560	89,063	Parent/Subsidiary
The Company	HSNC	Taiwan	After-sale and value-added services of IT products	102,419	107,429	10,242	63.18	125,938	10,743	66.27	22,285	12,980	Parent/Subsidiary
The Company	SFT	Taiwan	Research, manufacturing and sale of radio-detection and civilian technology application products related to distance	132,000	132,000	13,200	55.00	53,733	13,200	55.00	(32,488)	(17,868)	Joint Venture
The Company	AST	Taiwan	System integration service	288,390	82,577	11,349	56.75	396,941	11,349	56.75	75,902	42,881	Parent/Subsidiary
The Company	API	Taiwan	Intelligent solutions of air quality	271,642	93,365	22,484	89.94	267,573	22,484	100.00	(622)	(543)	Parent/Subsidiary
The Company	AGM	Taiwan	Agency of video game console and peripherals	893,639	107,851	24,449	69.85	799,007	24,449	100.00	39,840	28,670	Parent/Subsidiary
The Company	AAM	Taiwan	Property held and related management business	1,077,189	1,077,189	107,719	100.00	1,075,017	107,719	100.00	(2,222)	(2,222)	Parent/Subsidiary
The Company	ABI	Taiwan	Sales of beverages and related products	15,000	-	1,500	100.00	5,151	1,500	100.00	(9,849)	(9,849)	Parent/Subsidiary
The Company	ASSB	Malaysia	Sale of brand-name IT products	1,193,559	-	30,969	100.00	1,404,134	30,969	100.00	20,408	194,934	Parent/Subsidiary
The Company	ACS	Singapore	Sale of brand-name IT products	171,997	-	3,985	100.00	223,952	3,985	100.00	7,072	38,755	Parent/Subsidiary
The Company	CHC	Taiwan	Energy technical services	50,000	-	5,000	41.67	49,513	5,000	41.67	(1,843)	(487)	Associate
ASBZ	VRE	Switzerland	Research of solutions to B2B virtual reality	-	38,979	-	-	-	100	100.00	145	Note 1	Parent/Subsidiary
HSNC	HSNT	Thailand	After-sale and value-added services of IT products	2,345	2,345	25	100.00	5,995	25	100.00	3,708	Note 1	Parent/Subsidiary
HSNC	HSNI	Indonesia	After-sale and value-added services of IT products	30,501	30,501	990	99.00	42,529	990	99.00	4,943	Note 1	Parent/Subsidiary
HSNC	HSN	Malaysia	After-sale and value-added services of IT products	87,268	83,802	1,000	100.00	104,332	1,000	100.00	24,488	Note 1	Parent/Subsidiary
HSNC	HSNP	Philippines	After-sale and value-added services of IT products	6,357	6,357	106	100.00	32,116	106	100.00	10,994	Note 1	Parent/Subsidiary
HSNC	HSNV	Vietnam	After-sale and value-added services of IT products	4,192	4,192	-	100.00	4,230	-	100.00	1,233	Note 1	Parent/Subsidiary
AST	ISU	Taiwan	Human resources and project service	20,000	20,000	2,000	100.00	40,798	2,000	100.00	17,891	Note 1	Parent/Subsidiary
AST	ASTA	U.S.A.	System integration service	14,000	14,000	1	100.00	20,867	1	100.00	11,236	Note 1	Parent/Subsidiary
AST	SPE	Taiwan	Plant engineering planning and construction	99,700	-	3,000	33.33	110,277	3,000	33.33	35,886	Note 1	Associate
ADSC	ECS	Taiwan	Business integration system	40,851	40,851	1,244	24.88	28,268	1,244	24.88	33,425	Note 1	Associate
ADSC	APDI	Taiwan	Solar optronics business	-	29,577	-	-	-	2,958	100.00	1,577	Note 1	Parent/Subsidiary
ADSC	ASDI	Taiwan	Hotel management service	-	500,000	-	-	-	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ADSC	KBest	Taiwan	Development and manufacturing of radio and microwave equipment	130,720	130,720	4,713	29.84	31,836	4,713	29.84	(4,617)	Note 1	Associate
ADSC	KTI	Taiwan	Manufacturing of lithium battery module	15,000	-	1,500	75.00	6,545	1,500	75.00	(11,274)	Note 1	Parent/Subsidiary
ADSC	AST	Taiwan	System integration service	8,998	-	200	1.00	6,994	200	1.00	75,902	Note 1	Fellow subsidiaries
ADSC	ACSI	Taiwan	Cyber security service	18,720	-	200	0.88	10,638	200	0.90	155,366	Note 1	Fellow subsidiaries

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balances as of December 31, 2022			Maximum ownership during 2022		Net Income (Loss) of the Investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (in thousands)	Percentage of Ownership	Carrying Value	Shares (in thousands)	Percentage of Ownership			
CCI	ECS	Taiwan	Business integration system	-	-	452	9.05	10,275	452	9.05	33,425	Note 1	Associate
WLII	HPT	Taiwan	Retail service of software	26,820	26,820	882	30.22	16,899	882	30.22	9,210	Note 1	Associate
WLII	WELL	Taiwan	Sales of 3C products and home appliances	10,000	10,000	1,000	100.00	26,616	1,000	100.00	16,737	Note 1	Parent/Subsidiary
WLII	ANT	Taiwan	OEM sales agent of mechanical components, automobiles and locomotives	203,052	203,052	6,000	20.00	317,502	6,000	20.00	394,843	Note 1	Associate
WLII	PBT	Taiwan	Sale of health supplements and biotech service	750	750	75	75.00	704	75	75.00	(7)	Note 1	Parent/Subsidiary
WLII	PGL	Cayman Islands	Investment and holding activity	-	337,906	-	-	-	2,550	51.00	64,986	Note 1	Parent/Subsidiary
WLII	Bluechip	Australia	Sale of computer peripherals and software system	22,411	-	434	7.59	22,719	434	8.31	36,737	Note 1	Fellow subsidiaries
WLII	PAM	Taiwan	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	628,483	-	14,340	62.53	591,945	14,340	62.53	4,486	Note 1	Parent/Subsidiary
PAM	PAL	British Virgin Islands	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	36,979	-	70	100.00	39,259	70	100.00	16,488	Note 1	Parent/Subsidiary
PAM	DCL	Samoa	Investment and holding activity	135,924	-	650	100.00	123,915	650	100.00	(11,221)	Note 1	Parent/Subsidiary
PAM	CRI	U.S.A.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	99,087	-	2,000	100.00	133,279	2,000	100.00	71,915	Note 1	Parent/Subsidiary
PAM	PRV	Vietnam	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	2,880	2,880.00	1	100.00	2,128	1	100.00	(652)	Note 1	Parent/Subsidiary
AEH	Boardwalk	British Virgin Islands	Investment and holding activity	3,333,032	3,333,032	109,639	7.98	2,485,368	109,639	7.98	403,836	Note 1	Fellow subsidiaries
ACTI	GrandPAD	U.S.A.	Development of user-friendly IoT device	350,477	350,477	436	28.85	182,967	436	28.88	(5,232)	Note 1	Associate
Bluechip	BLI	Taiwan	Sale of computer peripherals and software system	1,000	1,000	100	100.00	(2,654)	100	100.00	(1,040)	Note 1	Parent/Subsidiary
Bluechip	DTP	Australia	Investment and holding activity	110,110	110,110	1	100.00	115,329	1	100.00	902	Note 1	Parent/Subsidiary
Bluechip	BLNZ	New Zealand	Investment and holding activity	69,343	69,343	3,600	100.00	95,207	3,600	100.00	4,311	Note 1	Parent/Subsidiary
ABH	AEB	Taiwan	Providing solutions of cloud and digitalization	276,559	275,612	26,304	63.46	1,129,963	26,404	72.44	436,771	Note 1	Parent/Subsidiary
ABH	ACTTW	Taiwan	Development of Internet of Beings and cloud technology, and integration of cloud technology, software and hardware	955,056	955,056	2,900	100.00	(42,450)	2,900	100.00	(9,161)	Note 1	Parent/Subsidiary
ABH	MPS	Taiwan	Research, development, and sale of batteries	179,111	141,711	9,750	94.20	76,990	9,750	100.00	(23,280)	Note 1	Parent/Subsidiary
ABH	ALT	Taiwan	High performance computing, cloud computing, softwaredefined storage, and IT solution	78,613	78,613	6,581	78.59	65,666	6,581	78.59	1,338	Note 1	Parent/Subsidiary
ABH	ITS	Taiwan	Programs and services of intelligent transportation and electronic ticketing	394,772	394,772	34,308	94.41	31,478	34,308	94.41	(80,169)	Note 1	Parent/Subsidiary
ABH	AMED	Taiwan	Intelligent medical examination and data interpretation analysis, medical big data, and health management and related information exchange	267,834	83,490	10,279	67.51	175,605	10,279	67.51	(54,706)	Note 1	Parent/Subsidiary
ABH	ABC	Taiwan	Software design service	18,500	18,500	1,225	49.00	(11,789)	1,225	49.00	(11,494)	Note 1	Parent/Subsidiary
ABH	XPL	Taiwan	Design, development and sale of smart bicycle speedometer	38,173	38,173	2,310	100.00	14,152	2,310	100.00	1,623	Note 1	Parent/Subsidiary
ABH	AIC	Taiwan	Providing cloud technology and solutions	50,676	50,676	2,900	100.00	16,298	2,947	100.00	(556)	Note 1	Parent/Subsidiary
ACTTW	ABC	Taiwan	Software design service	76,371	76,371	1,275	51.00	(12,271)	1,275	51.00	(11,494)	Note 1	Parent/Subsidiary
ACTTW	ABST	Taiwan	Technical service and research of aBeing cloud digital content management	300,000	300,000	2,500	100.00	(63,553)	2,500	100.00	(492)	Note 1	Parent/Subsidiary
ABST	ABSG	Germany	Technical service and research of aBeing cloud digital content management	325,630	325,630	6,029	100.00	(22,597)	6,029	100.00	244	Note 1	Parent/Subsidiary
AEB	DIS	Taiwan	Wholesale of packaged software	10,125	-	675	20.00	10,785	675	20.00	12,401	Note 1	Associate
AGM	AGPH	Philippines	Agency of video game console and peripherals	8,340	-	154	100.00	17,133	154	100.00	8,609	Note 1	Parent/Subsidiary
AGM	WKC	Cayman Islands	Investment and holding activity	641,544	-	9,589	54.96	641,544	9,589	54.96	-	Note 1	Parent/Subsidiary
API	APDI	Taiwan	Solar optronics business	37,446	-	2,958	100.00	38,667	2,958	100.00	1,577	Note 1	Parent/Subsidiary
API	ASDI	Taiwan	Hotel management service	73,758	-	5,000	100.00	82,622	5,000	100.00	26,784	Note 1	Parent/Subsidiary
ACSI	ACAD	Taiwan	Cyber security training	10,000	10,000	1,000	100.00	5,922	1,000	100.00	(1,783)	Note 1	Parent/Subsidiary
ACSI	EDC	Taiwan	Uninterrupted operation and IT operation outsourcing services	475,748	-	44,462	100.00	564,183	44,462	100.00	89,192	Note 1	Parent/Subsidiary
AOI	Bluechip	Australia	Sale of computer peripherals and software system	36,915	36,915	570	9.97	37,003	570	11.27	36,737	Note 1	Fellow subsidiaries
AOI	AOA	U.S.A.	Sale of computer, apparatus system, and peripheral equipment	295,771	295,771	15,000	100.00	(169,763)	15,000	100.00	(646)	Note 1	Parent/Subsidiary
AOI	AOE	the Netherlands	Sale of computer, apparatus system, and peripheral equipment	214,094	214,094	1	100.00	(23,115)	1	100.00	(1,065)	Note 1	Parent/Subsidiary
AOI	AOTH	British Virgin Islands	Investment and holding activity	1,623	1,623	50	100.00	319,822	50	100.00	45,541	Note 1	Parent/Subsidiary
AOI	AOJ	Japan	Sale of computer, apparatus system, and peripheral equipment	2,899	2,899	1	100.00	28,413	1	100.00	727	Note 1	Parent/Subsidiary
AOI	AOSV	Taiwan	Sale of computer, apparatus system, and peripheral equipment	60,000	60,000	1,500	100.00	13,574	4,000	100.00	20	Note 1	Parent/Subsidiary
AOI	AOGS	Australia	Sale of computer, apparatus system, and peripheral equipment	2,956	2,956	105	70.00	9,195	105	70.00	(4,646)	Note 1	Parent/Subsidiary
AOI	HTW	Hong Kong	Software development and agency	-	405	-	-	-	-	100.00	5	Note 1	Parent/Subsidiary
AOI	AMTC	Taiwan	Manufacturing and sale of touch display, touch controller and its driver	363,284	376,238	6,399	16.60	348,265	6,399	17.28	312,302	Note 1	Associate
AOTH	GCL	Hong Kong	Sale of computer, apparatus system, and peripheral equipment	2,675	2,675	300	100.00	3,890	300	100.00	(1)	Note 1	Parent/Subsidiary
AOGS	AOAU	Australia	Sale of computer, apparatus system, and peripheral equipment	3	3	1	100.00	13,355	1	100.00	(4,646)	Note 1	Parent/Subsidiary

Note 1: The share of profits or losses of the investee company is not disclosed herein as such amount is already included in the share of profits or losses of the investor company.

Acer Incorporated and Subsidiaries
Information on Investments in Mainland China
For the year ended December 31, 2022

Table 9

(Amounts in Thousands of New Taiwan Dollars)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of Investee	% of Ownership of Direct or Indirect Investment	Maximum ownership during 2022		Share of profits/ losses of investee	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow				Shares	Percentage of Ownership			
Acer Third Wave Software (Beijing) Co. Ltd.	Sale of commercial and cloud application software and technical service	92,124	1	92,124	-	-	92,124	(6,480)	100.00	-	100.00	(6,480)	(7,364)	-
Acer Information (Zhong Shan) Co., Ltd.	Sale of brand-name IT products	46,062	2	-	-	-	-	3,569	100.00	-	100.00	3,569	221,950	-
Acer Computer (Shanghai) Ltd.	Sale of brand-name IT products	61,416	2	61,416	-	-	61,416	19,448	100.00	-	100.00	19,448	1,256,648	-
Acer (Chongqing) Ltd.	Sale of brand-name IT products	4,606,200	2	4,729,032 (Note 2)	-	-	4,729,032	(55,754)	100.00	-	100.00	(55,754)	4,487,516	-
Acer Cloud Technology (Chongqing) Ltd.	Design, development, sale, and advisory of computer software and hardware	153,540	1	153,540	-	-	153,540	(2,939)	100.00	-	100.00	(2,939)	28,662	-
Innovation and Commercialization Accelerator Inc.	Development, design, manufacturing, sale, and maintenance of intelligent terminal devices	26,708	1	(Note 3)	-	-	-	(4,013)	30.00	-	30.00	(1,204)	6,314	-
Xplova (Shanghai) Ltd.	Sale of smart bicycle speedometer and operating social platform for bicycle riding and sports	9,231	1	9,231	-	-	9,231	(276)	100.00	-	100.00	(276)	5,164	-
Consumer Insights Research (Chongqing) Inc.	Collection, analysis and research of data information	13,354	1	(Note 3)	-	-	-	(4,697)	30.00	-	30.00	(1,409)	7,272	-
Acer China Venture Corp	Fund company management	22,257	1	22,257	-	1,898	20,359	(118)	-	-	100.00	(117)	-	-
Acer China Venture Partnership (Limited Partnership)	Investment fund	66,770	1	62,319 (Note 4)	-	9,469	52,850	2	-	-	100.00	2	-	-
Sertec (Beijing) Ltd.	Repair and maintenance of IT products	4,451	1	4,451	-	-	4,451	68	100.00	-	100.00	68	9,163	-
Beijing Altos Computing Ltd.	High performance computing, cloud computing, software-defined storage, and IT solution	19,586	1	19,586	-	-	19,586	(2,029)	100.00	-	100.00	(2,029)	93,295	-
Shanghai AST Technology Service Ltd.	System integration service	19,973	1	19,973	-	-	19,973	713	100.00	-	100.00	713	29,842	-
GadgeTek (Shanghai) Limited	Sale of peripheral 3C products	15,354	1	15,354	-	-	15,354	11,184	100.00	-	100.00	11,184	46,583	-
AOPEN International (ShangHai) Co., Ltd	Sale of computer, apparatus system, and peripheral equipment	161,322	2	161,322	-	-	161,322	(2,864)	100.00	-	100.00	(2,864)	12,768	-
AOPEN Information Products (Zhongshan) Inc.	Manufacture and sale of computer parts and components	450,261	2	450,261	-	-	450,261	48,454	100.00	-	100.00	48,454	303,577	-
Protrade Shanghai Trading Co., Ltd.	Trade and distribution of synthetic and natural rubber, plastic resins and related fillers	19,960	2	-	-	-	-	(10,743)	100.00		100.00	(10,743)	120,897	-
Shanghai Winking Entertainment Limited	Holding activity, Art outsourcing and Game development headquarter	446,030	2	-	-	-	-	-	54.96	-	54.96	-	158,855	-
Shanghai Wishing Entertainment Limited	Management of collaborative art design and IP licensing in Mainland China	92,000	2	-	-	-	-	-	54.96	-	54.96	-	9,053	-
Nanjing Winking Entertainment Ltd	Art outsourcing	88,847	2	-	-	-	-	-	54.96	-	54.96	-	114,213	-

Note 1: Method of Investment:

Type 1: Direct investment in Mainland China.

Type 2: Indirect investment in Mainland China through a holding company established in other countries.

Note 2: Acer Intellectual (Chongqing) Limited had merged with Acer (Chongqing) Ltd. in 2014, and Acer (Chongqing) Ltd. was the surviving entity from the merger. This amount included the original investment in Acer Intellectual (Chongqing) Limited of $122,832 (US$ 4,000 thousand).

Note 3: Innovation and Commercialization Accelerator Inc. and Consumer Insights Research (Chongqing) Inc. were reinvested by Acer Cloud Technology(Chongqing) Ltd.

Note 4: Acer China Venture Partnership was invested by the Company and Acer China Venture Corp of $60,533 and $4,324, respectively.

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2022 (Note 5)(Note 6)(Note 7)(Note 8)	Investment Amounts Authorized by Investment Commission, MOEA (Note 5)(Note 6)(Note 7)(Note 8)	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company and Subsidiaries	$5,791,757 (US$188,607,415)	$7,893,171 (US$257,039,530.8)	(Note)

Note 5: In September, 2008, AOI had disposed all shares of JNS Technology Co., Ltd., and the proceeds from the disposal of US$ 730,000 had been remitted to AOI in March 2010.

AOI has not yet to report to MOEA, therefore, the amout of US$ 1,645,200 was still included the original investment in JNS Technology Co., Ltd.

Note 6: T-Conn Precision(Zhongshan) Co., Ltd., indirectly invested by AOI, had been dissolved and the related liquidation process has been completed. The liquidation proceeds of US$ 31,549.06 (according to ownership percentage of 19%) has been remitted to Super Elite Ltd., a holding company established in other countries. On March 12, 2010, AOI has obtained MOEA's approval to withdraw its investment. However, the amount of accumulated investment in Mainland China still included the amount of US$ 57,000 due to the liquidation of capital which has yet to be remitted to Taiwan.

Note 7: As a result of the acquisition of WKC, AGM indirectly acquired its investment of WKSH located in Mainland China, and meanwhile accumulated the investments in Mainland China amounting to US$16,033,042.

Note 8: AGM made indirect investment in Mainland China through a holding company (WKC) established in other countries.

The above amounts were translated into New Taiwan dollars at the exchange rate of US$1=NT$30.708 as of December 31, 2022.

Note: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limitation on investment in Mainland China.